



PORT OF HOOD RIVER COMMISSION
MEETING AGENDA
September 19, 2017
Marina Center Boardroom

4:00 P.M.

Work Session on Bridge Replacement Next Steps

1. Steve Siegel, Consultant Presentation & Group Discussion

5:00 P.M.

Regular Session

2. Call to Order
 - a. Modifications, Additions to Agenda
 3. Public Comment (5 minutes per person per subject; 30 minute limit)
 3. Consent Agenda
 - a. Approve Minutes of September 5, 2017 Regular Session (*Jana Scoggins – Page 3*)
 - b. Approve Lease with Soniq Aerospace, LP for Suite 204 of the Big 7 Building (*Anne Medenbach – Page 7*)
 - c. Approve Accounts Payable to Jaques Sharp in the Amount of \$5,880 (*Fred Kowell – Page 19*)
 4. Reports, Presentations and Discussion Items
 - a. Lot 1 Urban Renewal Planning - (*Michael McElwee – Page 23*)
 - b. Futurist Fall Planning Retreat Proposal from Glen Heimstra - (*Michael McElwee – Page 29*)
 5. Director's Report (*Michael McElwee – Page 39*)
 6. Commissioner, Committee Reports
 - a. Marina Committee (August 17, Shortt)
 7. Action Items
 - a. Approve Appointment of Shawn Summersett to the Junior Sailing Representative Position on the Marina Committee (*Steve Carlson – Page 41*)
 - b. Approve Executive Director Work Plan for FY 2017-18 (*Michael McElwee – Page 43*)
 - c. Authorize Contract with Walker/Macy for Lot #1 Planning Services Not to Exceed \$55,000 (*Michael McElwee – Page 53*)
 - d. Authorize Contract with Eco Northwest for Lot #1 Planning Services Not to Exceed \$9,000 (*Michael McElwee – Page 53*)
 8. Commission Call
-
9. Executive Session under ORS 192.660(2)(e) Real Estate Negotiations
 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.*

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Port of Hood River Commission
Meeting Minutes of September 5, 2017 Regular Session
Marina Center Boardroom
5:00 p.m.

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

Present: Commissioners Hoby Streich, Ben Sheppard, John Everitt, Brian Shortt; Legal Counsel Jerry Jaques; from staff, Michael McElwee, Fred Kowell, Anne Medenbach, Genevieve Scholl, John Mann, Erik Cuevas, Jana Scoggins
Absent: David Meriwether
Media: None

1. CALL TO ORDER: President Streich called the meeting to order at 5:01 p.m.

a. Modifications, Additions to Agenda.

Bridge Capital Projections report has been added as an item “d” under Section 4: Reports, Presentations, and Discussion.

2. PUBLIC COMMENT: None.

3. CONSENT AGENDA:

a. Approve Minutes of August 15, 2017 Regular Session.

Motion: Move to approve Consent Agenda.

Move: Shortt

Second: Sheppard

Discussion: None

Vote: **Aye:** Streich, Sheppard, Everitt, Shortt

Absent: Meriwether

MOTION CARRIED

4. REPORTS, PRESENTATIONS, AND DISCUSSION ITEMS:

a. Waterfront Facilities Intern Report: Erik Cuevas, Port Waterfront Facilities Intern, has been involved in several projects during the summer season such as mapping out repairs needed on Port’s trails, welding on the bridge, and regular facilities maintenance, but mostly focused on identifying and mapping invasive plants on the waterfront. Cuevas discussed the predominant species, and marked the waterfront areas that will require Port’s attention during 2018 efforts to keep noxious and unwanted plants controlled.

b. Western Region Tolling Coalition: Fred Kowell, Chief Financial Officer, reported that the International Bridge, Tunnel and Turnpike Association (IBTTA), through the direction of the U.S. Department of Transportation, focuses its attention on developing an interoperable tolling infrastructure. Uniform tolling protocols would be adopted by all states and agencies within each region in an effort to increase interoperability. Kowell described the interests the Port of Hood River is pursuing with regards to being part of a region that uses a common protocol and specifications to enable interstate tolling interoperability. Kowell also reported that a new subcommittee, 6C Tolling Coalition, was formed within the Western Region Toll Operators where Kowell is representing the Port.

c. FY 17 and FY 18 INFRA Grant Application Discussion: Genevieve Scholl, Special Projects and Communications Manager, reported that the Port’s 2016 grant application for the federal discretionary funding program (FASTLane) dedicated to transportation infrastructure was not approved. The grant request sought to finance the final pre-construction steps required for the bridge replacement; however, with the passage of Oregon’s HB 2017, the Port was able to secure \$5 million in support of this pre-development work, with no match requirement. USDOT has issued a new Notice of Funding Opportunity (NOFO) which invites applicants to resubmit their updated INFRA application for the same project by November 2, 2017 for both FY 2017 and FY 2018 opportunity. Scholl discussed the pros and cons of the resubmittal for the anticipated predevelopment work, and the feasibility of submitting a new request for a different phase of the project. Commission came to the

conclusion that to submit a qualifiable application, staff needs to be able to provide detailed project data and meet all criteria for the large project funding under INFRA, which requires more time. Commission requested a work session with consultants and staff at the next meeting.

d. Bridge Capital Projections: Michael McElwee, Executive Director, gave a brief report on the capital improvement expenditures planned for the bridge in the near or long term. Each year the primary bridge engineer (HDR) provides an update on the 30-year capital needs projection for the bridge. This capital improvement program sets aside funds for the bridge repairs and other improvements, which provides key input into the annual budget. McElwee explained the need to specify essential priority projects for which funding must be allotted and determine the need for a potential toll increase.

5. EXECUTIVE DIRECTOR’S REPORT: Michael McElwee reported that current focus in on the fire situation in the Columbia Gorge. The Coast Guard has closed the river from Bonneville to Reed Island. The wind has forced the fire to the west of Hood River, and the Port is prepared to provide assistance to evacuees by opening its parking lots and parks to vehicles, tents, and camping trailers at night, and allow free crossing of the bridge. The Port has reached out to Cascade Locks to offer our facilities and equipment to support recovery efforts. Additionally, McElwee informed the Commission that the annual Pacific Northwest Waterways Association (PNWA) conference is scheduled for October 17-19, 2017, as well as the Oregon Public Ports Association conference is scheduled for October 5-6, 2017.

6. ACTION ITEMS:

a. Ratify Quote Acceptance and Contract with Coral Construction for Installation of I-84 Signage Not to Exceed \$74,668. Coral Construction is available to do the installation of the new signs on I-84. The project is included in the FY 2017/18 budget, and to keep the project on schedule, Michael McElwee accepted the contractor’s quote and executed the contract after legal counsel review.

Motion: Ratify Quote Acceptance and Contract with Coral Construction for Installation of Signage on ODOT Properties Not to Exceed \$74,668.

Move: Shortt

Second: Everitt

Discussion: None

Vote: **Aye:** Streich, Sheppard, Everitt, Shortt

Absent: Meriwether

MOTION CARRIED

b. Approve Executive Director’s Work Plan for FY 2017-2018

Motion: Approve Executive Director’s work plan for FY 2017-18.

Discussion: Commissioners requested the approval date to be postponed to the next regular meeting. Comments must be submitted by September 15, 2017.

7. COMMITTEE REPORTS: Anne Medenbach, Development and Property Manager, reported that the second airport public meeting happened on August 31, which focused on finding solutions to the noise issues and addressed the challenging but positive progress that TacAero and the Port are making. Brian Shortt, Commissioner, stated the need of more consistent Airport Advisory Committee meetings to track the progress of projects as well as timely mitigation of any airport noise issues. The major takeaways from the public meeting included suggestions of developing noise abatement departure and arrival procedures to reduce the noise exposure, and moving some of the pilot trainings to the nearby airports.

Brian Shortt provided a summary of subjects discussed at the Marina Committee meeting which included the resolution of the GFCI problem, the possibility of installing security cameras during the busy season due to the emerging bathroom vandalism and gear thefts, and the need for more allocated funds for the Marina repairs.

8. COMMISSION CALL: None.

9. EXECUTIVE SESSION: President Streich recessed Regular Session at 7:05 p.m. to call the Commission into Executive Session under ORS 192.660(2)(e) Real Estate Negotiations.

10. POSSIBLE ACTION: The Commission was called back into Regular Session at 7:25 p.m. No action was taken as a result of Executive Session.

11. ADJOURN:

- Motion:** Motion to adjourn the meeting.
 - Move:** Shortt
 - Second:** Everitt
 - Discussion:** None
 - Vote:** **Aye:** Streich, Sheppard, Everitt, Shortt **Absent:** Meriwether
- MOTION CARRIED**

The meeting was adjourned at 7:25 p.m.

Respectfully submitted,

Jana Scoggins

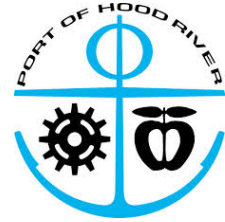
ATTEST:

Hoby Streich, President, Port Commission

John Everitt, Secretary, Port Commission

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Commission Memo



Prepared by: Anne Medenbach
Date: September 19, 2017
Re: Lease - Soniq Aerospace, LP

Soniq Aerospace, LP is an FAA certified airplane repair station specializing in airframe component overhaul and repairs. Travis Ronk is the manager and co-founder; wishing to relocate a portion of the business to the Gorge. Soniq will be doing small parts repair here in Hood River. They will have “clean” rooms and compressed air to do the repairs as well as standard tools. They also utilize two local companies that manufacture certain composite pieces. Soniq will employ between 4-6 people full time.

