



PORT NEWS

Spring 2021

Looking Ahead

by Michael McElwee, Port Executive Director



Michael McElwee

This July will see completion of the Port's 2021-2026 Strategic Business Plan (SBP). Much in the world and in our community has changed since the current SBP was prepared in 2014. Most business plans

consider market conditions, reflect on prior successes and challenges, identify goals, and lay out the strategies and metrics to achieve them. However, unlike a private business, the Port's customers are local citizens. Our goals are defined by our contributions to the economy and the community's quality of life rather than financial return. Our Commissioners are elected by local voters, not shareholders. Updating the strategic business plan is, therefore, an inherently public process.

For community input on the SBP, an extensive public survey was conducted in 2020. Key takeaways include broad support for the Port's basic mission, but less understanding about operations and core objectives. Respondents overwhelmingly want a new bridge, one with the lowest toll rate possible, and soon. There was wide support for recreation areas on the waterfront—trails, water access, open spaces, and riparian areas, plus free launching at the Marina. Support was expressed for the airport, but also concern about the impact of aviation noise on residential areas. There was less understanding about the Port's real estate development role of economic development at a time when housing prices have increased. In fact, affordable housing was the issue of greatest concern to most respondents.

The survey brought feedback on many specific issues and functional areas of the Port. Looking ahead more generally, the Port faces four key strategic challenges

Please see **Together** on page 8

Bridge Replacement Project advances

The Bi-State Environmental Impact Statement Working Group continues to meet regularly to discuss remaining Bridge Replacement Project steps in the National Environmental Protection Act process and planning for the Final Environmental Impact Statement.

Staff from the Port of Hood River, Oregon Department of Transportation (ODOT) and Federal Highway Administration (FHWA), in partnership with the Environmental Impact Statement Working Group, advanced the design of two bridge options: the preferred alignment (Preferred Alternative EC-2) and an alternative alignment (Alternative EC-3). The Supplemental Draft EIS evaluates these two alternatives and their benefits and impacts to the community and the environment.

After publishing the Supplemental Draft EIS last November, the Port hosted a public comment period from November 20, 2020 – January 4, 2021, including a virtual Public Hearing to hear verbal comments. Comments were submitted online, by email, phone and in writing. Over 150 comments were received and will be responded to in the combined Final EIS / Record of Decision (ROD).

The EIS Working Group, made up of representatives from the cities of Hood River, White Salmon and Bingen, and Hood River and Klickitat counties and ports, confirmed consensus and support for Alternative EC-2 (see image). The FEIS / ROD initial draft has been completed with anticipated conclusion this summer or fall.



The Bi-State EIS Working Group continued to meet virtually during the pandemic.

While mostly moving along as planned, minor project delays are now expected due to archeological finds near the site. Consultation with Native American tribal representatives on cultural resources, access to the Columbia, fishing activities, treaty rights and other interests continues. Archeological resources have been identified in the project vicinity that require extensive documentation and consultation with seven tribes and the two State Historic Preservation Offices, likely delaying the FEIS/ROD for some months. Analysis of artifacts found during archeological field work has been completed and a report was submitted to tribal governments in May for a 30-day review and next steps.

Meanwhile, documentation of potential impacts on nearby historic properties found that a historic district is not required. As the project team prepares to conduct a geotechnical investigation this summer, Port staff and consultants continue discussions

Please see **Bridge** on page 8



Alternative EC-2 is the preferred alignment agreed upon by the Bi-State EIS Working Group.

Port tenants feel impacts from COVID-19

Numerous Port of Hood River tenants have been impacted by the COVID-19 pandemic. Many local businesses struggled, some closed, some moved, while others were not ill-affected. The Port shares stories of three tenants.

pFriem Family Brewers

As a hospitality and tourism-oriented business, pFriem Family Brewers saw large revenue declines as a result of pandemic dining restrictions. The company's wholesale business, which relies on purchases of kegs by bars and restaurants, was also impacted.



pFriem Family Brewers continues to implement operational changes in response to COVID-19.

Please see **COVID-19** on page 3



OneGorge “Gorgeous Night”

The OneGorge “Gorgeous Night In” virtual legislative reception was held via Zoom and YouTube in early March for Oregon and Washington legislators, their staff and Gorge leaders. The purpose of OneGorge advocacy is to make the Gorge and state economies healthier and more connected by promoting the interconnected river corridor—two states and multiple counties—as one. The group recognized the work of Washington Senator Curtis King with their inaugural “Legislator of the Year” award.

This year OneGorge is focused on six legislative priorities: Capital Projects, Transportation, Land Use, Public Safety, Warm Springs Water Crisis and Wildfires. The event featured the premier of a video focusing on these regional legislative priorities that can be viewed at: bit.ly/OneGorge2021.

