

PORT OF HOOD RIVER COMMISSION
Tuesday, December 17, 2013
Marina Center Boardroom
5:00 p.m.

Regular Session Agenda

1. Call to Order
 - a. Modifications, Additions to Agenda
 2. Public Comment (5 minutes per person per subject; 30 minute limit)
 3. Consent Agenda
 - Approve Minutes of November 19, 2013 and December 3, 2013 Regular Session Meetings
 - Approve Lease Addendum No. 2 with Hearts of Gold in the Marina Park Office Building
 - Approve Lease Addendum No. 5 with Veolia Water North America-West in the Marina Park Office Building
 - Authorize Lease with the Walden for Congress in Marina Park DMV Building, Suite B
 - Authorize Lease with the United States Government in Marina Park DMV Building, Suite C
 - Approve Waterfront Site Assessment
 - Approve Accounts Payable to Jaques, Sharp, Sherrerd, Fitzsimons and Ostrye in the Amount of \$8,037.20
 4. Reports, Presentations and Discussion Items
 - Frontage Road Bicycle/Pedestrian Path – WH Pacific
 - Jensen Market Site Improvements
 - Kite Safety Video
 - Draft Financial Policies
 5. Director's Report
 6. Commissioner, Committee Reports
 - Urban Renewal – Streich/Shortt
 - Oregon Business Plan Leadership Summit – Jon Davies
 7. Action Items
 - a. Authorize Amendment No. 3 to the Purchase and Sale Agreement with NBW Hood River, LLC
 - b. Authorize Amendment No. 2 to the Memorandum of Agreement with Hood River Juice Company
 8. Commission Call
-
9. Executive Session under ORS 192.660(2)(e) Real Property
 10. Possible Action
 11. Adjourn

If you have a disability that requires any special materials, services, or assistance, please contact us at 541-386-1645 so we may arrange for appropriate accommodations.

*The chair reserves the opportunity to change the order of the items if unforeseen circumstances arise. The Commission welcomes public comment on issues not on the agenda during the public comment period. With the exception of factual questions, the Commission does not immediately discuss issues raised during public comment. The Commission will either refer concerns raised during public comment to the Executive Director for a response or will request that the issue be placed on a future meeting agenda. People distributing copies of materials as part of their testimony should bring **10 copies**. Written comment on issues of concern may be submitted to the Port Office at any time.*

**Port of Hood River Commission
Meeting Minutes of November 19, 2013 Regular Session
Marina Center Boardroom
5:00 PM**

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

Present: Commissioners Jon Davies, Fred Duckwall, Rich McBride, Brian Shortt and Hoby Streich; Attorney Jerry Jaques; from staff, Michael McElwee, Fred Kowell and Mellissa Halseth

Absent: None

Media: None

1. CALL TO ORDER: President Rich McBride called the meeting to order at 5:01 p.m.
a. Modifications, Additions to Agenda: Move Marina Policies and Rates to beginning of Discussion Items.

2. PUBLIC COMMENT: None.

3. CONSENT AGENDA:

- Approve Minutes of November 5, 2013 Fall Planning Work Session and Regular Session Meeting
- Authorize Appointment of Christine Plourde to the Waterfront Recreation Committee with Term Ending June 2016
- Approve Amendment to Lease with State of Oregon
- Approve Accounts Payable to Jaques, Sharp, Sherrerd, FitzSimons & Ostrye in the Amount of \$8,770.60

Motion: Move to approve Consent Agenda

Move: Duckwall

Second: Shortt

Vote: **Aye:** Davies, Duckwall, McBride, Shortt and Streich

MOTION CARRIED

4. REPORTS, PRESENTATIONS AND DISCUSSION ITEMS:

- Marina Policies and Rates – Mellissa Halseth, Marina Manager gave a brief overview of the few regulations that were changed for 2014, including utility charges, subletting and a new waitlist policy. The Commission was in favor of the South Basin Dock Seasonal Lottery that would allow the community to enter into a drawing for six available seasonal slips. The Commission consensus was to raise the boat slip and boathouse rates by 2.2% CPI. The actual costs of the Marina Electrical upgrade have been finalized and boat slip tenants will pay a total assessment of \$442.55. Boathouse tenants will pay \$1,650.77 for the Marina Electrical upgrade as well as the boathouse dock replacement project. This assessment will be trued up for 2015 after the project is complete and actual costs are determined.
- Bridge Deck Welding Update – Matt Deml, HNTB gave an update on the weld cracking and repairs that are being done. Test welds were completed October 24-25. There will be a one-month inspection November 25 and three-month inspections will follow through late July 2014. Michael McElwee, Executive Director mentioned that there were still funds available in the contract with Bulldog Welding and they would continue to weld as weather permits. Deml explained that the steel deck was built for strength and not fatigue. Most of the broken welds are due to fatigue directly under the wheel paths and continues to spread over the deck. Deml suggests revising the improvement plan to replace the deck in 10 years. Deml will provide staff with an updated welding plan.
- T-Hangar Rates – Commission consensus was to raise 2014 T-Hangar rates by 2.2% CPI,

- Strategic Business Plan – McElwee reviewed specific sections with the Commission for input and discussion. Staff was directed to look for funding for a Marina Beach handicap fishing platform. A final draft of the Strategic Business Plan will be available at the December 3 meeting.

5. DIRECTOR'S REPORT: McElwee highlighted the following areas:

- Staff/Administration – McElwee has asked Larry Brown to assist with real estate projects and Lot 1 development. Microsoft will no longer be supporting Windows XP, which is the system that runs BreezeBy. A new operating system will likely be in the 2014-15 Budget.
- Waterfront Recreation – McElwee reviewed the timeline related to the Marina electrical power outage. As a result, staff will be installing a stronger lock for the main power panel as well a signage. McElwee will be addressing employees regarding the issues with on-call procedures. Staff will request a quote for a mega-ohm test on the feeder cables into the marina to assure there is not any power leakage.
- Waterfront Development – Ryan's Juice has removed all trucks from the 2nd/Riverside lot as per the City's request.
- Bridge/Transportation – Last week law enforcement pursued a vehicle across the bridge during the welding operation. It was noted that the Port flagging crew responded in an extremely professional manner.

6. Commissioner, Committee Reports:

- Marina Ad-hoc Committee – Commissioner Davies reported on the November 12 meeting. Staff updated the committee on the recent power outage in the Marina and the events that followed. There was consensus on the final draft of the boathouse lease. The revised rules and South Basin dock lottery were also reviewed.
- Gorge Innoventure Update – Davies informed on the happenings of Gorge Innoventure which included that Bill Fashing has resigned. Davies feels the business is moving forward.
- Urban Renewal Agency – Commissioner Streich reported on the November 12 meeting where the main focus was on the sidewalk at Front and State Streets. There will be a special meeting on November 25 to discuss the restrooms.
- Gorge Ports Meeting – The meeting was held on November 14. Three other Ports attended and discussed how they could work together through the National Scenic Act. The next meeting will be in January.

7. ACTION ITEMS:

- a) Approve Boathouse Lease Effective January 1, 2014:** Commissioner Shortt verified that if necessary the Port has the option to move the boathouses to another area in the Marina.

Motion: Move to Approve Boathouse Lease Effective January 1, 2014

Move: Duckwall

Second: Davies

Vote: **Aye:** Davies, Duckwall, McBride, Shortt and Streich

MOTION CARRIED

- b) Authorize Contract with Walker/Macy for Nichols Basin Bicycle/Pedestrian Path Not to Exceed \$48,750 Plus Reasonable Reimbursable Expenses:** The west edge of Nichols Basin is the most challenging area and has generated more public interest than any other part of Lot 1. Staff believes it would be better to resolve any concerns sooner rather than later to allow progress on the planning work for the rest of Lot 1. The Port has received ODPR grant funds that must be utilized in the next two years. The grant requires that a contractor be selected by December 2014. The Port also has the opportunity to apply for Connect V grants, but the project would need to be shovel ready. Walker/Macy is recommended lead to provide landscape architecture designs.

Motion: Move to Authorize Contract with Walker/Macy for Nichols Basin
Bicycle/Pedestrian Path Not to Exceed \$48,750 Plus Reasonable Reimbursable
Expenses

Move: Duckwall

Second: Streich

Vote: Aye: Davies, Duckwall, McBride, Shortt and Streich

MOTION CARRIED

8. COMMISSION CALL: Streich mentioned that Commissioner Griffith from The Dalles would like to touch base with staff on the Strategic Business Plan. Davies said that ex-Commissioner Percy Jensen wanted to provide history of the Event Site to the Hood River News. McBride stated that Greg Stiegel, Director of CGWA presented a stair step option for improvements at the Hook. The City said they would like the Port to install water, electric and landscaping along the Hook.

9. EXECUTIVE SESSION: Regular Session was recessed at 8:17 p.m. and the Commission was called into Executive Session under ORS 192.660(2)(e) Real Property and ORS 192.660(2)(f) Exempt Public Records. The Commission was called back into Regular Session at 9:21 p.m. There was no action as a result of Executive Session.

10. ADJOURN: President McBride adjourned the meeting at 9:21 p.m.

Respectfully submitted,

Mellissa Halseth

ATTEST:

Rich McBride, President, Port Commission

Hoby Streich, Secretary, Port Commission

**Port of Hood River Commission
Meeting Minutes of December 3, 2013 Regular Session
Marina Center Boardroom
5:00 PM**

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

Present: Commissioners Jon Davies, Rich McBride, Brian Shortt and Hoby Streich; Attorney Jerry Jaques; from staff, Michael McElwee, Fred Kowell and Mellissa Halseth

Absent: Commissioner Fred Duckwall

Media: Kirby Neumann Rea, Hood River News

1. CALL TO ORDER: President Rich McBride called the meeting to order at 5:02 p.m.

a. Modifications, Additions to Agenda: None

2. PUBLIC COMMENT: Tom Lichty, moorage tenant suggested the Port hire a Port Captain to assist with marina repairs and to be a presence on the docks. Lichty also suggested that the Port engage an electrical engineer regarding the power outage that occurred in October. Lichty requested the Commission reverse their decision to terminate his moorage slips. Bart Vervloet, moorage tenant spoke in support of Tom Lichty's tenancy. He also said he was disappointed in the management of the marina over the years and feels the Port has no credibility. Commissioner McBride explained that the board would discuss the marina issues later in the meeting.

3. CONSENT AGENDA:

- o None.

4. REPORTS, PRESENTATIONS AND DISCUSSION ITEMS:

- Strategic Business Plan – McElwee reviewed the Key Projects list with the Commission for input and discussion. He explained that the five-year capital list would roll up all of the projects that are included in the facilities plan. The Commission asked that staff clarify if repayment of entitlement funds is necessary.

5. DIRECTOR'S REPORT: McElwee highlighted the following areas:

- Schedule – Commission consensus was to hold one meeting in January on January 14.
- Staff/Administration – There is interest in having another Gorge wide Ports meeting in January. Commission consensus was for Directors to meet first before entire boards meet.
- Waterfront Recreation – There have been 15 slips vacated in 2013. These numbers are not any higher than previous years. Fred Kowell, Finance Manager presented revised Boathouse lease rates. There was a miscommunication between staff and Steve Tessmer on how the square foot would be figured. Commission consensus was to use \$1.02 per square foot for all boathouses.
- Waterfront Development – Slingshot has given a 90 day notice for their space in the Big 7 Building.
- Bridge/Transportation – Staff will be sending out a press release on the new BreezeBy transponder policy. All current BreezeBy users will be notified by email.

6. Commissioner, Committee Reports:

- Urban Renewal Agency – Commissioner Streich reported on the November 25 meeting where the board reviewed the restrooms plans. The plans were unanimously approved the plans. The budget for the project is \$220,000.

7. ACTION ITEMS:

a) Approve Contract with Flowing Solutions Inc., for the Hook West Launch Project Not to Exceed \$9,500: There are two funding sources that have been identified. The Columbia Gorge Windsurfing Association Board voted to contribute \$50,000 and the Hood River Valley Parks and Recreation Board agreed to contribute \$20,000. Estimated costs for the project are \$125,000. Flowing Solutions would provide preliminary engineering and COE/DSL permitting services.

Motion: Move to Approve Contract with Flowing Solutions Inc., for the Hook West Launch Project Not to Exceed \$9,500
Move: Shortt
Second: Davies
Vote: **Aye:** Davies, McBride, Shortt and Streich
Absent: Duckwall
MOTION CARRIED

8. COMMISSION CALL: Commissioner Davies has contacted staff to research the Port providing public SUP/Windsurfing storage at or near the Event Site. Staff will look for a partner to assist with management if storage is provided.

9. EXECUTIVE SESSION: Regular Session was recessed at 6:33 p.m. and the Commission was called into Executive Session under ORS 192.660(2)(e) Real Property. The Commission was called back into Regular Session at 8:02 p.m. There was no action as a result of Executive Session.

*Discussion: The Commission discussed the marina issues brought up in public comment. Staff was directed to make sure the safety ladders have been installed correctly and well as look into the types of bolts being used on the dock cleats. Commissioner Shortt requested staff send an email to the Commission President when there is any major incident on Port property. The Commission President can then determine if a notice should be sent out to the rest of the Commission. Shortt asked staff to look into a part-time position for repairs on the docks.

10. ADJOURN: President McBride adjourned the meeting at 8:16 p.m.

Respectfully submitted,

Mellissa Halseth

ATTEST:

Rich McBride, President, Port Commission

Hoby Streich, Secretary, Port Commission

Commission Memo

To: Commissioners
From: Michael McElwee
Date: December 17, 2013
Re: Addendum No. 2 to Lease Agreement with Hearts of Gold Caregivers

The Port and Hearts of Gold Caregivers entered into a lease agreement May 24, 2013 for tenant space in the Marina Park Office Building. This addendum formally corrects the building address and suite number, as requested by the U.S. Postal Service.

RECOMMENDATION: Approve Addendum No. 2 with Hearts of Gold Caregivers in the Marina Park Office Building.

ADDENDUM NO. 2 TO LEASE

Whereas, the Port of Hood River (“Lessor”) and Hearts of Gold Caregivers, LLC (“Lessee”) entered into a lease of 1,400 square feet at the Marina Park Office Building on May 24, 2013; and

Whereas, Lease Addendum No. 1, dated September 9, 2013 amended Section 5 of the lease to reflect increased costs of lease premises improvements; and

Whereas, Lessor and Lessee desire to amend the lease to reflect the proper U. S. Postal Service delivery mailing address and suite number,

Therefore, the parties agree as follows:

1. The address shall be commonly known as Suite 200 in the Marina Park Office Building located at 700 E. Port Marina Way, Hood River, Oregon 97031.
2. Except as modified by this Lease Addendum No. 2, all terms and conditions of the Lease shall remain in full force and effect.

DATED THIS ____ DAY OF _____, 2013

PORT OF HOOD RIVER,
An Oregon Municipal Corporation

By: _____
Michael S. McElwee, Port of Hood River Executive Director

HEARTS OF GOLD CAREGIVERS, LLC

By: _____
Thomas Keolker

Commission Memo

To: Commissioners
From: Michael McElwee
Date: December 17, 2013
Re: Addendum No. 5 to Lease Agreement with Veolia Water North America-West

The Port and Veolia Water, through John Herron, entered into a lease agreement May 1, 2010 for tenant space in the Marina Park Office Building. This addendum is a substitution of lessee, or "Novation," from Veolia Water to John Herron, who is now a private contractor.

RECOMMENDATION: Approve Addendum No. 5 to Lease with Veolia Water North America-West.

ADDENDUM NO. 5 TO LEASE – NOVATION (SUBSTITUTION OF LESSEE)

Whereas, the Port of Hood River (“Port”) and Veolia Water North America-West LLC (“Veolia”) entered into a lease of Port Office Building space by lease dated May 1, 2010, as amended by Addendum No. 1 on May 4, 2012, by Addendum No. 2 on June 6, 2012, by Addendum No. 3 on July 12, 2012, and by Addendum No. 4 on May 24, 2013 (“Lease”); and

Whereas, John Herron was an employee of Veolia and now is a private contractor, and John Herron and Veolia have requested that John Herron be substituted as Lessee under the Lease;

Therefore, the Port, Veolia and John Herron agree as follows:

1. Port releases Veolia from all obligations as Lessee under the Lease. Veolia releases the Port from all obligations as Lessor under the Lease.
2. The Lease remains in full force and effect. John Herron, as an individual, is and shall hereafter be the Lessee under the Lease. John Herron assumes all past, current and future Lease obligations, and agrees to comply with all Lease conditions. For purposes of Lease notices, John Herron’s address is 3104 Dana Lane, Hood River, Oregon 97031.
3. John Herron shall provide a new Certificate of Insurance to the Port of Hood River.
4. Except as modified by this Lease Addendum No. 5, all terms and conditions of the Lease shall remain in full force and effect.

DATED THIS _____ DAY OF _____, 2013

PORT OF HOOD RIVER

JOHN HERRON

By: _____
Michael S. McElwee, Executive Director

VEOLIA WATER NORTH AMERICA-WEST LLC

By: _____

Commission Memo

To: Commissioners
From: Michael McElwee
Date: December 17, 2013
Re: Walden for Congress, DMV Building Suite B Lease

Attached is a lease with Walden for Congress for Suite B in the Marina Park DMV Building that was formerly occupied by Hearts of Gold Caregivers. The Commission has previously reviewed a Term Sheet for this lease.

The proposed lease rate is \$1.25/s.f. (\$654 per month and \$7,845 per year) for the lease period January 1, 2014 through December 31, 2014 with an option to renew for one 2-year term.

This is a gross lease with the Port being responsible for maintaining the building shell and systems, exterior maintenance, and payment of utilities (gas and electric), water, sewer and garbage service.

This lease has been reviewed by legal counsel.

RECOMMENDATION: Authorize the lease with Walden for Congress in Marina Park DMV Building, Suite B.

LEASE

THIS LEASE is entered into at Hood River, Oregon by and between **PORT OF HOOD RIVER**, an Oregon municipal corporation, hereinafter referred to as "Lessor," and Walden for Congress, Inc. hereinafter referred to as "Lessee."

1. **Description.** In consideration of the covenants of the parties, Lessor leases to Lessee 523 square feet of space in the Port Marina Park Building #2 commonly known as the DMV Building ("building") located at 600 E. Port Marina Drive, Suite B, Hood River Oregon 97031, Oregon ("Leased Premises"). The Leased Premises are identified in the attached "Exhibit A."
2. **Term.** The lease term shall be for the period commencing on January 1, 2014, and continuing through December 31, 2014. If not in default, Lessee has the option to extend the lease for one (1) extension term of two (2) years, through December 31, 2016, provided Lessee gives Lessor written notice of Lessee's intent to renew the lease for the additional term while the lease is in effect. To be effective, Lessee's notice to renew must be given to Lessor no later than October 1 prior to the lease termination date.
3. **Rental.** Lease rate is Gross. Monthly Rent for the Leased Premises will be the following Monthly Base Rate, plus the applicable Consumer Price Index (CPI) Rate Adjustment, as set forth below:

<u>Space</u>	<u>Square Footage</u>	<u>Rate per s.f. per month</u>	<u>Monthly Base Rate</u>
Suite B January 1-December 31, 2014	523	\$1.25	\$654.00
January 1, 2015-December 31, 2016	523	Subject to annual CPI adjustment	

All rental amounts are payable in advance on the first day of each month commencing January 1, 2014.

Starting on January 1, 2015, and occurring annually thereafter, including any extensions of this lease, monthly rent will be adjusted by adding to the monthly rental amount payable during the previous 12-month period a percentage increase equal to the percentage change in the Consumer Price Index (CPI) for the most recent 12-month period for which a published CPI is available. The CPI figure will be taken from the index entitled U.S. City Average – all items and major group figures for all urban consumers, or, if such index is unavailable, will be taken from a similar index published by the United States Bureau of Labor Statistics. However, in no event will the annual increase be less than 1 percent.

4. **Use.** Lessee shall use the Leased Premises for office purposes and administration services and for activity reasonably related thereto. The Leased Premises shall not be used for any other purposes without the written consent of Lessor.

5. **Leased Premises Improvements.** Prior to occupancy, Lessor agrees to clean the carpet and paint the walls of the Leased Premises. Lessor also agrees to install a new, operable window and a handrail on the west steps, and will use its best efforts to cause completion of those improvements prior to May 1, 2014, or soon thereafter, however, Lessor does not represent or warrant that those improvements will be completed by May 1, 2014. Lessor's improvements may be modified by Lessor prior to or after commencement of construction. Lessor's improvements to the Leased Premises shall be deemed acceptable to the Lessee. If Lessee requests Lessor to make tenant improvement changes that will increase the construction cost or project soft costs, and Lessor in Lessor's discretion agrees to make changes, Lessor and Lessee will promptly execute a written agreement describing the changes and agree how the costs will be paid.
6. **Taxes.** Lessor shall pay all taxes on its personal property located on the Leased Premises. Lessor shall pay all real property taxes of governmental units assessed against the Leased Premises, and all real property taxes assessed against all inside and outside common areas of the building based on the amount of lease space occupied by Lessee as a percentage of the total lease space in the building.
7. **Utilities.** Lessor shall provide and pay for electric and gas utility services, sewer, water and garbage service for domestic purposes. In no event shall Lessor be liable for an interruption or failure in the supply of any utilities to the Leased Premises.
8. **Liability Insurance and Hold Harmless Agreement.** Lessee agrees to indemnify and save Lessor, Lessor's Port Commissioners, officers, employees and agents harmless from any claims by any persons, firms, or corporations arising from business conducted on the Leased Premises or from anything done by Lessee at the Leased Premises, and will further indemnify and save Lessor harmless from all claims arising as a result of any breach or default on the part of Lessee under the terms of this lease, or arising from any willful or negligent act or omission of Lessee's agents, contractors, employees, or licensees in or about the Leased Premises, and from all costs, counsel fees, and liabilities incurred in any action or proceeding brought thereon; and in case any action or proceeding is brought against Lessor by reason of any such claim, Lessee, upon notice from Lessor, covenants to resist and defend such action or proceeding by counsel.

Lessee agrees during the term hereof to keep a policy of general commercial liability insurance in effect with respect to the Leased Premises with minimum coverage of one million dollars (\$1 million) combined single limits. If Lessee renews this lease, at the outset of the renewal term Lessor may, with written notice, raise the minimum insurance requirement to an amount of insurance that is reasonably commercially available. The policy shall name Lessor as additional insured, and expressly include Lessor's Port Commissioners, officers, employees, and agents as additional named insured, and shall contain a clause that the insurer will not cancel or change the insurance without first giving

Lessor at least fourteen days prior written notice. The insurance shall be provided by an insurance company registered to do business in the State of Oregon, or by a company approved by Lessor. A copy of the policy or certificate of insurance shall be delivered to Lessor no later than three days after Lessee occupies the Leased Premises.

9. **Fire Insurance and Waiver of Subrogation.** If the Leased Premises or building where the Leased Premises are located are partially or totally destroyed by fire or other casualty, Lessor may decide to repair the Leased Premises or building, or not, in Lessor's sole discretion. Lessor shall notify Lessee in writing of Lessor's intent regarding repair within 30 days after the date of the damage. If Lessor notifies Lessee that Lessor does not intend to repair the damage the lease shall terminate effectively at the date of the damage. If Lessor notifies Lessee that Lessor intends to repair the damage the lease shall continue, and Lessor shall return the Leased Premises or building to as good a condition as existed prior to the damage, in a prompt manner reasonable under the circumstances. If Lessee's use of the Leased Premises is disrupted during Lessor's repairs a reasonable portion of the rent shall be abated during the disruption. In no event shall Lessor be required to repair or replace Lessee's property including Lessee's fixtures, furniture, floor coverings or equipment. In no event shall Lessee be entitled to recover damages from Lessor related to destruction of the Leased Premises or building, or related to repairs undertaken by Lessor. Each party shall provide its own insurance protection at its own expense, and each party shall look to its respective insurance carrier for reimbursement of loss, which may be insured against by a standard form of fire insurance with extended coverage. There shall be no subrogated claim by one party's insurance carrier against the other party arising out of any such loss.

10. **Lessee/Lessor Covenants.** Lessee shall not do anything which may damage the Leased Premises or any systems in the building or other areas surrounding the building. Lessee shall not be a nuisance or a menace to other tenants in the building. Lessee will not create or use hazardous substances, or dispose of hazardous waste of any kind, unless in strict compliance with environmental laws and regulations. Lessee, at Lessee's expense, shall be responsible to provide improvements and equipment, and to obtain any required permits or approvals necessary for Lessee to engage in activities at the Leased Premises. Lessee promises to comply with all laws, ordinances, and government regulations applicable to the Leased Premises and to Lessee's activities at the Leased Premises, and to comply with reasonable rules adopted by Lessor which apply to all tenants of the building.

Lessee shall not attach any fixtures or make any improvements or alterations to the Leased Premises without describing them in writing and receiving Lessor's prior written consent. Lessee shall not suffer or give cause for the filing of any lien against the Leased Premises.

Lessor shall maintain the building roof, bearing walls, exterior walls, windows and the drainage, plumbing, electrical, and heat and cooling systems installed by Lessor to the point at which they enter the Leased Premises. Lessor shall

maintain exterior common areas and landscaping, and provide ice and snow removal in the parking area outside the Leased Premises within a reasonable time after the Lessee requests removal, subject to availability of ice and snow removal equipment.

11. **Quiet Enjoyment.** From the date the lease commences Lessee will have the right to use the Leased Premises consistent with this lease without hindrance or interruption by Lessor or any other persons claiming by, through or under Lessor, subject, however, to the terms and conditions of this lease. The foregoing notwithstanding, Lessee agrees that Lessor may make improvements to the building and adjacent areas which may cause noise or otherwise temporarily disrupt Lessee's quiet enjoyment of the Leased Premises.
12. **Care of Leased Premises.** Lessee shall at all times keep the Leased Premises in as good condition as they are in at the outset of this lease, or if improvements are made thereafter in at least as good condition as after such improvements, and shall surrender the Leased Premises to Lessor in such good condition, reasonable wear and tear, or loss by fire or other casualty covered by insurance excepted.
13. **Fixtures and Personal Property.** Unless otherwise agreed in writing, all permanent improvements now located or hereafter placed on the Leased Premises during the term of the lease, other than Lessee's trade fixtures, equipment, and items related to Lessee's equipment, shall be the property of Lessor, and shall remain on the Leased Premises at the expiration or termination of the lease, provided that Lessor reserves the right within 30 days after the lease term ends to require Lessee to promptly remove any improvements which Lessee has placed on the Leased Premises at Lessee's expense, in a way which does not cause damage to the Leased Premises.

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

14. **Signs.** Lessee shall not erect or install any signs, flags, lights or advertising media nor window or door lettering or placards visible from outside the Leased Premises or visible from building common areas without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee agrees to maintain in good condition any signs or displays which are allowed.

15. **Employee Parking Areas.** Lessee shall have exclusive rights to use of three (3) exclusive parking spaces on the parking lot west of the building.
16. **Common Areas.** Lessee understands and agrees that other tenants may occupy the building. This lease grants to Lessee and to Lessee's agents, business invitees, customers and suppliers in connection with Lessee's business in the Leased Premises the non-exclusive right to use and enjoy throughout the existence of this lease all of the "outside common areas" associated with the building. "Outside Common areas" shall be defined as all areas and improvements outside the building provided by Lessor for the joint use or benefit of tenants, their customers and other invitees, including public parking areas, access roads, driveways, entrances and exits, landscaped areas, and sidewalks, excepting those parking spaces that may be designated for use by other building tenants. Use of available outside common areas shall be subject to like, non-exclusive use on the part of other tenants who occupy space in the building or any addition thereto, as well as their agents, employees, business invitees, customers and suppliers. Lessee agrees that its usage of such common areas shall not interfere with or be inconsistent with the similar rights of other tenants. All outside common areas shall be subject to the exclusive control and management of Lessor. Lessor shall have the right from time to time to establish, modify and enforce equitable rules with respect to all outside common areas, which Lessee agrees to abide by.

This lease additionally grants to Lessee and to Lessee's agents, employees, business invitees, customers and suppliers in connection with Lessee's business in the Leased Premises the non-exclusive right to use and enjoy throughout the existence of this lease all of the "inside common areas" associated with the building as shown on attached "Exhibit A". "Inside Common areas" shall be defined as all areas and improvements inside the building on the first floor provided by Lessor for the joint use or benefit of tenants, their employees, customers and other invitees, including restrooms vestibules and corridors. Use of available inside common areas shall be subject to like, non-exclusive use on the part of other tenants who occupy space in the building or any addition thereto, as well as their agents, employees, business invitees, customers and suppliers. Lessee agrees that its usage of such inside common areas shall not interfere with or be inconsistent with the similar rights of other tenants. All inside common areas shall be subject to the exclusive control and management of Lessor. Lessor shall have the right from time to time to establish, modify and enforce equitable rules with respect to all inside common areas, which Lessee agrees to abide by. Maintenance and cleaning service is provided to Lessee in common with other tenants of Lessor and Lessee shall pay a portion of the total cost of such service based on the amount of lease space occupied by Lessee as a percentage of the total lease space of all tenants who are using the same "inside common areas" in common with Lessee.

17. **Lessor's Access to Premises.** Lessor shall have the right to enter upon the Leased Premises at all reasonable hours after 24 hours oral notice (without notice to protect public health and safety in an emergency) for the purpose of

inspecting it, or to make repairs, additions or alterations to the premises or any property owned or controlled by Lessor. E-mail from Lessor to Lessee (or Lessee's on site manager) may serve as notice of inspection of the Leased Premises. If Lessor deems any repairs reasonably required to be made by Lessee to be necessary, Lessor may give notice that Lessee shall make the same within 30 days (immediately in an emergency involving public health and safety), and if Lessee refuses or neglects to commence such repairs and complete the same in a timely manner, Lessor may make or cause such repairs to be made. If Lessor makes or causes such repairs to be made Lessee agrees that it will, within 30 days, pay to Lessor the cost thereof.

18. **Entire Agreement; Amendments.** This lease contains the entire agreement of the parties with respect to the Leased Premises. No prior agreement, statement, or promise made by any party to the other not contained herein shall be valid or binding. This lease may not be modified, supplemented or amended in any manner except by written instrument signed by both parties.
19. **Waiver.** One or more waivers of any covenants or conditions by either party shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Lessor to any act by Lessee requiring Lessor's consent or approval shall not be construed as consent or approval to any subsequent similar act by Lessee.
20. **Assignment.** This Lease will not be assigned, subleased, or otherwise transferred except with the consent of Lessor, which consent may be granted or denied in Lessor's sole discretion.
21. **Default.** Time is of the essence of performance of all the requirements of this lease. If any rental or other sums payable by Lessee to Lessor shall be and remain unpaid for more than ten (10) days after the same are due and payable, or if Lessee shall fail to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within fourteen (14) days after written notice to Lessee specifying the nature of the default with reasonable particularity, or if Lessee shall declare bankruptcy or be insolvent according to law or if an assignment of Lessee's property shall be made for the benefit of creditors or if Lessee shall abandon the premises, then in any of said events Lessee shall be deemed in default hereunder. In the event of a default the lease may be terminated at the option of Lessor. If the lease is terminated, Lessee's liability to Lessor for rents and damages shall survive such termination and Lessor may re-enter, take possession of the premises, and remove any persons or property by legal action or by self help with the use of reasonable force and without liability for damages. The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Lessor under applicable law.
22. **Notices.** Whenever under this lease a provision is made for notice of any kind, it shall be deemed sufficient if such notice to Lessee is in writing delivered personally to Lessee's registered agent or to the person signing the lease, or sent by certified mail with postage prepaid to the address indicated on the

signature page of this lease; and if such notice is to Lessor, delivered personally to the Executive Director, 1000 E. Port Marina Drive, Hood River, OR 97031 or sent by certified mail with postage prepaid to the address indicated on the signature page of this lease. Notice shall be deemed given on the date of personal delivery or if mailed, two business days after the date of mailing.