Suite 204 is located on the 2nd floor of the Big 7 building. It does not have roll up door access or parking. The Port would extend compressed air from the neighboring suite into the area and frame in an access door on the west side of the suite. TI improvements will be under \$2,000 total.

The lease is a 5-year lease with one 2-year option to extend. The tenant will pay all utilities, taxes, and garbage service for the space on a pro-rata share basis. Lease is \$0.60/sf + annual CPI.

RECOMMENDATION: Approve lease with Soniq Aerospace, LP for Suite 204 of the Big 7 building, located at 616 Industrial Street in Hood River.

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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 Soniq Aerospace LP, hereinafter referred to as “Lessee.”

- 1. **Description.** In consideration of the covenants of the parties, Lessor leases to Lessee approximately 2,841 square feet of space in Lessor’s building commonly known as the Big 7 (“building”) located at 616 Industrial Way, Oregon (“Leased Premises”).

Building Address: “Big 7”
616 Industrial Way
Hood River, OR 97031

Tenant Suite: 204

Approximate Square footage: 2,841

The Leased Premises are identified in the attached “Exhibit A.”

2. Term.

Lease Commencement Date: October 1, 2017

Lease Expiration Date: September 31, 2021

Renewal Options: one (1) two (2) year

Renewal Notice Requirement: 180 days

The lease term shall be for the period commencing on **October 1, 2017** and continuing through September 31, 2021. If not in default, and if Lessee pays Lessor all real property taxes Lessee owes or may be responsible to pay under the terms of the lease, Lessee has the option to extend the lease for one extension term of two years, through September 31, 2023, 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 180days prior to the lease termination date.

- 3. **Rental.** Monthly Rent for the Leased Premises will be the following Monthly Base Rates, 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>
204	2841	\$.60	\$1,705

All rental amounts are payable in advance on the first day of each month, beginning on the date Lessee is entitled to occupy the Leased Premises. However, if the lease does not begin on the first day of a month, rental for the first month shall be prorated to reflect the actual number of days in that month that the lease is in effect and shall be payable immediately.

Starting on October 1, 2018, 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 CPI-U for Portland, OR – 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 or more than 5 percent.

4. **Use.** Lessee shall use the Leased Premises for an FAA certified repair station. The Leased Premises shall not be used for any other purposes without the written consent of Lessor.
5. **Leased Premises Improvements.** Lessor agrees to make improvements to the Leased Premises prior by installing a main door on the west entrance to the shared hallway and bringing condensed air lines to the west side of the Lease Premises. Lessor will use its best efforts to complete construction of the improvements prior to October 1, 2017 however Lessor does not represent or warrant that the improvements will be completed by that date. The date the improvements are completed shall not affect Lessee's obligation to pay rent and to perform all terms of the lease. If Lessee requests Lessor to make tenant improvement changes that will increase Lessor's construction 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.** Lessee shall pay all taxes on its personal property located on the Leased Premises. Lessee 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. Lessee shall pay all such real property taxes which have been assessed and are payable during Lessee's occupancy. Lessee shall also pay all such taxes which arise during a tax year as a result of Lessee's occupancy, even if the lease term has ended, or if Lessee has vacated the Leased Premises. However, if another tenant occupies the Leased Premises and agrees to pay any portion of the real property taxes otherwise payable by Lessee, Lessee shall not be required to pay those taxes which the new tenant pays. [Note: Under current law, Port real property is exempt from property taxation during an upcoming fiscal tax year (July 1 through June 30) unless a private party occupies such Port property on June 30. If a private party is in possession of

Port property on June 30, that Port property is taxed for the entire subsequent fiscal tax year “as a result of Lessee’s occupancy.”] Although Lessee is responsible to pay real property taxes, Lessor will pay the real property taxes to the taxing authority when due and send a bill to Lessee for the amount of taxes Lessor has paid, which will be payable by Lessee to Lessor within ten days after the date of Lessor’s bill.

7. **Utilities.** Lessee shall be solely responsible to pay Lessor for all utilities, including gas, sewer, water, and electricity, used or consumed by Lessee on the Leased Premises, and for garbage service related to Lessee’s occupancy. If any utility is provided to Lessee in common with other tenants of Lessor, 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 using the same utilities in common with Lessee. Or, Lessor may charge Lessee more or less than other tenants if Lessor believes Lessee’s gas or electricity use will likely be more or less than other tenants use. In such event, Lessor agrees to provide Lessee with an explanation of how those calculations for utility allocations were made. Lessor agrees to consider a different allocation formula for the Leased Premises. Lessee shall notify Lessor, and shall pay Lessor for the additional service charges. Lessee shall pay Lessor for Lessee’s utility service within seven days after Lessor sends Lessee a bill itemizing those charges. Lessee shall be responsible for payment of all utilities arising during the lease term. 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 Lessee requests removal, subject to availability of 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. **Common Areas/Parking.** Lessee understands and agrees that other tenants may occupy the building. This lease 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 "common areas" associated with the building. "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 employees, 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 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 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 common areas, which Lessee agrees to abide by.

Lessee shall have no onsite designated parking.

16. **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.
17. **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.
18. **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.

19. **Assignment.** Lessee agrees not to assign or in any manner transfer this lease or any estate or interest therein without the previous written consent of Lessor, and not to sublet the premises or part or parts thereof without like consent. Lessor will not unreasonably withhold its consent.
20. **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.
21. **Holdover.**
If Lessee does not vacate the Leased Premises when the lease term expires, Lessor shall have the option to treat Lessee as a tenant from month to month, subject to all of the provisions of this lease except the provisions for term and renewal, and at a rental rate equal to the rent last payable by Lessee during the lease term. Failure by Lessee to remove fixtures, furnishings, trade fixtures, or other personal property which Lessee is required to remove under this lease shall constitute a failure to vacate to which this paragraph shall apply. If a month-to-month tenancy results from holdover by Lessee under this paragraph, the tenancy shall be terminable at the end of any monthly rental period on written notice from Lessor given to Lessee not less than 10 days prior to the termination date specified in Lessor's notice. Lessee waives any notice which would otherwise be required by this lease or by law with respect to month-to-month tenancy.
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, to the person signing the lease, or to Lessee's on site manager when the notice is delivered 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.

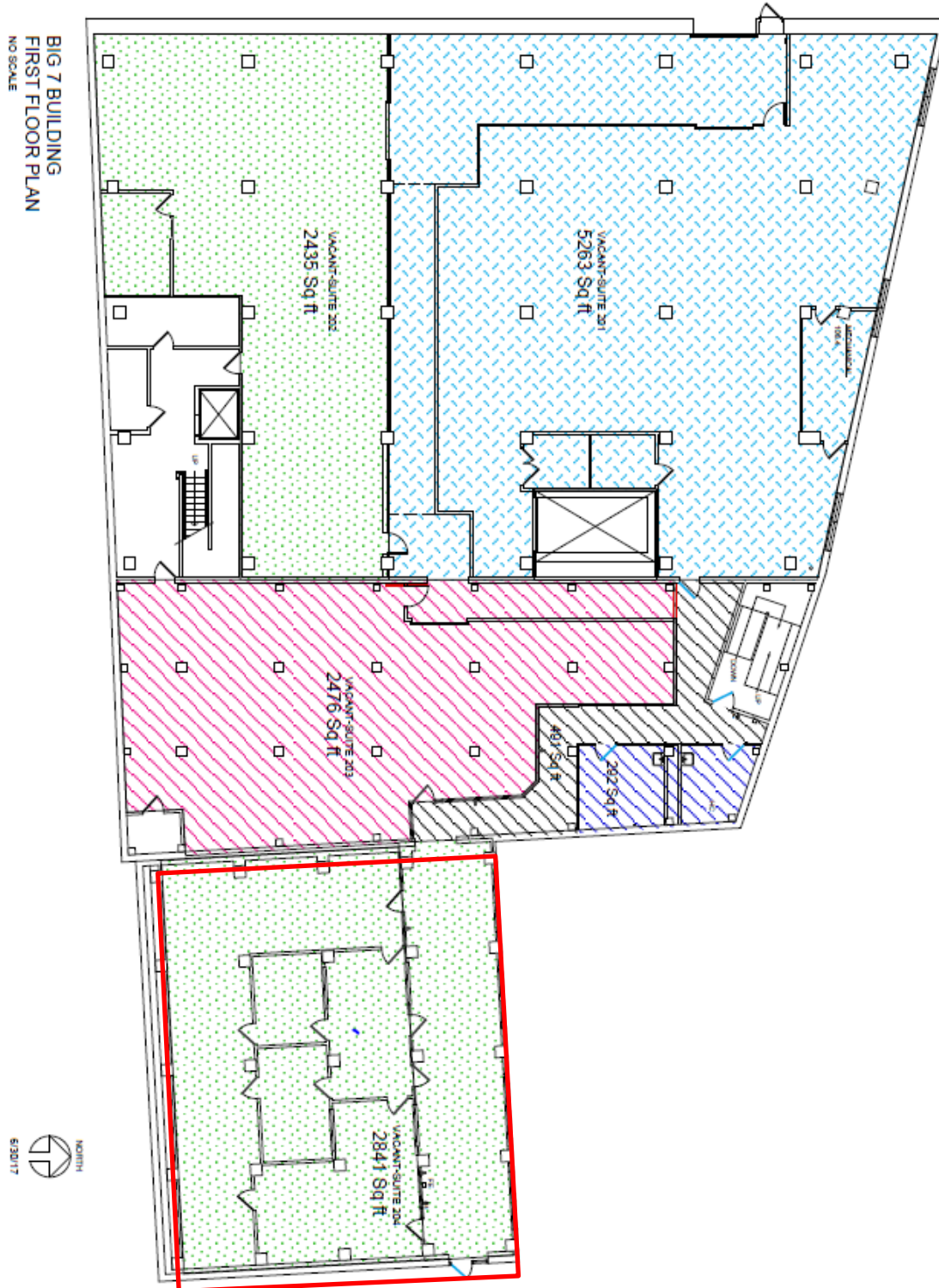
23. **Dispute Resolution.** Any dispute involving this lease may be resolved by court action or by mediation if both parties agree. If the parties agree to use a mediator they will each pay one half the costs of mediation. If mediation occurs but does not result in a solution satisfactory to both parties, 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 a court action or in an arbitration proceeding, including any appeal therefrom, 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 _____, 2017.