ADA Access at Marina

A new ADA path was constructed this spring connecting the Marina Moorage Parking Lot to the Marina Restrooms. The ramp was designed by Stu Cato and installed by the Port Facilities crew.



New ADA ramp at the Marina restrooms.

Big 7 Building Roof

The Port’s Big 7 Building, part of the original Fruit Cannery Complex redeveloped in the late 1980s/early 1990s, recently benefited from a re-roof project that included complete roof removal down to the structural deck and installation of a new PVC thermoplastic membrane roof. Work was completed by Competitive Commercial Roofing in late 2020.



Big 7 building’s re-roof.

First Lower Mill Tenants

Leases have been approved for Lower Mill’s first occupants: Rapid ReadyMix and Neal Creek Forest Products. Neal Creek Forest Products, founded in 2018 and headquartered in Odell, offers landscaping materials and other products native to the Columbia River Gorge region. According to owner Paul Jones, the company’s additional location at Lower Mill will be used as a transfer yard for non-treated telephone poles for national shipment. Rapid ReadyMix is a concrete contractor that has been located in Bingen, WA since 1973. The company’s short-term lease will enable uninterrupted operations on the Oregon side of the Columbia River as a result of new weight limits on the Hood River-White Salmon Bridge.



Neal Creek Forest Products’ location at Lower Mill stores non-treated telephone poles.



A charging station for Forth’s electric car sharing program will be located at the waterfront.

Forth electric car-sharing pilot program

Work is underway to bring the Forth electric car-sharing pilot program with the installation of a charging station at a parking space located at the south end of N. 1st Street. The Forth project will place five electric car charging stations in the community to rent by the hour. This pilot project was funded by a federal EPA grant and hopes to demonstrate success in car-sharing services of electric vehicles in rural communities.

Steve Gates Remembrance

The Steve Gates Remembrance Project was constructed this spring by DKB Ltd. of Hood River and paid for with community-raised funds. Design concepts were provided by Mike Zilis of Walker|Macy Architects with a contribution by the Port.



“Steve used to say there are three elements of a champion: #1 Show up Early, #2 Work Hard, and #3 Give Back,” relayed project liaison Jon Davies. “That attitude is embodied by the many contributors and volunteers of this project. Their efforts truly reflect the elements of a champion. The bench is an example of the community and Port coming together in a wonderful collaboration that honors our friend. To those champions...well done!”

Airport Update – Work continues on noise issues

In the Port’s community-wide survey last year, 164 of more than 1,100 respondents relayed that airport noise is a significant issue in their neighborhood. After nearly five years working to address noise issues at the Ken Jernstedt Airfield, including public meetings, a year-long public outreach process, and development and implementation of a “Fly Friendly” program, neighborhood noise impacts remain. The Port of Hood River formed an **Airport Noise Work Group** last summer to further study the issue, recommend actions to the Airport Advisory Committee (AAC), and ultimately identify additional solutions to reduce airport noise in the community.

The work group, comprised of three pilots, three residents and Port staff, formed the following purpose statement:

“Develop recommendations for Port actions to manage airport noise at a level acceptable to the community now and in the future for ultimate review and approval by the Port Commission.”

The work group conducted research and created a matrix of recommended actions. It then received input from the AAC, airport users and operators to reflect broad input and support from stakeholder groups. The matrix includes actions for future consideration that have full or partial consensus and may require further research or have budget implications.

Prioritized Recommendations include:

- Acknowledgement of Best Management Practices for Operators, including the Fixed Base Operator (FBO), concession and lease agreements.
- Report and respond to all noise complaints.
- Consider noise impact on all proposals for the airport with the goal of no additional negative impact to residents.
- Evaluate FBO business model and determine whether a subsidy is needed.

For more details on noise and airport operations or to file a noise complaint, visit: portofhoodriver.com/airport/noise-airport-operations/

COVID-19 *continued from page 1*

pFriem Family Brewers

On top of these issues, at the time COVID-19 Restrictions began, pFriem was involved in a major construction expansion project. “I clearly remember asking our General Contractor to ‘pause’ the project on March 16th last year to better understand the health, economic and statutory outcomes of the pandemic,” shared Rudy Kellner, CEO at pFriem. “We felt like we needed to pause the project to get more organized around COVID-19 response.” The company resumed its expansion project in early July and completed it in the winter to the great relief and satisfaction of their employees.

According to Kellner, the Port was extremely supportive during the pandemic. “The Port was one of the first phone calls we made because we rely so much on our facility, and we needed to understand if the Port could help us while revenue dropped 85% overnight,” he said. With “outstanding collaboration” from everyone at the Port to find creative ways to help the brewery with rent obligations and cash flow, pFriem Family Brewers made it through its most difficult year yet. The Port stayed highly involved in sharing access to information and tools such as other government assistance programs and PPE for all its tenants.