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

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

DATED this _____ day of _____, 2013.

Lessee:

WALDEN FOR CONGRESS, INC.
Marta Simons
PO Box 1091
Hood River, Oregon 970341
(541) 387-4820
msimons@gregwalden.com

Lessor:

PORT OF HOOD RIVER
Michael McElwee
1000 E. Port Marina Drive
Hood River, Oregon 97031
541-386-1645
porthr@gorge.net

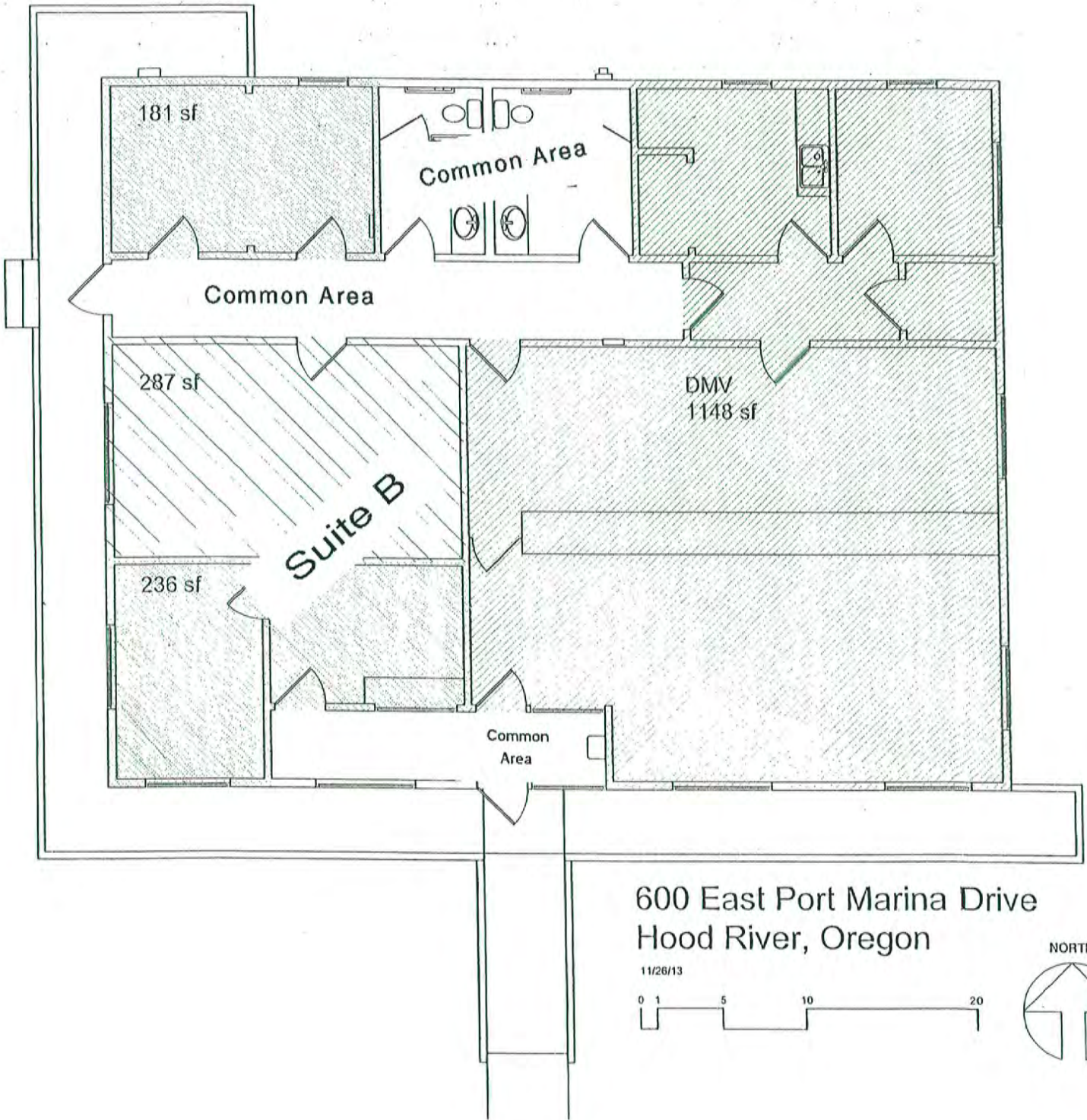
BY:

Marta Simons
Chief Financial Officer

BY:

Michael S. McElwee
Executive Director

Exhibit A



Commission Memo

To: Commissioners
From: Michael McElwee
Date: December 17, 2013
Re: U. S. Government Lease, DMV Building Suite C

Attached is a U.S. Government lease for Greg Walden, Congressman, for 181 square feet (Suite C) of the Marina Park DMV Building that was formerly occupied by Hearts of Gold Caregivers. The Commission has previously reviewed a Term Sheet for this lease.

The proposed lease rate is \$1.25/s.f. (\$226 per month and \$2,715 per year) for the lease period January 1, 2014 through January 2, 2015 with an option to renew for one 2-year term.

This is a gross lease with the Port being responsible for maintaining the building shell and systems, exterior maintenance, and payment of utilities (gas and electric), water, sewer and garbage service.

This lease has been reviewed by legal counsel.

RECOMMENDATION: Authorize a lease with the U. S. Government in Marina Park DMV Building, Suite C.

District Office Lease – Instructions

NO LEASE OR ATTACHMENT CAN BE SIGNED BEFORE THEY HAVE BEEN APPROVED FOR SIGNATURE BY THE ADMINISTRATIVE COUNSEL.

The term for a District Office Lease for the 113th Congress may not commence prior to January 3, 2013.

Members should endeavor to lease space through the last day of a congressional term rather than the last day of a calendar year. For the 113th Congress, leases should end on January 2, 2015, not December 31, 2014.

- The preamble has three blank lines to be filled in: (1) Landlord's name; (2) Landlord's address; and (3) Member/Member-Elect's name.
- Section 1 has three blank lines to be filled in: (1) Square footage of office that is being leased (optional); (2) Street address of office being leased; and (3) City, state and ZIP code where office is being leased.
- Section 2 has four boxes that can be checked on whether any parking is included in the lease – two of the options each have a blank line to be filled in if the lease includes any assigned and/or unassigned parking spaces.
- Section 3 has two blank lines to be filled in: (1) Date lease begins (must be on or after January 3, 2013); and (2) Date lease ends (must be on or before January 2, 2015).
- Section 4 has one blank line for the monthly rent amount (write "zero" if no rent is to be paid).
- Section 5 has one blank line – the number of days' notice required for either party to terminate the lease before the end of the term. A standard period is 30 days, but any figure is acceptable. If the lease may not be terminated early, enter "N/A" in this blank.
- Sections 1–10, other than filling in the blanks, may not be altered or deleted.
- Section 11 has space provided to list any additional lease provisions.
- **Prior to either party signing a lease, the Member/ Member-Elect must submit the proposed lease, accompanied by a copy of the District Office Lease Attachment for the 113th Congress, to the Administrative Counsel for review and approval.** If the proposed terms and conditions of the lease are determined to be in compliance with applicable law and House Rules and Regulations, the Administrative Counsel will notify the Member/Member-Elect that (s)he may proceed with the signing of the lease. Please submit the proposed lease and District Office Lease Attachment either by e-mail in PDF form (leases@mail.house.gov) or fax (202-225-6999).
- **The Member/ Member-Elect is required to personally sign the documents. A signed and dated District Office Lease Attachment must accompany this lease.**
- Once signed by both parties, the Lease and the District Office Lease Attachment must be submitted to the Administrative Counsel for final approval. They may be sent by email in PDF form or faxed to 202-225-6999, but the originals still must be submitted by inter office mail (217 Ford House Office Building, Washington, D.C. 20515) after emailing or faxing.
- If approved, Administrative Counsel will send them to Finance so that payment can begin. If there are errors, you will be contacted and required to correct them before the lease is approved.

U.S. House of Representatives

Washington, D.C. 20515

District Office Lease

(Page 1 of 2 – 113th Congress)

Pursuant to 2 U.S.C. § 57, and the Regulations of the Committee on House Administration (as modified from time to time by Committee Order) relating to office space in home districts,

Port of Hood River, 1000 E. Port Marina Drive, Hood River OR 97031
(Landlord's name) (Landlord's street address, city, state, ZIP code)

("Lessor"), and Greg Walden, a Member/Member-Elect of the U.S. House of Representatives ("Lessee"), agree as follows:

- Location.** Lessor shall lease to Lessee 181 square feet of office space located at Marina Park Office Building #2, 600 E. Port Marina Drive, Suite C
(Office street address)
in the city, state and ZIP code of Hood River OR 97031.
(Office city, state and ZIP)
- Parking.** The Lease includes (please check any and all that apply):
 - parking spaces that are assigned
 - 2 parking spaces that are unassigned
 - General off-street parking on an as available basis
 - No off-street parking
- Term.** Lessee shall have and hold the leased premises for the period beginning January 1, 20 14 and ending January 2, 20 15. The term of this District Office Lease ("LEASE") may not exceed two years and may not extend beyond January 2, 2015, which is the end of the constitutional term of the Congress to which the Member is elected.
- Rent.** The monthly rent shall be \$226.00, and is payable in arrears on or before the last day of each calendar month. Rent payable under this LEASE shall be prorated on a daily basis for any fraction of a month of occupancy.
- Early Termination.** This Lease may be terminated by either party giving 90 days' prior written notice to the other party. The commencement date of such termination notice shall be the date such notice is delivered or, if mailed, the date such notice is postmarked.
- Payments.** During the term of this Lease, rent payments under Section 4 shall be remitted to the Lessor by the Chief Administrative Officer of the U.S. House of Representatives ("CAO") on behalf of the Lessee.
- District Office Lease Attachment for 113th Congress.** The District Office Lease Attachment attached hereto is incorporated herein by reference, and this Lease shall have no force or effect unless and until accompanied by an executed District Office Lease Attachment for the 113th Congress.
- Counterparts.** This Lease may be executed in any number of counterparts and by facsimile copy, each of which shall be deemed to be an original but all of which together shall be deemed to be one and the same instrument.

U.S. House of Representatives

Washington, D.C. 20515

District Office Lease

(Page 2 of 2 – 113th Congress)

9. **Section Headings.** The section headings of this Lease are for convenience of reference only and shall not be deemed to limit or affect any of the provisions hereof.
10. **Modifications.** Any amendments, additions or modifications to this Lease inconsistent with Sections 1 through 9 above shall have no force or effect to the extent of such inconsistency.
11. **Other.** Additionally, the Lessor and the Lessee agree to the following:
Lease rate is Gross
Lessor shall pay for utilities (electric and gas), water, sewer and garbage service
Lessor shall install new, operable window and handrail on west steps by May 1, 2014, or soon thereafter
Lessor shall pay for exterior maintenance (snow plowing, parking cleaning, landscaping), roof/shell maintenance and cleaning of interior common hallway and restrooms)
Prior to occupancy, Lessor shall clean carpet and paint walls
Hallway and restrooms are used by adjacent tenant (State of Oregon Department of Transportation, Driver and Motor Vehicle Services Division)
Leased space identified on attached Exhibit A

IN WITNESS WHEREOF, the parties have duly executed this District Office Lease as of the later date written below by the Lessor or the Lessee.

Port of Hood River

Print Name (Lessor/Landlord)

Greg Walden

Print Name (Lessee)

Lessor Signature

Lessee Signature

Date

Date

This District Office Lease must be accompanied by an executed District Office Lease Attachment.

District Office Lease Attachment- Instructions

The District Office Lease Attachment (“Attachment”) is a four-page document that must accompany *every* Lease or District Office Lease Amendment (“Amendment”) that is submitted for a Member/Member-Elect’s District Office.

NO LEASE, AMENDMENT OR ATTACHMENT CAN BE SIGNED BEFORE THEY HAVE BEEN APPROVED FOR SIGNATURE BY THE ADMINISTRATIVE COUNSEL.

The term of a District Office Lease or Amendment for the 113th Congress may not commence prior to January 3, 2013.

Members should endeavor to lease space through the last day of a congressional term rather than the last day of a calendar year. For the 113th Congress, leases should end on January 2, 2015, not December 31, 2014.

Four things are required:

1. The signature of the Landlord and date;
2. The signature of the Member/ Member-Elect of Congress and date;
3. Contact information for the person in the Member/ Member-Elect’s office whom we should call if there are any problems or questions (scheduler, etc.); and
4. The signature from the Office of the Administrative Counsel.

A few things to keep in mind:

- **The Member/ Member-Elect is required to personally sign the documents.**
- **The Attachment SHALL NOT have any provisions deleted or changed.**
- Even if rent is zero, an Attachment is still required.
- **Prior to either party signing a Lease or Amendment, the Member/ Member-Elect must submit the proposed Lease or Amendment, accompanied by a copy of the Attachment, to the Administrative Counsel for review and approval.** If the Administrative Counsel determines that the proposed terms and conditions of the Lease or Amendment are in compliance with applicable law and House Rules and Regulations, the Administrative Counsel will notify the Member/Member-Elect that (s)he may proceed with the execution of the Lease or Amendment. Please submit the proposed Lease or Amendment and Attachment either by e-mail in PDF form (leases@mail.house.gov) or by fax (202-225-6999).
- Once signed by both parties, the Lease or Amendment and the Attachment must be submitted to the Administrative Counsel for final approval. The Attachment should be submitted at the same time the Lease or Amendment is sent to the Administrative Counsel. They may be sent by email in PDF form or faxed to (202-225-6999), but the originals still must be submitted by interoffice mail (217 Ford House Office Building, Washington, D.C. 20515) after emailing or faxing.
- Without a properly signed and submitted Attachment, the Lease or Amendment cannot be approved and payments will not be made.
- The parties agree that any charges for default, early termination or cancellation of the Lease or Amendment which result from actions taken by or on behalf of the Lessee shall be the sole responsibility of the Lessee, and are not reimbursable from the Member’s Representational Allowance.

District Office Lease Attachment

(Page 1 of 4 – 113th Congress, Version 2)

1. **Incorporated District Office Lease Attachment.** Lessor (Landlord) and Lessee (Member/Member-Elect of the U.S. House of Representatives) agree that this District Office Lease Attachment (“Attachment”) is incorporated into and made part of the Lease (“Lease”) and, if applicable, District Office Lease Amendment (“Amendment”) to which it is attached.
2. **Performance.** Lessor expressly acknowledges that neither the U.S. House of Representatives (“House”) nor its Officers are liable for the performance of the Lease. Lessor further expressly acknowledges that payments made by the Chief Administrative Officer of the House (“CAO”) to Lessor to satisfy Lessee’s rent obligations under the Lease – which payments are made solely on behalf of Lessee in support of his/her official and representational duties as a Member of the House – shall create no legal obligation or liability on the part of the CAO or the House whatsoever. Lessee shall be solely responsible for the performance of the Lease and Lessor expressly agrees to look solely to Lessee for such performance.
3. **Modifications.** Any amendment to the Lease must be in writing and signed by the Lessor and Lessee. Lessor and Lessee also understand and acknowledge that the Administrative Counsel for the CAO (“Administrative Counsel”) must review and give approval of any amendment to the Lease prior to its execution.
4. **Compliance with House Rules and Regulations.** Lessor and Lessee understand and acknowledge that the Lease shall not be valid, and the CAO will not authorize the disbursement of funds to the Lessor, until the Administrative Counsel has reviewed the Lease to determine that it complies with the Rules of the House and the Regulations of the Committee on House Administration, and approved the Lease by signing on page 4 of this Attachment.
5. **Payments.** The Lease is a fixed term lease with monthly installments for which payment is due in arrears on or before the end of each calendar month. In the event of a payment dispute, Lessor agrees to contact the Office of Finance of the House at 202-225-7474 to attempt to resolve the dispute before contacting Lessee.
6. **Void Provisions.** Any provision in the Lease purporting to require the payment of a security deposit shall have no force or effect. Furthermore, any provision in the Lease purporting to vary the dollar amount of the rent specified in the Lease by any cost of living clause, operating expense clause, pro rata expense clause, escalation clause, or any other adjustment or measure during the term of the Lease shall have no force or effect.
7. **Certain Charges.** The parties agree that any charge for default, early termination or cancellation of the Lease which results from actions taken by or on behalf of the Lessee shall be the sole responsibility of the Lessee, and shall not be paid by the CAO on behalf of the Lessee.
8. **Death, Resignation or Removal.** In the event Lessee dies, resigns or is removed from office during the term of the Lease, the Clerk of the House may, at his or her sole option, either: (a) terminate the Lease by giving thirty (30) days’ prior written notice to Lessor; or (b) assume the obligation of the Lease and continue to occupy the premises for a period not to exceed sixty (60) days following the certification of the election of the Lessee’s successor. In the event the Clerk elects to terminate the Lease, the commencement date of such thirty (30) day termination notice shall be the date such notice is delivered to the Lessor or, if mailed, the date on which such notice is postmarked.

District Office Lease Attachment

(Page 2 of 4 – 113th Congress, Version 2)

9. **Term.** The term of the Lease may not exceed the constitutional term of the Congress to which the Lessee has been elected. The Lease may be signed by the Member-Elect before taking office. Should the Member-Elect not take office to serve as a Member of the 113th Congress, the Lease will be considered null and void.
10. **Early Termination.** If either Lessor or Lessee terminates the Lease under the terms of the Lease, the terminating party agrees to promptly file a copy of any termination notice with the Office of Finance, U.S. House of Representatives, B-245 Longworth House Office Building, Washington, D.C. 20515, and with the Administrative Counsel, Office of the Chief Administrative Officer, U.S. House of Representatives, 217 Ford House Office Building, Washington, D.C. 20515.
11. **Notification upon Occurrence of Certain Events.** Lessor agrees to promptly notify Lessee in writing in the event Lessor sells, transfers, or otherwise disposes of the leased premises; in the event Lessor is placed in bankruptcy proceedings (whether voluntarily or involuntarily); in the event the leased premises is foreclosed upon; or in the event of any similar occurrence. Lessee shall promptly file a copy of any such notice with the Office of Finance, U.S. House of Representatives, B-245 Longworth House Office Building, Washington, D.C. 20515.
12. **Estoppel Certificates.** Lessee agrees to sign an estoppel certificate relating to the leased premises (usually used in instances when the Lessor is selling or refinancing the building) upon the request of the Lessor. Such an estoppel certificate shall not require the review and approval of the Administrative Counsel.
13. **Maintenance of Common Areas.** Lessor agrees to maintain in good order, at its sole expense, all public and common areas of the building including, but not limited to, all sidewalks, parking areas, lobbies, elevators, escalators, entryways, exits, alleys and other like areas.
14. **Maintenance of Structural Components.** Lessor also agrees to maintain in good order, repair or replace as needed, at its sole expense, all structural and other components of the premises including, but not limited to, roofs, ceilings, walls (interior and exterior), floors, windows, doors, foundations, fixtures, and all mechanical, plumbing, electrical and air conditioning/heating systems or equipment (including window air conditioning units provided by the Lessor) serving the premises.
15. **Lessor Liability for Failure to Maintain.** Lessor shall be liable for any damage, either to persons or property, sustained by Lessee or any of his or her employees or guests, caused by Lessor's failure to fulfill its obligations under Sections 13 and 14.
16. **Initial Alterations.** Lessor shall make any initial alterations to the leased premises to prepare the leased premises for Tenant's initial occupancy thereof, as requested by Lessee and subject to Lessor's consent, which shall not be unreasonably withheld. The cost of such initial alterations shall be included in the annual rental rate.
17. **Federal Tort Claims Act.** Lessor agrees that the Federal Tort Claims Act, 28 U.S.C. §§ 2671-80, satisfies any and all obligations on the part of the Lessee to purchase private liability insurance. Lessee shall not be required to provide any certificates of insurance to Lessor.

District Office Lease Attachment

(Page 3 of 4 – 113th Congress, Version 2)

18. **Limitation of Liability.** Lessor agrees that neither Lessee nor the House nor any of the House's officers or employees will indemnify or hold harmless Lessor against any liability of Lessor to any third party that may arise during or as a result of the Lease or Lessee's tenancy.
19. **Compliance with Laws.** Lessor shall be solely responsible for complying with all applicable permitting and zoning ordinances or requirements, and with all local and state building codes, safety codes and handicap accessibility codes (including the Americans with Disabilities Act), both in the common areas of the building and the leased space of the Lessee.
20. **Electronic Funds Transfer.** Lessor agrees to accept monthly rent payments by Electronic Funds Transfer and agrees to provide the Office of Finance, U.S. House of Representatives, with all banking information necessary to facilitate such payments.
21. **Refunds.** Lessor shall promptly refund to the CAO, without formal demand, any payment made to the Lessor by the CAO for any period for which rent is not owed because the Lease has ended or been terminated.
22. **Conflict.** Should any provision of this Attachment be inconsistent with any provision of the attached Lease or attached Amendment, the provisions of this Attachment shall control, and those inconsistent provisions of the Lease or the Amendment shall have no force and effect to the extent of such inconsistency.
23. **Construction.** Unless the clear meaning requires otherwise, words of feminine, masculine or neuter gender include all other genders and, wherever appropriate, words in the singular include the plural and vice versa.
24. **Fair Market Value.** The Lease or Amendment is entered into at fair market value as the result of a bona fide, arms-length, marketplace transaction. The Lessor and Lessee certify that the parties are not relatives nor have had, or continue to have, a professional or legal relationship (except as a landlord and tenant).
25. **District Certification.** The Lessee certifies that the office space that is the subject of the Lease is located within the district the Lessee was elected to represent unless otherwise authorized by Regulations of the Committee on House Administration.
26. **Counterparts.** This Attachment may be executed in any number of counterparts and by facsimile copy, each of which shall be deemed to be an original but all of which together shall be deemed to be one and the same instrument.
27. **Section Headings.** The section headings of this Attachment are for convenience of reference only and shall not be deemed to limit or affect any of the provisions hereof.

[Signature page follows.]

District Office Lease Attachment

(Page 4 of 4 – 113th Congress, Version 2)

IN WITNESS WHEREOF, the parties have duly executed this District Office Lease Attachment as of the later date written below by the Lessor or the Lessee.

Port of Hood River

Print Name (Lessor)

Greg Walden

Print Name (Lessee)

Lessor Signature

Lessee Signature

Date

Date

From the Member's Office, who is the point of contact for questions?

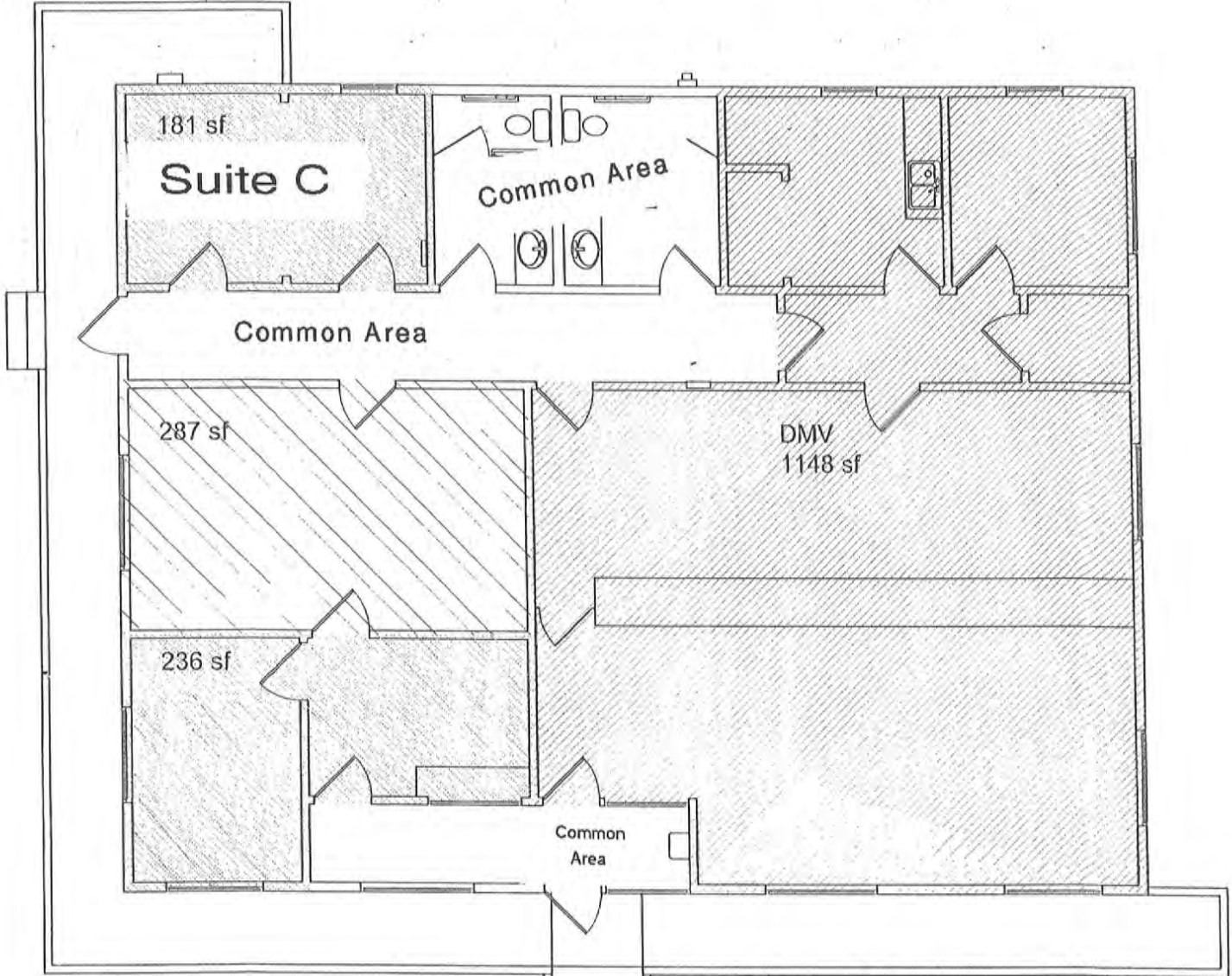
Name _____ Phone (____) _____ E-mail _____@mail.house.gov

This District Office Lease Attachment and the attached Lease or Amendment have been reviewed and are approved, pursuant to Regulations of the Committee on House Administration.

Signed _____ Date _____, 20____.
(Administrative Counsel)

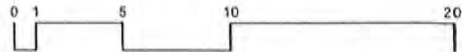
Send completed forms to: Administrative Counsel, 217 Ford House Office Building, Washington, D.C. 20515.
Copies may also be faxed to 202-225-6999

Exhibit A



600 East Port Marina Drive
Hood River, Oregon

11/26/13



NORTH



Commission Memo

To: Commissioners
From: Liz Whitmore
Date: December 17, 2013
Re: Hood River Waterfront Site Assessment

Please see attached for the final draft of the Hood River Waterfront Site Assessment (Waterfront Narrative). The report has been reviewed during three Commission meetings, subsequently updated and incorporated into the Strategic Business Plan. It provides a description of the existing conditions, current uses, and potential future projects of (12) recreational sites along the waterfront. These sites will be evaluated annually and updates to the report will be ongoing. It will serve as the basis for decisions about future capital expenditures, policies, use regulation, and coordination with upland development.

RECOMMENDATION: Approve the Hood River Waterfront Site Assessment report.



Hood River Waterfront Site Assessment

December 17, 2013

1. Purpose

The Port manages a number of prominent recreation sites on the Hood River Waterfront. Such sites attract visitors from around the world and provide river access year-around to local residents. The demands placed on the Port's recreational sites are growing. New sports are emerging. More than ever, summer recreationists and locals expect the Port's recreational sites will be well managed and accommodate a higher intensity and greater variety of uses. As a result, the Port must update its assessment of the condition of its waterfront sites and determine if it can accommodate the new and growing demands placed on it. This report is intended to provide that assessment. It includes a brief evaluation of the current uses and future opportunity presented by the Port's recreational assets on the Hood River Waterfront and describes the role each site plays in meeting recreational needs and the Port's larger economic development goals. It is intended to serve as the basis for decisions about future capital expenditures, policies, use regulations, and coordination with upland development.

2. Background

History: During the mid-fifties the Port of Hood River made several significant property acquisitions along the waterfront and began planning for waterfront development. Between 1959 and 1971 the Port developed over 200 acres of waterfront. In the seventies and early eighties the Marina Park and Basin was created and became the focal point for windsurfing and boating. In the late 1980s the Event Site was developed to relieve the crowding from the Marina. The Nichols Basin dock served up to 200 cruise ship stops annually until access was cut off in 2006 by a winter storm. In the 2000's the emergence and popularity of kiteboarding has created the need for additional access points along the waterfront.

Current Role: Public amenity benefits, quality of life, and recruiting inducement

The Port's Management Principles:

- Continuous Pathway and Scenic Area Connector
- Public Access
- Compatibility with Upland Development
- Environmental Sensitivity & Opportunities
- Design Aesthetic



3. Site Assessment

The Port of Hood River Waterfront has been created over time with amenities that attract businesses and should be managed in the future to continue to support economic development, recreational activity, and quality of life.

This section summarizes the key characteristics of each Port recreational venue. A description of the physical layout, character, current uses and opportunities and constraints is included to provide a specific understanding of each site. Future uses, capital projects and policy actions are identified to help guide the Commission assess the sites in regards to future decision-making.

A. East Waterfront

1. Boat Launch
2. Marina
3. Marina Park
4. Marina Beach/Breakwater
5. Pedestrian Bridge
6. Hood River

B. West Waterfront

1. Spit
2. Sandbar
3. Nichols Basin
4. Event Site
5. Jensen to Maritime Waterfront Trail
6. Hook



Port of Hood River – East Waterfront

Boat Launch

“Public Boating Launch and Facilities”



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

Description:

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

Current Uses:

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

Projects Completed:

- 2012 - installed transition plate on boarding float

Future Projects:

	Project	Estimated Cost	Potential Funding	Target
1	Extend launch ramp paving	\$25,000	OSMB/POHR	2015
2	Renovate restroom	\$50,000	OSMB/POHR	2016
3	Repave parking lot	\$150,000	OSMB/POHR	2017
4	Replace transient dock	\$400,000	OSMB/POHR	TBD

Future Tasks:

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

Prior Actions or Study: 2009 Oregon State Marine Board Replacement Concepts



Marina

“Center of Private Boating in the Gorge”



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

Description:

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

Current Uses:

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

Projects Completed:

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



Future Projects:

	Project	Estimated Cost	Potential Funding	Target
1	Replace boathouse docks	\$200,000	POHR/tenants	2013/14
2	Long-term master plan	\$50,000	POHR	2014/15
3	Replace perimeter fencing	\$50,000	POHR	2016
4	South Basin Dock expansion	\$250,000	POHR/Loan	2017
5	New sailboat/dinghy dock	\$175,000	POHR/Loan	TBD
6	Restroom Renovation	\$75,000	POHR	TBD
7	HRYC Renovation	\$50,000	POHR/HRYC	TBD
8	Expand A and B docks	\$300,000	POHR/Loan	TBD
9	Hoist/gangway by HRYC	\$75,000	POHR/HRYC	TBD
10	Mooring buoys for winter	\$5,000	POHR	TBD
11	Habitat Restoration	\$500,000	POHR/Loan	TBD

Future Tasks:

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

Prior Actions or Study:

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



Marina Park

“Open Green Space and Scenic Amenity”



Objective: Marina Park provides a scenic amenity and view corridor, a multi-use playing field for youth sports and venue for special events. The Port should pursue avenues for increased financial sustainability of the Marina Park, as costs continue to exceed revenues in this area.

Description:

- Encompasses Marina Green, picnic shelter and park area west of Marina Basin
- Largest expanse of open green space on Port property
- (2) Restrooms and showers are open to the public from April through October. Moorage tenants have access year-round.