Lessee:	Soniq Aerospace LP	Lessor:	Port of Hood River
Signed:		Signed:	Michael McElwee
Signature:		Signature:	
Title: :		Title:	Executive Director
Address:	175 Roy Road SW, Bldg A, Suite 108, Pacific, WA 98047	Address:	1000 E. Port Marina Drive Hood River, OR 97031
Email/phone:	Travis.ronk@Soniqaero.com/253-200-4991	Email/phone:	porthr@gorge.net 541 386-1645

Exhibit A



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Commission Memo



Prepared by: Fred Kowell
Date: September 19, 2017
Re: Accounts Payable Requiring Commission Approval

Jaques Sharp	\$5,880.00
Attorney services per attached summary	

TOTAL ACCOUNTS PAYABLE TO APPROVE	\$5,880.00
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JAQUES SHARP

— ATTORNEYS AT LAW —

205 3RD STREET / PO BOX 457
HOOD RIVER, OR 97031
(Phone) 541-386-1311 (Fax) 541-386-8771

RECEIVED
SEP 11 2017
BY: _____

CREDIT CARDS ACCEPTED

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

Page: 1
September 07, 2017
Account No: PORTOHAM

Previous Balance	Fees	Expenses	Advances	Payments	Balance
MISCELLANEOUS MATTERS					
JJ					
180.00	440.00	0.00	0.00	-180.00	\$440.00
LEASE (Columbia River Acupuncture)					
540.00	0.00	0.00	0.00	-540.00	\$0.00
LEASE (Peterson Construction)					
19.00	0.00	0.00	0.00	-19.00	\$0.00
DOG PARK					
0.00	20.00	0.00	0.00	0.00	\$20.00
WATER ISSUES ODELL (Crystal Springs Water District)					
2,540.00	2,900.00	0.00	0.00	-2,540.00	\$2,900.00
BRIDGE REPLACEMENT 2016 (ODOT/WDOT)					
0.00	80.00	0.00	0.00	0.00	\$80.00
AIRPORT DEVELOPMENT (Tac-Aero)					
1,300.00	60.00	0.00	0.00	-1,300.00	\$60.00
2016 TOLL INCREASES					
0.00	20.00	0.00	0.00	0.00	\$20.00

HOOD RIVER, PORT OF

September
Account No: PO

Previous Balance	Fees	Expenses	Advances	Payments	Balance
AGREEMENT (HR County & Windmaster Urban)					
160.00	0.00	0.00	0.00	-160.00	\$0.00
WSDOT BRIDGE SIGNS AGREEMENT (WSDOT)					
0.00	40.00	0.00	0.00	0.00	\$40.00
DBE PROGRAM					
460.00	0.00	0.00	0.00	-460.00	\$0.00
SOUTH TAXIWAY REHAB. (Airport)					
2,700.00	80.00	0.00	0.00	-2,700.00	\$80.00
BIG 7 CONSTRUCTION CONTRACT					
80.00	0.00	0.00	0.00	-80.00	\$0.00
LOT LEASE FOR DEVELOPMENT PUBLIC CONTRACT ISSUES					
0.00	460.00	0.00	0.00	0.00	\$460.00
DDA AIRPORT GRANT SOUTH TAXIWAY					
0.00	320.00	0.00	0.00	0.00	\$320.00
MARINA BUILDING LEASE (Aletta Wilson)					
0.00	120.00	0.00	0.00	0.00	\$120.00
UTILITY NOTIFICATION CENTER ISSUES					
0.00	1,140.00	0.00	0.00	0.00	\$1,140.00
MARINA BUILDING LEASE (Gilpatrick)					
0.00	60.00	0.00	0.00	0.00	\$60.00
CONTRACT (Coral Construction)					
0.00	140.00	0.00	0.00	0.00	\$140.00
LEASE AMENDMENT (Electronics Assemblers, Inc.)					
JJ					
60.00	0.00	0.00	0.00	-60.00	\$0.00
<u>8,039.00</u>	<u>5,880.00</u>	<u>0.00</u>	<u>0.00</u>	<u>-8,039.00</u>	<u>\$5,880.00</u>

**THIS STATEMENT REFLECTS SERVICES PROVIDED AND
PAYMENTS RECEIVED THROUGH THE 31st OF AUGUST
UNLESS OTHERWISE STATED**

Commission Memo

Prepared by: Michael McElwee
Date: September 19, 2017
Re: Lot #1 Urban Renewal Planning



The attached summary is intended to facilitate Commission consideration about next steps for Lot #1 and for discussion with the Hood River Urban Renewal Agency in the near future.

RECOMMENDATION: Discussion.

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HOOD RIVER WATERFRONT LOT #1 INFRASTRUCTURE FRAMEWORK PLAN

Overview

Lot #1 represents the last large property on the Hood River Waterfront. As the rest of the waterfront has undergone positive change, Lot #1 remains in essentially the same state as for the last 20 years. Today, market conditions are positive and an important opportunity exists to facilitate positive change on Lot #1. The Port believes that its development should best occur in collaboration with the City and with the citizens of Hood River, and in a manner that achieves significant public objectives. These include high standards of design and construction quality, public accessibility and creation of an active new waterfront district. However, given the limitations of LI zoning and the cost of the roads, utilities, stormwater facilities and public amenities, these objectives will be extremely challenging to achieve. A contribution of tax increment funds through the Waterfront Urban Renewal District will likely be necessary, to facilitate the desired development. The Port seeks to prepare an Infrastructure Framework Plan (“IFP”) in a collaborative effort with the Hood River Urban Renewal Agency to lay the groundwork for the development of Lot #1 in the next 3-5 years. This outline is intended to initiate a conversation about this effort.

Approach

Lot #1 has been the subject of numerous planning efforts over the years (Attachment ‘A’) In 2015 the City Council approved a Waterfront Refinement Plan and a Waterfront Overlay zone that provided significant regulatory context for future development of Lot #1. The Port completed a subsequent planning effort in 2016 (“Lot #1 Development Plan” by Walker/Macy; Feb. 2016) that provided additional clarity on the final build-out and preliminary cost estimates for planned infrastructure. The Port believes that the next crucial phase is to prepare an Infrastructure Framework Plan (“IFP”) that identifies the development vision for Lot #1 at full build-out, provides greater detail on the type of public infrastructure required and evaluates the rationale for an investment of tax increment financing. The IFP effort would be financed and managed by the Port with regular consultation with City staff. The Port proposes to use Walker Macy to manage a multi-disciplinary team to carry out most the work with other consultants doing specialized tasks. The Port and project team would coordinate closely with the URA staff and Advisory Committee (PAC) with ultimate decision-making by the Urban Renewal Agency Board and Port of Hood River Commission.