The brewery tightened up scheduling during the pandemic so different teams had no overlap and employees could maintain distance to reduce the risk of an outbreak. Kellner said employees were very supportive of all of the new safety processes and understanding of the changes created by the pandemic.

As we pass the one-year anniversary of COVID-19 in the US, the company expresses gratitude for all of the community support. When pFriem closed its tasting room last March, many customers, friends and family bought gift cards and purchased from its online store to support the business. “We feel very lucky to have great partners and friends, and to live in such a loving community,” Kellner expressed.

pFriem began operations in 2012 and has steadily expanded in the Port’s Halyard building. The company also opened a support facility in Cascade Locks in 2020. According to Kellner, pFriem is currently the third largest independent craft brewery in Oregon, winning the 2018 Great American Beer Festival Mid-Size Brewery of the Year Award.



LisaAnn Kawachi, Copy Editor-Office Manager and Trisha Walker, Lifestyle Editor in front of Columbia Gorge News' new offices at the Port.

Columbia Gorge News

In the early days of the pandemic, many businesses struggled to adjust. In recent years, newspaper readership and advertising revenues were already on the decline nationally due to a changing media landscape. When COVID-19 affected the Gorge economy, businesses were forced to shut their doors, people were asked to stay home, and advertising revenues shrank. Three community newspapers in the Gorge: *The Hood River News*, *The Dalles Chronicle* and *White Salmon Enterprise* — all owned by Eagle Newspapers, Inc. — were closed at the end of March, 2020.

Chelsea Marr, publisher of the Hood River News and The Dalles Chronicle, was offered the opportunity to purchase the publications. To continue printing and save costs during the economic downturn, Marr consolidated the three publications into one regional news source, and named the paper the *Columbia Gorge News*. The newspaper has been printing once a week since April 2020, providing a critical news source in the community and bringing back 12 full and part-time staff.

“First off, we lost our local newspapers and our jobs. The upside, I was able to keep a newspaper going in our communities,” Marr relayed. “The model changed, because of COVID-19, but it provided the opportunity for us to keep going in a new and exciting way.”

The Port of Hood River worked with Marr to find more affordable office space for the Columbia Gorge News, now located next to the DMV at the Marina Park 2 Building. “We learned that communities in the Gorge are much closer than we once realized and the impact of each affects us all in one way or another. We’ve had to work with less as a business but find it has been enough.”

Marr feels if you enjoy what you do, it shows in your work. “I know that all of us at *Columbia Gorge News* enjoy what we do, and this shows in the work we provide to our communities,” she added. The printed newspaper is a beloved pastime for many Gorge residents and Marr shared that it’s gained a resurgence with the younger generation. In addition to its print edition, the *Columbia Gorge News* maintains a news website and social media platforms to be a trusted and reliable news source every day.

The three community newspapers were each published in their respective communities for more than 100 years. The magnitude of history, bound volumes, clippings and photographs are now being preserved at local museums in each community. “I am looking forward to continuing to make history for our communities through *Columbia Gorge News*,” Marr said.

Visit Hood River



The History Museum at Port Marina Park will be the new location for Visit Hood River

Visit Hood River reopens its visitor information center and office on May 1 in a common area space at The History Museum of Hood River County, located at 300 E. Port Marina Drive. The reopening is a significant leap forward for the organization.

Due to the pause in travel and tourism caused by the global pandemic, Visit Hood River endured a year of contraction and reorganization. The economic devastation experienced by many local businesses took a toll on Visit Hood River, causing a closure of its office and visitor center at Port Marina Park after Labor Day 2020, while staff continued to work remotely.

By partnering with the Hood River County Heritage Council in a joint location, both organizations can reduce overhead and expenses, allowing the delivery of respective programs and services more efficiently.

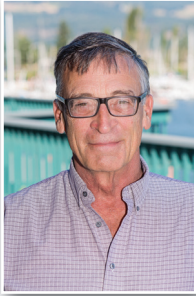
“The COVID-19 pandemic has been challenging for the nation, our community stakeholders and our organization,” stated Katie Kadlub, Visit Hood River’s new executive director. “As Visit Hood River envisions its role in Hood River County’s recovery, we could not be more optimistic about this opportunity to serve both the community and visitors from our new office and visitor center. We are grateful for this win-win partnership with the Heritage Council, which brings increased visibility, engagement and service to our mutual stakeholders.”

The Hood River County Heritage Council is a 501c3 nonprofit that operates the Hood River County History Museum, a public resource that houses historic artifacts, documents, and photographs of Hood River County while providing exhibits and historic programs and events for residents and tourists.