Current Uses:

- Community recreation
- Picnic shelter is reserved for events from spring through fall
- Events (i.e. Columbia Gorge Marathon)
- Three sheds are used by windsurfing/kiting schools on the grass west of the Marina, with the park area and benches enjoyed by the public

Future Projects:

	Project	Estimated Cost	Potential Funding	Target
1	Relocate electrical facility	\$40,000	PP&L/POHR	2015
2	Improve gravel parking area	\$25,000	POHR	2016
3	Add lighting	\$150,000	Federal/POHR	2017-20



Marina Beach/Breakwater

“Family Focused Multi-Purpose”



Objective: Marina Beach serves as a swim site for kids and families to access the river. It is an alternative site for kite access to relieve crowding at the Event Site. The Breakwater is heavily used by fisherman, dog walkers and as a scenic resting spot. The Port’s focus is on safety and attractiveness in this area. It is expected that the Port’s costs will exceed revenues.

Description:

- Created in 1996 to provide a safe swim area free of watersports
- Includes a grass area and (28) paved parking spaces
- (2) Restrooms located east of beach area and accessible from April to October
- Breakwater jetty east of restrooms partially owned by the Port and the Department of State Lands

Current Uses:

- Provides beach, swimming and river access for the public
- Kite access permissible at the Marina Beach year-round
- Breakwater area used by fishermen; SUP, Jet Ski, and windsurfing access on the north side
- Cruise ship off-loading
- USGS river gauge located on the south side of breakwater

Future Projects:

	Project	Estimated Cost	Potential Funding	Target
1	Handicap fishing platforms	\$40,000	POHR/ODPR	2016
2	Restore beach area	\$50,000	POHR	TBD
3	Upgrade Overflow Dock	\$150,000	POHR	TBD

Prior Actions and Studies:

- 2012 Waterfront Recreation Action Plan (WRAP)



Pedestrian Bridge

“Scenic Landmark/Key Connection”



Objective: *The Pedestrian Bridge serves to create a continuous pathway connecting the Marina Park to a future waterfront trail along the Nichols Basin. It should continue to be maintained as a safe means for pedestrian and bicycle transport.*

Description:

- Built in 1985 by the Port of Hood River to link the Marina area with downtown

Current Uses:

- Connection point between the east and west waterfront used by pedestrians and bicyclists
- Location for banners advertising local events

Future Projects:

	Project	Estimated Cost	Potential Funding	Target
1	Bike/Pedestrian Path Connections	\$439,000	ODOT/Federal	2014
2	Improve access to river	\$5,000	POHR	TBD

Prior Actions and Studies:

- 2012 ODOT Project Prospectus

Hood River

“Public Access for Fishing & Boating”

Objective: *The Hood River north of the pedestrian bridge acts as a site for fishermen and take-out spot for kayaks running the river.*

Description:

- Flows under the Pedestrian Bridge and is flanked by the Marina Park shore to the east and the Spit access road to the west

Current Uses:

- Fishermen access the river from both the east and west shores. Kayakers take-out boats along the west shore



Port of Hood River – West Waterfront

Spit

“Limited Improvement Public Water Access”



Objective: *The Spit primarily serves as an access point for kiteboarders and a dog walking locale. Its unimproved nature, advanced launch and long walk to the sandbar makes it a less desirable launch than the Event Site for kiteboarding. Potential improvements to area should take level of recreational use under consideration.*

Description:

- Owned by the Port of Hood River in area adjacent to parking lot
- DSL owns land further north into the Columbia River
- Access road and parking area require annual resurfacing

Current Uses:

- Kiteboarders and dog walkers
- Access to sandbar for emergency vehicles

Projects Completed:

- 2012 – changing station installed as Eagle Scout project
- 2013 – path widened for improved kiteboard access
- 2013 – gravel installed in first two parking bays

Future Projects:

	Project	Estimated Cost	Potential Funding	Target
1	PAW connection	\$50,000	Naito/POHR	2015/16
2	Improve habitat on east shore of the Nichols Basin	\$50,000	POHR/grants	TBD
3	Improve pump/dry area; seating	\$20,000	POHR	TBD
4	Pave parking area	\$75,000	POHR	TBD
5	Expand access road width	\$275,000	POHR	TBD

Prior Actions and Studies:

- 2009 Ad Hoc Committee created to develop potential improvement projects. This included increasing parking, road improvements, restrooms, dinghy dock, shower, lawn, and kite pumping station. Projects (other than road improvements) could not be accomplished due to financial, environmental, or regulatory reasons
- 2009 Summersett Civil Engineering Improvement Estimates
- 2012 Waterfront Recreation Action Plan (WRAP)



Sandbar

“World Class Kiteboarding”



Objective: *The Sandbar has become a premier spot for general kiteboarding and kite instruction and serves as the preferred site for kite launching and landing. It is primarily under the jurisdiction of DSL. The Port’s major concerns are safety and insuring general public use. The Port does not allow motorized access to the Sandbar without special permission. Use is governed by an MOU with DSL, the Port, the Columbia Gorge Kiteboarding Association, and the Columbia Gorge Windsurfing Association.*

Description:

- Outflow of rock and sand created by a 2006 winter storm
- Owned by Department of State Lands
- Fluctuates with water level

Current Uses:

- Kiteboarders and dog walkers



Nichols Basin

“Light Watercraft Center”



Objective: *The Nichols Basin was constructed in the 1970s as a light industrial lagoon to accommodate ship building. As a result of the 2006 debris flow the Nichols Basin is increasingly used for non-motorized recreational activity. The Port sees the Nichols Basin as a scenic amenity and will promote its use for public access and non-motorized boating.*

Description:

- Protected lagoon for non-motorized recreational activity
- 2006 debris flow blocked commercial access from Columbia River
- Access at northern end known as “Slackwater Beach”

Current Uses:

- SUP, kayakers, windsurfers, small boats, swimmers, dog owners, remote control airplanes
- Kayak concessionaire with transient business license in summer and storage in winter
- Jet ski access for kiteboarding schools

Projects Completed:

- 2013 – path widened from Event Site to parking area to improve access
- USACE required to maintain access from basin to federal waterway

Future Projects:

	Project	Estimated Cost	Potential Funding	Target
1	Waterfront path	\$350,000	ODPR/grants	2016
2	Public launch area	\$250,000	POHR/grants	2016
3	SUP/kayak concession area	\$250,000	POHR	2018
4	Habitat restoration	\$500,000	POHR	TBD
5	Access dredging	\$1,000,000	Federal/POHR	TBD

Prior Actions and Studies:

- 2009 Nichols Basin Background Information and Restoration Potential – Tetra Tech, Inc
- 2019 Nichols Basin Study – Surround Architecture
- 2010 Nichols Basin Planning Committee
- 2012 Lot 1 Planning Schematic Design Concept – Group Mackenzie
- 2012 Public Use Legal Memo – Jaques, Sharp, Sherrerd, FitzSimons, & Ostrye
- 2012 Cable Park Review



Event Site

“Waterfront Recreation and Event Hub”



Objective: *The Event Site was constructed in 1992 to relieve the crowding at the Marina and provide a world-class watersport competition site. The Event Site is the epicenter for recreation along the waterfront for kiteboarding, windsurfing, SUP, and spectators and should be maintained to support the intensity of use. With the increasing popularity of kiteboarding, safety concerns must continue as a priority at the Event Site.*

Description:

- Grass area divided use for windsurfing and kiteboarding
- (2) Restrooms
- Upper and lower cruise ship dock
- (188) vehicle parking spaces; (20) over-length

Current Uses:

- Windsurfing, kiteboarding, SUP, sunbathers, beach use
- Major focal point for spectators
- (5) school concessions, (2) food vendors, (1) photographer
- In 2012 (5500) daily passes and (700) annual passes sold

Projects Completed:

- 2013 – concrete paving at upper cruise ship dock and sidewalk to lower cruise ship dock access; additional speed bump; signage and boundary area per high-water planning; added electrical capacity at lower cruise ship dock
- 2013 – reconfiguration of school concessions and food vendors

Future Projects:

	Project	Estimated Cost	Potential Funding	Target
1	Landscape upgrades	\$30,000	POHR	2014
2	Restrooms/changing facility/outdoor shower	\$150,000	POHR	2016
3	Reseal parking lot	\$80,000	POHR	2017
4	Beach restoration/dredging	\$50,000	POHR	TBD
5	Increase launch area west of Event Site	\$250,000	POHR	TBD

Prior Actions and Studies:

- 2012 Waterfront Recreation Plan (WRAP)
- 2013 High-water Planning



Jensen to Maritime Waterfront Trail

“Ped/Bike Through-Way”



Objective: The waterfront from the Jensen Building to the Maritime Building currently provides a recreational pedestrian and bicycle trail that allows public access along the length of the waterfront. Access to water is limited from Port property. An improved access point may be initiated in this area to relieve crowding at the Event Site.

Description:

- Continuous paved waterfront path
- Riprap sloped areas leading to water
- Gravel parking area for waterfront users

Current Uses:

- Jensen Building area: Limited and steep access to water
- Maritime Building area: Limited access at “Dirt Beach”

Future Projects:

	Project	Estimated Cost	Potential Funding	Target
1	Pave gravel lot	\$75,000	POHR	TBD
2	Provide access to water from west jetty	\$50,000	POHR	TBD
3	Mixed-use launch at Dirt Beach	\$50,000	POHR	TBD

Prior Actions and Studies:

- 2012 Waterfront Recreation Plan (WRAP)



Hook

“Primitive Multi-Use”



Objective: The Hook was constructed in the late 1970s as part of a future fill project. It is a teaching area for windsurfers, accommodates fishermen, dog walkers, bird watchers and joggers and serves as the culmination point of the Waterfront Trail. The Hook is not a highly developed site although over time, with the right financial support, the Port may carry out improvement projects.

Description:

- Area comprises 10 acres – land and water
- 12 separate water access points

Current Uses:

- (2) windsurfing schools; CGWA Gorge Groms program
- Interior windsurfing launches for beginners; exterior launches for advanced beginners
- SUP, fishermen, dog walkers, bird watchers, joggers

Future Projects:

	Project	Estimated Cost	Potential Funding	Target
1	Waterfront trail extension	\$100,000	City of HR/POHR	2014/15
2	New gravel road	\$200,000	City of HR	2014/15
3	West end launch site	\$125,000	Multiple	2014/15
4	Habitat restoration	\$20,000	POHR	TBD
5	Concession area improvements	\$75,000	POHR	TBD

Prior Actions and Studies:

- 2008 Plan for Improvements at the Hook
- 2008 The Hook Improvements Project – Thiel Landscape Architecture
- 2012 Waterfront Recreation Action Plan (WRAP)
- 2013 CGWA Design Concept – West Exterior Launch in coordination with City of Hood River outfall project

Commission Memo

To: Commissioners
From: Fred Kowell
Date: December 17, 2013
Re: Accounts Payable Requiring Commission Approval

Jaques, Sharp, Sherrerd, Fitzsimons & Ostrye Attorney services per attached summary	\$8,037.20
TOTAL ACCOUNTS PAYABLE TO APPROVE	<u>\$8,037.20</u>

JAQUES, SHARP, SHERRERD, FITZSIMONS & OSTRYE
 ATTORNEYS AT LAW
 205 3RD STREET / PO BOX 457
 HOOD RIVER, OR 97031
 (Phone) 541-386-1311 (Fax) 541-386-8771

RECEIVED
 DEL
 MS

CREDIT CARDS ACCEPTED

HOOD RIVER, PORT OF
 1000 E. PORT MARINA DRIVE
 HOOD RIVER OR 97031

Page: 1
 December 05, 2013
 Account No: PORTOHaM

Previous Balance	Fees	Expenses	Advances	Payments	Balance
ENVIRONMENTAL INSURANCE 18.00	666.00	27.20	0.00	-18.00	\$693.20
MISCELLANEOUS MATTERS JJ 562.60	756.00	0.00	0.00	-562.60	\$756.00
ORDINANCE #24 234.00	360.00	0.00	0.00	-234.00	\$360.00
LEASE (Pfriem Brewing) 1,134.00	54.00	0.00	0.00	-1,134.00	\$54.00
PROPERTY TRANSACTION SALE 180.00	18.00	0.00	0.00	-180.00	\$18.00
REGULAR MEETING FEE JJ 0.00	350.00	0.00	0.00	-350.00	\$0.00
PROPERTY SALE (Bob Naito; NBW Hood River) 54.00	1,134.00	0.00	0.00	-54.00	\$1,134.00
LEASE (Hood River Distillers) 18.00	0.00	0.00	0.00	-18.00	\$0.00
T-HANGER LEASE FORMS (2012-2013) 18.00	666.00	0.00	0.00	-18.00	\$666.00
LEASE (PocketFuel) 0.00	54.00	0.00	0.00	0.00	\$54.00

Previous Balance	Fees	Expenses	Advances	Payments	Balance
MARINA EVICTION (Tom Lichty) 54.00	702.00	0.00	0.00	-54.00	\$702.00
BOAT HOUSE LEASE 990.00	324.00	0.00	0.00	-990.00	\$324.00
LOT 1 IAMP 2,772.00	1,692.00	0.00	0.00	-2,772.00	\$1,692.00
CONCESSION AGREEMENT DEFAULT 882.00	0.00	0.00	0.00	-882.00	\$0.00
CITY SEWER OUTFALL PROJECT (City of HR) 216.00	0.00	0.00	0.00	-216.00	\$0.00
EASEMENT (Gorge Network Inc) 180.00	0.00	0.00	0.00	-180.00	\$0.00
PROPERTY 72.00	0.00	0.00	0.00	-72.00	\$0.00
DOCK TRESPASS (Mark Lepke) 324.00	0.00	0.00	0.00	-324.00	\$0.00
SITE DEVELOPMENT 540.00	1,584.00	0.00	0.00	-540.00	\$1,584.00
LEASE (Gorge Net) JJ 414.00	0.00	0.00	0.00	-414.00	\$0.00
AIRPORT WEATHER CONTRACT (Kelsey/Avcom Company) 108.00	0.00	0.00	0.00	-108.00	\$0.00
<u>8,770.60</u>	<u>8,360.00</u>	<u>27.20</u>	<u>0.00</u>	<u>-9,120.60</u>	<u>\$8,037.20</u>

THIS STATEMENT REFLECTS SERVICES PROVIDED AND PAYMENTS RECEIVED THROUGH THE 30th OF NOVEMBER UNLESS OTHERWISE STATED

Commission Memo

To: Commissioners
From: Liz Whitmore
Date: December 17, 2013
Re: Frontage Road Bicycle/Pedestrian Path Connections

WH Pacific, the architecture and engineering design firm working on the Frontage Road bicycle/pedestrian path connections, will be presenting the conceptual design and preliminary cost estimating for Commission review. Please see attached. Federal and state funding for the project totals \$434,000 (engineering and construction), with approximately \$285,000 available for the build-out. Construction is currently scheduled for fall 2014.

RECOMMENDATION: For discussion.



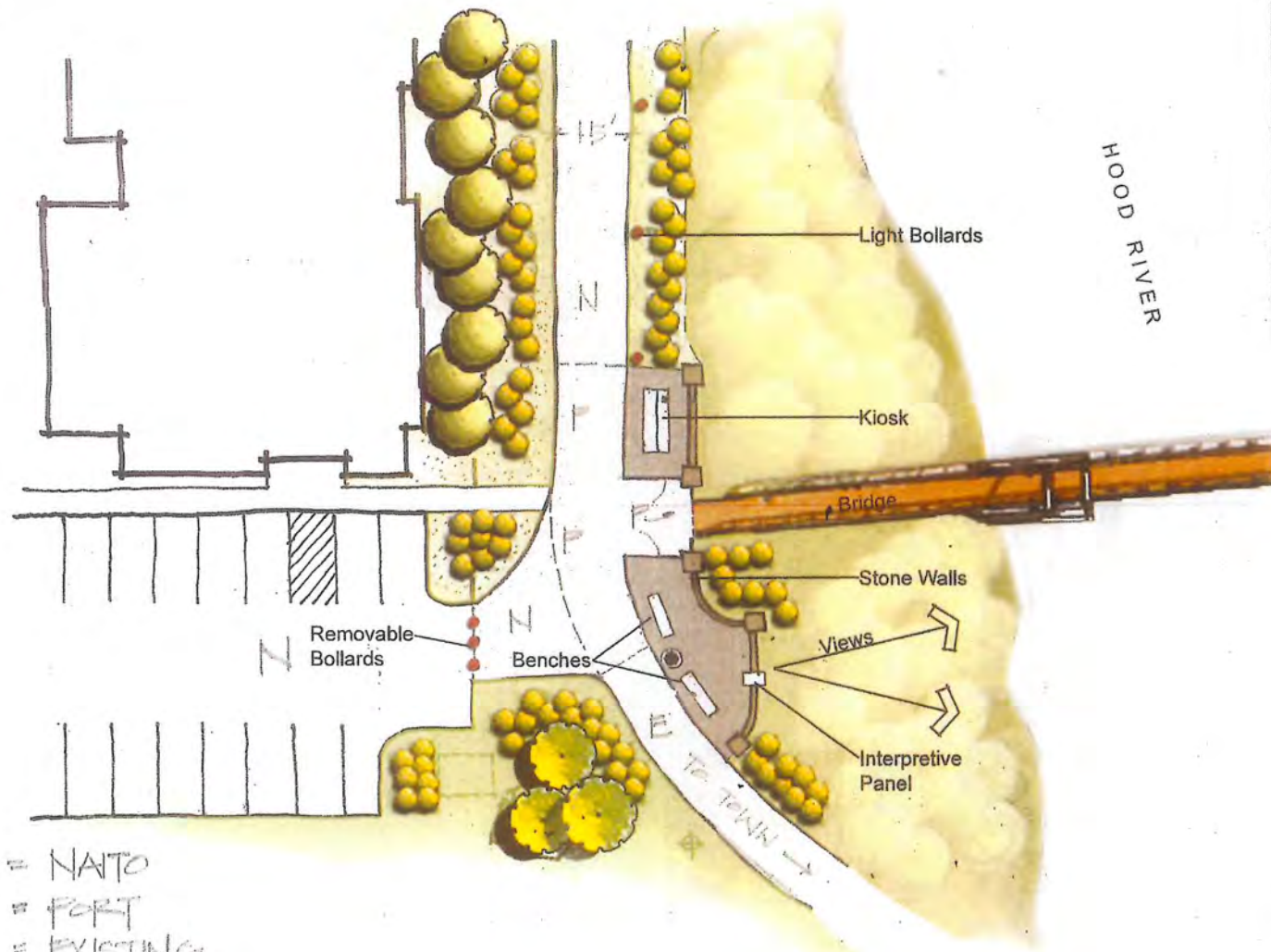
*Information Kiosk (Example)

Port of Hood River
Frontage Road Pedestrian Path Design
 Hood River, OR.



WHPacific
 8786 SW Barnes Rd, Suite 300
 Portland, OR 97225
 503-628-0455 Fax: 503-628-9775
 www.whpacific.com

Port of Hood River



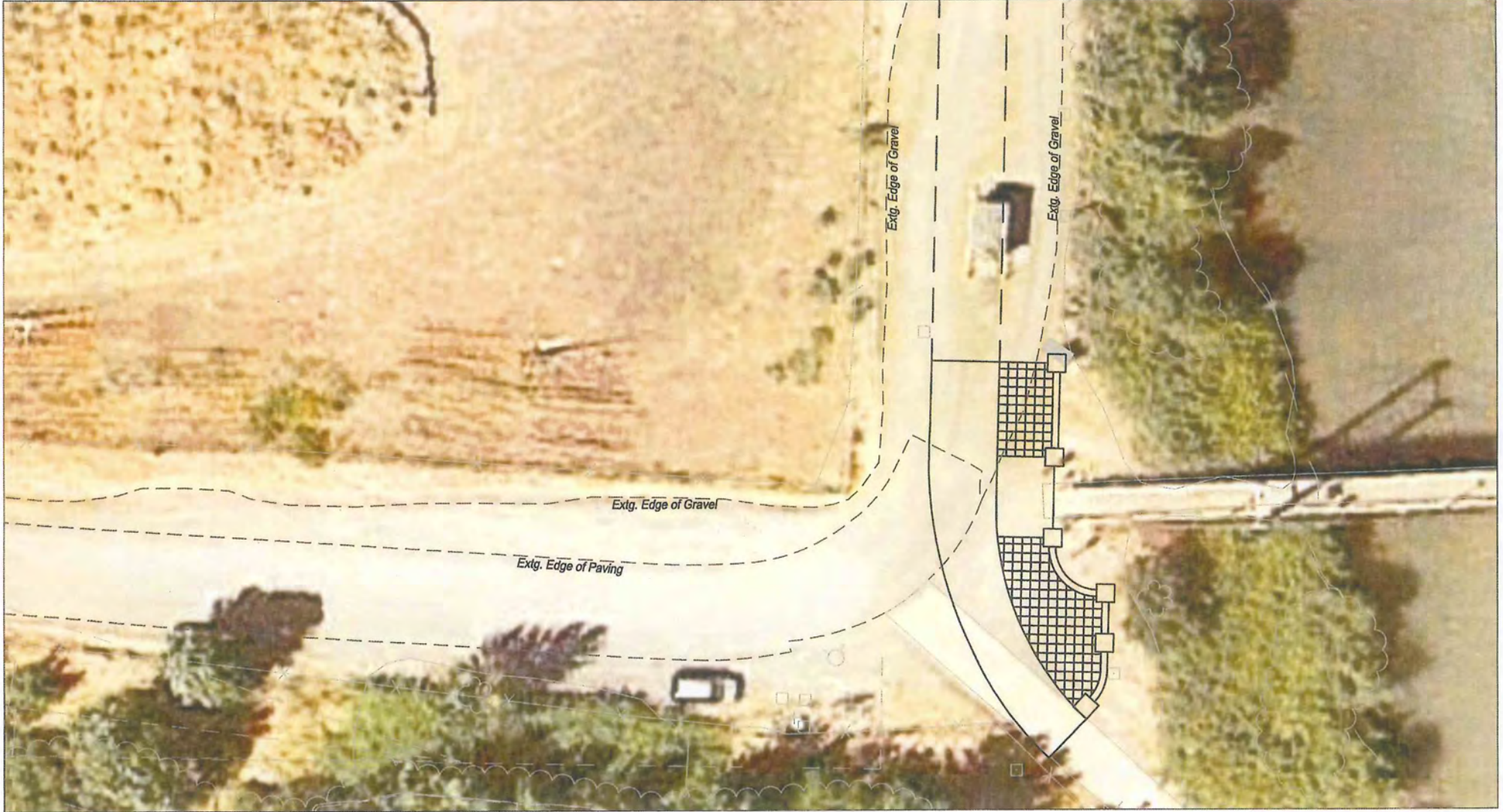
N = NATO
P = PARK
E = EXISTING

WEST BRIDGEHEAD

W1

WHPacific, Inc.

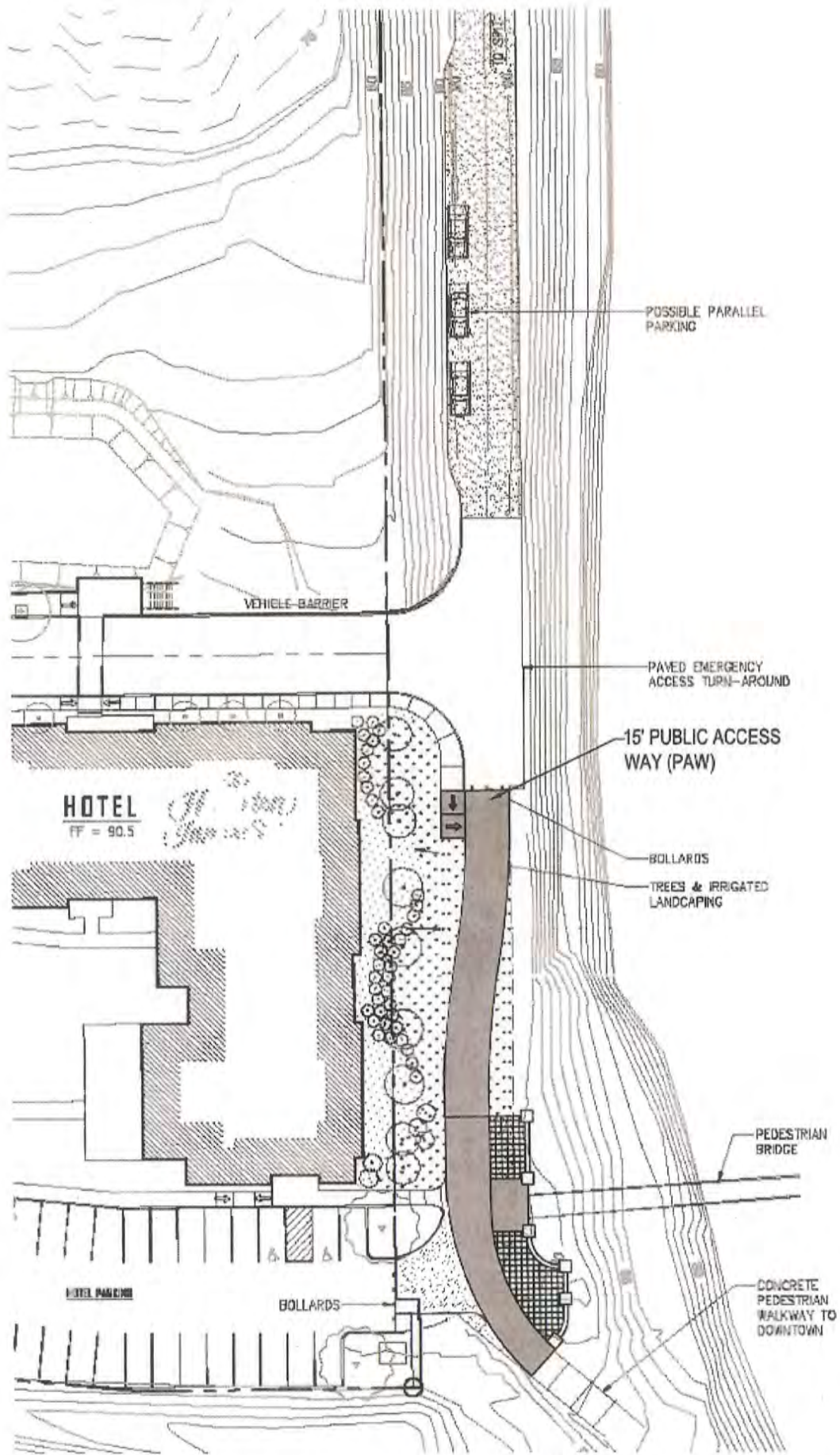
12/9/13



WEST BRIDGHEAD

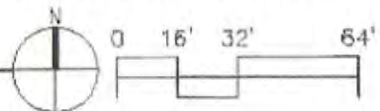
WHPacific
12/11/13

WG



1 SITE PLAN
 1/32" = 1'-0"

NAITO DEVELOPMENT
 PROPOSED PLAN



Port of Hood River



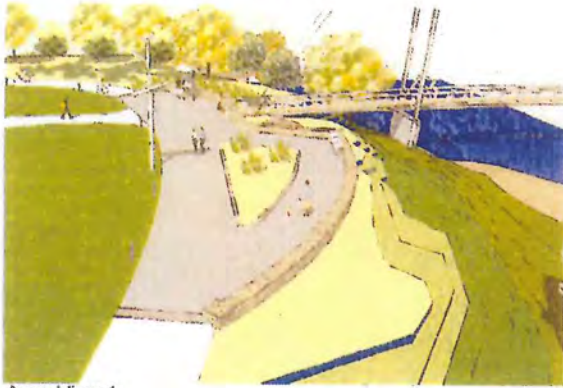
Plan

EAST BRIDGEHEAD

E1

KHPacific
12/9/13

Port of Hood River



Axon View 1



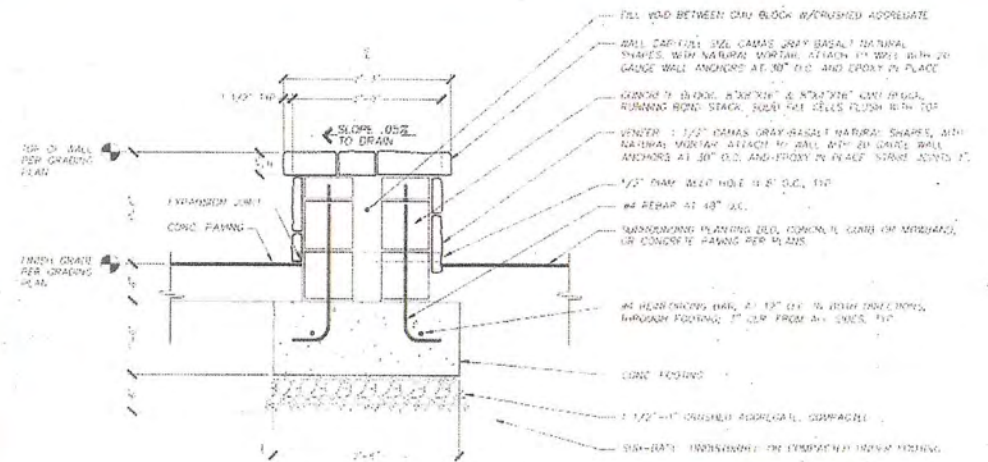
Axon View 2



Perspective View 3



Seating Wall Detail



18" STONE VENEER SEAT WALL DETAIL

SCALE: 1/4" = 1'-0"

1
C2.07

EZ

CONCEPT LEVEL - COST ESTIMATE

Prepared for: ODOT / PORT OF HOOD RIVER



SECTION				COUNTY	
Port of Hood River Frontage Road Pedestrian Path Design				Hood River	
KEY NUMBER	KIND OF WORK	LENGTH	DATE	Prepared By:	
14706		X.XX	12/9/2013	WHPACIFIC, INC	
ITEM NUMBER	ITEM DESCRIPTION	UNIT	AMOUNT	UNIT COST	TOTAL
WEST BRIDGE HEAD					
0210-010000A	MOBILIZATION	LS	1.0	\$4,200.00	\$4,200
0280-010000A	EROSION CONTROL	LS	1.0	\$2,100.00	\$2,100
0305-010000A	CONSTRUCTION SURVEY WORK	LS	1.0	\$1,300.00	\$1,300
0330-0123000K	EMBANKMENT IN PLACE	CUYD	25.0	\$25.00	\$625
0641-0102000M	AGGREGATE BASE	TON	30.0	\$25.00	\$750
0759-0128000J	CONCRETE WALKS	SQFT	1225.0	\$6.00	\$7,350
0759-0147000J	PATTERNED CONCRETE SURFACING	SQFT	1025.0	\$7.00	\$7,175
1040-	PLANTER BEDS	SQFT	750.0	\$1.50	\$1,125
1040-9Z90000E	LANDSCAPE ESTABLISHMENT PERIOD & TEMP. IRRIGATION	SQFT	750.0	\$1.50	\$1,125
1095-0100000E	BENCHES W/ BACK	EACH	2.0	\$3,000.00	\$6,000
1095-9Z90000E	SEATING WALL	LF	75.0	\$150.00	\$11,250
1095-9Z90000E	KIOSK	EACH	1.0	\$5,000.00	\$5,000
1095-9Z90000E	INTERPRETIVE PANELS	EACH	1.0	\$1,500.00	\$1,500
SUBTOTAL, Construction Items					\$49,500
EAST BRIDGE HEAD, BICYCLE CONNECTION, & WALKWAY TO MUSEUM					
0210-010000A	MOBILIZATION	LS	1.0	\$7,200.00	\$7,200
0280-010000A	EROSION CONTROL	LS	1.0	\$3,600.00	\$3,600
0305-010000A	CONSTRUCTION SURVEY WORK	LS	1.0	\$2,200.00	\$2,200
0310-0102000J	REMOVAL OF WALKS AND DRIVEWAYS	SQYD	100.0	\$5.00	\$500
0330-0123000K	EMBANKMENT IN PLACE	CUYD	50.0	\$25.00	\$1,250
0641-0102000M	AGGREGATE BASE	TON	160.0	\$25.00	\$4,000
0744-0302000M	LEVEL 3, 1/2 INCH DENSE MHMAC MIXTURE	TON	70.0	\$100.00	\$7,000
0759-0128000J	CONCRETE WALKS	SQFT	1700.0	\$6.00	\$10,200
0759-0147000J	PATTERNED CONCRETE SURFACING	SQFT	1250.0	\$7.00	\$8,750
0815-0101000E	REMOVABLE BOLLARDS	EACH	3.0	\$1,000.00	\$3,000
0970-9Z90000E	SOLAR LIGHT	EACH	1.0	\$5,000.00	\$5,000
0970-9Z90000E	SOLAR LIGHTED BOLLARDS	EACH	8.0	\$950.00	\$7,600
1030-	NATIVE SEEDING AREAS	SQFT	3750.0	\$0.50	\$1,875
1040-0101000K	TOPSOIL	CUYD	110.0	\$25.00	\$2,750
1040-	PLANTER BEDS	SQFT	2000.0	\$1.50	\$3,000
1040-9Z90000E	LANDSCAPE ESTABLISHMENT PERIOD & TEMP. IRRIGATION	SQFT	2000.0	\$1.50	\$3,000
1095-9Z90000E	SEATING WALL	LF	55.0	\$150.00	\$8,250
1095-9Z90000E	KIOSK	EACH	1.0	\$5,000.00	\$5,000
SUBTOTAL, Construction Items					\$84,175
MUSEUM WALKWAY TO WATERFRONT PATH					
0210-010000A	MOBILIZATION	LS	1.0	\$3,000.00	\$3,000
0280-010000A	EROSION CONTROL	LS	1.0	\$1,500.00	\$1,500
0305-010000A	CONSTRUCTION SURVEY WORK	LS	1.0	\$900.00	\$900
0310-0102000J	REMOVAL OF WALKS AND DRIVEWAYS	SQYD	200.0	\$5.00	\$1,000
0330-0123000K	EMBANKMENT IN PLACE	CUYD	20.0	\$25.00	\$500
0641-0102000M	AGGREGATE BASE	TON	60.0	\$25.00	\$1,500
0759-0110000F	CONCRETE CURBS, STANDARD CURB	FOOT	75.0	\$20.00	\$1,500
0759-0128000J	CONCRETE WALKS	SQFT	4200.0	\$6.00	\$25,200
0860-0200000F	LONGITUDINAL PAVEMENT MARKINGS - PAINT	FOOT	150.0	\$2.00	\$300
SUBTOTAL, Construction Items					\$35,400