Issues

- Type, extent and cost of public infrastructure
- Appropriate business uses and types within the LI zone
- Likelihood of private investment with and without public infrastructure investment
- Tax increment projections and debt capacity within the Waterfront Urban Renewal District
- Project oversight structure
- Public involvement
- Form and content of potential URA Plan amendments
- URA Board support for public infrastructure funding

Proposed Project Team

Consultants under contract to the Port:

Project Manager: Walker Macy
Site Design: Walker Macy
Civil Engineering/Cost Estimates: KPFF

Work Products

- Illustrative Concept Master Plan describing the future build-out of Lot #1
- Detailed descriptions of specific public infrastructure projects necessary to achieve public objectives
- Understanding of the limitations, market opportunities and economics of private development
- Draft Urban Renewal Plan Amendments City and Port consensus on the strategy for development

Architecture: Surround Architecture
Traffic Modeling: DKS
URA Amendment: Elaine Howard
Financial Analysis: Eco/NW

Proposed Project Team

Consultants under contract to the City:

URA Advisor: Larry Brown

Work Products

Walker Macy Team

- Overall Illustrative Plan
- Urban Design Principles
- Plan View at Full Build-Out
- Section Perspectives
- Specific Infrastructure Project Concept Plans, including detailed 20% level plans showing specific public infrastructure projects, e.g.:
 - Anchor Way Extension
 - 1st Street
 - Portway Ave.
 - The “Swerve” Path & Bioswale
 - Nichols Basin Riparian Improvements
 - Esplanade
 - Beach Upgrades
 - Boathouse & Ramp
 - Shared Use Parking Lot(s)
- Cost Estimates for all above projects

(26)

ECO Northwest

- Tax Increment Generation Estimates
- Development Modelling
 - No URA Financing
 - URA financing for infrastructure

Elaine Howard

- Draft URA Plan Amendments
 - Potential increase URA maximum indebtedness
 - Designation of tax increment financing for Lot #1 public infrastructure

Work Plan/Schedule

Task 1: Project Initiation / Completion: October 2017

- Finalize Contracts & Schedule
- Project Manager Coordination
- Kickoff Meeting with Consultant Team
- URA Advisory Committee Meeting

- Review plan refinements with Port in work session
- Refine and Present Draft Plans to URAC
- Present Draft Plans to Port Commission and URA Board

Task 4: Final Plan / Completion: April 2018

- Prepare Final Plans, including Final Illustrative Plan, Perspectives and Cost Estimates
- Presentation to Port Commission
- Refinements as needed for URA Board Approval

Task 2: Programming / Completion: December 2017

- Work Session
- Overall Conceptual Design
- Specific Project Concept Design
- Refine and Present Draft Concepts to URAC
- Present Draft Concepts to URA Board

Task 5: URA Plan Amendments / Completion: June 2018

- Prepare Amendment Report
- Prepare Draft Amendments
- URA Board Consideration

Task 3: Draft Plans / Completion: February 2017

- Consultant Team coordination
- Refine Draft Plans

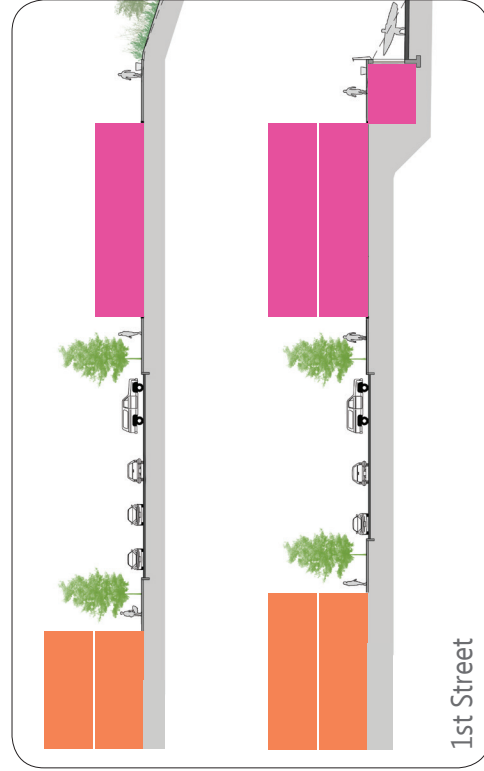
Fees

The following are estimated fees for the above work effort:

Plan Preparation:	\$ 50,000
Financial Analysis:	\$ 7,500
Traffic Modeling:	\$ 10,000
URA Plan Amendments:	\$ 8,000
Total	\$ 75,000
Estimated Expenses	\$ 2,000
Grand Total	\$ 77,500



Lot 1 Preliminary
Concept Plan 2013



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Commission Memo

Prepared by: Michael McElwee
Date: September 19, 2017
Re: Fall Planning – Future Vision Focus



The Commission convenes a planning session twice annually. Over the past year there has been increased interest in focusing the Fall 2017 planning session on the long-term future of the Port. I contacted Glen Hiemstra, a futurist with significant credentials in visioning workshops and consultation, and sought a proposal to coordinate this session. Mr. Hiemstra's proposal is attached. Staff seeks direction on this approach.

RECOMMENDATION: Discussion.

Potential Action Item: Authorize Contract with Glen Hiemstra for meeting facilitation services not to exceed \$10,000, subject to legal review.

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FUTURIST^{.COM}

Proposal for Strategic Thinking Workshop Port of Hood River 2017

Submitted: August 25, 2017

Glen Hiemstra
Futurist.com
Seattle, Washington
USA

www.futurist.com
glen@futurist.com
1-425-681-0239

2030: The Shape of Things to Come

I would be pleased to have the opportunity to work with *the Port of Hood River* at a Board & management retreat in the Fall of 2017. Ideally we would plan for an evening presentation following a group dinner, and then an all-day workshop session.

Evening

Overview of Strategic Thinking

After any introductions and other start up activities, I would make some opening comments about the value of anticipatory thinking and preferred future planning. The core idea is that the future creates the present, which is to say that our images of the future exert an influence on the strategic choices we make today. This is true whether we are deliberately using images of the future, or leaving that to a more unconscious process. One of the core tasks of senior management and board in an organization is to develop shared images of the longer-range future. If you want to change what you are doing in the near term, change the more distant future.

The Shape of Things to Come

Objective: Explore future events, trends and developments shaping the region.

Process: Glen will present a lecture on future trends, while introducing a strategic foresight model now most commonly used.

Possible content: I would present my view of future trends as they relate to the region and the Port. The presentation may include these domains:

- The society and demographics of tomorrow: the shape and nature of the population, and the value characteristics of the various age cohorts as well as ethnicity, form a base line for future trends.
- The economics of tomorrow: we'll look at the longer term economic future, beyond the current economic dynamics. The core economy of the future is knowledge based, global, will continue to be highly volatile, and will struggle with income-gap economics for sometime to come. Increasingly industries are being dematerialized and disintermediated. To lead, organizations must acquire and implement new knowledge continuously
- The sustainability tomorrow– interacting with the economy are trends in energy and environmental issues. These will impact future infrastructure, depending on which possible scenarios become most probable.
- The technology of tomorrow: we are moving toward an even more fully immersive, 3D & visual, always on communication environment in the coming decade. The concepts of online and offline life will continue to merge, particularly as generations change. There may be continuous challenges to current forms of currency and retail banking.
- The politics and regulation of tomorrow: Here we might explore regulation and government priorities might impact the future.
- Q&A

Full Day Workshop

From Anticipating the Future to Creating It

We would engage the group in a discussion activity that we would all do together, one that I call “*Future History Archives*.” This entertaining exercise allows participants to put their own expectations and assumptions about the future on the table.

Discussion Exercise: Images of the Future in a Time Capsule

Objective: Generate participant images of the future at beginning of workshop session

Process: Participants in groups of 4-5 create a “future history archive” by imagining it is 2030 and they are looking back, listing future images. This is a quick brainstorm in small teams using categories like technology, economic development, population, etc., followed by group reports.

Product: A future archive list from each small group.

Discussion: Comparing Glen’s view of trends to the group’s view.

Discussion Exercise: Implications of Trends using Paradigms

Objective: Explore implications of the preferred future images.

Process: Participants in groups of 4-5 explore implications by listing what the region and Port will be moving from and moving to in the next couple of decades given the future trends. This is a brainstorm and group work, followed by group reports.

Product: Comparisons of participant thinking on potential strategic implications of future trends for the region and Port.

Discussion Exercise: Images of the Preferred Future

Whether generally focused on the Port of Hood River, or more specifically focused on a theme, I would engage the group in a discussion activity that calls for individuals, then small teams, and then the whole group to imagine preferred future images for the target question. Basically I facilitate a process where people can time travel in their imagination to 2030, and from that perspective describe the best things that we have accomplished. We share those images and use a discussion process to narrow to the best and most common ground among the images. This material can serve

Objective: Generate participant images of the preferred future and then agree on the common ground images that are the best

Process: Individuals are led by Glen to imagine the year 2030 and to record their ideas. Participants in groups of 4-5 compare ideas and cluster them into the most common and shared and best. After team reports, Glen leads the whole group in discovering the best common ground images

Product: Common ground preferred future images.

Discussion Exercise: First Wins and Next Steps

Objective: Explore what the Port needs to do to prepare for the future.

Process: Participants develop a list of a) things the Port needs to learn for the long term, b) things the Port needs to prepare for in the medium term, and c) things the Port should begin to do or develop in the near term. Finally, list any next steps.

Product: A basic action plan to follow up on strategic thinking.

Closing comments and retreat wrap up

Budget:

Speaking and facilitation: \$9,500 for the event, preparation, and summary report,
Client Travel Costs: Local hotel for 1-2 nights, meals

Company History

Glen Hiemstra left an award winning academic career to go into a consulting and speaking business as a Futurist full time in 1987. Glen's work as a futurist and his company Futurist.com are very highly regarded internationally in the futurist, business, and government communities. We are called on most commonly when a client wishes to look at the longer-term future, typically 10-50 year horizons.

During the 1990's, the work focused equally on leading organizations in the development of preferred future vision and strategic plans, and keynote speaking on the future. In the latter part of the 1990's and into the 21st Century, the work became more focused on research and writing, scenario planning, environmental scanning, corporate and international work, and keynote speaking as well as providing technical advice to television producers developing content set in the future.