The Hood River County Chamber of Commerce, doing business as Visit Hood River, is a nonprofit business association serving tourism and business stakeholders. It supports economic and tourism development in Hood River, Cascade Locks, Mosier, Odell, Parkdale, Pine Grove and Mount Hood.

The local Chamber of Commerce has held numerous locations on the Hood River waterfront. It spent two decades in the western portion of the Port Marina Park building prior to moving to the former Hood River Expo Center in 1996. In 2007, the Chamber / Visitor Center returned to Port Marina Park building’s east side and was remodeled in 2012.

Message from President John Everitt



This year's message is unsurprisingly mixed. COVID-19 impacts dominated 2020, and I expect 2021 will be characterized by recovery. I am especially proud of how our Port staff responded and adapted to circumstances that were unforeseen and unknowable.

Staff worked with public health agencies at the County and State levels to initially respond to the immediate needs of our community. One simple

example is the Port's pre-purchase of toilet paper for the entire 2020 summer season. The Port donated much of its stock to the local food bank at a time when toilet paper was in extremely short supply. It was particularly difficult to figure out how to handle operations at the toll booth while keeping staff safe from exposure to the virus. Official Zoom meetings were quickly implemented.

It was the Port's talented staff who made modifications while doing their jobs to keep the waterfront semi-open as well as sustain the less obvious things the Port does. Two large projects were completed at the Ken Jernstedt Airfield in 2020: the FAA-funded North Apron Rehabilitation project and the ODOT-funded Aviation Technology and Emergency Response Center infrastructure project. An important step in bridge replacement was accomplished with the formation of a Bi-State Working Group consisting of the cities of Hood River, Bingen and White Salmon, Hood River and Klickitat counties, plus the Port. We were successful, in a joint application with Klickitat County, in obtaining a \$5 million federal grant to advance bridge replacement. The Lower Hanel Mill project is completed, transformed from an industrial clean-up site to shovel-ready light industrial land for sale.

I anticipate this year we will be getting back to normal. Though Zoom won't be going away, I hope a lot of things will be coming back.

John Everitt,
Port Commission President

Port Commissioners

The five board members of the Port of Hood River are called Commissioners and are elected to five designated positions by the voters of the Port of Hood River District. Each Commissioner serves a four-year term of office which begins July 1 of the year elected.



John Everitt
Position #2
President
Commissioner since 2017



Ben Sheppard
Position #1
Vice President
Commissioner since 2017



Dave Meriwether
Position #3
Secretary
Commissioner since 2017



Kristi Chapman
Position #4
Treasurer
Commissioner since 2019



Hoby Streich
Position #5
Commissioner since 2002

2020 Year in Review

JANUARY

- The ports of Hood River and Cascade Locks held a joint session on January 30th in Cascade Locks to share information and discuss shared concerns and opportunities related to tolling, real estate development, lobbying, and economic development. The Bridge of the Gods implemented Breezeby electronic tolling earlier in the month.
- A contract with Brown Roofing was ratified for siding and roof replacement of the Hood River – White Salmon Bridge Toll House.
- The Airport Advisory Committee met January 23rd to discuss multiple airport improvement projects, noise issues, and T-hangar leases.

FEBRUARY

- As part of the process to develop its 2021-2026 Strategic Business Plan, the Port hosted an Open House Public Meeting to receive public comment on Port operations and community priorities for the future. Over 1,000 people completed online and paper surveys distributed throughout the Hood River and White Salmon communities to give input on the Hood River waterfront, bridge, Ken Jernstedt Airfield, Hood River Marina, real estate and economic development priorities, and other Port operations.



- The OneGorge Advocacy Group hosted its annual "Gorgeous Nights" in Olympia on February 5 and in Salem on February 19 in partnership with state legislators. The receptions helped raise awareness of Gorge area needs and priorities with legislators and their staff in the capitols.

- Willamette Cultural Resources was contracted to finish the Cultural Resources Report for the bridge replacement Final Environmental Impact Statement (EIS) and Level 2 work on the one archaeological site, as well as to complete the report to ODOT/FHWA standards.

MARCH

- Port Commissioner Kristi Chapman and Bridge Replacement Project Director Kevin Greenwood attended the Pacific Northwest Waterways Association's annual Mission to Washington D.C., meeting with numerous legislators and agency representatives, including Congressman Greg Walden, regarding the effort to replace the bridge.



PNWA mission to Washington, DC

please see **Year in Review** on page 5

2020 Year in Review continued



Airport irrigation installation



■ A five-year permit was granted to American Cruise Lines, Inc., by the Port for exclusive use of the north side of the Marina jetty and non-exclusive use of the gravel access road area.

■ The Port of Hood River announced steps to respond to the COVID-19 outbreak based on direction from the Hood River County Health Department and Oregon Health Authority. Steps included daily spray sanitization of regular contact surfaces, supply of hand sanitizer at all employee desks, the toll booth and public areas, and ordering a stockpile of sanitizer, gloves, and masks and other PPE.