CONCEPT LEVEL - COST ESTIMATE				WHPacific	
Prepared for: ODOT / PORT OF HOOD RIVER					
SECTION Port of Hood River Frontage Road Pedestrian Path Design				COUNTY Hood River	
KEY NUMBER 14706	KIND OF WORK	LENGTH X.XX	DATE 12/9/2013	Prepared By: WHPACIFIC, INC	
ITEM NUMBER	ITEM DESCRIPTION	UNIT	AMOUNT	UNIT COST	TOTAL
E. PORT MARINA ROAD - SHARROWS					
0210-010000A	MOBILIZATION	LS	1.0	\$700.00	\$700
0225-0101000A	TEMPORARY WORK ZONE TRAFFIC CONTROL, COMPLETE	LS	1.0	\$2,500.00	\$2,500
0280-010000A	EROSION CONTROL	LS	1.0	\$400.00	\$400
0305-010000A	CONSTRUCTION SURVEY WORK	LS	1.0	\$300.00	\$300
0867-0131000E	PAVEMENT LEGEND, TYPE B-HS: BICYCLE LANE STENCIL	EACH	14.0	\$500.00	\$7,000
SUBTOTAL, Construction Items					\$10,900
E. PORT MARINA ROAD - NORTH PED. CONNECTION TO WATERFRONT TRAIL					
0210-010000A	MOBILIZATION	LS	1.0	\$1,300.00	\$1,300
0225-0101000A	TEMPORARY WORK ZONE TRAFFIC CONTROL, COMPLETE	LS	1.0	\$2,000.00	\$2,000
0280-010000A	EROSION CONTROL	LS	1.0	\$700.00	\$700
0305-010000A	CONSTRUCTION SURVEY WORK	LS	1.0	\$400.00	\$400
0330-0123000K	EMBANKMENT IN PLACE	CUYD	20.0	\$25.00	\$500
0641-0102000M	AGGREGATE BASE	TON	20.0	\$25.00	\$500
0759-0110000F	CONCRETE CURBS, STANDARD CURB	FOOT	158.0	\$20.00	\$3,160
0759-0128000J	CONCRETE WALKS	SQFT	1150.0	\$6.00	\$6,900
0860-0200000F	LONGITUDINAL PAVEMENT MARKINGS - PAINT	FOOT	520.0	\$2.00	\$1,040
1095-9Z90000E	WAYFINDING SIGNAGE	EACH	1.0	\$350.00	\$350
SUBTOTAL, Construction Items					\$16,850
BASE SUBTOTAL, Construction Items					\$196,825
CONTINGENCIES, for all work listed					\$50,000
SUBTOTAL, Construction Items + Contingencies					\$246,825
ENGINEERING, for all work listed					\$50,000
ANTICIPATED ITEMS					\$0
BASE BID CONSTRUCTION COST, Less Right-of-Way					\$296,825
Current Programmed Funding Amount					\$285,000
Available Unused Design Contingency Fees					\$30,000
Available Construction Funding (Programmed Amount + Unused Contingencies)					\$315,000

CONCEPT LEVEL - COST ESTIMATE Prepared for: ODOT / PORT OF HOOD RIVER	
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SECTION Port of Hood River Frontage Road Pedestrian Path Design	COUNTY Hood River
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KEY NUMBER 14706	KIND OF WORK	LENGTH X.XX	DATE 12/9/2013	Prepared By: WHPACIFIC, INC	
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ITEM NUMBER	ITEM DESCRIPTION	UNIT	AMOUNT	UNIT COST	TOTAL
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ALTERNATE					
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EAST BRIDGE HEAD PLAZA - ALTERNATE					
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0210-010000A	MOBILIZATION	LS	1.0	\$4,400.00	\$4,400
0225-0101000A	TEMPORARY WORK ZONE TRAFFIC CONTROL, COMPLETE	LS	1.0	\$2,200.00	\$2,200
0280-010000A	EROSION CONTROL	LS	1.0	\$2,200.00	\$2,200
0305-010000A	CONSTRUCTION SURVEY WORK	LS	1.0	\$1,400.00	\$1,400
0330-0123000K	EMBANKMENT IN PLACE	CUYD	30.0	\$25.00	\$750
0641-0102000M	AGGREGATE BASE	TON	20.0	\$25.00	\$500
0759-0147000J	PATTERNED CONCRETE SURFACING	SQFT	1300.0	\$7.00	\$9,100
0970-9Z90000E	SOLAR LIGHT	EACH	1.0	\$5,000.00	\$5,000
0970-9Z90000E	SOLAR LIGHTED BOLLARDS	EACH	4.0	\$950.00	\$3,800
1030-	NATIVE SEEDING AREAS	SQFT	750.0	\$0.50	\$375
1040-0101000K	TOPSOIL	CUYD	30.0	\$25.00	\$750
1040-	PLANTER BEDS	SQFT	500.0	\$1.50	\$750
1040-9Z90000E	LANDSCAPE ESTABLISHMENT PERIOD & TEMP. IRRIGATION	SQFT	500.0	\$1.50	\$750
1095-9Z90000E	SEATING WALL	LF	120.0	\$150.00	\$18,000
1095-9Z90000E	INTERPRETIVE PANELS	EACH	3.0	\$1,500.00	\$4,500

SUBTOTAL, Construction Items					\$54,475
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BASE PLUS EAST PLAZA SUBTOTAL, Construction Items					\$54,475
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CONTINGENCIES, for all work listed					\$10,000
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SUBTOTAL, Construction Items + Contingencies					\$64,475
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ENGINEERING, for all work listed					\$10,000
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ANTICIPATED ITEMS					\$0
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ALTERNATE CONSTRUCTION COST, Less Right-of-Way					\$74,475
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Alternate Construction Cost					\$74,475
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Base Bid Construction Cost					\$296,825
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TOTAL PROJECT CONSTRUCTION COSTS (BASE + ALTERNATE)					\$371,300
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Available Construction Funding (Programmed Amount + Unused Contingencies)					\$315,000
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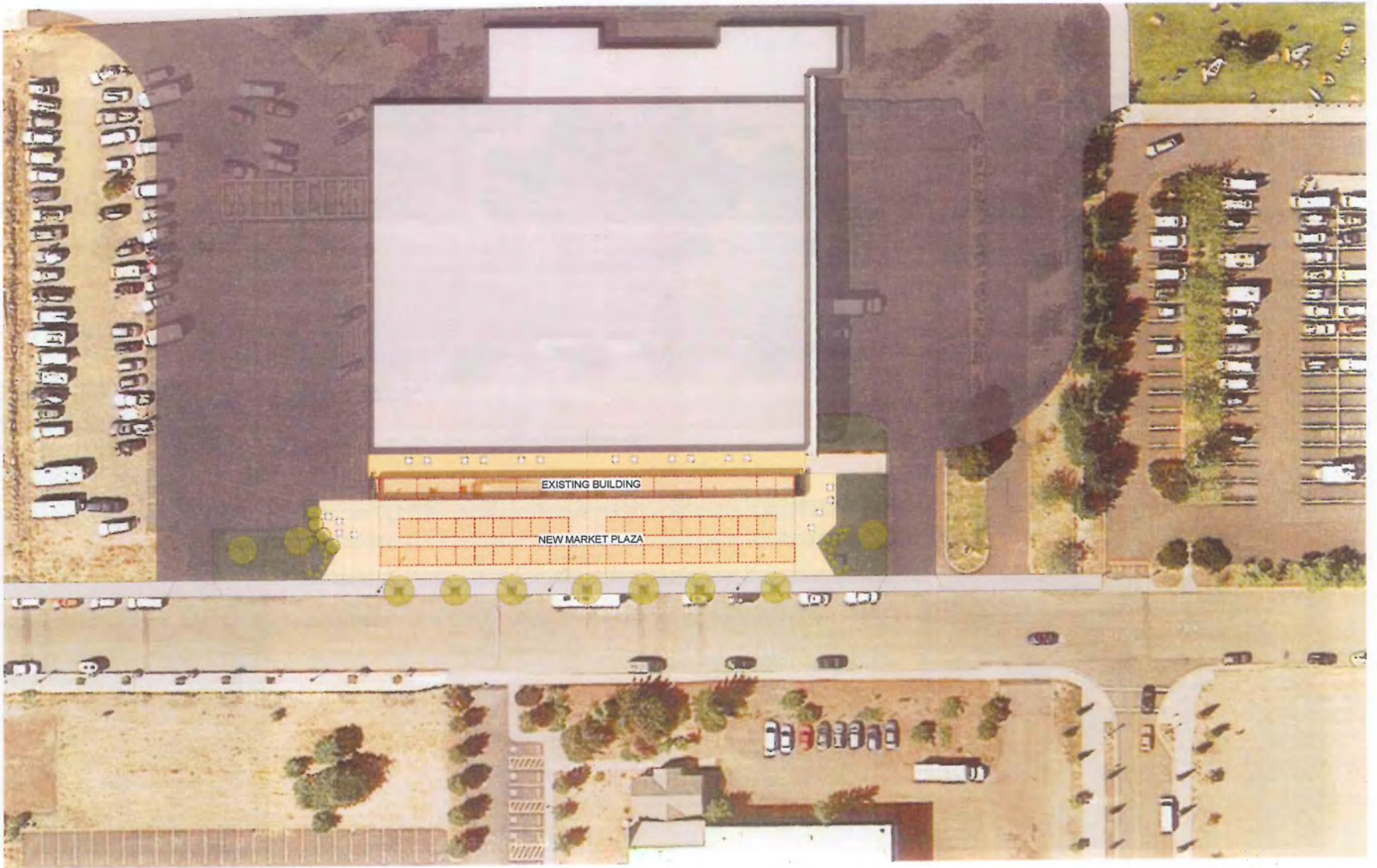
ESTIMATE ADDITIONAL FUNDING REQUIRED					\$56,300
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Commission Memo

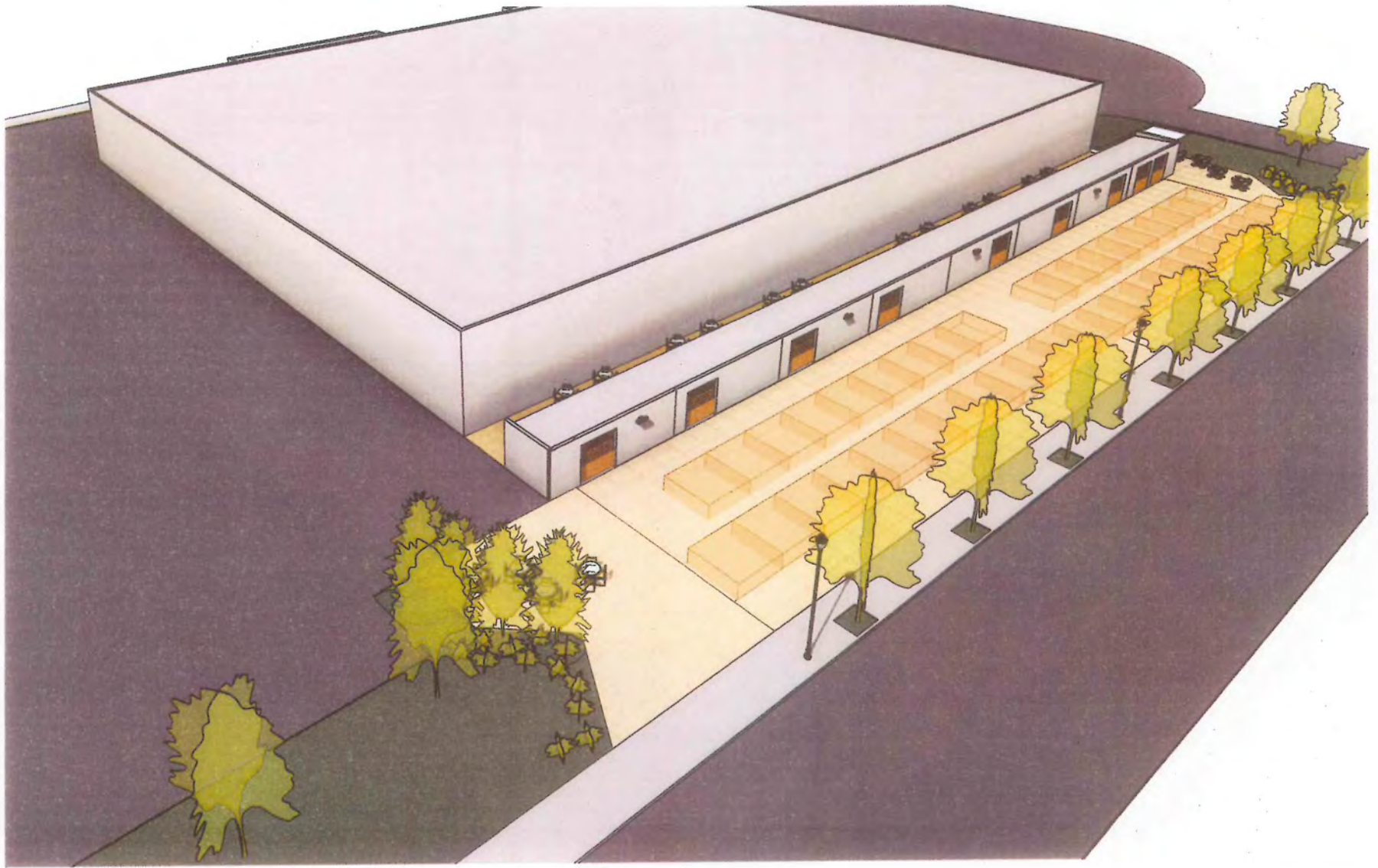
To: Commissioners
From: Liz Whitmore
Date: December 17, 2013
Re: Jensen Market Site Improvements

In September, the Commission reviewed three design options for a Jensen Market project to create a site for a local farmers market. A cost estimate was developed for the linear option which came in extensively over budget. Consequently, a revised design was developed omitting the roof structure and solar panels. The scope now includes concrete site work, utilities, cut-outs and rolling doors in the existing breezeway building, and landscaping. The cost estimate for the revised design came in at \$292,000. Please see attached for design drawings and cost estimate. Project may be considered for funding during spring planning.

RECOMMENDATION: For discussion.









Description	Qty	Unit	Unit Cost	Item Detail \$	Item \$	Division \$	Comments
DIVISION 1 - GENERAL CONDITIONS						\$35,700	
General Conditions	1	ITEM			\$35,700		
General Conditions	7	WK	\$5,100	\$35,700			Assumes GF for On-site Supervision
DIVISION 2 - SITEWORK						\$179,940	
Demolition	16,000	GSF	\$11.25		\$179,940		
Site Surveying/Staking	1	IT	\$5,000	\$5,000			Allowance
Selective Demo							
Cut New 8' x 8' Openings in South Wall	9	EA	\$1,000	\$9,000			AC/Curb Removal
Misc Site Demo	1	IT	\$2,000	\$2,000			
Drop Boxes - Recycling/Disposal	1	IT	\$1,800	\$1,800			
Clearing/Grubbing*	16,000	SF	\$0.50	\$8,000			
Site Grading*	4,200	SF	\$1.00	\$4,200			
Sidewalk Prep*	11,800	SF	\$1.75	\$20,650			
Rock Sub-Base							
Sidewalks*	11,800	SF	\$1.00	\$11,800			
Site Concrete							
4" Thick Concrete Sidewalks*	11,800	SF	\$5.50	\$64,900			Premium for Colored Concrete
Colored Concrete*	11,800	SF	\$1.50	\$17,700			
Utilities - Allowance							Item #11 in Phase 1 per Narrative
Power/Water/Data - (4) Connection Points	1	IT	\$20,000	\$20,000			
Landscaping							
Bioswales/Planters*	2,560	SF	\$4.00	\$10,240			Item(s) #13 & 14 per Narrative
Non-Bioswales*	1,550	SF	\$3.00	\$4,650			
DIVISION 5 - Metal Fabrications	16,000	GSF	\$0.68			\$10,800	
Structural Steel	16,000	GSF	\$0.56		\$9,000		
Framing Support/Reinforcement for (N) 8' x 8' Cut Openings	9	EA	\$1,000	\$9,000			Allowance
Miscellaneous Iron	16,000	GSF	\$0.11		\$1,800		
Eye Anchors for Tent Guy Wires	12	EA	\$150.00	\$1,800			Assumed required per sheet A3 for Gutter
DIVISION 7 - THERMAL & MOISTURE PROTECTION	16,000	GSF	\$0.00			\$0	
DIVISION 8 - DOORS & WINDOWS	16,000	GSF	\$0.86			\$13,770	
Specialty Doors	16,000	GSF	\$0.86		\$13,770		
Overhead Coiling Doors							
8'x8' Manual Doors	9	EA	\$1,530.00	\$13,770			Allowance
DIVISION 9 - FINISHES	16,000	GSF	\$0.23			\$3,628	
Painting	16,000	GSF	\$0.16		\$2,628		
Touch-up Painting of Existing Building	2,628	SF	\$1.00	\$2,628			Touch up Only
Miscellaneous	16,000	GSF	\$0.06		\$1,000		
Final Cleaning	1	IT	\$1,000	\$1,000			
DIVISION 16 -ELECTRICAL	16,000	GSF	\$0.41			\$6,500	
Electrical	16,000	GSF	\$0.41		\$6,500		
Electrical System							
Site Lighting*	1	IT	\$6,500	\$6,500			(4) New Wall Mounted Exterior Fixtures
Power	1	IT	N/A	\$0			Not Required on this phase

Jensen Market - Solar Project
PHASE 1
 November 22, 2013



Preliminary Budgeting Estimate
Port of Hood River
 R & H Construction Co. & Hennebery Eddy Architects

Description	Qty	Unit	Unit Cost	Item Detail \$	Item \$	Division \$	Comments
Misc. Items:							
Temp power set-up	16,000	GSF	\$0.50	N/A			by Owner (existing)
Temporary lighting	16,000	GSF	\$0.15	N/A			by Owner (existing)
Subtotal Estimated Costs				\$250,338	\$250,338	\$250,338	
Liability Insurance	1.05%					\$2,629	
Subtotal						\$252,967	
Design, Detail, & Estimating Contingency	10.00%					\$25,297	
Subtotal						\$278,263	
Escalation Contingency	0.00%					\$0	Assumes Summer 2014 Construction
Subtotal						\$278,263	
Contractor's Fee	5.00%					\$13,913	
TOTAL ESTIMATED COST						\$292,176	
Cost per Area Gross Square Footage		16,000 GSF				\$18.26	
NOTE: Any Item with an () indicates quantities provided by HEA							

Commission Memo

To: Commissioners
From: Liz Whitmore
Date: December 17, 2013
Re: Kite Safety Video

Erin Burnham and Jeff Blackman, local residents and avid kiteboarders volunteered their time to help develop a kiteboarding safety video that addresses issues specific to the Event Site and sandbar. The Port contributed \$100 to sponsor the video, along with several other local shop owners and kiteboard schools. Brendan Kerr, a HRVHS graduate and videographer was hired to create the video and did a fantastic job capturing the local crowd giving tips on kiteboard safety. The video will be posted on the Port website, Northwest Kite Forum, local shops and kite school websites. The goal is to continue to develop and refine it annually.

The video will be shown at the meeting.

RECOMMENDATION: For information.

**PORT OF HOOD RIVER
FINANCIAL ADMINISTRATIVE POLICIES AND PROCEDURES**

FINANCIAL ADMINISTRATIVE POLICIES

Port Policy

FIN 2.01

PURPOSE

WHEREAS, the Administration seeks to support the administrative & operational needs of the Port to enhance quality service delivery to the public; and

WHEREAS, on March 21, 2013, the Commission directed the Executive Director to develop a work plan for FY 2013-14; and

WHEREAS, the Executive Director work plan called for the update of the Financial Administrative Policies and Procedures; and

WHEREAS, the Executive Director (or designee), with the assistance of a Port staff and other stakeholders, has updated such policies; and

WHEREAS, the Financial Administrative Policies and Procedures articulates for the Board of Commissioners and Port customers its goals, and major objectives which will provide assistance in the guidance of the Port in its fiscal responsibilities over the next 3-5 years; and

WHEREAS, these policies will allow Port management to anticipate future opportunities and challenges, take proactive action, and make informed decisions on organizational activities, initiatives and the allocation of resources; and

WHEREAS, the Financial Administrative Policies and Procedures is consistent with the Board of Commissioner's policy direction for the Port.

POLICY

NOW, THEREFORE, BE IT RESOLVED that the Port of Hood River Board of Commissioners formally adopts the Financial Administrative Policies and Procedures, attached hereto as [Exhibit A](#); and

BE IT FURTHER RESOLVED that the Financial Administrative Policies and Procedures is a Binding Port Policy; and

BE IT FURTHER RESOLVED that the Port of Hood River Board of Commissioner's directs the Executive Director or designee to implement the Financial Administrative Policies and Procedures throughout its operations and activities.

FINANCIAL PLANNING

FIN-2.02

Policy

The Port of Hood River will prepare a long-range financial plan to guide the Board of Commissioners in adopting the Port budget and to assist the Board in ensuring the delivery of services through all types of economic cycles. The plans will help the Board of Commissioners evaluate the impact of the financial needs of delivering all the necessary activities performed by the Port within its boundaries. The plan will also assist in coordinating funding needs among the Revenue, Bridge Repair & Replacement and General Fund functions and needs.

Financial planning and budgeting will be based on the following principles:

- Revenue estimates will be prepared on a conservative basis to minimize the possibility that economic fluctuations could jeopardize ongoing service delivery during the fiscal year.
- Expenditure estimates will anticipate needs that are reasonably predictable.
- Forecasts will rely on a common set of basic economic assumptions that will be established, updated and distributed by the Finance Manager. The forecasts will also identify other assumptions used in their preparation and associated risks. Examples of risks can include rates, legislation and legal rulings that affect Port liability, pension systems or health benefit plans, as well as regional economic trends that affect Port revenues and grants. The Port will test both its financial planning methodology and use of planning tools in order to provide timely and accurate information that is disseminated to the Board.

Financial Plans and Forecasts

- The Administration will prepare an annual audited financial report. This report will include a comprehensive overview of the Port's financial condition.
- Financial plans will be prepared annually for the Port and the impacts to the Revenue, Bridge Repair & Replacement and General Funds. If appropriate, the plan will identify additional resources needed to continue current service levels like toll increases or adjustments to services provided.

Operation and Maintenance

- The Port will preserve its current physical assets and plan in an orderly manner for future capital investments, including the operating and maintenance costs associated with new or additional capital improvements or major equipment.
- The Port will identify and include full costs of future maintenance needs and operating costs of new capital improvements and equipment prior to funding as part of the Budget.
- In general, all assets will be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs. A high priority should be placed on maintenance where deferring maintenance will result in greater costs to restore or replace neglected facilities/equipment.
- Maintenance and operations of major capital assets should be given priority over acquisition of new assets, unless an analysis indicates a net benefit or the funding source to acquire or develop a new asset cannot be used for operations and maintenance.
- Factors that reduce operating and maintenance costs, such as upgrades, remodels and/or

technological advances, will be considered when reviewing operation and maintenance requests. Priority may be given to projects that do not require operation and maintenance adjustments or that reduce those costs.

- The budget will provide sufficient funding for adequate operations, maintenance, scheduled replacement and enhancements of capital assets and equipment. Whenever Port staff identify that there is a significant discrepancy between the need to maintain or modernize Port infrastructure or facilities and the funds available for such improvements, the Executive Director or designee will present a strategy for meeting these needs to the Board of Commissioners.

Responsibility

The Finance Manager will coordinate the presentation of the Port's financial plan with the Executive Director providing overall guidance.

BUDGET FIN-2.03

Policy

The Port will develop and implement a budget process that will:

Make prudent use of public resources.

- Include financial forecast information to ensure that the Port is planning adequately for current and future needs.
- Involve community members, elected officials, employees and other key stakeholders.
- Provide performance and other analytical data to assist in assessing resource effectiveness.
- Comply with Port laws and State of Oregon Local Budget Law.

The Executive Director will develop and present a proposed budget to the Board of Commissioners for consideration and adoption. The Proposed budget will identify major financial and service issues, identify funding requirements and sources of funds, provide supplemental information on programs or functions, include budget and performance or other details necessary to relate recommendations to the Port's strategic plan and goals.

The Finance Manager will assist the Executive Director in Proposed annual budget process and calendar. The proposed process and calendar will support the budget committee participation and Board deliberations.

Budget Monitoring

The Finance Manager will maintain a system for financial monitoring and control of the Port's budget during the fiscal year. This system will provide the Board with information on revenue, expenditures and performance at both the Port and fund level. The system will include provisions for amending the budget during the year in order to comply with State of Oregon budgetary statutes and to address unanticipated needs or emergencies. The Finance Manager will coordinate the process for budget adjustments requiring Board and possibly Budget Committee approval.

The Finance Manager will periodically publish Fund financial status reports on the revenues and expenditures to date, and the estimated year-end balance. During the Spring Planning session the Finance Manager will report to the Board on the financial results and recommend financial management actions necessary to meet the adopted budget's financial planning goals.

For the Fall Planning session, the Finance Manager will report to the Board on the previous year's financial performance and how it relates to the long-term financial forecast with respect to reserves and debt coverage. Included in this report will be any new legislation, rules, regulations or policies that will have a material impact for the rest of the fiscal year.

Operating Policies

1. **Balanced Budget.** In each fund, resources shall be equal to or exceed requirements. Each Port fund budget must identify ongoing resources that at least match expected ongoing requirements. One-time cash transfers and non-recurring ending balances may either be applied to reserves or used to fund one-time expenditures; they will not be used to fund ongoing expenditures, except as provided in section 2 below.
2. **One-time Funds.** One-time funds are resources designed to be used for projects and purchases that can be accomplished within the fiscal year or two but not to be used towards ongoing expenditures. One-time funds may be committed for up to four years for a capital project or a significant planning effort that has a finite duration of four years or less. Such a funding commitment shall be noted in the Proposed Budget. Out-year funding may not be committed in excess of the one-time funds projected to be available in the long-term financial forecast.
3. **Surplus Revenue and Fund Balances.** From time to time additional revenue (grants or surplus beginning fund balances) will be available. The Port will budget only the amount of revenue that is needed to fund projected expenditures within the fiscal year. Anticipated resources not needed to fund fiscal year spending or unforeseen contingencies shall be split taken to reserves. The Port will not increase accruals and non-cash enhancements to revenues as a means to influence fund balances at year-end.
4. **Efficiency and Effectiveness.** The Port will optimize the efficiency and effectiveness of its services to reduce costs and improve service quality. The Port will coordinate its service delivery with other applicable public and private service providers. The Port will also look towards technology with regard to its efficiency and effectiveness.
5. **Self-supporting/Full Cost Recovery Basis.** Port *overall* operations will be run on a self-supporting basis where doing so will increase efficiency in service delivery and recover the cost (or part thereof) of providing the service by a user fee or charge.
6. **Contingencies.** The Port will budget a contingency amount for each fund adequate to address reasonable but unforeseen requirements within the fiscal year.

Port-issued Grants or Loans

The Port may authorize grants or loans for Port purposes. Only the Port Board of Commissioners can authorize loans of any dollar amount, however the Executive Director may be allowed to authorize the acceptance of a grant of \$10,000 or less. The Port awards grants/loans by resolution unless it has delegated the authority to issue specific grants to a Port official. Grants are a type of contract subject to different legal rules: Contracts are typically used to purchase goods and services to directly benefit Port operations, while grants are issued for the purpose of supporting an activity of the recipient and recipient.

The Port will avoid issuing grants or loans to assist agencies in meeting ongoing service delivery needs. The Port may audit financial records or performance data to ensure funds are spent in accordance with the purpose of the grant or loan.

Grant or loan agreements between the Port and public agencies shall be issued as intergovernmental agreements.

Fund Management

Creation of new funds or elimination of existing funds shall be done by Port resolution. A review and report by the Finance Manager will be required prior to Board action. The Finance Manager will conduct an annual review to assess if each fund is needed.

Each fund at the Port will have a statement of purpose, adopted by resolution by the Board of Commissioners that contains several required elements.

Responsibility

The Executive Director (or designee) will coordinate the overall preparation and administration of the Port's budget.

FINANCIAL REPORTING

FIN-2.04

Policy

The Port shall maintain a system of financial monitoring, control and reporting for all operations, and funds to provide effective means of ensuring that overall Port goals and objectives will be met and to assure the Port's citizens, partners and investors that the Port is well managed and fiscally sound.

Financial Reporting

The Port will maintain its accounting records and report on its financial condition and results of operations in accordance with state and federal law and regulations, Generally Accepted Accounting Principles (GAAP) and standards established by the Governmental Accounting Standard Board (GASB). Budget reporting will be in accordance with Oregon Local Budget Law.

- A qualified independent firm of certified public accountants will perform an annual financial and compliance audit of the Port's financial statements. The firm's opinions will be presented in the Port's Annual Financial Report (AFR), in the single audit report as required by the Single Audit Act of 1984 and in the independent auditor's Report on Compliance and on Internal Control over Financial Reporting.
- The AFR will be designed to communicate with citizens about the financial affairs of the Port.
- As an additional independent assessment of the quality of the Port's financial reporting, the Port will strive to obtain the certificate of achievement for excellence in financial reporting from the Government Finance Officers Association.
- The Port will strive to minimize the number of funds. The funds will be categorized by standard GAAP functional classifications. The Port will list current funds and their related GAAP functional classification as well as their Port fund type in the Annual Financial Report.