As early in the 1980's Glen was writing some of the original academic research on how computer networks would change human and organizational communication. In the 1990's Glen learned of a looming technology development called Mosaic that would change the Internet forever. At the time no other futurist had thought ahead sufficiently to register "futurist.com." So Glen did, and thus became the owner of Futurist.com when it launched in 1997.

Glen co-authored a leader's handbook, *Strategic Leadership: Achieving the Preferred Future*, in 2000. His book, *Turning the Future Into Revenue: What Businesses and Individuals Need to Know to Shape Their Futures* was published by Wiley & Sons in 2006.

Visitors from more than 120 countries visit Futurist.com each month. Content is developed by Glen and occasionally by colleagues who have valuable things to say about the future and how to create it. These include prominent science fiction writers like David Brin and Greg Bear, and business consultants who support our mission. Futurist.com offers a free blog, newsletter, as well as Twitter and Facebook updates.

Company Mission

Futurist.com is a company focused on the dissemination of information about the future and how to create it, founded and owned by Glen Hiemstra. We strategically partner with other firms on particular projects, as needed.

Our mission is to provide world-class service to include long-range planning retreats, consultation for vision development, research and environmental scans, and scenario planning as well as keynote presentations, Think Tanks, and seminars. We focus on the longer term future and developing the preferred future. Since 1987 we have assisted hundreds of private, public and non-profit enterprises in exploring and planning for the long-term future.

Through the website and twitter and Facebook feeds we provide information about many future related topics, and add to this information all the time. Most of the information is at an introductory level and provides an overview of a subject and useful links. Our commitment is to a greater understanding of and enthusiasm about the future and future-related subjects. Our audience is global.

Futurist.com Beliefs & Values

At Futurist.com we share common core beliefs and values about the future and our role in creating the future we prefer.

The future is creatable, so we have choice.

The future is not something that just happens to us. The future is something we do.

There is a knowable future.

While much of the future is unpredictable and full of surprises, there are aspects of the future, which are relatively knowable, if we take the time to look.

The purpose of anticipating the future is not so much to figure out what to do, in the future.

Rather, the purpose is to fold an enhanced understanding of the future back on the present, and make better decisions about strategy, today.

The future creates the present.

Our images of the future - what we expect, what we fear, what we hope for, what we prefer - all exert an influence on our decisions in the present. Change our image of the future in a way that matters to us and we make different decisions today

The future is inspiring.

Imagining the future, learning about amazing possibilities, seeing what science writers and other visionaries see, creating the future, all can be a rich source of enjoyment and inspiration

FUTURIST.COM



GLEN HIEMSTRA, BIOGRAPHY 2017

If you listen carefully, you can learn what the future is telling you.

Glen Hiemstra is the Founder of Futurist.com. An internationally acclaimed expert on long range trends and creating the preferred future, Glen has advised professional, business, and governmental organizations for two decades and served as a technical advisor for futuristic television programs and has been featured in several documentaries on the future. He is the author of *Turning the Future into Revenue: What Businesses and Individuals Need to Know to Shape Their Future*, and co-author of *Strategic Leadership: Achieving Your Preferred Future*. His recent book, *Millennial City: How a new generation can save the future* was published in 2013. Futurist.com, Glen's website and blog, is visited monthly by people from over 120 nations.

Glen has worked with many leading companies, government agencies and organizations across a wide variety of domains. These include international clients like Saint Gobain, Sonae of Portugal, Ambrosetti of Italy, The World Future Forum-The Hague, GHD Engineering of Australia, Russian Railroad, and others like Boeing Commercial Airplanes, Microsoft, The Home Depot, Adobe, Ernst & Young, PaineWebber, ShareBuilder, Club of Amsterdam, REI, Weyerhaeuser, Hewlett Packard, Novo Nordisk, Atlanta 2060, Tulsa 2025, Idaho Transportation 2030, Michigan DOT 2030, FHWA Advanced Research, Procter & Gamble, ACE Hardware, John Deere, U.S. Army Corps of Engineers, ING, Colorado League of Cities, and others. Education clients for strategic planning have included Universities, departments and schools within universities, community and technical colleges, school districts, and professional associations.

Prior to becoming a full time writer, speaker and consultant Glen had a first career in higher education, teaching at Whitworth University, the University of Washington, and Antioch University, Seattle. At Whitworth Glen served as Chair of the Fine Arts Division and was given the "Most Influential Professor" award. At the University of Washington Glen published some of the very early research on how communicating via computer networks would change human and organizational communication. At Antioch, Glen's final position was Director of the Masters Degree program in Whole Systems Design. Later, Glen returned to the University of Washington as a Visiting Scholar in the Human Interface Technology Lab, which worked on the development of virtual and augmented reality technologies. Glen has also advised on several television shows set in the distant future and appears on documentaries related to the future. These have included Steven Bochco Productions, Fox, Universal, programs on History and Discovery Channels, and others.

As a recognized expert in preferred future planning, Glen is a popular keynote speaker who can zero in on emerging trends in a variety of fields. Glen goes beyond simple trend analysis to discuss the opportunities that we all have to *shape the preferred future*.

Each day visitors come to Futurist.com and Glen's blog for provocative snapshots of emerging ideas, trends, and technologies. Glen can be followed at twitter.com/glenhiemstra.

Glen is a founding Associate of The Futures Agency, Basel Switzerland and is a member of the Association of Professional Futurists and the World Future Society.

Glen was educated at Whitworth University, the University of Oregon, and the University of Washington. He lives in Seattle, Washington with his wife Tracie.



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Executive Director's Report

September 19, 2017

Staff & Administrative

- Staff continues to be focused on the Eagle Creek Fire situation. The Port is a support agency and staff has been making significant contributions of time, effort and resources. An update will be provided at the meeting.
- A reminder that the PNWA Annual Conference will be Oct. 15, 16 & 17 in Portland. Please confirm by October 1 if you wish to attend all or part of the conference.
- Fred attended the IBTA conference in Atlanta September 11-13, perfectly timed to coincide with Hurricane Irma. The conference went on, and Fred reports that a wide variety of good information and contacts were obtained.
- Anne will attend CCIM 103 classes in Bend September 18-21. This is continuing education for commercial real estate financial analysis and modeling for leasing and asset management.
- Genevieve will attend the Greater Portland, Inc. 2017 Annual Economic Summit on September 21. She will be a guest of Insitu/Boeing at the event.
- Jana attended the SDAO board training in Tigard on August 31. This comprehensive training is highly beneficial to new hires.

Recreation/Marina

- Work continues on the lift station project at Marina Way. The completion date has been extended.
- A Waterfont Recreation Committee meeting will be held in late September or early October. Each year, this meeting provides an opportunity to review the season and consider improvements or changes.

Development/Property

- A proposal from Walker/Macy for urban renewal planning services related to Lot #1 will be presented for discussion and possible action at the September 19 meeting.
- I was unable to attend the City Council meeting on September 11 that included a discussion about modifications to commercial uses on the waterfront. I will try to get a briefing and provide relevant information to the Commission.
- A reminder that the City will discuss waterfront parking at Council meeting on Sept. 25.
- Anne continues to work with the Crystal Springs Water District ("CWSD") regarding the IGA. We may have a response from CWSD on the 19th regarding the most recent proposal.
- Anne is working with the Coffman Engineers regarding an alternative on-site water tank and potential costs. She may have that report by the 19th.

- The Timber Incubator building Suite 300 will be vacant at the end of the month. Anne is in contact with a couple of potential tenants on this space.
-

Airport

- The WAAAM Fly-In went forward despite the fire; albeit at a much reduced scale. They had about 1,000 people on Saturday and were able to have the breakfast events on both days. Judy Newman stated that they celebrated their 10 year anniversary and were able to enjoy the event and break even.
 - Dan Stewart with the FAA performed the conformance inspection that occurs every 4 years on September 13. Anne toured the airport with Mr. Stewart and was able to give a good account of the airport, current construction projects and the future developments.
 - The South Taxiway project is well underway. Crestline Construction has completed most of the rough grading and the stormwater installations. The fuel tank was moved before the Fly-In to a temporary location which enables a single phased project. This gives the contractor ten more days to complete the project; hopefully before the weather turns. Anne continues to work closely with Crestline and Century West to ensure schedules are being met and the project runs efficiently.
 - Berger Abam completed their wetland report regarding on-site mitigation at the airport. The recommendation is that no suitable wetlands were found in the County and to move forward with on-site mitigation planning. This report is expected to be submitted to the FAA before the 15th and was shared with Rep. Walden's D.C. office.
 - The TI work for the three new tenants in the Chamber building is complete. The tenants moved in on the 1st and are happy with the spaces.
-

Bridge/Transportation

- We have received no additional feedback on the timeline for receipt of the \$5 million in state funding authorized in HB 2017 or the process that will take place to determine the award timing.
- We have scheduled a worksession on October 9 to discuss legislative matters going forward.
- The contractor for the auxiliary truss project is still planning to start work on September 27. It will take some time to get mobilized before installation of the work platforms begins. We are waiting for an updated schedule.

Commission Memo



Prepared by: Steve Carlson
Date: September 19, 2017
Re: Marina Committee Appointment

Gorge Junior Sailing founder Jamie Mack has resigned her position as Junior Sailing Representative to the Port of Hood River Marina Committee. Jamie's contribution has been pivotal in the Port's expanding relationship with Gorge Junior Sailing, High School Sailing and the sailing dinghy storage offered by the Hood River Yacht Club.