APRIL

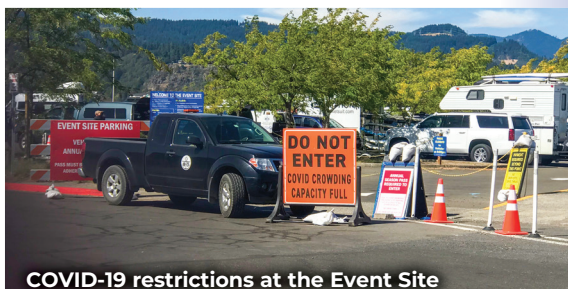
■ Longtime toll staff member Roger Benn retired on April 3. The Port Commission proclaimed May 14th, 2020 as Roger Benn Day to show its appreciation of nearly six years of service.

■ The Port Commission and Budget Committee held its Spring Planning meeting on April 7, an important step in the annual budget preparation process.

■ Tapani Inc. completed the first phase of work for the ConnectOregon VI project at the airport. This work consisted of installing irrigation pipe and fittings provided by Farmers Irrigation District and disconnecting existing pipes.

MAY

■ In response to the COVID-19 pandemic, the Port accelerated the planned implementation of its All-Electronic Tolling system in May, with the activation of a license plate recognition system and DMV interface for billing unpaid tolls.



COVID-19 restrictions at the Event Site



Rip rap repair near the Jensen Building

JUNE

■ Following the implementation of proper sanitation, PPE, and workspace distancing protocols, the toll booth reopened for normal operations on June 1 after being closed since March 18th.

■ All large events planned at the Event Site were cancelled due to COVID-19 restrictions. The Marina Park picnic shelter was also closed.

■ Activity at the Ken Jernstedt Airfield continued with a crack seal project on Air Museum Drive, pre-construction work for the North Apron Rehabilitation project, and the ConnectOregon VI project work nearing 40% completion.

■ The Port Commission heard a final report for a Waterfront Traffic Study, commissioned by the Port in January and developed by DKS Associates, Inc.

JULY

■ Like most Independence Day traditions, the 4th of July fireworks show was cancelled due to the COVID-19 pandemic.

■ The biennial Fracture Critical Inspection of the bridge was conducted the week of July 6th, requiring up-close inspection and photography of every structural member of the bridge by a climbing crew from David Evans & Associates.



Site to the Sandbar to help alleviate crowding conditions for kilters.

■ Facilities crews removed a significant amount of brush and opened up a much wider opening from the east end of the Event



Bridge guardrail repair

■ Port crews completed repairs on a long section of guardrail near the lift span of the bridge that had been damaged by a truck impact.

■ The new access ramp and reconfiguration of the Nichols Basin Dock was completed, adding significantly more usable area.

■ Facilities staff carried out a major repair with 28 cubic yards of riprap next to the Jensen Building where a wash out occurred along the riverbank.

AUGUST

■ In an effort to reduce crowding at popular waterfront areas and mitigate risk of COVID-19 spread in the community, the Port closed the Event Site parking lot to all but annual pass holders, closed Lot 1 completely, closed off parking along the eastern curb of N. 1st Street, and closed the Nichols Basin dock to the public.

■ The entire Hood River waterfront community mourned the tragic deaths by drowning of two visitors near Marina Beach on August 5th. In response, Port staff installed additional signage warning of the dangerous currents at multiple locations along the beach.



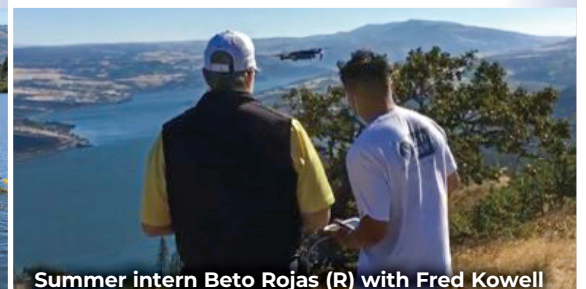
■ A memorial service for Montana-based helicopter pilot Tom Duffy, who lost his life battling the White River fire on August 17, was held at the Ken Jernstedt Airfield on August 27th.

■ The ConnectOregon VI project was reported as over 67% complete. Paving activities for the North Apron project also began after resolution of the sub-grade issues, and was 80% complete by month's end.

■ A positive 2020 Fracture Critical Inspection report was received.



Nichols Basin access ramp



Summer intern Beto Rojas (R) with Fred Kowell



Wildfire smoke in Hood River



Steve Gates Remembrance Project



Waterfront parking zone

SEPTEMBER

The Port worked to adopt new Oregon OSHA workplace rules to mitigate the risk of COVID-19 spread in various work environments.