Responsibility

The Finance Manager will implement this policy and report to the Executive Director and Board of Commissioners on compliance issues. The Finance Manager will also develop and maintain Financial Administrative procedures to assist in carrying out these policies.

REVENUE FIN-2.05

Policy

The Port will strive to maximize and diversify its revenue base that will raise sufficient revenue to support essential Port services and to maintain such services during periods of declining economic activity. Port services providing private benefits should be paid for by fees and charges as much as possible to maximize flexibility in the use of Port revenue sources to meet the cost for services of the broader public benefit. The Port's overall revenue structure will be designed to recapture some of the financial benefits resulting from Port economic and community development investments. However, it will also be linked to the overall Port Strategic Plan and its future updates. Revenue collection efforts that produce positive net revenues for Port service delivery will be the highest budget priority.

Cost Recovery

Charges for services that benefit specific users should strive to recover as much of the full cost as possible, which includes all direct costs, overhead, loss of interest and depreciation on capital plant and equipment. Allocation of indirect costs will be established annually by the Finance Manager.

The Port may subsidize other programs within the Port's portfolio of services from user fees from its primary revenue generation programs. This will be based on Port objectives that align to its Strategic Plan such as remaining competitive within the region and job production during an economic downturn to these subsidies. However, all such services should strive to mitigate their costs either through revenue generation or efficiencies of operations.

Additional Resources

The Port will use and obtain resources according to the following principles:

1. The Port will use as efficiently as possible the resources that it already collects.
2. The Port will collect as efficiently as possible the resources to which it is already entitled.
3. The Port will seek new resources, consistent with its financial policies and Port Strategic Plan.
4. The Port will strive for a total revenue mix that encourages growth and keeps jobs within the Hood River region.
5. The Port will enforce its authority to collect revenue due the Port, including litigation if necessary.

Grants

The Port will avoid using grants to meet ongoing service delivery needs. Prior to a grant application submittal, or acceptance if an application is not required, all grants will be reviewed by the Executive Director (or designee) to ensure compliance with state, federal and Port regulations. The Port will budget expenditures for grant-funded programs only after receipt of the grant award or letter of commitment and only for the amount of the grant award to be expended within the fiscal year.

Revenue Projections, Surpluses and Shortfalls

- Revenue Projections shall be conservatively estimated.
- Revenue Shortfalls. Overall revenue shortfall will require an adjustment in the Spring Planning session with a corresponding reduction to appropriation or from contingency.

Responsibility

The Executive Director (or designee) will oversee compliance of this policy with the participation of staff.

RESERVES FIN-2.06

Policy

Reserves will be established and maintained to ensure the continued delivery of Port services to address emergencies, address a temporary revenue shortfall or provide stability during economic cycles. Sufficient reserves will be managed to provide adequate cash flow, stabilize the Port's interest rates and provide continuity in service delivery.

The Port shall maintain adequate cash reserves in each fund to maintain a positive cash position at any time during a fiscal year and at year-end.

Reserves - Bridge Repair & Replacement Fund and Revenue Fund

The Port will maintain a reserve in both the Bridge Repair & Replacement Fund as well as the Revenue Fund to:

- Insulate Revenue Fund programs and current service levels from large and unanticipated one-time expenditure requirements, a revenue reduction due to changes in the economy, adverse litigation or any similar unforeseen action.
- Temporarily insulate Revenue Fund programs and current service levels from slower revenue growth that typically occurs during an economic recession.

The level of the Revenue Fund and Bridge Repair & Replacement fund reserves should reflect on an aggregated basis 10 percent of the net depreciable assets held by the Port.

There are two parts to the Bridge Repair & Replacement Fund Reserve: the amount held for debt service compliance and the amount reflecting 10% or more of the net depreciable assets held for capital improvements to the bridge identified in the Bridge - 10 year capital improvement plan.

Revenue Fund Reserve

The Port will reserve an equivalent in liquid assets of 10% of the net depreciable assets of the fund. This reserve will be used for capital improvements on those same depreciable assets. The intent of the reserve is not to fund ongoing operations of the Port but for the betterment of the capital assets it maintains. However, the reserve may be used for an emergency. The reserve is available to address one-time emergencies and unanticipated expenditure requirements or to offset drastic unanticipated

revenue fluctuations occurring within a fiscal year. The Port may withdraw funds from the reserve when the Port has declared an emergency by ordinance or resolution and after the Fund's budgeted contingency has been exhausted.

The Port will begin to restore emergency reserves used under this policy within 24 months after their first use.

Responsibility

The Finance Manager will manage and monitor the reserves in each fund and report on the current and projected level of the reserve funds during each budget process.

COST ALLOCATION

FIN-2.07

Policy

The Port will establish and maintain a consistent methodology for allocating the costs of the Port's Maintenance and Administration functions and activities that benefit or are used by several Port cost centers. The goal is to provide stable, predictable and equitable costs and rates to cost centers or functional areas that pay for these services.

The two primary methods used to allocate indirect costs of administration and maintenance to Port cost centers are through Overhead Rates or allocations developed annually by the Finance Manager. Direct costs are allocated directly to those cost centers that incur such costs.

Interagency Agreements (IAs)

Costs for services or activities provided to customers that can be defined on a per unit basis or like kind methodology will be allocated as such. Designated cost centers of the Port will strive to recover their costs by charging rates (ie. Airport, Marina, toll bridge) that depict what is being recovered.

Responsibility

The Finance Manager is authorized to develop and issue procedures with input from the Board and other appropriate stakeholders in order to implement the cost allocation policies.

CASH MANAGEMENT

FIN-2.08

Policy

The Port will manage its cash assets to ensure accurate records, reduce the chance of loss or theft and allow the Port to maximize interest income. The Finance Manager will ensure the accurate and timely accounting, investment and security of all cash assets, and will develop, maintain and constantly seek to improve cash management systems. All cash received by the Port will be deposited to the Port bank account(s).

Only the Port's Board of Commissioners is authorized to establish bank accounts for the Port. The Finance Manager will reconcile and balance the cash and investment accounts established by the Board.

Responsibility

The Finance Manager and staff will comply with this policy.

PAYMENT PROCESSING

FIN-2.09

Policy

The Port will ensure that its banking services, systems and procedures, including electronic payment processing, are easy for the public to use, provide a cost-effective service and maintain security for transactions.

The Finance Manager will establish through approval of the Board and maintain all Port banking-related services, including those related to payment card or ACH (automated clearinghouse) processing. Payment cards refer to credit and debit cards. Electronic payment processing refers to the use of credit, debit or ACH methods of payment.

The Finance Manager prior to approval of a request to implement a payment card process, will perform a cost/benefit analysis that assesses the financial and operational impacts of providing this type of service and assess alternatives to credit/debit card use.

Security Standard

All electronic payment processing services must be processed in a Port-approved secure environment. The Payment Card Industry - Data Security Standard (PCI-DSS) shall be the Port's standard for processing electronic payments in a secure environment. This PCI-DSS environment includes the physical, network and software environment for the payment card service. The Port will only use external software for electronic payment processing services that is Payment Application-Data Security Standard (PA-DSS) compliant. PA-DSS is a set of software security standards related to PCI-DSS and applies to software vendors and others who develop payment applications that store, process or transmit cardholder data as a part of authorization or settlement. The PCI-DSS compliant environment meets the U.S. Department of Treasury recommendation to process ACH payments with sound, risk-based security controls in all ACH systems.

Third-party processors and/or agents acting on behalf of the Port in the collection of funds are required to deposit all collected funds directly to the Port owned and collateralized bank account.

Responsibility

The Finance Manager is authorized to develop and issue procedures with input from other appropriate stakeholders in order to implement the electronic payment processing policy. The Finance Manager will provide guidance and direction to the Port and staff with regard to the cost/benefit analysis for electronic payment card processing. The Information Technology consultant will provide guidance and direction to the Port in the technical requirements and security policies.

**DEBT MANAGEMENT
FIN-2.10**

Policy

I. COMPREHENSIVE CAPITAL PLANNING AND FINANCING

- A. Capital Planning and Financing Approach.** The Port shall utilize an integrated approach to capital planning and financing in preparing a multi-year Capital Improvement Plan. Coordination and preparation of the Port Capital Improvement Plan (the "CIP") shall reside with the Executive Director or designee. The CIP shall be for the ensuing ten fiscal years and shall be updated at least annually as part of the Port budget process. The CIP shall contain a comprehensive description of the sources of funds, including current revenue requirements; identify the timing of project expenditures and their impact on future operating and capital budgets; and evaluate the impact of the projects on the amount and timing of bonds to be issued, debt service requirements, outstanding debt, and debt burden. In developing the CIP, an assessment shall be undertaken to determine whether the planned financings conform with policy targets related to (1) the magnitude and composition of the Port's indebtedness, and (2) the fiscal resources of the Port to support such indebtedness over the next ten years. Affordability impacts of the CIP shall be evaluated in consultation with the Board of Commissioners.
- B. Maintenance, Replacement and Renewal.** Consistent with its philosophy of keeping its capital facilities and infrastructure systems in good repair and to maximize the capital asset's useful life, the Port will set aside sufficient current revenues to finance ongoing maintenance needs and to provide reserves for periodic replacement and renewal.
- C. Debt Authorization.** All Port debt issued for the purpose of funding capital projects shall be authorized by the Board of Commissioners and should have been included in the CIP or agreed by the Board that the CIP should be modified. Such modification shall occur only after the Board has received a report of the impact of the contemplated borrowing on the existing CIP and recommendations as to the financing arrangements from the Finance Manager.
- D. Debt Planning.** It shall be the responsibility of the Finance Manager to coordinate the timing, process, and sale of Port debt required in support of the CIP. The Finance Manager shall make recommendations to the Board as necessary in order to accomplish Port financing objectives.

II. LIMITATIONS ON PORT INDEBTEDNESS

- A. Target Limitations on Non-Self-Supporting Unlimited Tax General Obligation Indebtedness.** The Port shall, as a matter of policy, conduct its finances so that the amount of direct, non-self-supporting, unlimited tax general obligation ("UTGO") debt outstanding at any time that is subject to approval by the voters (excluding long-term, non-self-supporting leases) does not exceed 0.75% of the Port's taxable real market value.
- B. Target Limitations on Non-Self-Supporting Limited Tax Indebtedness.** The Port shall, as a matter of policy, manage its finances so that the amount of direct, non-self-supporting, limited tax indebtedness and full faith and credit lease purchase obligations outstanding at any time that are not subject to approval by the voters does not exceed 1.0% of the Port's taxable real market value. Furthermore, the Port shall strive to limit the annual debt service

requirements on these obligations to an amount not greater than 7% of annual General Fund revenues.

These limitations apply to debt obligations issued with a specific pledge of the Port's General Fund, obligations secured by a pledge of the Port's full faith and credit, and obligations that are secured by available general funds, and which are not self-supporting, or which are paid for from General Fund monies. Also included within this limitation are any other loan agreements entered into directly by the Port or secured indirectly by a pledge of the Port's General Fund. These limitations shall not apply to indebtedness as described in II.G. below.

- C. Target Limitations on Self-Supporting Limited Tax Indebtedness.** The Port shall, as a matter of policy, manage its finances so that the amount of direct, self-supporting, limited tax indebtedness outstanding at any time that is not subject to approval by the voters does not exceed 1.0% of the Port's taxable real market value.

This limitation applies to debt obligations issued with a specific pledge of the Port's General Fund, obligations secured by a pledge of the Port's full faith and credit, and obligations that are secured by available general funds. It shall be the responsibility of the Finance Manager and the Executive to determine whether such General Fund-secured obligations are classified as self-supporting. Such determination shall be made based upon factors including, but not limited to, length of history of the payment revenue source, debt service coverage, revenue volatility and classification of such debt by bond rating agencies. These limitations shall not apply to indebtedness as described in II.G. below.

- D. Target Limitations on Lease-Purchase Financing of Equipment and Furnishings.** The Port may enter into short-term lease-purchase obligations to finance the acquisition of capital equipment and furnishings with estimated useful lives of less than ten years. Repayment of these lease-purchase obligations shall occur over a period not to exceed the useful life of the underlying asset or in any case no longer than ten years from the issue date of such obligations. The Finance Manager shall be responsible for developing procedures and for setting repayment terms and amortization schedules, in consultation with any lender.

- E. Limitations on General Fund Loan Guarantees and Credit Support.** As part of the Port's financing activities, General Fund resources may be used to provide credit support or loan guarantees for public or private developments that meet high priority Port needs. Before such General Fund commitments are made, specific policy goals and objectives that determine the nature and type of projects qualifying for such support, and specific limitations to be placed on the maximum amount of General Fund resources pledged to such projects shall be developed. The Finance Manager shall be responsible for coordinating the development of such policies and goals, which shall not take effect until approved by the Board. General Fund loan guarantees shall be subject to the overall debt limitations set forth in II.B above.

Recognizing the limited capacity of the Port's General Fund to support both ongoing operating programs and secure long-term debt obligations, use of the General Fund to secure such obligations must first be approved by the Executive Director in consultation with the Finance Manager. Key factors that will be considered in determining whether or not the General Fund should be used to secure a particular debt obligation will include the following:

1. Demonstration of underlying self-support, thus limiting potential General Fund financial exposure.

2. Use of General Fund support as a transition to a fully stand-alone credit structure, where interim use of General Fund credit support reduces borrowing costs and provides a credit history for new or hard-to-establish credits.
3. General Fund support is determined by the Board to be in the Port's overall best interest.

F. Target Limitations on the Issuance of Revenue-Secured Debt Obligations. The Port shall finance the capital needs of its revenue producing enterprise activities through the issuance of revenue-secured debt obligations. Prior to issuing revenue-secured debt obligations, the Finance Manager will develop financial plans and projections showing the feasibility of the planned financing, required rates and charges needed to support the planned financing, and the impact of the planned financing on the customers who use such services (ie. marina slip lessees, bridge toll users, etc.) and other affected parties. The amount of revenue-secured debt obligations issued by the Port will be limited by the feasibility of the overall financing plan as recommended by the Finance Manager.

Revenue-secured debt obligations must first be reviewed and approved by the Finance Manager and the Executive Director before being sent to the Board for approval. **Pension Obligation Debt.** The Port may (at some time in the future) elect to fund accrued pension liabilities through the issuance of pension obligation bonds rather than funding such obligations on a pay-as-you-go basis. The principal amount of outstanding pension obligations and the debt service on such obligations shall be excluded from calculations of outstanding debt under Section II (A) (B) and (C) of this debt policy.

III. STRUCTURE AND TERM OF PORT INDEBTEDNESS

- A. Rapidity of Debt Repayment.** Generally, borrowings by the Port should be of a duration that does not exceed the economic life of the improvement that it finances and where feasible should be shorter than the projected economic life. Moreover, to the extent possible, the Port should design the repayment of debt so as to recapture rapidly its credit capacity for future use. The Port may choose to structure debt repayment so as to wraparound existing obligations or to achieve other financial planning goals. Such alternative structures shall be subject to the approval of the Board.
- B. Use of Variable-Rate Securities.** When appropriate, the Port may choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of the securities. The decision to issue such securities must be reviewed and approved by the Finance Manager and Executive Director, in consultation with the Board before issuance takes place. Prior to issuing variable rate debt, a plan shall be developed to address interest rate risk associated with these instruments.
- C. Pledge of Restricted Funds to Secure Debt.** The Port has the power to make an irrevocable pledge of a security interest in an account created exclusively for the security of holders of Port obligations. Before such funds are used to secure a prospective financing, policies regarding the use of such restricted funds shall be developed by the Finance Manager, subject to approval by the Board, to ensure that the use of such funds to secure bonds does not violate restrictions on such funds and that underlying program commitments can be maintained in addition to meeting debt service obligations on debt secured by the restricted funds. These policies shall be presented as recommendations to the Board prior to or at the time issuance of the secured debt is to be authorized.

- D. Use of Subordinate Lien Obligations.** Creation of a subordinate lien financing structure, if appropriate, shall be based on the overall financing needs, expected credit ratings, relative cost of a subordinate lien structure, and impacts on the Port as determined by the Finance Manager and the Executive, in consultation with the Board.

IV. SHORT-TERM DEBT AND INTERIM FINANCING

- A. Lines and Letters of Credit.** Where their use is judged by the Finance Manager to be prudent and advantageous to the Port, the Port has the power to enter into agreements with commercial banks or other financial entities for purposes of acquiring lines or letters of credit that shall provide the Port with access to credit under terms and conditions as specified in such agreements. Before entering into any such agreements, takeout financing or intended amortization for such lines or letters of credit must be planned for and determined to be feasible. Any agreements with financial institutions for the acquisition of lines or letters of credit shall be approved by the Board of Commissioners. Lines and letters of credit entered into by the Port shall be in support of projects contained in the approved CIP.
- B. Bond Anticipation Notes.** Where their use is judged by the Finance Manager to be prudent and advantageous to the Port, the Port may choose to issue Bond Anticipation Notes as a source of interim construction financing. Before issuing such notes, takeout financing for such notes must be planned for and determined to be feasible. Bond Anticipation Notes may be sold in either a competitive or negotiated sale, subject to authorization and approval by the Board.

V. CONDUIT FINANCINGS

The Port may sponsor conduit financings for activities (i.e., economic development, etc.) that have a general public purpose and are consistent with the Port's overall mission and policy objectives. All conduit financings must insulate the Port completely from any credit risk or exposure and must first be reviewed by the Finance Manager and Executive Director before being submitted to the Board for authorization and implementation.

Conduit financings shall either:

1. Carry an investment grade rating by Moody's Investors Service and/or Standard & Poor's Corporation, respectively.
2. Be sold via a private sale only to 'accredited investors' pursuant to Oregon state law.

The obligated borrower in a conduit financing shall be responsible for complying with all arbitrage rebate requirements associated with the bonds and shall, prior to the closing of the bonds, enter into a contract for rebate services with a firm recognized as having expertise in performing arbitrage rebate calculations for tax-exempt bonds.

VI. FINANCING PROPOSALS

Any capital financing proposal made to the Port involving a pledge or other extension of the Port's credit through the sale of securities, execution of loans or leases, or making of guarantees or otherwise involving directly or indirectly the lending or pledging of the Port's credit shall be referred to the Finance Manager, who in a timely manner shall be responsible for analyzing the proposal, responding to the proposal, and recommending to the Executive Director the required action to be taken.

VII. SELECTION OF FINANCE CONSULTANTS AND SERVICE PROVIDERS

The Port's Finance Manager shall be responsible for establishing a solicitation and selection process for securing professional services that are required to develop and implement the Port's debt program. Goals of the solicitation and selection process shall include encouraging participation from qualified service providers, both local and regional, and securing services at competitive prices. The solicitation and selection process for such services will comply with Port requirements for professional services.

- A. **Bond Counsel.** The Finance Manager in consultation with the Executive Director will be responsible to oversee and coordinate the marketing of all Port indebtedness, with advice from Port Legal Counsel, Financial Advisor and underwriters with regard to a capital financing and the selection of Bond Counsel to be employed for such a financing. Staff will provide a recommendation to the Board on making such a selection.
- B. **Underwriters.** The Finance Manager in consultation with the Executive Director shall solicit proposals for underwriting services when such level of debt offering warrants underwriting services. The selection of underwriter will be for an individual financings or a specified time period. The Board shall make such selections taking into consideration the recommendations of staff.
- C. **Financial Advisor.** The Finance Manager in consultation with the Executive Director will be responsible to oversee and coordinate the marketing of all Port indebtedness, with advice from Port Legal Counsel, bond counsel and underwriter with regard to a capital financing and the selection of the Financial Advisor to be employed for such a financing. Staff will provide a recommendation to the Board on making such a selection.
- D. **Paying Agent.** The Finance Manager, in consultation with the Financial Advisor shall determine the paying agent services from qualified commercial and trustee banks. The cost of providing such services shall be used by the Finance Manager, along with other qualitative measurements, in selecting a Paying Agent.
- E. **Other Service Providers.** The Finance Manager shall periodically solicit for providers of other services necessary to carry out the debt issuance activities of the Port (escrow agents, verification agents, trustees, etc.). The Finance Manager in selecting such additional service providers shall evaluate the cost and perceived quality of service of the proposed service provider.

VIII. METHOD OF SALE

- A. The Port, as a matter of policy, shall issue its debt obligations through either a competitive sale, negotiated sale or a private placement. The Finance Manager will determine the sale method that benefits the Port by producing the best results to the Port. In such instances where the Port deems that the preferred method of sale is a competitive bid, and the bids received through a competitive sale are deemed unsatisfactory or bids are not received, the Finance Manager will be allowed to solicit either a negotiated sale or private placement.
- B. **Use of Technology in Bond Sale Process.** The Port shall encourage the use of electronic bidding systems, electronic dissemination of disclosure information and other technological methods whenever the use of such technology is expected to reduce sale costs and enhance market participation in Port financings.

IX. REFUNDING OF PORT INDEBTEDNESS

- A. Debt Service Savings--Advance Refundings.** The Port may issue advance refunding bonds (as defined for federal tax law purposes) when advantageous, legally permissible, prudent, and net present value savings equals or exceeds 3 percent, calculated in accordance with Oregon Administrative Rules on Advance Refundings.
- B. Debt Service Savings--Current Refundings.** The Port may issue current refunding bonds (as defined for federal tax law purposes) when advantageous, legally permissible, prudent, and net present value savings equal or exceed \$100,000.
- C. Restructuring of Debt.** The Port may choose to refund outstanding indebtedness when existing bond covenants or other financial structures impinge on prudent and sound financial management. Savings requirements for current or advance refundings undertaken to restructure debt are done so in the Port's overall best financial interests.
- D. Open Market Purchase of Port Securities.** The Port may choose to defease its outstanding indebtedness through purchases of its securities on the open market when market conditions make such an option financially feasible. The Finance Manager shall be responsible for developing procedures for executing open market purchases and the savings objectives to be achieved by undertaking such actions.

X. USE OF CREDIT ENHANCEMENT

The Port shall use credit enhancement (letters of credit, bond insurance, surety bonds, etc.) when such credit enhancement proves cost-effective. Credit enhancement may be used to improve or establish a credit rating on a Port debt obligation if such credit enhancement is cost effective or if in the opinion of the Finance Manager, the use of such credit enhancement meets the Port's debt financing goals and objectives.

XI. CREDIT RATINGS

- A. Rating Agency Relationships.** The Finance Manager shall be responsible for maintaining relationships with the rating agencies, if applicable, that currently assign ratings to the Port's various debt obligations. This effort shall include providing periodic updates on the Port's general financial condition along with coordinating meetings and presentations in conjunction with a new debt issuance.
- B. Use of Rating Agencies.** The Finance Manager shall be responsible for determining whether or not a rating shall be requested on a particular financing, and which of the major rating agencies shall be asked to provide such a rating.
- C. Minimum Long-Term Rating Requirements.** The Port's minimum rating requirement for its direct, long-term, debt obligations is a rating not lower than "A3" by Moody's Investors Service or "A-" by Standard & Poor's Corporation. If such a debt obligation cannot meet this requirement based on its underlying credit strength, then credit enhancement shall be sought to ensure that the minimum rating is achieved. If credit enhancement is unavailable or is determined by the Finance Manager to be uneconomic, then the obligations may be issued without a rating.

XII. REBATE REPORTING AND COVENANT COMPLIANCE

The Finance Manager shall establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code. This effort shall include tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the Port's outstanding debt issues.

Additionally, general financial reporting and certification requirements embodied in bond covenants shall be monitored to ensure that all covenants are complied with.

XIII. ONGOING DISCLOSURE

The Finance Manager shall be responsible for providing ongoing disclosure information to established national information repositories and for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies

XIV. OTHER POLICIES AND REQUIREMENTS

- A. Annual Audit of the Port.** The annual audit of the Port shall describe in detail all funds and fund balances established as part of any direct debt financing of the Port. The audit may also contain a report detailing any material or rate covenants contained in any direct offering of the Port and whether or not such covenants have been satisfied.

Responsibility

The Port Finance Manager will be responsible for the implementation of this policy. Any amendments to this policy must be approved by the Board after consultation with the Executive Director.

INVESTMENT POLICY

FIN-2.11

PURPOSE

WHEREAS, the Port is permitted under State of Oregon law to invest its funds in various classes of securities including but not limited to: United States Government or United States Agency securities; time deposits and bankers' acceptances of financial institutions located within Oregon; in commercial paper of financial institutions and corporations; corporate bonds; repurchase agreements; and in the Local Government Investment Pool; and

WHEREAS, there is a need to clearly define the criteria for operation of the Port's investment portfolio; and

WHEREAS, the primary objective of the Investment Policy is to establish a conservative set of investment criteria that will prudently protect the Port's assets and enable the Port to generate a market rate of return; and

WHEREAS, the Finance Manager is charged with responsibility for managing the Port's investments; and

WHEREAS, the Finance Manager has developed a formal Investment Policy after seeking the advice of the State Treasurer's Office; and

WHEREAS, ORS 294.135 requires the Port to adopt an Investment Policy; and

WHEREAS, when material changes are made to the Investment Policy, the Port is required pursuant to ORS 294.135 to submit the Investment Policy to the State of Oregon Short-Term Fund Board for review;

POLICY

NOW, THEREFORE, BE IT RESOLVED by the Port of Hood River Board of Commissioners of the Hood River, Oregon that:

1. The Investment Policy, attached hereto as [Exhibit A](#), fulfills all State of Oregon, Port Code requirements, and is hereby adopted as the Port of Hood River's Investment Policy.
2. The Finance Manager shall be responsible for the implementation of the Investment Policy.
3. Amendments to the Investment Policy must be approved by the Port Board of Commissioners.
4. This resolution shall remain in effect from the date of adoption unless a change is directed by the Board of Commissioners.

BE IT FURTHER RESOLVED that the Investment Policy is binding Port Policy.

IT MANAGEMENT AND ADMINISTRATIVE RULES FIN-2.12

Policy

Responsibility for protecting Port information systems and data is shared by several individuals throughout the Port including, Users, Consultants, and the Finance Manager in conjunction with the Information Technology (IT) consultant. The purpose of this policy is to describe the specific roles and responsibilities of each of these individuals with regards to Information Security.

Role & Responsibilities

The Finance Manager provides a key role of centralized oversight, direction, and support for all information systems security-related services for the Port. These responsibilities include, but are not limited to the following key areas:

- Support for Port security policy development, implementation, and enforcement.
- Support for strategic security planning and plan implementation.
- Support for security awareness and education programs.
- Incident response services as needed.
- Security consulting services as needed.
- Support for the development and implementation of all appropriate security standards and guidelines as necessary for the Port.

Users

All Users have a critical role in the effort to protect and maintain Port information systems and data. Users of Port computing resources and data have the following responsibilities:

- Support compliance with all federal and state statutes and regulations.
- Comply with all Port policies and guidelines.
- Protect all Port assets and never share access accounts, privileges and associated passwords.
- Maintain the confidentiality of sensitive information to which they are given access privileges.
- Accept accountability for all activities associated with the use of their user accounts and related access privileges.
- Ensure that use of Port computers, email, internet access, computer accounts, networks, and information stored, or used on any of these systems is restricted to authorized purposes and defined acceptable use policies.
- Report all suspected security and/or policy violations to an appropriate authority (eg. Executive Director, Finance Manager).
- Follow all specific policies, guidelines and procedures established by the Port as well as agencies with which they are associated and that have provided them access privileges.

NETWORK ACCESS – 2.12.1

Purpose

Access to resources on the Port network is essential for many Port employees to do their job. At the same time, security considerations require that access is limited to only those persons whose responsibilities require access, and to only those resources required to fulfill their duties. The purpose of the Network Access Policy is to establish rules for the access and use of the Port's network infrastructure.

Administrative Rule

Access to the Port's network and applications will be made available to all users that follow a standard process to determine access requirements.

- Comply with all Port policies and guidelines.
- Protect all Port assets and never share access accounts, privileges and associated passwords.
- Maintain the confidentiality of sensitive information to which they are given access privileges.
- Accept accountability for all activities associated with the use of their user accounts and related access privileges.
- Ensure that use of port computers, email, internet access, computer accounts, networks, and information stored, or used on any of these systems is restricted to authorized purposes and defined acceptable use policies.
- Report all suspected security and/or policy violations to an appropriate authority (e.g. Finance Manager, Executive Director).
- Follow all specific policies, guidelines and procedures established by the Port.
- Business System Owners and Users are responsible for immediately notifying the Finance Manager when access to the Port information systems should be discontinued. Specific examples included termination of employment or assignment to responsibilities and duties for which access is no longer required.

Finance Manager or IT Consultant Responsibilities

- Create and delete user accounts, grant and revoke access to appropriate computing resources as defined by the Finance Manager following established policies and procedures.
- Disable all user accounts found to be inactive for a period of 90 days.
- Delete all user accounts that have been disabled for a period greater than 1 year.
- Respond to individuals for specific help needed to audit network access.

REMOTE NETWORK ACCESS – 2.12.2

Purpose

Remote network access is a generic term used to describe accessing an organization's computer network by individuals not located at the organization's offices. This may take the form of traveling employees, Commissioners, employees who may need to work from home, or employees who work both from the office and from home. In many cases, both the organization and the employee may benefit from the increased flexibility provided by remote access. As with any innovation, however, the benefits may be countered by risks if the purposes and methods of the remote access are not fully understood by all participants. The purpose of this policy is to define the approved method for Port employees and approved contractors, to remotely connect to the Port network and how their connection will be established, controlled and managed.

Administrative Rule

Port employees, and contractors have the capability to remotely access the Port's network. This access may be suspended or terminated based on the Executive Director or Finance Manager in discussion with our IT consultant to determine that remote network access has been misused or has compromised the Port's information security. The approved method of remote access is through a Virtual Private Network (VPN) connection. The following policies apply to utilizing remote VPN access to the Port's network:

1. When actively connected to the Port network, the Port's VPN will force all traffic to and from the remote computer over the VPN tunnel. All other traffic will be dropped. Split tunneling is not permitted; only one network connection is allowed.
2. Remote VPN users assume the responsibility to assure that unauthorized users do not access Port networks through their systems, software or configurations. This includes employee's family members, friends and associates.
3. Security measures, such as a patched operating system, a current personal firewall, and current anti-virus software are required to prevent unauthorized access to the Port's network. Additional security measures, such as strong authentication technologies, are also required for those users who seek to remotely access internal Port network resources.
4. For non-Port employees such as contractors, the Finance Manager must identify and approve remote network access requirements with proper written justification. Exceptions to this policy, or any sections thereof, may be granted on a case-by-case basis by the Executive Director or the Finance Manager. Users who access the Port's network via non-Port computers understand that their computers are a de facto extension of the Port's network and as such, are subject to all the same policies that apply to Port employees and Port owned and managed computing equipment.

Responsibility

The Finance Manager is responsible for setting up remote VPN access in a manner that is consistent with information security standards and policies. Such standards and policies include current virus protection software, operating systems, operating systems patches, firewalls as well as other security and remote administration tools, such as strong authentication technologies. The IT Consultant is responsible for maintaining these technologies; as well as providing policy, procedure, and configuration guidance related to remote network access.

USER & ADMINISTRATIVE PASSWORDS – 2.12.3

Purpose

Passwords are an important aspect of computer security. They are the front line of protection for user accounts. A poorly chosen password may easily result in the compromise of the Port's entire network. As such, all Port employees (including contractors and Commissioners with access to Port systems) are responsible for taking the appropriate steps, as outlined below, to select and secure their passwords. The purpose of this policy is to establish a standard for the creation of strong passwords, the protection of those passwords, the association of passwords with user accounts and the frequency of password changes. The scope of this policy includes all personnel who have or are responsible for an account (or any form of access that supports or requires a password) on any system that resides at any Port facility, has access to the Port network, or stores any non-public Port information.