Local resident Shawn Summersett has formally applied to fill the vacant Marina Committee position. Shawn is a Gorge Junior Sailing board member and his children are active in the program. Additionally, Shawn is a Civil Engineer who periodically consults on Port projects.

RECOMMENDATION: Approve the appointment of Shawn Summersett to Junior Sailing representative position on the Port of Hood River Marina Committee.

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Commission Memo



Prepared by: Michael McElwee
Date: September 19, 2017
Re: Executive Director Workplan

The Commission discussed the Executive Director's FY 17/18 Workplan at the August 15 and September 5 regular meetings. Attached are two copies of the Draft Workplan. In the first, I have made modifications to some completion dates and tasks and incorporated key suggestions from Commissioner Shortt. The second copy is Commissioner Shortt's specific comments and questions.

The Commission should review the draft workplan and consider specific direction to finalize the plan at this meeting or on October 3, depending on the extent of the changes.

RECOMMENDATION: Discussion.

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**EXECUTIVE DIRECTOR
WORK PLAN
FY 17/18**
Draft for Commission Review: 9/19/17

Action:	Expected Completion	Status
---------	------------------------	--------

I. FINANCIAL MANAGEMENT

Goal: Ensure that financial resources continue to be deployed effectively, with a high degree of foresight and in anticipation of future Port needs.

- | | | |
|-------------------------------------------------------------------------------------------------------|--------------------|--|
| 1. Obtain approval for new financial software | 4/01/18 | |
| 2. Implement customer account web management system for Breeze-By accounts | 4/01/18 | |
| 3. Prepare a Long-term Fiscal Sustainability & Strategic Development Alternatives Analysis | 6/15/18 | |

II. REAL ESTATE DEVELOPMENT & PLANNING

Goal: Create significant, positive momentum toward development of the Port's Waterfront properties consistent with community objectives.

- | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------|----------|--|
| 1. Negotiate an agreement for resolution of Expo Property DDA Phases II and III with Key Development for Commission consideration. | 10/30/17 | |
| 2. Ensure final implementation of Expo Phase I DDA with Key Development. | 06/30/18 | |
| 3. Confluence Business Park (Lot #1): | | |
| • Obtain City approval of the Confluence Business Park Subdivision Plan. | 12/1/17 | |
| • Prepare a Public Improvement Development Agreement for Commission review. | 5/10/18 | |
| • Prepare a financial analysis to evaluate the feasibility of future development under various infrastructure financing assumptions. | 10/30/17 | |
| • Prepare a Disposition and Development Policy for Commission review and approval. | 4/1/18 | |
| • Prepare a Public Infrastructure Framework Plan and Urban Renewal Plan Amendments for Commission and Urban Renewal Agency approval. | 6/30/18 | |

4. Lower Mill Site:

- **Resolve the Fire Flow Water Pressure Issue** **3/10/18**
- **Negotiate a DDA with Neal Creek Forest Products For Commission Consideration** **1/25/18**
- Complete wetland permit application and mitigation plan for lot 300. **10/1/18**

III. WATERFRONT RECREATION

Goal: Maintain and enhance the waterfront as a prime recreation area to support economic development objectives and Strategic Plan goals.

1. Prepare Plans and permit application for new Transient Boat Dock **6/15/18**
2. Implement fee-based parking & enforcement plan for Port waterfront properties **5/15/17**
3. Replenish beach areas at the Event Site based on Terms of Corp/DSL Permit. **11/30/17**
4. Obtain SDC funding and install modular docks at the Nichols Boat Basin Dock. **4/15/18**
5. Develop and install an integrated signage plan for the Waterfront trail system. **3/1/2018**

IV. TRANSPORTATION/AIRPORT

Goal: Complete significant transportation improvements to enhance development objectives.

1. Ensure successful Implementation of new web portal for customer management of Breeze-By accounts. **09/30/17**
2. Complete the Auxiliary Truss Repair Project **12/30/17**
3. Fully implement the bridge safety signage plan **11/15/17**
4. **Bridge Replacement**
 - A. Develop detailed analysis of alternative bridge replacement financing scenarios. **06/30/18**
 - B. Prepare administrative rules regarding the solicitation and consideration of P3 proposals for Commisison approval. **02/30/18**
 - C. Prepare and issue an RFI to characterize the **03/1/18**

level of private sector interest In a P3 project.

D. Issue an RFP and select an engineering firm to prepare an FEIS for bridge replacement. **06/01/18**

E. Prepare a long-term staffing plan, scope and schedule to implement bridge replacement pre-development tasks. **12/1/17**

5. Ensure final completion of the South Ramp Hangar Project per approved Development Agreement. **6/30/18**

6. Complete Construction of S. Taxiway Project. **11/01/17**

7. Complete permitting and preliminary engineering of the North Ramp Connect VI project. **6/30/18**

V. ECONOMIC DEVELOPMENT

Goal: Ensure that the Port's role in regional economic development activities is clearly defined. Confirm that the objectives are identified and adequate resources are in place to be successful.

1. Develop a strategy that recommends a future role for, and administration of, the OneGorge Advocacy Group **02/01/18**

2. Develop an agenda and implement a facilitated board retreat to discuss the future issues and areas of focus for the Port of Hood River. **10/30/17**

VI. COMMUNICATIONS & COMMUNITY RELATIONS

Goal: Increase the understanding and awareness of the Port's activities; identify opportunities for successful partnerships with key public agencies and private business; and participate in the life of the Hood River area community.

1. Prepare an updated Communications Plan. **3/15/18**

2. Prepare detailed description of the "Community Support Initiative" for Commission approval. **11/30/17**

VII. GOVERNANCE & BOARD COMMUNICATIONS

Goal: Evaluate the Board's governance and communications policies and provide recommendations for improvements.

1. Update the board & staff training policy. **04/15/18**

2. Ensure adequate time for Commission consideration of board meeting packet material. **Ongoing**

VII. PERSONNEL MANAGEMENT

Goal: Ensure that appropriate personnel policies are in place.

1. Evaluate step ladder and associated staff compensation for personnel and recommend changes. **3/30/18**
2. Revise & improve Staff Performance Evaluation Forms **5/15/18**
3. **Create Opportunities for Staff Input on Port Operations And Community Involvement** **Ongoing**

VII. NEW OR UNPLANNED INITIATIVES

Projects added to the Work Plan based on Commission direction.

DRAFT

**EXECUTIVE DIRECTOR
WORK PLAN
FY 17/18**

Commissioner Shortt Comments for Commission Review: 9/19/17

Action:	Expected Completion	Status
---------	------------------------	--------

I. FINANCIAL MANAGEMENT

Goal: Ensure that financial resources continue to be deployed effectively, with a high degree of foresight and in anticipation of future Port needs.

Create a Port Wide Fiscal Sustainability Plan (With and without the bridge revenue)

Purpose:

- 1) Determine revenue impact from potential bridge repair and replacement strategies**
- 2) Determine asset portfolio principles necessary to sustain the Port (Buy, Sell, Retain)**
- 3) Strategic Plan that communicates the goals, objectives and expected contributions to our constituency from asset development and current asset performance**

Goals:

- 1) Determine current levels of real asset contributions and risk assessment**
- 2) Establish real asset narratives (Retain, Upgrade, Sell)**
- 3) Integrate asset performance with community identity (Who are we, Where are we going, Who Benefits)**

- | | | |
|------------------------------------------------------------------------------------------|----------------|----------------|
| 1. Obtain approval for new financial software That does what? | | 4/01/17 |
| 2. Identify best customer account management software for non-Breezeby customer accounts | 4/01/18 | |

II. REAL ESTATE DEVELOPMENT & PLANNING

Goal: Create significant, positive momentum toward development of the Port's Waterfront properties consistent with community objectives. What are the community objectives? Land use, integrated values supporting trades and technology opportunity, revenue only?

Create a Strategic Development Land Use Plan Consistent with Port Fiscal Sustainability Plan and Desired Community Objectives

- | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------|
| 1. Negotiate an agreement for resolution of Expo Property DDA Phases II and III with Key Development for Commission consideration. | | 10/30/17 |
| 2. Ensure final implementation of Expo Phase I DDA with Key Development. | | 06/30/18 |
| <ul style="list-style-type: none"> • Confluence Business Park (Lot #1): • Obtain City approval of the Confluence Business Park Subdivision Plan. | | 12/1/17 |

- Prepare a Public Improvement Development Agreement for Commission review. **4/10/17**
- Prepare a financial analysis to evaluate the feasibility of future development under various assumptions. **9/30/17**
Portfolio planning?
Is this a project demanding expediency? If so, for what reasons?
Should a port wide financial management plan be in place to guide the discussion?
- Prepare a Disposition and Development Policy for Commission review and approval. **12/1/17**
Disposition should require a goal setting discussion with the Commission.
- Prepare a Public Infrastructure Framework Plan and Urban Renewal Plan Amendments for Commission and Urban Renewal Agency approval. **5/1/17**
This will require that goal setting for the property has been accomplished. That a Fiscal Plan is in place to determine the best Port sustainability strategy should we elect to maintain or replace the bridge

3. Lower Mill Site:

- Complete installation of off-site (*fire suppression?*) water line **9/10/18**

This requires an explanation. Sept/18 could suggest that the development interests have moved on?