Summer interns Jose Santillan and Beto Rojas completed their analysis of property owned by the Port in Wasco County, and presented their findings and recommendations to the Commission on September 15.

The Big 7 Building Re-Roof Project was completed by

Competitive Commercial Roofing.

In response to reports of large numbers of evacuees fleeing the Clackamas County wildfires, the Port opened Lot 1 for free RV and trailer parking for evacuees.

Port Bridge Project Director Kevin Greenwood reported to the Port Commission that the agency was about 75% complete with the Final Environmental Impact Statement contract with WSP.

OCTOBER



Marcela Diaz was promoted to Finance Specialist in recognition of exceptional work in Accounts Receivable and Customer Service.

The Port had high response to its call for seasonal concessions permits for food concession businesses at the Event Site Dock and for kiteboard,

windsurf, and SUP schools and rentals, authorizing nine agreements for five years.



Event Site concessions up and running

A motorized gate for the north end of Orchard Road was installed, and the concrete pad for the fuel tank was poured at the Airport.

The Commission approved a construction contract with DKB Limited for construction of the community-funded Steve Gates Remembrance Project near Frog Beach on the waterfront.

The Commission approved the FAA-required Disadvantaged Business Program Agreement for the Ken Jernstedt Airfield.

The ConnectOregon VI project and the North Apron Rehabilitation Project were both completed.

The Port Commission approved the Hood River Area Multi-Jurisdictional Parks, Recreation and Open Space Master Plan.

The Port Commission approved the Bi-State Working Group Memo of Understanding (MOU) on Oct. 27th, with the cities of Hood River, White Salmon and Bingen, plus Hood River and Klickitat counties agreeing to the MOU.

NOVEMBER

The Port Commission held its annual Fall Planning Work Session on November 10.

A new storm line connection from the Halyard Building to the City's storm line was successfully installed. Zeller Excavating and the City of Hood River's contractor were able to coordinate the challenging project well.

The Commission approved the 2021 parking rate schedule with no changes to hourly paid parking rates, daily Event Site parking and season pass prices.

A contract was approved for bi-annual bridge deck welding with Bulldog Welding.



Bi-annual bridge deck welding



Jon Davies (L) and Michael McElwee (R) at one of many meetings over the years with Greg Walden

A seasonal parking agreement was authorized for Columbia Area Transit to provide skier shuttle parking at the Event Site for the 2020-21 season.

DECEMBER

A public hearing on the Draft EIS was held December 3rd. Comments on the Supplemental DEIS were taken during this month on changes made to the original Draft EIS published 10 years ago.

The audit for Fiscal Year ending June 30th, 2020 was approved by the Port Commission.

The Port Commission signed a Proclamation of Commendation and Appreciation for U.S. Representative Greg Walden for his long public service and contributions to the Port District.



Kevin Greenwood preps for Dec. 3rd Draft EIS virtual meeting



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Financial State of the Port

The Port of Hood River's current financial condition is summarized in this overview of financial performance and activities for the Fiscal Year ending June 30, 2020. Two government-wide statements report the Port's Net Position and changes from prior years, both helpful measures of the Port's financial health. Net Position is the difference between assets and liabilities. Government-wide financial statements of the Port are divided into two categories:

Governmental funds – The Port maintains two governmental funds: the General Fund and the Bridge Repair and Replacement Fund. The General Fund records transactions related to policy making and strategic planning based on the Port's mission and values, and support services. The Bridge Repair and Replacement fund is a Special Revenue Fund used for capital improvements, planning, inspections, repairs and replacement activity associated with the bridge, as well as debt-related activities.

Business-type funds – Business type activities are used to distinguish operating revenues and expenses from non-operating items. The Port maintains an enterprise Revenue Fund which records fees and receipts from: bridge tolls; leased property; marina boat slip and airport hangar rent; and recreational events, parking and programs.