Administrative Rule

- Each approved Port user is to be issued a unique user account and password. In general, sharing of user accounts and passwords is prohibited. The Finance Manager will work with users who request an exception to this rule or to assist them in implementing more secure methods to address requirements met by sharing user passwords.
- All shared administrative or system-level passwords (e.g., root, enable, administrator, application administration accounts, etc.) must be changed at least once every 180 days or immediately when an employee with knowledge of the password terminates employment with the Port or is reassigned.
- All user-level passwords (e.g., network login, email, web, desktop computer, etc.) must be changed at least every 180 days.
- System level/administrative access and general user access must be conducted via separate and unique user accounts.
- When a user account is created with a default password, or is reset by the authorized IT personnel, the password must be set to expire and be changed at the next logon.
- If someone demands you reveal your password, do not do so. Refer them to this document or have them call the Finance Manager in order to appropriately request access to Port information systems and/or data.
- If an account or password is suspected to have been compromised, report the incident to the Finance Manager or IT Consultant and change all passwords immediately.

Guidelines

Password Construction

Passwords are used for various purposes at the Port. Some of the more common uses include: user level accounts, web accounts, email accounts, screen saver protection and network equipment logins. Everyone should be aware of how to select strong passwords.

Poor, weak passwords have the following characteristics:

- The password contains less than eight characters
- The password is a word found in a dictionary (English or foreign)
- The password is a common usage word such as:
 - o Names of family, pets, friends, co-workers, fantasy characters, etc.
 - o Birthdays and other personal information such as addresses and phone numbers.

Strong passwords have the following characteristics:

- Contain both upper and lower case characters (e.g., a-z, A-Z)
- Have digits and punctuation characters as well as letters e.g., 0-9, !@#\$%^&*()_+|~-=\`{}
- Are at least eight alphanumeric characters long.
- Are not a word in any language, slang, dialect, jargon, etc.
- Are not based on personal information, names of family, etc.
- Passwords should never be written down or stored on-line.

In general, it is not advised to use the "Remember Password" feature of applications (e.g., Internet Explorer, etc) as these leave your password vulnerable on the systems they are stored. This is of particular concern on shared systems such as kiosks. Where a Port application has a specific ability to retain a password, this function may be used understanding the above mentioned risks. Do not write passwords down and store them anywhere in your office. Do not store passwords in a file on any computer system without IT approved encryption technologies.

VIRUS PREVENTION & RECOVERY – 2.12.4

Purpose

Computer viruses can be transferred by disk, local and wide area networks, connections to the internet, email and by a variety of other means. Computer viruses can quickly spread to destroy or corrupt data. Overall service to internal and external customers of the Port can be drastically affected by contracting a computer virus. Diligence demands stringent efforts to safeguard Port owned and managed systems and data from viruses. This policy applies to all computers, systems and network devices connected to Port networks to ensure effective virus prevention, detection and eradication.

Administrative Rule

All systems connected to Port owned networks must have an IT approved virus protection software, operating systems, operating system patches, applications and application patches installed, operational and up-to-date at all times.

Responsibilities

Finance Manager and IT Consultant Responsibilities:

- Procurement, installation, maintenance and monitoring of virus prevention software, operating systems, operating system patches and equipment in accordance with standards and measures to ensure that virus prevention methods remain current.

- Maintain procedures for proactively preparing for and reactively responding to, virus outbreaks to minimize Port impact and restore full operations as quickly and securely as possible.
- Isolate or quarantine systems and/or network segments to prevent and /or contain virus outbreaks, minimize impact and to effectively restore services in a timely manner.

User Responsibilities

- Comply fully with all virus security actions, warning and notices as issued by the Finance Manager and IT Consultant.
- Do not open email file attachments from an unknown or untrustworthy source or from known sources when the messages appear suspicious in nature.
- Report all suspected virus incidents or missing/malfunctioning virus protection software immediately to the Finance Manager or IT Consultant.
- Logoff all personal computing systems from the Port network at the end of each normally scheduled work day so as to ensure current virus signature updates.
- Do not download and/or install software on Port computers without prior approval from the IT Consultant or Finance Manager.
- Do not connect any non-Port supported computer or network device to the Port network without prior validation and authorization from the Finance Manager.
- Do not circumvent, disable or remove any Port virus protection software, systems or patches.

Supporting Practices

With assistance from the Finance Manager and IT Consultant, the Port shall ensure that employees are provided with information on safe practices for virus protection and that these safe practices are observed at all times. Port employees are reminded of the expectation to observe safe practices regarding the use of computers to minimize the risks of viruses.

INCIDENT REPORTING & RESPONSE – 2.12.5

Purpose

Compromises in security can potentially occur at every level of computing from an individual's desktop computer to the largest and best-protected systems in the Port. Incidents can be accidental incursions or deliberate attempts to break into systems and can be benign to malicious in purpose or consequence. Regardless, each incident requires careful response at a level commensurate with its potential impact to the security of individuals and the Port as a whole.

For the purposes of this policy an "Information Security Incident" is any accidental or malicious act with the potential to result in misappropriation or misuse of confidential information (social security number, health records, financial transactions, etc.) of an individual or individuals, significantly imperil the functionality of the information technology infrastructure of the Port, provide for unauthorized access to Port resources or information, allow Port information technology resources to be used to launch attacks against the resources and information of other individuals or organizations. In the case an information security incident is determined to be of potentially serious consequence, the responsibility for acting to resolve the incident and to respond to any negative impact rests with the Finance Manager working in conjunction with the IT consultant. As described below, reports of information security incidents will be forwarded to the Finance Manager. The protocols used in determining what actions should be taken and depending upon the nature of the security incident will determine whether incidents should be handled within the purview of the Executive Director or by

additional security and operations specialists. In some cases, a security breach may need to be escalated to the Port Attorney, law enforcement, or other the Board of Commissioners. This policy outlines the procedures individuals should follow to report potentially serious information security incidents. Port employees whose responsibilities include managing computing and communications systems have even greater responsibilities. This document outlines their responsibilities in securing systems, monitoring and reporting information security incidents, and assisting the Finance Manager and IT consultant and other Port staff to resolve security problems.

Administrative Rule

All Port employees shall take appropriate actions to report and minimize the impact of information security incidents. Reporting unlawful or improper actions of Port employees is expected and covered in the Port's Personnel Manual.

Responsibilities

Port Employees

- Should attempt to stop any information security incident as it occurs. Powering-down the computer or disconnecting it from the Port network may stop or contain any potentially threatening activity.
- Report information security incidents immediately to the Finance Manager or IT Consultant. The Finance Manager or IT Consultant will help you assess the problem and determine how to proceed.
- Individuals should not take any retaliatory action against a system or person believed to have been involved in an information security incident.

IT Support Professionals

IT technology professionals have additional responsibilities for information security incident handling and reporting for the systems they manage. In the case of an information security incident, IT support professionals should:

- Respond quickly to reports from individuals.
- Take immediate action to stop the incident from continuing or recurring.
- Determine whether the incident should be handled locally or reported to the Finance Manager.
- If the incident does not involve the loss of confidential information or have other serious impacts to individuals or the Port, the IT consultant should:
 1. Repair the system, restore service, and preserve evidence of the incident.
 2. Inform the Finance Manager including a description of the incident and documenting how it was resolved.
- If the incident involves the loss of confidential information or critical data or has other potentially serious impacts, the IT consultant should:
 1. Contact the Finance Manager immediately. The Finance Manager will investigate the incident in consultation with the IT consultant, Executive Director and relevant technology support specialists and develop a response plan.
- Preserve evidence of the incident.
- Port staff should not take any retaliatory action against a system or person

believed to have been involved in an information security incident.

PORTABLE COMPUTING DEVICES – 2.12.6

Purpose

Portable computing devices are becoming increasingly powerful and affordable. Their small size and functionality are making these devices ever more desirable to replace traditional desktop and laptop devices in a wide number of applications. However, the portability and small size offered by these devices may increase the security exposure to organizations using such devices.

The purpose of the Port's Portable Computing Security Policy is to establish the rules for the use of portable computing devices and their connection to the Port network. These rules are necessary to preserve the integrity, availability and confidentiality of Port information and assets.

This policy covers all portable computing devices (IPAD's, IPOD's, Smart Phones, etc) owned, maintained and operated by the Port.

Note: Laptop and notebook computers are covered under the same policies applicable to desktop computers & workstations.

Administrative Rule

- Only approved portable computing devices may be used to access Port information systems.
- All portable computing devices must be registered with the Finance department's asset management system and included asset identification numbers for tracking purposes.
 - Personal identification markings which could inform a thief of the nature of sensitive material stored on any personal computing device, should be avoided.
- Where technically feasible, all portable computing devices must be password protected and have an inactivity timeout. Any devices with non-public information and have the functionality, shall have enabled a lock-out feature to restrict the number of password guesses and comply with all other Port password policies or shall use encrypted storage for non-public information.
- All portable computing devices which access the Port network (other than synchronization with a Port desktop or laptop) must have approved antivirus products and firewalls operational at all times to prevent propagation of malicious code (viruses, trojans, worms, etc.).
- In general, sensitive Port data should not be stored on portable computing devices. However, in the event that there is no alternative to local storage, all sensitive Port data must be encrypted using approved encryption techniques.
- Sensitive Port data must not be transmitted via wireless to/from a portable computing device unless the data has approved wireless transmission protocols along with approved encryption techniques that have been implemented.
- All remote access to the Port network must be either through a Port approved access gateway or via an Internet Service Provider (ISP).
- Non-Port portable computing devices that require network connectivity must conform to Port information security policies and standards and must be approved

in writing by the Executive Director or Finance Manager in consultation with the IT consultant.

- All Port employees must be responsible to secure portable computing devices in their care and possession and immediately report any loss or theft of such devices to the Finance Manager. Additionally, if such devices support connectivity to the Port network, the IT consultant should be contacted to take immediate steps to protect against unauthorized access to the Port's information assets.

Guidelines

- A Commissioner or employee may request a portable computing device. The Finance Manager will be responsible to authorize and issue such a device based upon the business purpose and intent of use of such a device.
- The portable computing device will be Port property and as such will require that its use follow Port policy on appropriate business use. Any personal use must be kept to a minimum.
- As Port property, any data, application or information will be subject to federal and state laws that apply towards disclosure of public information.
- When not in use, external wireless communication mechanisms such as 802.11 or Bluetooth, should be turned off.
- Beware of shoulder surfers. When people peer over your shoulder in the airport or other public places, they may be trying to see confidential data or watch you type in a password. When possible, use a polarizing screen cover which helps prevent viewing the display screen from side angles.
- When conducting Port business wirelessly, without VPN technologies, Wi-Fi access points (such as those at coffee shops) should be avoided since they may not have all the proper security features enabled.

PHYSICAL SECURITY – 2.12.7

Purpose

This policy describes the methods and responsibilities for protecting physical computer, network, communications and information resources. The Port requires that appropriate environmental, protection and access controls be in place to protect computing and information resources. Proper and adequate physical security and protection is the responsibility of all Port employees.

Physical Security

Physical security measures are an important part of any effort to protect information system assets and services. As with logical security measures at the Port, physical security measures required for protecting Port computing resources shall be commensurate with the nature and degree of criticality of the computer systems, network resources, and data involved. Control measures will be applied in accordance with systems environment sensitivity and criticality.

The Port has a wide spectrum of information systems deployments. They include:

- Desktop computer workstations and printers operated in an office environment.
- Wireless and mobile devices such as laptops, radios, mobile data computers, and cellular phones which are operated both in an office environment and at remote locations.
- Port servers located in small server rooms which host a limited number of computing devices and networking equipment.

- Telecommunications closets which contain network and communications equipment and wiring.
- Media storage areas or vaults which are used to store electronic media such as backup tapes, surplus equipment and classified documents.

All of these technology deployments require varying levels of physical security commensurate with the criticality of the systems and information involved. Regardless of the specific environment, the Port requires physical security requirements to be supported by all System Operators, Data Custodians, and Users.

Administrative Rule

At a minimum, the following physical security measures and objectives must be implemented where applicable to protect Port computing and network assets, and sensitive information:

- Servers, network equipment, computer media containing sensitive data and other essential computer and network devices shall be stored in a secure location, such as a locked room, that protects them from unauthorized physical access, use, misuse, destruction or theft.
- Smoke/fire alarm and if resources are available, a suppression system is required for all server rooms and telecommunication closets to mitigate personnel harm and/or damage to Port assets in the event of a fire.
- Temperature and ventilation control measures are required for all server rooms to protect Port assets from preventable service disruptions or physical harm from environmental conditions.
- All mission critical equipment must employ emergency power control systems (backup generators or uninterruptible power supplies) to avoid disruptions and/or equipment/data harm due to power related failures.
- Inventory control measures such as inventory report of the above equipment with tags designating the equipment.
- All access to restricted areas, such as server rooms, and telecommunications closets, by unauthorized individuals must be conducted with an authorized Port employee escort at all times.
- Access keys and key codes to restricted areas must be limited to only those individuals needing entry to fulfill their job responsibilities.
- All specific tools, systems, or procedures implemented to meet physical security requirements must be selected on the basis of importance to safety, security and compliance with Port policies and standards.

All Port employees must be responsible to secure information assets in their care and possession and immediately report any loss or theft of such assets to their management and the Finance Manager. Additionally, all Port employees must be aware of unauthorized individuals (e.g. maintenance, public and others visiting, delivery personnel, vendors, etc) and be prepared to challenge individuals entering a restricted area(s).

INVESTMENT POLICY

PORT OF HOOD RIVER, OREGON

I. SCOPE AND OBJECTIVES

This Investment Policy ("Policy") sets forth current criteria for the operation of the Port of Hood River's investment activities. As economic conditions change, the Policy may need to be amended to reflect new trends and opportunities within the framework of this Policy. The primary objectives of the Policy shall be to establish a conservative set of investment criteria that will, in priority order, (1) prudently protect the Port's principal sums and ensure the preservation of capital, (2) provide ample liquidity to meet the Port's reasonably anticipated operating needs and daily cash requirements, and (3) enable the Port to generate a market rate of return from its investment activities.

This Policy applies to the investment of all funds on deposit at the Port of Hood River bank and investment accounts. All trust or custodial funds shall be invested and administered at the direction of the Finance Manager. Funds held by a Trustee or Fiscal Agents are excluded, if the Port does not have control. Deferred Compensation funds are governed by separate rules and are not covered within this Policy. The estimated average balance of investments covered herein range from \$600 thousand to \$10 million.

Bond proceeds are included in the Port's portfolio, factored into its structure and managed to meet cash-flow requirements. Specific investments may on occasion be established to recognize the long-term nature of some funds (e.g. capital projects) and conform to legal restrictions (e.g. bond covenants). Securities subject to arbitrage may be sold prior to their maturity and reinvested in instruments with a lower yield to minimize arbitrage when the transaction cost of such action is economically acceptable.

II. RESPONSIBILITIES, GOVERNING AUTHORITY, STANDARDS OF CARE, INDEMNIFICATION, CONFLICT OF INTEREST AND ETHICS

The Executive Director and Finance Manager will be responsible for the implementation of this Policy. The Finance Manager through discussion with the Executive Director shall be authorized to perform the investment duties.

All investment activities shall be conducted in conformance with Oregon Revised Statutes and applicable Federal Law. Specifically, this Policy is written in conformance with ORS 294.035; 294.040; 294.052; 294.135; 294.145; and 294.810. All funds within the scope of this Policy are subject to regulations established by the State of Oregon. Any revisions or extensions of these sections of ORS shall be assumed to be part of this Policy immediately upon being enacted.

All persons performing investment duties ("investment officers") shall do so applying the "prudent person" standard in managing all funds for which the Port has investment responsibility. Investment officers acting in accordance with written procedures in conjunction with this Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported and appropriate action is taken to control adverse developments within a timely fashion.

The "prudent person" standard states: "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Investment officers shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Investment officers shall disclose any material interests in financial institutions with which they conduct business, any personal financial/investment positions that could be related to the performance of the investment portfolio, and shall refrain from undertaking personal investment transactions with the same individuals with whom business is conducted on behalf of the Port.

Investment officers shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244, and where applicable, any Port Code, policies and administrative rules, which include, but are not limited to, the Port's Personnel Policy on its Code of Conduct.

Any amendments to this Policy must be approved by the Board of Commissioners after seeking the advice from the Executive Director (or designee), the Finance Manager, and possibly the Oregon Short Term Fund Board.

III. TYPES OF INVESTMENT AND DIVERSIFICATION

The following types of investments will be permitted in the Port's investment portfolio:

A. United States Treasury Debt Obligations

- Maximum Percent of Portfolio 100%
- Maximum Maturity 10 Years
- (US Treasury Inflation Indexed Securities) 10 Years
- Securities held for safekeeping at the Port's custodian financial institution.

B. United States Agency Debt Obligations

- Maximum Percent of Portfolio 100%
- Maximum Percent of Portfolio Per Issuer 35%
- Maximum Maturity 10 Years
- Securities held for safekeeping at the Port's custodian financial institution.

C. Repurchase Agreements Secured by United States Treasury Debt Obligations

- Maximum Percent of Portfolio 25%
- Maximum Maturity 120 Days
- Only Primary Government Securities Dealers reporting to the Federal Reserve Bank of New York may be counterparties.
- Repurchase agreements cannot exceed 2% of counterparty's liabilities.
- A signed repurchase agreement will be obtained in advance of the initial execution of an investment.

- Securities which serve as collateral for repurchase agreements must be delivered to the Port's custodian financial institution on a delivery versus payment basis.
- Collateral for repurchase agreements may be US Treasury securities or US Agency Discount Notes or Coupon securities only. Maximum maturity for acceptable collateral is three years.
- The price paid by the Port for United States Treasury Securities in the repurchase agreement shall not exceed amounts or percentages prescribed by written policy of the Oregon Investment Council or the Oregon Short-Term Fund Board created by ORS 294.885.

D. Interest-Bearing Deposits (Time Deposits, Interest-Bearing Deposits, or Certificates of Deposit) in Financial Institutions in Compliance with the Provisions of ORS Chapter 295.

- Maximum Percent of Portfolio 50%
- Maximum Percent of Portfolio Per Issuer 25%
- Maximum Maturity 5 Year
- Deposits placed in financial institutions which do not participate in the Oregon State Treasurer's Public Funds Collateralization Program (PFCP) shall be limited to amounts insured by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA), as applicable.
- Securities held for safekeeping in the Port's vault.

E. Bankers' Acceptance Issued by Financial Institutions in Compliance With the Provisions of ORS 294.035

- Maximum Percent of Portfolio 5%
- Maximum Percent of Portfolio Per Issuer 5%
- Maximum Maturity 6 Months
- Securities held for safekeeping at the Port's custodian financial institution.

F. Corporate Indebtedness (Commercial Paper and Corporate Bonds) Issued by United States Corporations in Compliance With the Provisions of ORS 294.035

Combined Corporate Indebtedness: Maximum Percent of Portfolio: 5%
 Maximum Percent of Portfolio Per Issuer: 5%

F.1. Commercial Paper (CP)

- Minimum Ratings: Short-Term (ST) ratings of A-1, P-1, F-1 (or better) by any Nationally Recognized Statistical Rating Organizations (NRSROs) of the Securities and Exchange Commission (SEC) at the time of purchase. In the event of a split rating (one higher/one lower), the lowest rating will be utilized to evaluate investment portfolio compliance.
- Maximum Maturity 270 Days
- Securities held for safekeeping at the Port's custodian financial institution.

F.2. Corporate Bonds

- Minimum Ratings: Short-Term (ST) or Long-Term (LT) bond ratings of AA- or Aa3 (or better), equivalent to the security's maturity, by at least two Nationally Recognized Statistical Rating Organizations (NRSROs) of the Securities and Exchange Commission (SEC) at the time of purchase. In the event of a split rating (one higher/one lower), the lowest rating will be used to evaluate investment compliance.
- When the corporate indebtedness is issued by an Oregon entity, the rating must be A- or A3 (or better), equivalent to the security's maturity, at the time of purchase. In the event of a split rating (one higher/one lower), the lowest rating will be used to evaluate investment compliance.
- Maximum Maturity 5 Years
- Securities to be held for safekeeping at the Port's custodian financial institution.

G. **Corporate Debt Obligations Guaranteed by the United States Government, the Federal Deposit Insurance Corporation (FDIC), or any other United States Government Agency that Sponsors Commercial Deposit or Credit Default Protection Insurance.**

- Maximum Percent of Portfolio 35%
- Maximum Percent of Portfolio Per Issuer 10%
- Maximum Maturity 10 Years
- Includes Corporate Debt Obligations backed by an explicit guarantee (payment of principal and interest) of the full faith and credit of the United States Government, the Federal Deposit Insurance Corporation (FDIC), or any other United States Government Agency that provides federally backed commercial deposit or credit default protection insurance.
- The explicit guarantee of payment of principal and interest must be maintained throughout the full term of the debt obligation.
- Securities held for safekeeping at the Port's custodian financial institution.

H. **Municipal Bonds. Taxable and Tax-Exempt Municipal Bonds Issued by state or local governments and their agencies and authorities, not to include conduit revenue bonds issued on behalf of a non-governmental entity.**

- Minimum Ratings: ST: A-1/SP-1 or better. LT: Aa/Aa2 or better. Only one rating from a Nationally Recognized Statistical Rating Organization (NRSRO) of the Securities and Exchange Commission (SEC) at the time of purchase is required. In the event of a split rating (one higher/one lower), the lowest rating will be used to evaluate investment compliance.
- Maximum Percent per Portfolio 50%

- Maximum Percent of Portfolio Per Issuer 15%
- Maximum Maturity 10 Years
- Securities held for safekeeping at the Port's custodian financial institution.

I. State of Oregon Local Government Investment Pool(s)

- The permitted maximum(s) as prescribed by ORS 294.805 to 294.895 and all other applicable Oregon Revised Statutes.

IV. POLICY COMPLIANCE

Portfolio diversification requirements shall remain consistent with those described within Section III of this policy. Diversification requirements and policy compliance must be met on the settlement date of an investment transaction. If due to unanticipated cash flow requirements or other circumstances beyond the Finance Manager's control, the investment in any security type or financial issuer exceeds the limitations of this policy, the Finance Manager is responsible for bringing the investment portfolio back into compliance as soon as is practical. Portfolio compliance is detailed in the Investment Report, which is produced annually by the Port's Finance Manager.

V. DISTRIBUTION OF PORTFOLIO MATURITIES

Distribution, by maturity, of the investments is illustrated below:

<u>Maturity</u>	<u>Percentage of Funds</u>
0-5 Years	50-100%
5-10 Years	0- 50%

This maturity structure applies to the Finance Manager's best projection as to the lowest cash balance the portfolio will reach during the ensuing five to ten year period. In a rising interest rate environment, the Finance Manager will need to weigh the above allocation. This projection shall be based in part upon historical balances and projected net cash flows. If, for example, the projected lowest cash balance is \$5 million then up to \$10 million may be invested in the five to ten year maturity range. All other funds must be invested in less than five-year maturities and must meet the Port's cash flow requirements. The portfolio's weighted average maturity shall not exceed eighteen (24) months.

VI. QUALIFIED FINANCIAL DEPOSITORIES AND BROKER/DEALER COUNTERPARTIES

The Executive Director and Finance Manager, in consultation with the an independent financial advisor, shall establish the maximum deposit level with each Oregon qualified financial depository and the criteria for determining which broker/dealer firms and affiliated registered representatives shall be eligible to conduct investment transactions with the Port. The Finance Manager will maintain a current list of all broker/dealer firms and affiliated registered representatives that have been approved to conduct investment transactions with the Port. The Finance Manager and Independent Financial Advisor shall conduct an annual review of each approved financial institution to determine whether it should remain on the approved list.

Broker/dealer firms must meet the following minimum criteria. Additional criteria may also be required:

1. Must be registered with the Securities and Exchange Commission (SEC);
2. Must be registered with the Financial Industry Regulatory Authority (FINRA);
3. Must provide most recent audited financial statements;
4. Must provide FINRA Focus Report filings.

Approved broker/dealer employees who execute transactions must meet the following minimum criteria. Additional criteria may also be required:

1. Must be a registered representative with the Financial Industry Regulatory Authority (FINRA);
2. Must be licensed by the state of Oregon;
3. Certification (in writing) of having read, understood and agreed to comply with the most current version of this Policy.

The Independent Financial Advisor must disclose their association with a broker/dealer firm and must address conflicts of interest with regard to investment transactions that might occur with the Port by agreeing not to provide the Port with any investment advisory service related to such a broker/dealer firm.

Investment officers will strive for best execution of trades, and shall on occasion solicit competitive bids or offers for all investable assets. Investment officers will also verify that the rates being offered to the Port are rates comparable to those available for similar investments within the national market. The allocation of brokerage business will be based upon which brokerage firm offers the best price to the Port on each particular transaction. Where two or more brokers have offered the same best price, allocation will go to the investment firm that has provided the best service to the Port.

VII. METHOD OF ACCOUNTING

The Port shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies including, but not necessarily limited to, the American Institute of Certified Public Accountants (AICPA); the Financial Accounting Standards Board (FASB); and the Government Accounting Standards Board (GASB).

VIII. REPORTING REQUIREMENTS

An Investment Report which provides a detailed review of the Port's investments will be produced annually. Copies of the report will be sent to the Executive Director and Commissioners. The report will provide a review of the investment portfolio including, but not limited to:

1. List of portfolio holdings.
2. Current yields and distributions.
3. Amortized cost, market value and realized and unrealized gains/losses.
4. List of transactions.
5. Diversification analysis.
6. Demonstration of the investment portfolio's compliance with this Investment Policy.

IX. INTERNAL CONTROLS

The internal controls of the Port are reviewed and tested by the Port's financial auditor.

All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in the Port's safekeeping institution prior to the release of funds. All deliverable securities will be held by the Port's designated independent third-party custodian for safekeeping. All securities will be evidenced by safekeeping receipts in the Port's name. Upon request, the safekeeping institutions shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16.

X. PERFORMANCE EVALUATION

The Port's investment performance shall be reviewed by the Finance Manager. Performance evaluations within the investment industry are commonly referred to as benchmarking. The benchmark used in the Investment Report is a comparative yield analysis which looks at the U.S. Treasury securities, US Government Agency obligations and the State of Oregon's Local Government Investment Pool yield.

XI. ANALYSIS OF INVESTMENT RISKS

In analyzing the Port's Investment Portfolio, there are three areas of risk exposure that the Port confronts through its investment activities. The first risk confronting the Port is interest rate risk. This risk is the uncertainty of the size of future incomes from securities caused by fluctuations in the general level of interest rates in the capital markets.

Interest rates are subject to dramatic fluctuations and, therefore, the Port's Investment Policy is designed to minimize interest rate risk. This is accomplished by limiting investments to a maximum maturity of ten years, a weighted average maturity of the portfolio that does not exceed thirty-six (36) months, and by investing to meet the Port's cash flow requirements. Weighted average maturity is calculated using the final maturity of all callable and variable rate securities.

The second area of risk exposure confronting the Port can be termed purchasing power risk. It is predominantly the risk associated with inflation. This risk can be defined as the uncertainty of the purchasing power of interest and principal to be received in the future. It can be easily recognized that if the amount of income from a security in current dollars remains unchanged over a period of time while inflation is rising, then the amount of income in constant dollars declines and the constant value of the principal to be received also declines. The Port's Investment Policy is designed to mitigate this risk through the short-term nature of the portfolio maturity requirements as well as the ability to invest in US Treasury Inflation Indexed Securities or the Corporate credit markets.

The final risk is credit risk or the financial risk of not receiving principal and interest when due from an issuer. The types of investments permitted by the Investment Policy seek to minimize this risk by the conservative nature of the permissible investments and by establishing safe limits on the level of investments with Oregon financial institutions and issuers of corporate indebtedness and monitoring their credit quality on an ongoing basis. A portfolio policy stressing a relatively short maturity serves to additionally minimize credit risk.

Therefore, it is the conclusion that the shorter the portfolio is in terms of maturity, the less risk exposure the Port faces with regard to the all three major areas of risks confronting the

Port's investment activities. The policy of maintaining 100% of the funds in securities maturing in ten years or less, and keeping the portfolio's weighted average maturity at no more than thirty-six (36) months, provide ample flexibility to earn capital gains on the Port's investments by extending funds out to longer maturities when interest rates are falling, yet avoids the extreme amount of exposure to interest rate risk and purchasing power risk that exist in longer-term portfolios.

Executive Director's Report

December 17, 2013

Staff & Administrative

- Ms. Anne Medenbach has accepted the position of Development/Property Manager for the Port. I will introduce Anne at the meeting. She will formally start work on January 2.
- As a reminder the Commission has decided to hold one meeting in January on the 14th.
- A hard copy of the final draft SBP will be distributed at the meeting. It was posted to the web site on December 12. Staff will convey it to the State for their review on December 17. I plan to brief the Hood River County Commission and solicit their input on December 16. We expect to bring the final Strategic Business Plan to the Commission for possible adoption at the January 14 meeting.
- The Gorge-wide Ports meeting is now scheduled for January 9. An invitation and agenda are attached.
- Please review the attached calendar for key dates in December including a staff potluck and closure of the Toll Booth on Christmas Eve.
- The part-time toll staff member that was subject to a sudden and extremely serious illness is now back on the job.

Recreation

- Work is underway on engineering for the Boathouse Dock Replacement Project. We expect to bid the work in mid-winter.
- As a follow-up on our application to ODOT for Connect V funds for the Nichols Basin path, the State has a total of \$42 million for projects. 108 applications were received requesting \$129 million. Of these, 35 projects were for bike/ped projects totaling \$47.5 million.

Development

- Slingshot has notified the Port that they will not renew their lease in the Big 7 Building. The business will move to a privately-owned industrial building on Wasco Street near Century Link. We have received interest in the Slingshot space from another tenant.
- Windwave, the contractor installing the fiber optic conduit for GorgeNet is making good progress. With favorable weather conditions, their work is expected to continue through January. We have agreed to allow Windwave to continue staging on the gravel lot by DMV thorough February.
- I expect we will be able to resolve the various issues associated with the sale of property and conveyance of easements to Naito Development in January. However, an extension of the PSA will be required. This is an agenda item.

- The recent cold weather conditions have resulted in a number of issues in Port buildings. Port maintenance crews have been extremely responsive and effective in resolving these issues and tenants have been very complimentary about their work.
- The Port's waterfront development projects were featured in this month's newsletter by the federal Economic Development Administration. The newsletter goes out to a national audience.

Airport

- After mailing the new leases, concerns were expressed by some pilots and the FBO primarily concerning insurance, automobile parking and maintenance. Staff has responded with an e-mail addressing those issues.

Bridge/Transportation

- Welding activity has been shut-down for over a week due to weather conditions. We will continue welding, weather permitting, through the winter until the deck south of the lift span is repaired.
- Staff completed a review of upcoming bridge tasks with engineer Matt Deml on December 11. Among the items discussed:
 - HNTB is preparing proposals for repairs to the north ramp and auxiliary trusses.
 - The firms' national lead in movable bridges will schedule a visit early next year to evaluate our lift span.
 - The next inspection of the test weld area will occur in late January.
 - Attachment details for the new speed limit signs are being prepared.
 - Review and summary of the last load rating and determination of the need for a new weight/load evaluation.
- We received notice from the State of Washington Department of Revenue that they wish to conduct an audit of bridge operations. The DOR asserts that Oregon legislative action in 2007 rescinded a longstanding reciprocity agreement whereby both states agreed not to impose taxes on bi-state bridges. Staff will discuss this matter with legal counsel and report back to the Commission on this important matter.

LETTER of INVITATION

National Scenic Area – Gorge Ports Regional Meeting

Dear Port Colleagues:

In November the Port Commissions of Cascade Locks and Hood River met to discuss shared interests and issues that concern communities throughout the Columbia River Gorge. The Port Commissions agreed to invite all the Ports within the National Scenic Area to meet and explore ways to ***cooperatively partner to benefit the people and communities we work in.***

Recently, the Cities of Stevenson, Cascade Locks and North Bonneville successfully partnered with the Gorge Commission to do just that. The Ports of Skamania and Cascade Locks also partnered with the Gorge Commission to help restore the Bridge of the Gods by quickly securing funds for needed repairs.