- Complete wetland permit application and mitigation plan for lot 300. **3/15/17**

III. WATERFRONT RECREATION

Goal: Maintain and enhance the waterfront as a prime recreation area to support economic development objectives and Strategic Plan goals.

1. Prepare Plans and permit application for new Transient Boat Dock **6/15/18**
2. Implement fee-based parking & enforcement plan for Port waterfront properties **5/15/17**
3. Replenish beach areas at the Event Site based on Terms of Corp/DSL Permit. **11/30/17**
4. Obtain SDC funding and install modular docks at the Nichols Boat Basin Dock. **4/15/18**
5. Develop and install an integrated signage plan for the Waterfront trail system. **3/1/2018**
I would add security planning

IV. TRANSPORTATION/AIRPORT

Goal: Complete significant transportation improvements to enhance development objectives. *What are the development objectives and how do they integrate into our community? Development scale, revenue potential, cost reductions, safety*

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 1. Ensure successful Implementation of new web portal for customer management of Breeze-By accounts. | 09/30/17 |
| 2. Complete the Auxiliary Truss Repair Project | 12/30/17 |
| 3. Fully implement the bridge safety signage plan | 11/15/17 |
| 4. Bridge Replacement <i>This list should be reset by calendar dating.</i> | |
| A. Develop detailed analysis of alternative bridge replacement financing scenarios. | 06/30/18 |
| <i>Should Lot 1 planning come before or after this is accomplished?
Should this include impact to the port if repair option is chosen.</i> | |
| B. Prepare administrative rules regarding the solicitation and consideration of P3 proposals for Commisison approval. | 02/30/18 |
| C. Prepare and issue an RFI to characterize the level of private sector interest In a P3 project. | 03/1/18 |
| <i>Should this be expedited considering the next Federal application date is expected in the same month?</i> | |
| D. Issue an RFP and select an engineering firm to prepare an FEIS for bridge replacement. | 06/01/18 |
| E. Prepare a long-term staffing plan, scope and schedule to implement bridge replacement pre-development tasks. <i>I assume that 12/1 is a finish date?</i> | 12/1/17 |
| 5. Ensure final completion of the South Ramp Hangar Project per approved Development Agreement. | 6/30/18 |
| 6. Complete Construction of S. Taxiway Project. | 11/01/17 |
| 7. Complete permitting and preliminary engineering of the North Ramp Connect VI project. | 6/30/18 |

V. ECONOMIC DEVELOPMENT

Goal: Ensure that the Port's role in regional economic development activities is clearly defined. Confirm that the objectives are identified and adequate resources are in place to be successful.

1. Develop a strategy that recommends a future role for, and administration of, the OneGorge Advocacy Group **02/01/18**
2. Develop an agenda and implement a facilitated board retreat to discuss the future issues and areas of focus for the Port of Hood River. **I would start with this document as it is “the” working communication of priorities and desired goals of the Commission.** **10/1/17**

VI. COMMUNICATIONS & COMMUNITY RELATIONS

Goal: Increase the understanding and awareness of the Port’s activities; identify opportunities for successful partnerships with key public agencies and private business; and participate in the life of the Hood River area community.

1. Prepare an updated Communications Plan. **3/15/18**
2. Prepare detailed description of the “Community Support Initiative” for Commission approval. **10/15/17**

VII. GOVERNANCE & BOARD COMMUNICATIONS

Goal: Evaluate the Board’s governance and communications policies and provide recommendations for improvements.

1. Update the board & staff training policy. **04/15/17**
Complete prior to initiating the Port budget
2. Ensure adequate time for Commission consideration of board meeting packet material. **7/1/2017**
I would assume this doesn’t need to be in this document. It’s a professional courtesy

VII. PERSONNEL MANAGEMENT

Goal: Ensure that appropriate personnel policies are in place.

1. Evaluate step ladder and associated staff compensation for personnel and recommend changes. **3/30/18**
2. Revise & improve Staff Performance Evaluation Forms **5/15/18**

Create periodic opportunities for all port employees to express their views on improving port operations and community involvement

VII. NEW OR UNPLANNED INITIATIVES

Projects added to the Work Plan based on Commission direction.

Commission Memo



Prepared by: Michel McElwee
Date: September 19, 2017
Re: Lot #1

The Commission has discussed the need to engage with the Hood River Urban Renewal Agency (“URA”) about the future development of Lot #1, the challenge of constructing necessary infrastructure, and the potential for utilizing tax increment financing.

The attached proposal from Walker/Macy would accomplish a number of tasks toward preparation of an Infrastructure Framework Plan for Lot #1 (“IFP”). The IFP would update the overall master plan for the property and develop specific, more detailed plans and cost estimates for specific areas of public infrastructure that are eligible projects in the Waterfront Urban Renewal District Plan (“Plan”).

Another specific task is a simple real estate economic analysis to determine the relative impact of burdening private development with significant infrastructure costs. The attached proposal from Eco Northwest would provide such analysis.

Other tasks that may be necessary, including traffic modeling and preparation of URA Plan amendments, and legal counsel. Taken together, these efforts would allow the Hood River Urban Renewal Agency to determine whether tax increment financing is appropriate and warranted.

Given all that has been happening recently with the Eagle Creek Fire situation, needed coordination with the Hood River City Manager has not yet occurred. Staff recommends authorization of these two contracts with the understanding that such coordination occurs and that there is support for this specific approach.

RECOMMENDATIONS:

Authorize contract with Walker/Macy for Lot #1 Planning Services not to exceed \$55,000 plus reasonable reimbursable expenses, subject to legal counsel review.

Authorize contract with Eco Northwest for Lot #1 Planning Services not to exceed \$9,000 plus reasonable reimbursable expenses, subject to legal counsel review.

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August 28, 2017

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

Re: Lot #1 Infrastructure Framework Plan

Dear Michael,

It has been a pleasure working with you and the Port on the Development Plan for Lot #1 at the Port of Hood River. Lot #1 represents the last major piece of developable light industrial property on the Hood River Waterfront. It is the most visible site from downtown Hood River and I-84 and lies adjacent to key waterfront recreation sites. In many ways, development of Lot #1 represents the culmination of decades of waterfront planning and development efforts. The Port believes that that Lot #1 should be developed in a manner that continues the high standards of design and construction quality that has been carried out on the waterfront in recent years and it seeks a mix of uses that leads to a vital and active new waterfront district. However, these public objectives will be difficult to achieve given the zoning, high infrastructure costs and need to dedicate a significant portion of the property for public and private streets. The challenge is to develop a strategy that strikes the right balance between an appropriate commitment of public investment and reasonable expectations for private investment that facilitates development. This will require close collaboration between the Hood River Urban Renewal Agency (“URA”), The Hood River City Council (“HRCC”) and the Port of Hood River (“POHR”).

This proposal describes the specific approach to achieving consensus and taking specific actions to prepare Lot #1 for development over the next 5-10 years.

I. Approach

In 2015 the City Council approved a Waterfront Refinement Plan and a Waterfront Overlay zone that provides significant direction for development of Lot #1. The Port completed a subsequent planning effort in 2016 (“Lot #1 Development Plan” by Walker/Macy; Feb. 2016) that provided additional clarity on the final build-out and preliminary cost estimates for planned infrastructure. The next crucial phase is to prepare an Infrastructure Framework Plan (“IFP”) that clarifies the expectations for Lot #1 at full build-out, provides greater detail on the type of public infrastructure required and describes the rationale for an investment of tax increment financing. The IFP effort will be led and managed by the Port with regular consultation with City staff. Walker Macy will manage a multi-disciplinary team to carry out specific tasks and prepare deliverables. The Port and project team will coordinate closely with a Project Advisory Committee (PAC) and obtain additional feedback from both the Urban Renewal Advisory Committee and the Urban Renewal Agency Board.

II. Outcomes

The specific outcomes expected from this initiative are:

- Illustrative master plan describing the ultimate build-out of Lot #1
- Detailed descriptions of the specific public infrastructure projects needed to promote full development and achieve public policy objectives
- Understanding of the limitations, market opportunities and economics of development.
- Urban Renewal/City and Port consensus on the strategy for development

Lot 1 Infrastructure Proposal

August 28, 2017

Page 2 of 5

Project Team

In order to successfully complete the effort, the following team will be engaged.

Walker Macy will manage the effort and lead the site planning and landscape architecture. The following consultants will be part of the design team:

Civil Engineer:	KPFF Engineering
Architecture:	Mark Vanderzanden (Surround Architecture)

Consultants directly under contract to the Port of Hood River or City will include:

URA Amendment & Consulting:	Elaine Howard
Financial Analysis:	Eco/NW (Completed prior to work initiation)
URA Advisor:	Larry Brown

Work Products

The work products and consultant roles for this effort include:

ECO Northwest

- Projection of future tax increment generation
- Real Estate Development Economic Analysis
 - Development Modelling
 - No URA Financing
 - URA financing for infrastructure
 - URA financing for infrastructure and common parking area

Elaine Howard

- URA Plan Amendments:
 - Increase URA maximum indebtedness
 - Designation of tax increment financing for Lot #1 public infrastructure

Walker Macy Team

- Illustrative Plan
 - Urban Design Principles
 - Plan View at Full Build-Out
 - Section Perspectives
- Part Plans
 - Detailed 20% level plans showing specific public infrastructure projects, e.g.:
 - Anchor Way Extension
 - 1st Street
 - Portway Ave.
 - The “Swerve” Path & Bioswale
 - Nichols Basin Riparian Improvements
 - Esplanade
 - Beach Upgrades
 - Boathouse & Ramp
 - Shared Use Parking Lot(s)
 - Cost Estimates
 - All above projects

Lot 1 Infrastructure Proposal

August 28, 2017

Page 3 of 5

Walker Macy Work Plan**Task 1. Project Initiation****1.1 Project Manager Coordination**

Walker Macy's Project Manager will coordinate closely with the Port on a regular basis. We will schedule a standing conference call every two weeks to discuss project progress and set up efficient file-sharing systems and communication protocols. Prior to the consultant team kickoff meeting, the two project managers will finalize the scope and schedule.