TABLE 1 - Net Position as of June 30, 2020

	Governmental Activities		Revenue Fund		Total All Funds	
	2020	2019	2020	2019	2020	2019
Unrestricted - Current and Other Assets			\$ 12,321,147	\$ 7,968,512	\$ 12,321,147	\$ 7,968,512
General Fund	306,600	296,643			306,600	296,643
Bridge Repair and Replacement Fund	1,924,967	1,877,476			1,924,967	1,877,476
Restricted - Current and Other Assets			286,300	140,707	286,300	140,707
Bridge Repair and Replacement Fund	-	-			-	-
Capital Assets			31,996,209	31,576,400	31,996,209	31,576,400
General Fund	7,000	7,000			7,000	7,000
Bridge Repair and Replacement Fund	6,897,975	7,410,545			6,897,975	7,410,545
Total Assets	9,136,542	9,591,664	44,603,656	39,685,619	53,740,198	49,277,285
Pension related deferrals	101,776	89,402	645,120	566,062	746,896	655,464
OPEB related deferrals	1,242	-	6,783	555	1,242	-
Total Deferred Outflows of Resources	103,018	89,402	651,903	566,597	748,138	655,464
Long-Term Debt			4,265,164	2,512,961	4,265,164	2,512,961
Bridge Repair and Replacement Fund	-	-			-	-
Other Liabilities			2,009,898	1,672,896	3,526,724	2,889,371
Net Pension Liability	201,104	161,842	1,274,738	1,025,866		
Total OPEB Liability	5,737	4,027	35,247	24,740		
General Fund	-	-				
Bridge Repair and Replacement Fund	-	-				
Total Liabilities	206,841	165,869	7,585,047	5,236,463	7,791,888	5,402,332
Pension and OPEB Related Deferral	8,454	11,853	53,558	75,086	62,012	86,939
Total Deferred Inflows of Resources	8,454	11,853	53,558	75,086	62,012	86,939
Net Position						
Net Investment in Capital Assets			27,444,745	29,063,439	34,349,720	36,480,984
General Fund	7,000	7,000				
Bridge Repair and Replacement Fund	6,897,975	7,410,545				
Restricted - Debt Service	-	-	286,300	140,707	286,300	140,707
Unrestricted			9,885,909	5,736,521	12,005,199	7,822,320
General Fund	227,140	235,110				
Bridge Repair and Replacement Fund	1,892,150	1,850,689				
Total Net Position	\$ 9,024,265	\$ 9,503,344	\$ 37,616,954	\$ 34,940,667	\$ 46,641,219	\$ 44,444,011

TABLE 2 - Governmental and Business-type activities for the fiscal year ending June 30, 2020

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services - Tolls			\$ 5,337,531	\$ 5,908,313	\$ 5,337,531	\$ 5,908,313
Leases, rents and fees			3,126,963	3,232,159	3,126,963	3,232,159
Operating grants	1,397,655	1,473,192	-	-	1,397,655	1,473,192
Capital grants			1,389,445	312,298	1,389,445	312,298
General Government Revenues						
Property taxes	76,636	73,621			76,636	73,621
Interest earnings	54,580	36,655	173,782	216,791	228,362	253,446
Other sources	-	-	184,217	27,907	184,217	27,907
Transfers	809,850	2,498,672	(809,850)	(2,498,672)	-	-
Total Revenues	2,338,721	4,082,140	9,402,088	7,198,796	11,740,809	11,280,936
Expenses						
Governmental Activities						
General government	540,086	548,525			540,086	548,525
Bridge repair and replacement	2,277,714	2,278,613			2,277,714	2,278,613
Interest on long-term debt	-	11,808	131,324	142,305	131,324	154,113
Business-type Activities						
Toll bridge			2,310,047	1,978,340	2,310,047	1,978,340
Industrial			1,581,568	1,580,149	1,581,568	1,580,149
Commercial			282,903	261,577	282,903	261,577
Waterfront Industrial			331,458	207,811	331,458	207,811
Waterfront Recreation			578,762	578,324	578,762	578,324
Marina			306,894	332,663	306,894	332,663
Airport			618,263	598,661	618,263	598,661
Administration			408,103	163,640	408,103	163,640
Maintenance			176,479	158,467	176,479	158,467
Total Expenses	2,817,800	2,838,946	6,725,801	6,001,937	9,543,601	8,840,883
Increase (decrease) in Net Position	(479,079)	1,243,194	2,676,287	1,196,859	2,197,208	2,440,053
Beginning Net Position	9,503,344	8,260,150	34,940,667	33,743,808	44,444,011	42,003,958
Ending Net Position	\$ 9,024,265	\$ 9,503,344	\$ 37,616,954	\$ 34,940,667	\$ 46,641,219	\$ 44,444,011

Statement of Net Position

Net Position serves as a useful indicator of a government's financial position especially when viewed over multiple time periods. The Port's Net Position on June 30, 2020 was \$46,641,219, representing a \$2,197,208 increase over the prior year.

Table 1 depicts an increase in total assets of \$4,462,915, primarily attributable to the timing of a balloon payment of \$1,834,630 deferred until July, 2020, and the refinance of that balloon debt payment of \$1,860,534 that occurred before the end of the Fiscal Year. The remaining increase is due to the increase in grants receivable of \$908,846 for the airport north apron project and bridge replacement environmental impact process. Capital assets decreased \$24,331 from the prior year.