We now see even greater ***opportunity for Gorge Ports to work together*** and to provide needed leadership in the National Scenic Area on issues like transportation, emergency services, housing, economic development, waterfronts, bi-state legislative communications . . . and much more.

You are warmly welcomed to join Port Commissioners, Gorge Commissioners, and other regional partners to explore further opportunities to work together. An agenda for the meeting is attached. Feel free to make suggestions and please bring your ideas to the discussion.

Our goal is to come out of this meeting with a willingness to work together on shared priorities determined at the meeting. In the meantime, please mark your calendar:

Date: January 9, 2014

Time: 6:00 PM

Location: Best Western Hood River Inn - Columbia Room

We look forward to seeing you January 9 and working together to benefit people and communities in the Columbia River Gorge.

Sincerely,

Jess Groves, President
Port of Cascade Locks

Rich McBride, President
Port of Hood River

WD Truitt, President
Port of Skamania

Carl McNew, Chair
Gorge Commission

GORGE REGIONAL PORTS MEETING

Gorge area Port Commissions and the Gorge Commission will meet to discuss emerging regional challenges and recent successes. A facilitator will help participants identify opportunities to work together within the National Scenic Area.

**Best Western Hood River Inn
Columbia Gorge Room
January 9, 2014 6:00 PM**

Discussion Agenda

1. Welcome and Self-introductions

2. Overview of the National Scenic Area Act – interstate compact tools 5 minutes
Columbia River Gorge Commission staff

3. History of regional cooperation 10 minutes
Mid-Columbia Economic Development Department
Skamania County Economic Development Council

4. The three cities/GC initiative – 5 minutes
City of Cascade Locks

5. Bridge of the Gods – recent experience with the National Scenic Area 5 minutes
Port of Cascade Locks

6. Brainstorming opportunities to work together, enhance economic development
Everyone – facilitated discussion

7. Individual Ports report desired outcomes of regional collaboration

8. Facilitated agreement on regional concepts for legislation and lobbying

9. Discussion for follow-up meeting

10. Adjourn

Commission Calendar

December 2013

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3 Comm Mtg 5pm SBP discussion	4 Klickitat Cnty Transp Mtg 10am (MM) BOLI Conference-PDX (FK)	5 BOLI Conference-PDX (FK)	6	7
8	9 OR Business Summit-PDX (Davies) URA Mtg-Shortt, Streich 6pm City Hall	10	11	12 Hearts of Gold ribbon cutting	13	14
15	16 KIHR Radio 8am SBP Presentation to County	17 OPPA-Salem 10am (MM) Comm Mtg 5pm SBP discussion continues; approval January 14, 2014	18 Office Holiday Potluck 11:30am-1pm	19	20	21
22	23	24 Christmas Eve (Office Closes at 2pm) Tollbooth Closes 8pm (free crossings <u>after</u> 8pm)	25 Christmas Day (Office Closed) Tollbooth Closed (free crossings <u>all day</u>)	26 Tollbooth Reopens 4am (free crossings <u>until</u> 4am)	27	28
29	30	31 New Year's Eve (Office open reg hrs)				

EVENTS: Hood River Yacht Club lighted parade Dec. 7 Polar Express customer parking on Lot 1 (Nov/Dec) Mt. Hood Meadows employee bus parking on Portway (13/14 ski season)	November 2013 S M T W Th F Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	January 2014 S M T W Th F Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Notes: Next Meeting: January 14 (only meeting for January)

December 2013

SUCCESS STORY

Port of Hood River, Oregon



EDA-funded roadway improvements at the Port of Hood River, Oregon allow local businesses to expand operation

An EDA public works grant investment to the Port of Hood River in Oregon's Hood River County has provided a remarkable return in the form of local business and job growth.

In April 2008, EDA awarded a \$500,000 grant to support construction of interior road improvement and related utility upgrades on the Port's 8-acre industrial park. The improvements were prompted by tenants with growing pains caused by limited large truck access and lack of future freight mobility.

Infrastructure expansion was needed to give the local economy a much needed boost. The area unemployment rate was 6%, and the average per capita income was \$27,173, more than 20% below the U.S. average. However, any improvements would have to account for both the industrial and recreational uses of the Port. Further, local residents' concerns about increased business traffic had to be addressed. Planners had their work cut out for them.

Fortunately, the Port was up to the task. Changes were made both carefully and below original cost estimates, allowing for a finished project that has improved the local business climate, increased employment, and raised quality of life.

According to Port of Hood River Executive Director Michael McElwee, the EDA Public Works grant was instrumental to the rapid development on the waterfront. "Two key pieces of infrastructure were needed: Anchor Way, a new industrial road for truck access, and upgrades to an existing but substandard street. The area was particularly challenging because the industrial core borders active recreation sites. EDA's investment enabled the placement of necessary infrastructure at a critical time when local businesses were seeking to expand. The resulting private investment and job creation has provided an enormous benefit to our community."

At the time of the grant, there were nine principal tenants on site, including the Full Sail Brewing Company, Boeing, and Turtle Island Foods that in aggregate occupied about 100,000 square feet of light industrial space. Seasonally adjusted employment on the site totaled just 24 persons.

Once construction was completed, several of the tenants were able to advance their expansion plans. The improvements also attracted additional tenants, including Hood River Juice Company, Pfriem Brewing, and DaKine. Today, 23 tenants occupy 233,000 square feet, total employment is 371 persons, and private sector investment has reached \$33.85 million.

The Port anticipates future demand and is poised to accommodate up to an additional 40,000 square feet of light manufacturing space. Officials project that another 50 area jobs will be added as a result.

EDA sees the Port's success as an excellent example of how a small and targeted investment can quickly generate tangible and sustainable economic benefits for an entire community.

HNTB Corporation
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Engineers Architects Planners

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Portland, OR 97201

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December 5, 2013

HNTB

Michael McElwee
Executive Director
Port of Hood River
1000 E. Port Marina Drive
Hood River, OR 97031

HNTB Job 47370-009

RE: Hood River Interstate Bridge
Washington Approach Bridge

Dear Mr. McElwee:

As requested by the Port, and under On-Call Services Task Order 9 dated March 6, 2013, a review of the concrete Washington Approach Bridge to the Hood River Interstate Bridge has been conducted in order to determine maintenance or rehabilitation work needed. This work included a review of the 2011 and 2013 ODOT Bridge Inspection Reports, review of available construction plans, and a cursory visual inspection that was conducted on November 7, 2013.

The Washington Approach Bridge connects Washington State Route 14 to the steel spans of the Hood River Interstate Bridge. The approach bridge crosses over the Burlington Northern Santa Fe railroad tracks. The superstructure of the Washington Approach Bridge is a 313-foot long reinforced concrete girder bridge with spans ranging from 31.44 feet to 47.75 feet. The substructure consists of two column bents with crossbeams supporting the girders. On most bents there is also another crossbeam at approximately mid-height of the columns. Columns are supported on spread footings.

In general, the structure appears to be in good condition. No signs of distress, such as shear or flexural cracking, were detected. Some rock pockets and small cracking were observed and should be patched as part of preventative maintenance. The concrete deck overlay also has cracking and breakouts. It should be replaced to prevent degradation of the superstructure below. Bridge joints also need to be replaced to prevent drainage onto the substructure.

Michael McElwee, Executive Director
December 5, 2013

While inspecting the Washington Approach Bridge, a cursory inspection at Bent 2 of the Oregon Approach was done. Flexural cracking and permanent deflections were observed on the columns for Bent 2. Though the cracks have been repaired by epoxy injections, these columns should be monitored.

WASHINGTON APPROACH

Background Information

In 1996, the concrete Washington Approach was widened. This work consisted of extending and widening the existing bent cap (crossbeam) and adding a girder on each side of the existing. The widening project created a joint between the existing structure and the widened structure. A deck overlay was also installed in the widening project.

Inspection Reports

The 2011 and 2013 ODOT Bridge Inspection Reports indicates that the overlay on the north approach is in a condition state of 2, with minor structural cracks and spalls present. Visual inspection on November 7th 2013 confirmed this (see Figure 1). The ODOT recommended work for a condition state of 2 is to seal cracks and do minor patching. For the deck functioning as a roadway surface only, this would be an adequate repair. The deck overlay and joint seals, however, also act as protection for the superstructure below and therefore need to be protected to prevent moisture from seeping into the concrete cold joint between the original structure and the 1996 widening. Such seepage can degrade the steel reinforcement.



Figure 1: Cracks and Spalls on the Concrete Overlay System (North Approach Structure)

Site Visit Findings

During the visual inspection of the superstructure, moisture was observed on the underside of the deck along the joint between the existing structure and the widened structure (see Figure 2). Moisture was also observed on some of the bents (see Figure 3). These observations indicate that the overlay system and the joint seals are no longer functioning properly.



Figure 2: Moisture through the Cold Joint

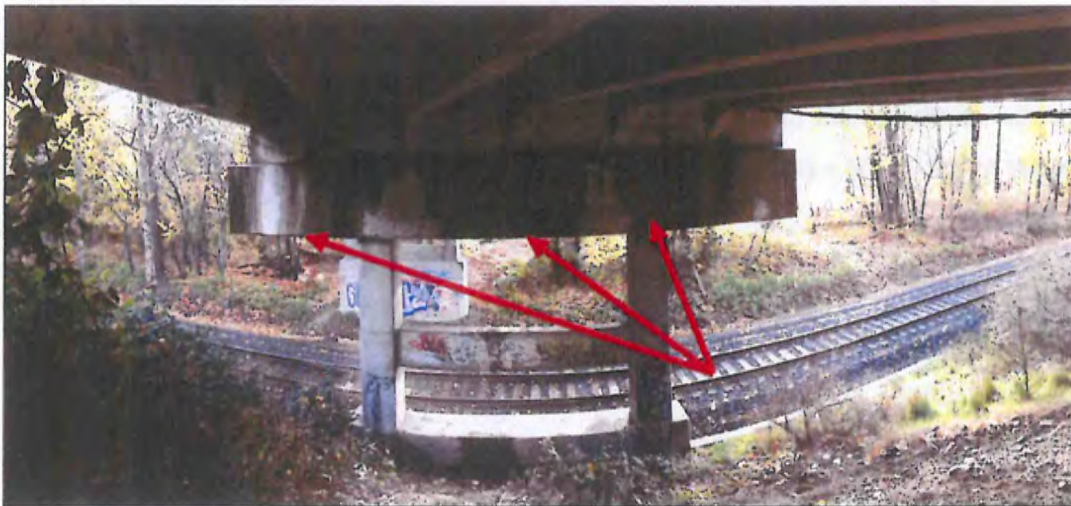


Figure 3: Moisture through the Joint Seal

Michael McElwee, Executive Director
December 5, 2013

While conducting the cursory inspection of the columns and bent caps, small rock pockets and spalls were also observed in a couple of locations, mostly in the columns (see Figure 4). They appear to be remnants of the original construction and do not affect the capacity of the structure, but should be patched as part of normal preventative maintenance.



Figure 4: Rock pocket in Column

Recommendations

For the Washington Approach structure, the concrete deck overlay should be replaced to prevent future degradation of the concrete deck and superstructure. Deck joints should also be repaired or replaced. Also, as part of normal preventative maintenance, any cracks or spalls on the bents, columns or superstructure should be properly patched in order to protect the reinforcement from corroding.

OREGON APPROACH - BENT 2

Inspection Reports

The 2013 inspection notes that the columns (piles) at Bent 2 are cracked and have a vertical angle break. The recent inspection report merely mentions the cracks as being injected with epoxy but does not explicitly recommend any monitoring or further repairs.

Site Visit Findings

Bent 2 was constructed as a pile bent using precast concrete piles joined at the top by a common cast-in-place concrete cap beam. All the piles have a cold joint, at about 6 feet below the cap beam, where the construction transitioned from precast to cast-in-place concrete. The vertical angle break is likely due to construction modifications to correct pile misalignments. A pattern on each column, of what appears to be the epoxy injected

Michael McElwee, Executive Director
December 5, 2013

cracks mentioned in the 2013 report, was readily observed. It is also likely that these cracks were formed during construction as a result of the same driving difficulties that caused the misalignments (see Figure 5).

Recommendations

The cracking in the Bent 2 piles should be regularly monitored via the scheduled routine inspection program. However, no new signs of distress were detected that would indicate a developing problem to warrant special monitoring or remedial action at Bent 2 at this time.



Figure 5: Bent 2 flexural cracking and deflection

CONCLUDING REMARKS

Thank you for giving HNTB the opportunity to serve the Port of Hood River. If you have any questions regarding the report and the information discussed in this letter report please do not hesitate to contact me at (503) 205-4143.

Sincerely,

HNTB Corporation

A handwritten signature in black ink, appearing to read "Matthew Deml".

Matthew Deml, P.E., S.E.
Oregon Area Manager

Commission Memo

To: Commissioners
From: Fred Kowell
Date: December 17, 2013
Re: 2014 Mileage Rate

The IRS has issued the mileage reimbursement rate for 2014 for business expenses. The rate will be 56 cents per mile, which is a reduction of one-half cent from the 2013 rate.

An Expense Report is attached for your use in 2014. The 2013 Report is on our website at <http://www.portofhoodriver.com/staff/expense%20report.php> and the 2014 Report will be uploaded at the end of the year.

RECOMMENDATION: Informational.



Employee/Commissioner Expense Report

Purpose and Location: _____

Mileage: _____ miles @ \$0.56 per mile (IRS rate as of 01/01/14) \$ _____

Transportation (Air, Bus, Taxi, etc): \$ _____

Lodging \$ _____

Meals:

Date _____ Amount \$ _____

Totals Meals \$ _____

Other* (explanation like Conference fees):

_____ \$ _____

_____ \$ _____

Total Other \$ _____

Total Expenses: \$ _____

Less: Cash Advance and Port VISA Card Charges - _____

TOTAL DUE EMPLOYEE/COMMISSIONER \$ _____

Name: _____

Date: _____

Signature: _____

Required Receipts (Personnel Policies & Procedures, Revised 2004)

Miscellaneous expenses exceeding \$10 require a receipt (example: parking, taxi, phone calls)

Receipts are required for all lodging expenses

Meals exceeding \$15 require a receipt

Note: Expenses for family members are not reimbursable



Port of
Hood River

SCIPES 20
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December 9, 2013

Ken Whiteman
Co-Founder
Pfriem Family Brewers
707 Portway Avenue, Suite 101
Hood River OR 97031

Dear Ken,

On behalf of the Port Commission I want to thank you for your assistance with the economic impact analysis prepared recently by ECONorthwest. Preparing this report was an important goal in updating the Port's Strategic Business Plan ("Plan"). The Plan, along with the economic impact analysis, will be used to guide Port goals, decisions, operations and practices into the foreseeable future.

A copy of ECONorthwest's final report is enclosed for your use. A draft of the Strategic Business Plan has been posted on the Port's website, with a link from the Port's homepage www.portofhoodriver.com. Your input on the Plan would be welcomed as well.

Thank you again for your participation and community involvement.

Respectfully,

Michael S. McElwee
Executive Director

Also sent to:

Jaime Athos, Operations Manager, Turtle Island Foods, PO Box 176
Irene Firmat, CEO, Full Sail Brewing, 405 Portway Avenue
Steve Gates, Owner, Big Winds, 207 Front Street
Chuck Hinman, General Manager, Hood River Inn, 1108 E. Marina Way
Romeo Robichaud, Owner, RBS Battens, PO Box 988
Jeff Pickhardt, President, Key Development, PO Box 208, Bend OR 97709
Brian Prigel, Owner, Prigel Machine, 3895 Heron Drive
Bill Pullman, President, Electronic Assemblers, PO Box 664
Bill Vawter, Quality Manager, Cloud Cap Technology, Inc., 202 Wasco Loop, Suite 103

DRAFT

Bridge of the Gods 8 Ton Weight Restriction: Preliminary Economic Analysis

November 2013



Source: [Washingtonlandscape.blogspot](http://Washingtonlandscape.blogspot.com)

Bruce Sorte
Community Economist
Department of Applied Economics
Oregon State University

Acknowledgments

The author appreciates the many people from business, nonprofit and government organizations who visited with him about how the weight limitations for the Bridge of the Gods are currently and may in the future affect them economically. In addition, Paul Koch, Port of Cascade Locks Interim Manager, and John McSherry, Port of Skamania Executive Director, provided context and quick answers to questions that guided the formal interviews and analysis.

Executive Summary

Regional economies are especially dependent on infrastructure and the efficient movement of supplies and finished products that infrastructure like the Bridge of the Gods (Bridge) supports. This analysis estimates the economic impacts of the Bridge's weight limitation reduction from 80,000 pounds to 8 tons/16,000 pounds utilizing projections by businesses, nonprofit organizations and government agencies obtained through interviews. The impacts were estimated on an annual basis to negatively affect 390 full and part-time jobs, \$72.3 million in sales and most importantly the \$26.7 million of those sales dollars that are income to employees and business owners. This represents a negative shock to 2-3% of the regional economy in the first year and that amount may double if the actual limitations or concerns about future limitations remain in place for more than a year.

The types of economic effects caused by the reduced weight limitations are listed below. The effects are not evenly distributed across the region. Skamania County is experiencing the highest portion of negative impacts. It is likely that 5-10% of Skamania County's economy is currently being affected and if the limitations persist that percentage may double. Skamania County has a smaller economy than its regional partner Hood River County and may not have the resilience that would allow it to minimize the distress caused by this type of shock.

The fourth and fifth points below may be the areas of greatest concern. Rural economies struggle to develop industry clusters. Industry clusters can significantly increase the effects of sales as businesses locally purchase and sell an increasing percentage of their inputs or goods and services within the region. To the extent that these backward or supplier and forward or customer linkages can be developed locally, the dollars from the initial sales are respent in the local economy multiplying the effects of the initial production.

Rural economies can reach the scales of production necessary for clusters to develop by working together and that is happening in this region (e.g. wood products and tourism), yet the efficient movement of many of those goods and services rely on the Bridge.

The ability to recruit businesses that can further strengthen those clusters also relies on the Bridge and those businesses' ability to locate any place within the region knowing they can receive and deliver goods and services easily within the region.

Types of impacts include:

- 1) Reduced toll revenue and spending by the Port of Cascade Locks and respending within the community
- 2) Increased transportation costs for incoming and outgoing shipments for businesses that often have smaller margins to absorb increased costs
- 3) Increased labor costs and production inefficiency as arrival time for suppliers' and customers' trucks becomes less predictable
- 4) Weakening linkages among regional businesses that are critical to the respending and retention of dollars in the local economy
- 5) Reduced certainty for current business expansion plans and business recruitment efforts

Introduction

Economic effects of short term events are very difficult to quantify. This report analyzes the most certain effect – reduced Bridge toll revenue and also estimates the effects of business disruption in manufacturing and tourism both in terms of current activity and reduced growth of the manufacturing (e.g. greater difficulty recruiting leases for the Port of Skamania Industrial Park) and tourism (e.g. congestion effects on Washington State Route 14).

While the toll effects can be reliably predicted, the other effects are based on the limited time period that the weight limitation has been reduced and projections by knowledgeable business and government managers of future consequences. The estimates in the report rely on the reader to make adjustments based on the reader's knowledge of the regional businesses and economy.

This analysis has four primary objectives:

- 1) Construct a regional input-output model
- 2) Project the trade flows of goods, services and tourism that rely on the Bridge of the Gods
- 3) Ground truth the projected trade flows with 15-20 personal interviews
- 4) Develop an economic shock scenario consulting with community leaders for lowering the weight limits on the Bridge of the Gods
- 5) Using the regional model estimate the economic effects of the shock scenario

The explanations for each objective are organized as subsections below. The terms that are repeatedly used throughout the report include:

- ***Bridge of the Gods Region:*** Hood River and Skamania Counties
- ***Output:*** Amount spent on products or services or sales within the region. This metric can include significant double counting especially of intermediate goods and services purchased outside region. They are counted as a local sale when they become a part of a locally produced good or service
- ***Net Regional Product (Income):*** Output minus intermediate goods that are purchased outside the region
- ***Employment:*** Full and part-time jobs including both those covered by workers compensation and reported by the Oregon and Washington employment departments and uncovered jobs like sole proprietorships
- ***Economic Drivers:*** Sectors that bring money into the economy from consumers outside the region. Changes to the economic drivers can have structural impacts to the economy

Regional Economy

The Hood River/Skamania regional economy has transitioned over the last 30 years from a natural resource based manufacturing economy to one that still has strong manufacturing sectors yet relies to an increasing extent on tourism, which has only partially offset the losses experienced by the wood products and construction industries. As the wood products industry contracted, all levels of government and the private sector invested resources to develop the infrastructure (e.g. industrial parks on both sides of the Columbia) necessary to expand or recruit business and to create the marketing and administrative support (e.g. Mid-Columbia Economic Development District). They were trying to fill the large gap caused by reducing the timber harvests on public lands and the increasing mechanization of the wood products industry. Based on the most currently available data from the Minnesota IMPLAN Group, Inc., which is 2011, and the Regional Input-Output Model (I/O Model) that we constructed from that data, the net regional product and employment are estimated and shown in Table 1. The Real estate & rental sector includes rents, leases and an imputed rent value for owner occupied dwellings so those estimates need to be used with some reservation.

Table 1. Regional Product and Employment by Sector – Sorted by Regional Product

Sector	Regional Product (\$)	Employment Full & Part- time Jobs
Total	1,108,806,208	18,561
Manufacturing including Food, Wood Products and all Other	156,487,713	1,438
Government & non NAICs	138,087,249	2,071
Real estate & rental	124,876,668	376
Ag, Forestry, Fish & Hunting	92,367,244	1,729
Health & social services	92,195,448	2,360
Retail trade	82,216,544	1,952
Professional- scientific & tech svcs	76,820,796	1,510
Accommodation & food services	69,097,222	1,994
Wholesale Trade	67,403,592	675
Other services	37,447,130	813
Construction	34,275,720	807
Finance & insurance	32,624,162	336
Arts- entertainment & recreation	28,731,782	1,295
Information	21,574,902	148
Utilities	20,624,726	48
Administrative & waste services	13,145,051	329
Transportation & Warehousing	9,093,922	343
Management of companies	7,807,125	90
Educational svcs	3,647,782	243
Mining	281,429	5

In Table 2 the percentages of the regional economy that are dependent on the economic drivers are listed. These percentages were estimated using the income for both products and services that are exported outside the region or receive income from investments or prior contributions (e.g. Social Security) from outside the region. Note that while tourism is not a designated sector. It includes the exported portions of Accommodation and food services, Arts – entertainment & recreation, and Retail trade.

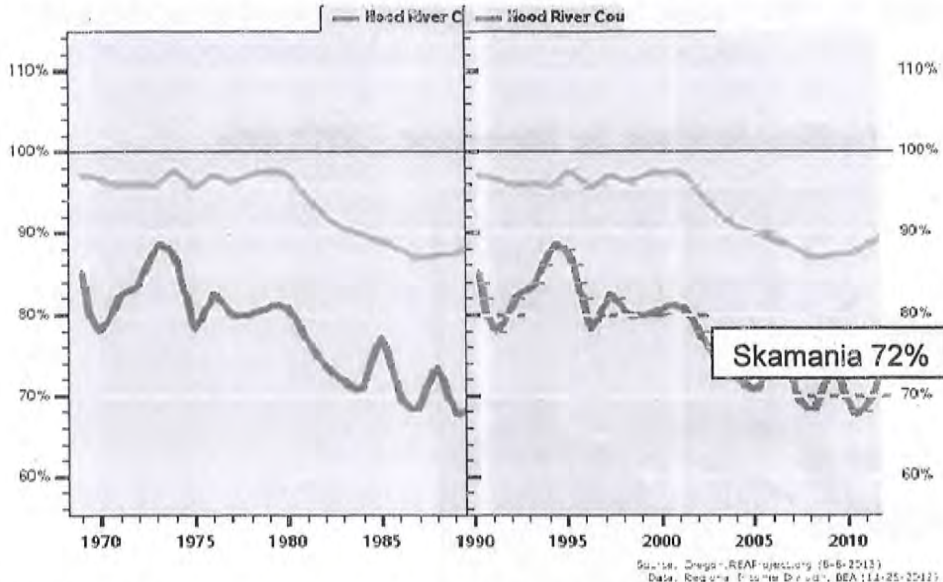
Tourism drives approximately 10.3% of the regional economy. Tourism is the second largest driver, after manufacturing, of the regional economy.

Table 2. Economic Drivers – Portion of Economy Dependent on the Largest Sectors

Sector	Level (%)	Amount (\$)
Total	100%	1,108,806,208
Manufacturing	19.6%	217,681,624
Ag, Forestry, Fish & Hunting	9.2%	102,204,151
Government & non NAICs	9.0%	99,478,343
Household Transfer Payments (e.g. Social Security)	5.8%	64,480,387
Accommodation & food services	5.2%	57,183,857
Professional- scientific & tech svcs	4.7%	52,528,926
Health & social services	3.9%	42,770,047
Wholesale Trade	3.2%	35,160,322
Arts- entertainment & recreation	2.8%	31,506,745
Other services (e.g. equip repair, dry cleaning, etc.)	2.8%	31,072,489
Retail trade	2.8%	30,569,992
Real estate & rental	1.4%	15,064,604
Transportation & Warehousing	0.6%	6,376,008
Subtotal	70.9%	786,077,495
Remaining Sectors & Household Production	29.1%	337,793,317

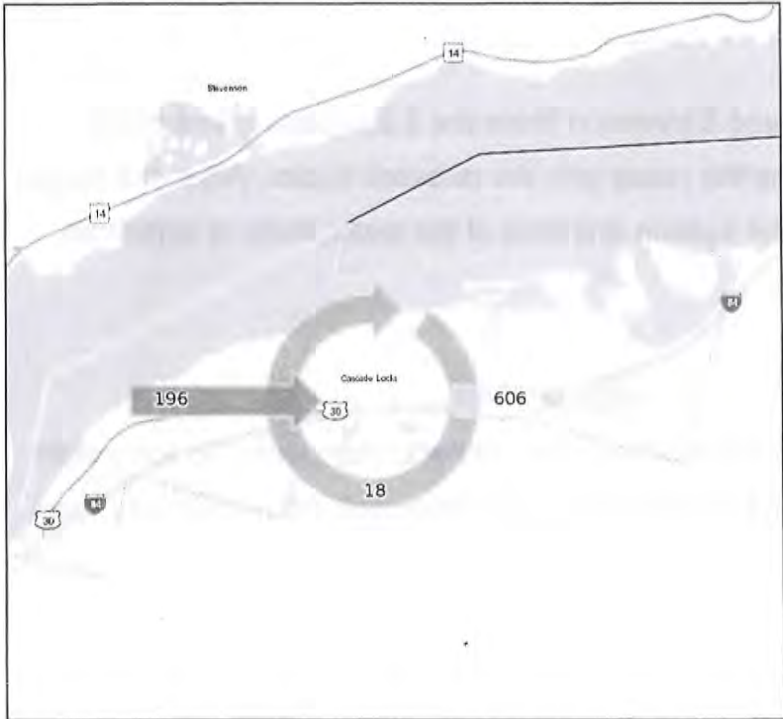
The importance of maintaining the stability of infrastructure and avoiding disruption to the regional economy can be further emphasized by the gap between the average earnings per job in the counties of the region and the U.S. average earnings per job, which is illustrated in Figure 1. Since the average earnings per job throughout the region are less to much less than the national level, it is very difficult for sectors that depend on the Bridge, primarily manufacturing and tourism, to offset the lost income from the weight reductions.

Figure 1. Average Earnings Per Job as a Percentage of U.S. Average 1969-2012



The regional economy is interdependent and a significant portion of the goods, services and workers that help region function effectively move across the bridge each day. As shown in Figure 2¹, 196 workers who live outside Cascade Locks commute in each day, 606 workers who live in Cascade Locks commute out each day, and 18 workers live and work in Cascade Locks. Not all of those workers are crossing the Bridge or rely on the Bridge, yet many do.

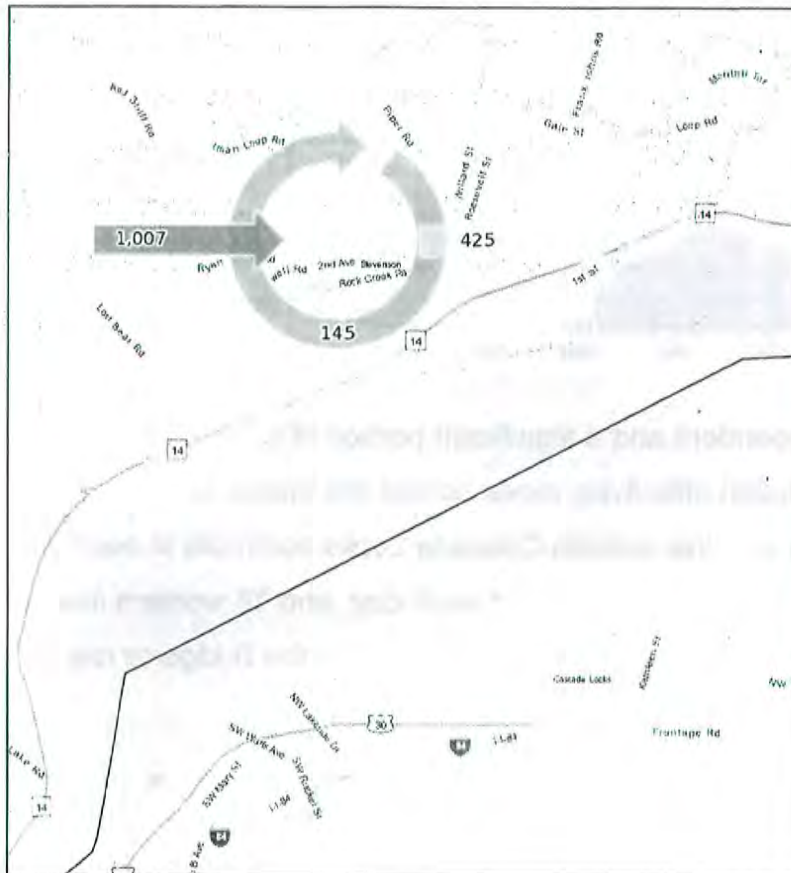
Figure 2. Worker Inflow/Outflow Analysis for Cascade Locks – 2011 data



¹ U.S. Census 2011. *OnTheMap* <http://onthemap.ces.census.gov/>

Figure 3² shows the same type of worker flow analysis for Stevenson, Washington with 1,007 workers commuting in, 425 workers commuting out and 145 workers living and working in Stevenson.

Figure 3. Worker Inflow/Outflow Analysis for Stevenson – 2011 data



Just considering Cascade Locks and Stevenson there are 2,234 commuters using SR14 and/or I-84 each day sharing the roads with the rerouted trucks. When the tourist traffic is included, depending on the season and time of the week, there is significant potential for accidents and delays.

Types of Economic Impacts

Noted above, there are five major types of economic impacts from lowering the weight limitations to 8 tons. In the following sections, they are estimated individually and then summarized.

² Ibid.

Reduced toll revenue and spending by the Port of Cascade Locks

Toll revenue for vehicles that exceed 8 tons was estimated by the Port of Cascade Locks (Port) at \$225,332 per year. In Table 3 the economic impacts to the net regional product caused by that lost revenue are shown. The toll revenue loss was entered in the I/O Model as an output or sales value and with the multiplied effects of that loss, the sales effects were \$313,168. However, due to the double counting that was mentioned earlier and included in sales estimates, the net regional product or income effects are a more accurate measure. The lost multiplied effects of spending within the community of the \$225,332 creates an estimated loss of \$239,120 of income within the region. Much of the spending by folks in the region is for goods and services outside the region, which in this case reduces the losses from multiplied spending.