1.2 Kickoff Meeting with Consultant Team

This kickoff meeting in Portland will serve to review the project scope and team roles, review the proposed subdivision plan, discuss refinements to the existing development concept plan and identify the scope and extent of component public infrastructure projects. .

1.4 URA Advisory Committee Meeting #1

This meeting will serve to introduce the URAC to the project and get their feedback on scope elements. We assume the Port will coordinate logistics for all URAC meetings. Walker Macy, Port and Larry Brown will present a summary of the project scope and schedule for feedback and guidance.

MEETINGS

Consultant Team/PMT kickoff meeting
 URAC #1
 Regular phone and email coordination with Port

PRODUCTS

Final scope of work and project schedule
 Meeting notes

SCHEDULE

Contracts Finalized September 15, 2017

Task 2: Refinements**2.1 Work Session**

Walker Macy team and Port will meet in Portland to further review the proposed subdivision plan, discuss refinements to the existing development concept plan and identify the scope and extent of component public infrastructure projects.

2.2 Draft Concepts

Prepare concepts for specific public infrastructure projects, including:

- Anchor Way Extension
- 1st Street
- Festival Street
- The "Swerve" Path & Bioswale
- Nichols Basin Riparian Improvements
- Esplanade
- Beach Upgrades
- Boathouse & Ramp
- Shared Use Parking Lot(s)

2.3 Refine and Present Draft Concepts to URAC**2.4 Port to Present Draft Concepts to URA Board**

Lot 1 Infrastructure Proposal

August 28, 2017

Page 4 of 5

MEETINGS

Teamwork session

URAC

PRODUCTS

Refined Development Plan

Meeting notes

SCHEDULE

October, 2017

Task 3: Draft Plans**3.1 Consultant team coordination**

Work on a real estate development economic analysis, by ECONorthwest and Elaine Howard, will continue under separate contract, as will a transportation analysis, by DKS. We will convene a consultant team coordination meeting to understand and coordinate each other's work products.

3.2 Draft plans

Further refine concepts as 20%-level plans for specific public infrastructure projects, including Cost Estimates for above projects noted in Task 2.3.

3.3 Review plan refinements with Port in work session

Conduct a work session in Portland with team, Port and Larry Brown to review work, including a draft framework illustrative plan and draft section perspectives.

3.4 Refine and Present Draft Plans to URAC**3.5 Port to Present Draft Plans to Port Commission and URA Board****MEETINGS**

Consultant team coordination meeting

Port work session

URAB

PRODUCTS

Draft plans

Draft Illustrative Plan

Meeting notes

SCHEDULE

January, 2018

Task 4: Finalize Plan**4.1 Prepare Final Plans, including Final Illustrative Plan, Section Perspectives and Cost Estimate****4.3 Walker/Macy presentation to Port Commission****4.5 Refinements as needed for URA Board Approval****MEETINGS**

URA Board presentation

Port Commission

PRODUCTS

Final 20% Plans

SCHEDULE

Work Complete by March 30, 2018

Lot 1 Infrastructure Proposal

August 28, 2017

Page 5 of 5

Fees

The following fees are based on the proposed scope of work and include fees for KPFF and Surround:

Task 1:	\$ 3,500
Task 2:	\$12,000
Task 3:	\$24,500
Task 4:	<u>\$15,000</u>

Total \$55,000 plus expenses

Billings will be made monthly based on a percentage of work completed by task. Expenses will be billed monthly at cost

We appreciate the opportunity to assist the Port on this important next step in the realization of the vision for Lot#1. Please contact me if you have questions or need clarifications

Regards,
Walker Macy

Michael W Zilis
Principal

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HOOD RIVER WATERFRONT

Development Feasibility Analysis

August 25, 2016

Prepared for:

Michael McElwee

ECONorthwest
ECONOMICS • FINANCE • PLANNING

KOIN Center
222 SW Columbia Street
Suite 1600
Portland, OR 97201
503.222.6060

Project Understanding and Approach

The Port of Hood River (the Port) wants to understand the near-term feasibility of development at Hood River’s waterfront. The waterfront area is almost entirely built out, with the exception of several large parcels of land on the eastern portion of the area. Once developed, these properties will constitute the final phase of development at the waterfront. In 2016, Walker Macy created a master plan for these remaining parcels; they are together referred to as “Lot 1.” Using the master plan as a guide, the Port would like to know if development is achievable in the near term, with or without public subsidy.

We propose to develop an Excel-based pro forma model to test feasibility at the waterfront properties. We will structure this model to allow for comparison of multiple scenarios so that the Port and ECONorthwest can adjust pro forma variables and inputs as needed. The Port has indicated an interest in two primary test scenarios and several potential sub-scenarios that reflect variations in pro forma variables and inputs, such as rent or development costs. These variations will be identified during conversations between the Port and ECONorthwest staff.

Work Program

Mike Wilkerson will serve as Project Director, Matthew Craigie will serve as Project Manager, and Michelle Anderson will serve as Project Associate on this project. Our proposed work plan is as follows.

Task 1: Data Gathering and Research

The purpose of this task will be to work with the Port to gather accurate pro forma variables and other model inputs and assumptions. The Port will provide all of the data required for the model, including the desired development program, and local data on rents, construction costs, and other pro forma variables.

Task 2: Model Development and Feasibility Analysis

This task will run concurrently with Task 1. During this task we will develop a pro forma tool and complete development feasibility analyses for the Lot 1 properties. We will construct an Excel-based model that allows for multiple scenarios and easily adjustable inputs. Each scenario will assume a full build out of Lot 1 in 2017, with a single pre-determined development program. For this reason, the model will be structured as a return on cost or a residual land value

model that will not include a detailed long-term cash flow. The primary scenarios for analysis will look at development feasibility of Lot 1:

1. *Without* public subsidy of public infrastructure costs or parking areas (the developer pays for all costs).
2. *With* public subsidy of public infrastructure costs and parking areas (the developer only pays for private development).

Each one of these two primary scenarios may also contain multiple sub-scenarios. These sub-scenarios will reflect variations in pro forma variables and inputs. They could, for example, constitute high, medium, and low rent scenarios, or propose a sharing of infrastructure and parking costs between public and private partners. The sub-scenarios will not vary by development program however; the highest and best use development program will be pre-determined during the kick-off meeting during Task 1.

We will preview the draft model with Port staff, adjusting model functions and structure as needed before creating a final model. We will then conduct analysis on the scenarios outlined above.

Task 3: Final Memorandum

The final task entails the compilation of findings into a brief written memorandum. This memorandum will concisely summarize the findings from the Task 2 analysis. An outline of this memorandum will be provided to the Port early in the project timeline to confirm desired elements. One draft will be provided for review and comments. The Port's comments and edits will be incorporated into the final deliverable.

Budget, Work Schedule, and Deliverables

We propose to conduct the work program detailed in this document on a time and materials basis with a not-to-exceed amount of \$10,000. All project correspondence will be conducted via phone or email. We understand that the Port desires a final deliverable by October. We will set September 22nd as our deadline for a draft of the final memorandum to the Port, with the understanding that clarifications and/or a revised draft may take additional time.

The project deliverable will be a concise technical memorandum.

Table 1. Hourly Labor Rates

Personnel	Hourly Rate
Mike Wilkerson – Project Director	\$195
Matthew Craigie – Project Manager	\$140
Michelle Anderson – Project Associate	\$115
Research Analyst	\$85

	HOURS BY TASK			TOTALS
	Task 1 Data Gathering and Research	Task 2 Model Development and Feasibility Analysis	Task 3 Final Memorandum	
ECONorthwest				
Mike Wilkerson	195	4	4	8
Matthew Craigie	140	6	10	18
Michelle Anderson	115	10	10	20
Senior Analyst	95	16	8	26
Clerical	55		2	2
Sub-Total	4	36	34	74
				\$8,960
				100%

	Expense Totals			% of Budget
	Task 1	Task 2	Task 3	
Non-Labor Expenses				
Data Expense	\$0	\$0	\$0	0%
Total	\$0	\$0	\$0	0%

	Task			Totals	Summary of Expenses	
	Task 1	Task 2	Task 3		Labor	Non-Labor
Total Labor	\$470	\$4,290	\$4,200	\$8,960	100%	
Direct Expense	\$0	\$0	\$0	\$0	0%	
Total by Task	\$470	\$4,290	\$4,200	\$8,960		100%
% of Total Budget	5%	48%	47%			

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