Table 3. Economic Effects of Reduced Toll Revenue

<i>Sector</i>	<i>Employment Full & Part- time Jobs</i>	<i>Regional Product (\$)</i>
Total	4-5	239,120
Ag, Forestry, Fish & Hunting	<1	303
Mining	<1	1
Utilities	<1	1,777
Construction	<1	1,653
Manufacturing	<1	362
Wholesale Trade	<1	2,998
Retail trade	<1	6,434
Transportation & Warehousing	<1	406
Information	<1	1,368
Finance & insurance	<1	2,884
Real estate & rental	<1	11,480
Professional- scientific & tech svcs	<1	2,772
Management of companies	<1	166
Administrative & waste services	<1	874
Educational svcs	<1	271
Health & social services	<1	6,782
Arts- entertainment & recreation	<1	718
Accommodation & food services	<1	2,967
Other services	<1	1,409
Government & non NAICs	3	193,493

Increased transportation costs for incoming and outgoing shipments and increased labor costs and other production inefficiencies

Business owners and elected and appointed people in government were interviewed to determine the level of disruption they and their customers or constituents are experiencing due to the reduced weight limits for the Bridge.

Most of the rerouting of deliveries that were carried on trucks that exceeded the current Bridge weight limitations has been to the I-205 or Hood River bridges. Both routes required that truckers travel Washington State Route 14 (SR14). This alternate routing forces shippers to change their sequence for and extend the time required to make deliveries. Not only have shipments become more time consuming and costly due to the extra miles travelled, they have become more dangerous and unpredictable. As an example using one of the alternate routes along SR14, over the 24.09 miles³ between Camas, Washington and North Bonneville, Washington there are 90 points of access to the highway⁴ or 3.7 access points per mile. This many accesses points over such a short stretch of road raises safety and congestion concerns for residents and shippers. Many of the businesses that were interviewed have experienced delayed shipments due to this closer of the Bridge to trucks. They also provided examples from the past, even when the Bridge was fully operational, of landslides and traffic accidents that increase as the weather deteriorates over the winter.

Based on the interviews it appears the reduced weight capacity of the Bridge is affecting ten percent of manufacturing production and five percent of the tourism industry. Again the tourism industry includes the Accommodation food services sectors, Arts – entertainment & recreation, and. Retail trade sectors. Table 4 shows the economic effects these ten and five percent shocks to manufacturing and tourism respectively are estimated to cause.

³ Mapquest: <http://www.mapquest.com/#d4753e7411331a248f37b2eb>

⁴ Charles Pace/Bruce Sorte telecon September 13, 2013.

**Table 4. Ten Percent Shock to Manufacturing and Fiver Percent Shock to Tourism
Portions of the Economic Drivers**

<i>Description</i>	<i>Employment Full & Part-Time Jobs</i>	<i>Output or Sales (\$)</i>	<i>Net Regional Product (\$)</i>
Total	390	72,329,652	26,736,200
Ag, Forestry, Fish & Hunting	12	1,196,717	651,402
Mining	<1	3,720	1,508
Utilities	1	809,651	486,797
Construction	4	397,941	177,380
Manufacturing	140	51,524,421	14,913,844
Wholesale Trade	9	1,384,101	922,202
Retail trade	35	2,099,134	1,447,162
Transportation & Warehousing	5	432,416	134,232
Information	2	615,407	280,134
Finance & insurance	4	677,737	336,026
Real estate & rental	4	1,949,393	1,342,648
Professional- scientific & tech svcs	19	1,654,444	928,878
Management of companies	5	738,299	390,979
Administrative & waste services	5	409,084	212,862
Educational svcs	1	40,435	20,203
Health & social services	13	858,019	489,718
Arts- entertainment & recreation	51	2,273,468	1,118,685
Accommodation & food services	68	4,413,274	2,299,923
Other services	6	487,914	265,990
Government & non NAICs	5	364,076	315,624

Consumers, businesses and government agencies are very resilient. If the Bridge repairs are completed and the weight limitation is increased back to 80,000 pounds by January, the impacts will have been concentrated primarily in logging and wood products and may not create lasting damage. If the repairs extend well past January, the tourism sectors may experience progressively more severe negative impacts, as well. Both manufacturing and tourism may face long term challenges to recover to current levels.

Weakened linkages among regional businesses and increased uncertainty for existing and potential businesses that might want to expand or relocate to the region

Business relationships among suppliers and customers are built over many years and are essential for a diverse and resilient economy. As economies have globalized, access to suppliers around the world has grown and local or regional economies have struggled to prevent dollars from "leaking out" of the region. Multipliers that are calculated from the percentage of a sale that is respent locally have declined from the 2-3 range (an additional one or two dollars of respending for each initial sales dollar) to 1.15-1.6.

Excellent infrastructure that provides all types of access among businesses within the region and when necessary outside the region, is important to hold onto as many of those dollars for as long as possible. When it becomes more trouble/cost to reach a regional supplier, suppliers from outside the region become comparably less costly tempting local businesses to spend outside the region. To demonstrate the importance of these relationships or linkages, the I/O Model created for this region has 173 sectors. Wood products manufacturing is linked in some way to 165 or 95% of the sectors in the regional economy.

Many of the regions' businesses have alternate production or sales facilities amongst which they can assign production or marketing. During the interviews, the businesses expressed a strong loyalty to the Hood River/Skamania region and a willingness to work through this period. They intend to maintain their current business linkages within the region. However, if the Bridge limitations were to persist for years rather than months, it is tough to imagine that businesses would not be forced to consider their alternatives to retain as much of their often slim profit margins as possible.

Reduced certainty for current business expansion plans and business recruitment efforts

Just the Port of Skamania and the Port of Cascade Locks own and manage 162 acres and 226 acres respectively of developed (commercial to recreational), shovel-ready and developable land. There is also a significant amount of additional developable private land in the regoin. Access is a major variable in determining the value of that property

and the related rental or lease rates. While a few month hiatus for the Bridge is unlikely to seriously damage values of the industrial sites, if the weight reduction extends very far into 2014, recruitment efforts may at least be stalled if not abandoned by some companies and leases may be negotiated downward.

Every ten jobs that are not recruited to or retained within the region in a manufacturing business can reduce the local economy by 16 jobs, \$3.3 million in sales and \$1.1 million of the regional income portion of sales. Uncertainty about future disruptions can be almost as serious as an actual closer of the Bridge so while getting the work done expeditiously it is also important demonstrate the necessary steps have been taken to avoid this type of problem in the future.

Conclusion

Infrastructure that provides efficient and reliable access for businesses is essential for an economy to prosper. Infrastructure is built over time to achieve that access and the Bridge of the Gods is an important component of not only the regional economy, it is important to the Washington and Oregon economies as one can understand when the records from asking truckers their destinations at the toll booth are considered.

The economic effects of changes to infrastructure grow both in breadth (number of businesses affected) and depth (parts of the production processes for each business that are affected). The weight reduction for the Bridge of the Gods once again shows how resourceful people can be in working through a problem. It also shows that people remain optimistic for weeks and often months before they significantly alter their production processes or levels of production.

Businesses are being impacted and those impacts are estimated above, yet they are quite modest compared to how the businesses would respond to weight reductions that or travel disruptions that persist or repeat. Unfortunately, many of these businesses needed to order supplies and make sales with delivery and shipping dates well into the future. They may be negatively for some time, though probably at a decreasing rate.

While the estimates in this report cannot be precise, they do point out the continuing importance of manufacturing; see Table 2, to the economy and the how the regional businesses have built linkages amongst each other thereby keeping the dollars circulating in the regional economy. The linkages may weaken and businesses that might be recruited to the area further strengthening those linkages may be less likely to locate in the region if the Bridge of the Gods cannot return to full capacity in the near future.

Bridge of the Gods Interviews 2013

Date _____

Type of Business _____

Introductions/thank you/responses confidential/feel free to pass/questions before we begin

Please explain your business and how long you have been doing business in this region.

What three or four of your costs and three or four types of sales are being affected by an 8 ton limit on the Bridge of the Gods?

How are you adapting or will you adapt to each one?

What percentage will your total sales change on an annual basis from the current reduction and if this weight reduction continues on the bridge beyond December 31st?

Would you consider moving your business if the weight limitation persists? If so how long would it need to last for you to seriously consider that alternative?

Have you considered expanding your business? Has this disruption affected that decision?

What one measure that has been implemented in response to the weight limitation for the bridge has been most helpful to your business?

Are there any additional measures that you think might be tried while the weight limits are reduced that could help limit the impacts to your business?

Do you feel well enough informed about the problems and how they will be addressed? If not, what other ways might information be provided?

Are there other points that you would like to include that I have not covered with these questions?

Thanks again and please let me know if you think of other issues.

Commission Memo

To: Commissioners
From: Fred Kowell
Date: December 13, 2013
Re: Financial Review - Four Months Ended October 31, 2013

The financial expenditure schedule which depicts budget versus actual activity is 33% through the fiscal year or through October 31, 2013. I will discuss the expenditure side of the financial review in four different areas: Personnel Services, Materials & Services, Capital Outlay and Debt Service.

With respect to Personnel Services the Port is tracking in line with the budget overall. I will keep an eye on the Airport which is ahead of its budget for the four months ended but we are now entering the winter months which should see a slow-down in costs.

Overall, Materials & Services is below budget for the four months ended October 31, 2013. However, there are four areas that need more explanation due to what has been spent thus far in the fiscal year compared with their respective budgets. I will keep an eye on these six areas for the remainder of the year but most likely a budget transfer will need to occur before year end. They are as follows:

- Eventsite – Spending for signage, safety supplies and maintenance during the summer season has caused this cost center to be ahead of its budget for the year.
- Hook/Spit – Spending for project design of the sewer line that is going to be constructed along the hook was not budgeted for.
- Marina Park – Spending for restroom sewer repairs, and the summer youth program was not contemplated in the FY 2013-14 budget.
- Airport – Due to a focused effort on the maintenance like tree trimming, culvert repairs, hose replacements, hangars repainted and the summer youth program removing invasives, the year-to-date expenditures are running higher than 33%.

PORT OF HOOD RIVER
STATEMENT OF OPERATING REVENUES, EXPENDITURES AND OTHER SOURCES AND USES OF FUNDS
AND BUDGET VS ACTUAL PERFORMANCE
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2013

	REVENUE FUND							GENERAL FUND	BRIDGE REPAIR & REPLACEMENT FUND	TOTAL	
	Bridge	Industrial Buildings	Commercial Buildings	Waterfront Land	Waterfront Recreation	Marina	Airport				Administration Maintenance
<u>OPERATING REVENUES</u>											
Tolls	\$ 1,287,388									\$ 1,287,388	
Leases		\$ 426,407	\$ 43,226	\$ 2,050	\$ 2,000	\$ 10,103	\$ 21,548			505,334	
Reimbursements		80,689	1,961	400	200	3,549	5,213			92,012	
Fees, Events, Passes and Concessions					41,808					41,808	
Property taxes								699		699	
Total Operating Revenues	1,287,388	507,096	45,187	2,450	44,008	13,652	26,761	699	-	1,927,241	
<u>Operating Expenses</u>											
Personnel Services	217,442	88,525	17,955	13,880	120,543	46,156	26,519	-	19,326	2,612	552,958
Materials & Services	109,978	156,509	11,458	42,037	50,318	21,410	55,569	52,725	115,175	21,502	636,680
Total Operating Expenses	327,420	245,034	29,413	55,917	170,861	67,566	82,088	52,725	134,500	24,114	1,189,639
Operating income/(Loss)	959,968	262,062	15,773	(53,467)	(126,853)	(53,914)	(55,327)	(52,725)	(133,801)	(24,114)	737,603
<u>Other Resources</u>											
Income from other sources	195	-	-	-	-	-	-	2,932	98	1,945	5,170
Grants	-	-	-	-	-	-	-	-	-	-	-
Sale of land	-	-	-	-	-	-	-	-	-	-	-
Note receivables	-	6,793	-	-	-	-	-	-	-	-	6,793
Total Other Resources	195	6,793	-	-	-	-	-	2,932	98	1,945	11,963
<u>Other (Uses)</u>											
Capital projects	-	(277,425)	(9,057)	-	(10,100)	(176,510)	(32,382)	(23,466)	-	(12,723)	(541,663)
Debt service	-	(48,314)	-	-	-	-	-	-	-	(35,000)	(83,314)
Total Other (Uses)	-	(325,739)	(9,057)	-	(10,100)	(176,510)	(32,382)	(23,466)	-	(47,723)	(624,977)
Transfers in/(Out)	(37,534)							(116,499)	116,499	37,534	-
Net Cashflow	\$ 922,629	\$ (56,884)	\$ 6,716	\$ (53,467)	\$ (136,953)	\$ (230,423)	\$ (87,709)	\$ (189,758)	\$ (17,204)	\$ (32,358)	\$ 124,589
<u>BUDGET VS ACTUAL PERFORMANCE</u>											
<u>FY 2013-14 Budget</u>											
Operating revenues - Budget	\$ 3,365,757	\$ 1,106,825	\$ 156,046	\$ 1,200	\$ 116,143	\$ 242,449	\$ 177,642	\$ -	\$ 56,517	\$ -	\$ 5,222,579
Operating revenues - Actuals	1,287,388	507,096	45,187	2,450	44,008	13,652	26,761	-	699	-	1,927,241
Actuals greater/(Less) than budget	(2,078,369)	(599,729)	(110,859)	1,250	(72,135)	(228,797)	(150,881)	-	(55,818)	-	(3,295,338)
	38%	46%	29%	204%	38%	6%	15%		1%	#DIV/0!	37%
Operating expenses - Budget	1,067,063	1,023,401	127,819	207,257	444,117	205,701	165,321	163,941	335,681	31,911	3,772,212
Operating expenses - Actuals	327,420	245,034	29,413	55,917	170,861	67,566	82,088	52,725	134,500	24,114	1,189,639
Actuals (greater)/Less than budget	739,643	778,367	98,406	151,340	273,256	138,135	83,233	111,216	201,181	7,797	2,582,573
	31%	24%	23%	27%	38%	33%	50%		40%	76%	32%
Other Resources - Budget	8,774	401,288	-	150,000	320,000	749,303	-	24,000	100	4,000	1,657,465
Other Resources - Actuals	195	6,793	-	-	-	-	-	2,932	98	1,945	11,963
Actuals greater/(Less) than budget	(8,579)	(394,495)	-	(150,000)	(320,000)	(749,303)	-	(21,068)	(2)	(2,055)	(1,645,502)
Other (Uses) - Budget	5,000	2,138,550	55,000	185,527	579,000	684,979	-	90,175	-	899,000	\$ 4,637,231
Other (Uses) - Actuals	-	325,739	9,057	-	10,100	176,510	32,382	23,466	-	47,723	\$ 624,977
Actuals (greater)/Less than budget	5,000	1,812,811	45,943	185,527	568,900	508,469	(32,382)	66,709	-	851,277	4,012,254
	0%	15%	16%	0%	2%	26%	#DIV/0!	26%	#DIV/0!	5%	13%
Net Position - Budget vs Actuals	\$ (1,342,305)	\$ 1,596,954	\$ 33,489	\$ 188,117	\$ 450,021	\$ (331,495)	\$ (100,030)	\$ 156,857	\$ 145,361	\$ 857,019	\$ 1,653,988

PORT OF HOOD RIVER
SCHEDULE OF EXPENDITURES BY COST CENTER BY FUND
BUDGET AND ACTUAL - 33% THROUGH THE BUDGET
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2013

EXPENDITURES	Cost Centers	Personal Services				Materials & Services				Capital Outlay				Debt Service				Total Appropriation		
		Budget	Actual	Unspent	%	Budget	Actual	Unspent	%	Budget	Actual	Unspent	%	Budget	Actual	Unspent	%	Budget	Actual	Unspent
<i>Toll Bridge</i>	100	675,204	217,442	457,762	32%	391,859	109,978	281,881	28%	5,000	-	5,000	0%	-	-	-		1,072,063	327,420	744,643
<i>Industrial Facilities</i>																				
Big 7	200/205	36,697	10,937	25,760	30%	126,009	28,755	97,254	23%	48,000	-	48,000	0%	-	-	-		210,706	39,692	171,014
Jensen Property	302	56,435	17,309	39,126	31%	176,511	43,433	133,078	25%	105,550	-	105,550	0%	145,000	48,314	96,686	33%	483,496	109,055	374,441
Maritime Building	303	28,316	9,194	19,122	32%	98,433	18,371	80,062	19%	45,000	49,983	(4,983)	111%	-	-	-		171,749	77,548	94,201
Halyard Building	307	51,176	16,925	34,251	33%	103,617	25,178	78,439	24%	175,000	227,442	(52,442)	130%	-	-	-		329,793	269,545	60,248
Expo Center	401	32,976	10,949	22,027	33%	95,651	17,151	78,500	18%	50,000	-	50,000	0%	-	-	-		178,627	28,100	150,527
Timberline Incubator Building	702	26,719	9,144	17,575	34%	20,277	4,643	15,634	23%	-	-	-		-	-	-		46,996	13,787	33,209
Wasco Building	800	45,949	14,068	31,881	31%	69,635	18,978	50,657	27%	-	-	-		-	-	-		115,584	33,046	82,538
New Site		-	-	-	0%	55,000	-	55,000	0%	1,500,000	-	1,500,000	0%	70,000	-	70,000	0%	1,625,000	-	1,625,000
		278,268	88,525	189,743	32%	745,133	156,509	588,624	21%	1,923,550	277,425	1,646,125	14%	215,000	48,314	166,686	22%	3,161,951	570,773	966,178
<i>Commercial Facilities</i>																				
State Office (DMV) Building	501	18,635	5,951	12,684	32%	20,246	4,559	15,687	23%	-	-	-		-	-	-		38,881	10,510	28,371
Marina Office Building	506	30,445	8,011	22,434	26%	25,292	5,425	19,867	21%	50,000	9,057	40,943	18%	-	-	-		105,737	22,493	83,244
Port Office Building	502	16,052	3,994	12,058	25%	17,149	1,474	15,675	9%	5,000	-	5,000	0%	-	-	-		38,201	5,468	32,733
		65,132	17,955	47,177	28%	62,687	11,458	51,229	18%	55,000	9,057	45,943	16%	-	-	-		182,819	38,471	144,348
<i>Waterfront Industrial Land</i>	300/301	41,524	13,880	27,644	33%	165,733	42,037	123,696	25%	185,527	-	185,527	0%	-	-	-		392,784	55,917	336,867
<i>Waterfront Recreation</i>																				
Eventsite	402	117,530	34,024	83,506	29%	20,104	15,187	4,917	76%	35,000	-	35,000	0%	-	-	-		172,634	49,211	123,423
Hook/Spit	306/505	41,283	14,106	27,177	34%	14,584	7,000	7,585	48%	105,000	-	105,000	0%	-	-	-		160,867	21,106	139,761
Marina Park	504	205,103	72,413	132,690	35%	45,513	28,132	17,381	62%	439,000	10,100	428,900	2%	-	-	-		689,616	110,645	578,971
		363,916	120,543	243,373	33%	80,201	50,318	29,883	63%	579,000	10,100	568,900	2%	-	-	-		1,023,117	180,961	842,156
<i>Marina</i>	503	139,524	46,156	93,368	33%	66,177	21,410	44,767	32%	570,000	176,510	393,490	31%	114,979	-	114,979	0%	890,680	244,075	646,605
<i>Airport</i>	600	70,485	26,519	43,966	38%	94,836	55,569	39,267	59%	-	32,382	(32,382)		-	-	-		165,321	114,470	50,851
Administration		12,000	-	12,000	0%	80,045	12,554	67,491	16%	50,175	-	50,175	0%	-	-	-		142,220	12,554	129,666
Maintenance		-	-	-		71,896	40,171	31,725	56%	40,000	23,466	16,534	59%	-	-	-		111,896	63,637	48,259
<i>Total Expenditures</i>		1,646,053	531,021	1,115,032	32%	1,758,567	500,003	1,258,564	28%	3,408,252	528,940	2,879,312	16%	329,979	48,314	281,665	15%	7,142,851	1,608,278	3,909,573
Bridge Repair & Replacement Fund		12,250	2,612	9,638	21%	19,661	21,502	(1,841)	109%	195,000	12,723	182,277	7%	704,000	35,000	669,000	5%	930,911	71,837	859,074
General Fund		61,283	19,326	41,957	32%	274,398	115,175	159,223	42%									335,681	134,500	201,181

Unfavorable Variance - Expenditures

- Eventsite - Due to spending on signage, safety supplies, and maintenance.
- Marina Park - Due to sewer repairs, and summer youth program costs.
- Airport - Due to focused effort on maintenance of culverts, tree trimming, summer youth invasives, hose replacement, and painting hangars.
- Maintenance - Due to full year of insurance being expensed and training-welding.
- Bridge Repair & Replacement - Due to refinancing costs but resources reflect offset.
- General fund - Due to budget for Strategic Planning and other cost being in FY 2012-13 instead of current year.

PORT OF HOOD RIVER
Schedule of Revenues by Cost Center By Fund
Budget to Actuals - 33% Through Budget
For the Four Months Ended October 31, 2013

	REVENUES				
	Budget	Actual	Total	Variance	%
REVENUE FUND					
<i>Toll Bridge</i>					
Bridge Tolls	\$ 3,355,757	\$ 1,287,388	\$ 1,287,388	\$ (2,068,369)	38%
Cable Crossing Leases	10,000	-	-	(10,000)	0%
Other	8,774	195	195	(8,579)	2%
	<u>3,374,531</u>	<u>1,287,583</u>	<u>1,287,583</u>	<u>(2,086,948)</u>	<u>38%</u>
<i>Industrial Facilities</i>					
<i>Big 7</i>					
Lease Revenues	276,276	93,926	93,926	(182,350)	34%
Reimbursements	72,622	19,057	19,057	(53,565)	26%
<i>Jensen Property</i>					
Lease Revenues	315,225	109,068	109,068	(206,157)	35%
Reimbursements	137,414	26,346	26,346	(111,068)	19%
<i>Maritime Building</i>					
Lease Revenues	66,194	61,246	61,246	(4,948)	93%
Reimbursements	39,915	5,662	5,662	(34,253)	14%
<i>Halyard Building</i>					
Lease Revenues	154,938	40,608	40,608	(114,330)	26%
Reimbursements	38,086	12,702	12,702	(25,384)	33%
Note Receivable	5,950	1,983	1,983	(3,967)	33%
Other	-	-	-	-	-
<i>Expo Center</i>					
Lease Revenues	144,149	56,394	56,394	(87,755)	39%
Reimbursements	39,848	8,240	8,240	(31,608)	21%
Other Financing Sources	-	-	-	-	-
<i>Timberline Incubator Building</i>					
Lease Revenues	25,650	16,000	16,000	(9,650)	62%
Reimbursements	4,900	896	896	(4,004)	18%
<i>Wasco Building</i>					
Lease Revenues	124,393	49,166	49,166	(75,227)	40%
Reimbursements	48,123	7,786	7,786	(40,337)	16%
Note Receivable	14,430	4,810	4,810	(9,620)	33%
	<u>1,508,113</u>	<u>513,889</u>	<u>513,889</u>	<u>(994,224)</u>	<u>34%</u>
<i>Commercial Facilities</i>					
<i>State Office (DMV) Building</i>					
Lease Revenues	36,973	12,652	12,652	(24,321)	34%
Reimbursements	3,201	512	512	(2,689)	16%
<i>Marina Office Building</i>					
Lease Revenues	48,896	14,391	14,391	(34,505)	29%
Reimbursements	15,535	1,449	1,449	(14,086)	9%
<i>Port Office Building</i>					
Lease Revenues	48,550	16,183	16,183	(32,367)	-
Reimbursements	2,891	-	-	(2,891)	-
	<u>156,046</u>	<u>45,187</u>	<u>45,187</u>	<u>(110,859)</u>	
<i>Waterfront Industrial Land</i>					
Lease Revenues	1,200	2,050	2,050	850	171%
Reimbursements	-	400	400	400	0%
Land Sale	150,000	-	-	(150,000)	0%
Note Receivable	74,478	-	-	(74,478)	0%
	<u>225,678</u>	<u>2,450</u>	<u>2,450</u>	<u>(223,228)</u>	<u>1%</u>
<i>Waterfront Recreation</i>					
<i>Eventsite, Hook and Spit</i>					
Events, Passes, Permits and Concessions	69,334	38,363	38,363	(30,971)	55%
<i>Marina Park</i>					
Sailing Schools, Showers and Events	37,963	3,445	3,445	(34,518)	9%
Lease Revenues	5,843	2,000	2,000	(3,843)	34%
Reimbursements	3,003	200	200	(2,803)	7%
Grant	320,000	-	-	(320,000)	0%
	<u>436,143</u>	<u>44,008</u>	<u>44,008</u>	<u>(392,135)</u>	<u>10%</u>
<i>Marina</i>					
Lease Revenues	226,085	10,103	10,103	(215,982)	4%
Reimbursements	16,364	3,549	3,549	(12,815)	22%
Grant	9,303	-	-	(9,303)	0%
Other Financing Sources	740,000	-	-	(740,000)	0%
	<u>991,752</u>	<u>13,652</u>	<u>13,652</u>	<u>(978,100)</u>	<u>1%</u>
<i>Airport</i>					
Lease Revenues	149,859	21,548	21,548	(128,311)	14%
Reimbursements	27,783	5,213	5,213	(22,570)	19%
Grant	-	-	-	-	0%
	<u>177,642</u>	<u>26,761</u>	<u>26,761</u>	<u>(150,881)</u>	<u>15%</u>
Adjusted Budget to Actual Revenues	<u>6,869,905</u>	<u>1,933,530</u>	<u>1,931,080</u>	<u>(4,713,147)</u>	<u>28%</u>
GENERAL FUND					
Property taxes	56,517	699	699	(55,818)	1%
Transfers from other funds	279,064	116,499	116,499	(162,565)	42%
	<u>\$ 335,581</u>	<u>\$ 117,198</u>	<u>\$ 117,198</u>	<u>\$ (218,383)</u>	<u>35%</u>
BRIDGE REPAIR & REPLACEMENT FUND					
Transfers from other funds	\$ 1,371,557	\$ 37,534	37,534	(1,334,023)	3%

Commission Memo

To: Commissioners
From: Michael McElwee
Date: December 17, 2013
Re: Amendment #3 to PSA with NBW Hood River, LLC

A Purchase and Sale Agreement (PSA) was approved with NBW Hood River, LLC (NBW) on May 29, 2013. Amendment #2 was approved on August 20, 2013 which clarified the specific land that was being acquired and releases certain contingencies. Amendment #3 (attached) would extend the closing date for the transaction until March 28, 2014. Although we are making progress on all of the various aspects of this transaction, there are still important matters to resolve, especially related to the Emergency Access Agreement. Because the Port has been in the lead on the design of the PAW, and this has taken longer than expected, the \$5,000 payment for this extension is waived in Amendment #3.

RECOMMENDATION: Authorize Amendment #3 to the Purchase and Sale Agreement with NBW Hood River, LLC.

THIRD AMENDMENT TO PURCHASE AGREEMENT
D R A F T

THIS THIRD AMENDMENT TO PURCHASE AGREEMENT (this “**Amendment**”), dated as of _____, 2013, is entered into by and between **Port of Hood River**, an Oregon municipal corporation (“**Seller**”), and **NBW Hood River LLC**, an Oregon limited liability company (“**Buyer**”).

A. Seller and Buyer have entered into that certain Purchase and Sale Agreement and Receipt for Earnest Money (“**Purchase Agreement**”) dated October 19, 2012 and amended by First Amendment to Purchase Agreement dated May 29, 2013 **and amended by Second Amendment to Purchase Agreement dated September 4, 2013** pertaining to certain real property located in Hood River Oregon and more particularly described in the Purchase Agreement (the “**Property**”). All capitalized terms used herein that are not defined shall have the meaning ascribed to them in the Purchase Agreement.

B. Buyer and Seller desire to further amend the Purchase Agreement on the terms herein set forth.

NOW THEREFORE, in consideration of the expenses incurred by Buyer to date and the mutual undertakings of the parties hereto, it is hereby agreed as follows:

1. **Closing Date.** Paragraph 3 of the First Amendment to Purchase Agreement is deleted and the following substituted in lieu thereof:

“Close of escrow shall occur on or before March 28, 2014 on a date mutually agreed to by the parties, provided all Seller’s contingencies have been satisfied or waived prior to March 28, 2013. If all Seller’s contingencies have not been satisfied or waived prior to March 28, 2013, unless the parties mutually agree in writing to extend the Closing Date, this Agreement shall terminate and no longer be in effect. Buyer will not be required deposit of an additional \$5,000 earnest money for this extension.”

2. Conflicts with Purchase Agreement. In the event that any specific provision in this Amendment conflicts with the Purchase Agreement in any manner, the terms and conditions of this Amendment shall control for all purposes. Except as specifically set forth herein, the Purchase Agreement is unmodified and is hereby ratified and remains in full force and effect.
3. Counterparts; Facsimile Signatures. This Amendment may be executed in one or more counterparts, each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute one and the same instrument, with the same effect as if all of the parties to this Amendment had executed the same counterpart. Facsimile signatures shall operate as originals for all purposes under this Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the date first above written.

Buyer: NBW HOOD RIVER LLC

Seller: PORT OF HOOD RIVER

By: W. Robert Naito

Title: Member

Execution Date: _____

By: Michael S. McElwee

Title: Executive Director

Execution Date: _____

DRAFT

Commission Memo

To: Commissioners
From: Michael McElwee
Date: December 17, 2013
Re: HRJCO MOU Amendment #2

The Commission authorized execution of a Memorandum of Understanding (MOU) with the Hood River Juice Company, Inc. (HRJCO) at the August 6, 2013 meeting. On November 5, 2013 the Commission authorized Amendment #1 which extended the dates for completing a final Disposition and Development Agreement (DDA).

On December 10 staff received comments on a final DDA from HRJCO. There are only a limited number of remaining issues to negotiate but they are substantial as they relate to cost sharing of future transportation infrastructure. Staff believes negotiations on these matters will extend through January 2014.

The attached Second Amendment to the MOU extends the target date for a mutually-acceptable DDA to February 7, 2014 and the date of automatic termination to February 21, 2014.

RECOMMENDATION: Authorize the Second Amendment to the MOU with the Hood River Juice Company.

**SECOND AMENDMENT – MEMORANDUM OF UNDERSTANDING
FOR DISPOSITION OF PROPERTY
INDUSTRIAL PROJECT**

Waterfront Business Park
Hood River, Oregon

Recital: The Port of Hood River ("Port") and Hood River Juice Company, Inc. ("Buyer") signed a Memorandum of Understanding dated August 7, 2013, regarding Buyer's possible purchase and lease of Port property at the Waterfront Business Park ("MOU"). The MOU contemplates property transaction details will be included in a Disposition and Development Agreement ("DDA"). The First Amendment to the DDA was executed November 11, 2013 to extend the Effective Date and Exclusivity Period. However, the parties will be unable to finalize the DDA by the MOU deadlines, and wish to extend those dates.

AGREEMENT: The Port of Hood River and Hood River Juice Company, Inc. agree to extend the dates set forth in the First Amendment to the DDA by modifying the revisions set forth in that First Amendment as follows:

1. "Port and Buyer will negotiate terms of a DDA in an attempt to enter into, execute and deliver a mutually-acceptable DDA on a date as soon as feasible, but no later than **February 7, 2014** (the "Agreement Date")."
2. "This MOU shall be effective when executed by both parties, and shall automatically terminate as of the later of (i) the effective date of the DDA; or (ii) **February 21, 2014** ("Exclusivity Period")."

Except as modified by this Amendment, all terms of the MOU shall remain unchanged. This Amendment may be signed in counterparts. The Amendment shall be effective on the last date signed.

DATED: _____, 2013

DATED: _____, 2013

PORT OF HOOD RIVER

HOOD RIVER JUICE COMPANY, INC.

By: _____
Michael S. McElwee, Executive Director

By: _____
David Ryan, President