The largest portion of the Port's Net Position, at 74%, are invested in capital assets (e.g. bridge, land, buildings, and equipment) and reported net of accumulated depreciation less any outstanding related debt. The Port uses these capital assets to provide services to the public; thus, they do not represent resources available for future spending. A Restricted Net Position of \$286,300 represents cash and investments that are legally restricted for debt service related to the marina flex lease debt and a taxable general revenue bond. The Port issued a taxable general revenue bond to replace the balloon payment of an outstanding note payable deferred until July 2020. Finally, the remaining \$12,005,199 is unrestricted, meaning it is available for meeting the Port's ongoing obligations.

Statement of Activities

As with the statement of Net Position, the Port reports financial activities by its two distinct fund types: Governmental and Business-type. Table 2 illustrates the Port's total Net Position increased by \$2,197,208 or 5% compared to the prior year.

Governmental Activities – The Net Position for governmental activities decreased \$479,080 or 5% from the prior year. This decrease is primarily due to lower inter-fund transfers from the enterprise fund to the governmental funds for bridge planning and reimbursements from a State of Oregon grant which funded the final environmental impact studies for bridge replacement efforts.

Financial highlights of governmental fund activities for the year include:

- Reimbursements amounting to \$1,397,655 from a \$5 million legislative grant for final environmental impact studies for bridge replacement.
- Higher interfund transfers by \$1,688,822.
- Property taxes continue to increase about 5% as projected.
- Higher investment earnings due to higher reserves.
- Personnel cost decreased slightly (\$8,583) with less staff time dedicated to the bridge replacement planning and legislative advocacy.

Business-type Activities - Business type activities generated a \$2,676,287 (8%) increase in the Port's total Net Position. The financial results for this year include a \$570,782 decrease in toll revenues (10%) due to the COVID-19 pandemic. Bridge traffic showed a 8% decrease (334,998 travelers) over the prior year. Lease revenues from industrial and commercial properties decreased \$105,196 (4%) due to deferred or waived lease payments to businesses impacted by the pandemic. Recreation revenue decreased by \$10,365 due to fewer visitors and lower street parking use. Capital grants continued to play an integral role to the Port as \$1,389,445 was received for the north apron airport project. The Revenue Fund increased by \$2,203,292, primarily due to the increase in capital grants for airport projects. Expenditures increased by \$723,864, attributable to higher operating and maintenance costs for the bridge (\$331,707), as well as an increase of \$123,647 for waterfront industrial property professional services related to the possible acquisition of land.

Financial Analysis and Outlook:

The Port is involved in a variety of activities that contribute to the economic health and vitality of the community. The major source of funds for Port operations continues to be the toll bridge, accounting for 63% of operating revenues, excluding grants. Lease revenues and fees continue to improve diversification, with a 95% occupancy rate at year-end. The Port's purchase of Lower Mill for future industrial uses is in the final steps to shovel ready development.

The Port receives property taxes that account for 1% of total revenues. Capital grants continue to play a vital role in how the Port develops its properties, including airport improvements. The Port receives a marina operating grant from the Oregon State Marine Board. The Port continues to develop light industrial properties that may result in new tenants and jobs, while undeveloped land at the waterfront (Lot 1) will hold future opportunities.

The Port looks at its business units in the following categories: Bridge, Leased Properties, Undeveloped Property, Recreation, Marina, Airport and Economic Factors.

Request for Information – A full Financial State of the Port with more detail can be found online at portofhoodriver.com. If you have questions about this report or would like additional information, please contact the Port's Chief Financial Officer Fred Kowell at fkowell@portofhoodriver.com.

Bridge *continued from page 1*

with state agencies and tribal governments regarding mitigation measures for the eventual removal of the existing bridge.

Another recent development relates to a “fully-loaded” preliminary project cost estimate that was prepared by consultant Steve Siegel this spring. This new estimate includes not only engineering, but total costs that include programming governance, financing, traffic and revenue studies. Using 2028 dollars brings the cost of bridge replacement and removal of the existing bridge somewhere between \$330 - \$400 million. The last estimate compiled in 2018 focused solely on engineering and construction in 2020 dollars.

For more information about the Bridge Replacement Project, visit: portofhoodriver.com/bridge/bridge-replacement-project/.

New weight restrictions imposed on bridge

Earlier this year, The Oregon Department of Transportation imposed a lowered load rating on the Hood River – White Salmon Bridge after the Federal Highway Administration directed all State transportation departments to evaluate structural capacity on all bridges. Last rated in 2003, the Hood River – White Salmon Bridge was reevaluated by ODOT engineers. Port staff reached out to local commodity and shipping firms in April 2020 to better understand impacts of load changes on businesses (primarily representing fruit, timber, and sand/gravel sectors) and received input from numerous local businesses. On February 3rd of this year, ODOT formally requested new signage listing the lower load rating for the bridge effective March 3rd.

Classification	Previous Limit	New Limit
Type 3: 3-axle Single-unit truck	25 tons	24 tons
Type 3S2: 5-axle tractor/trailer	40 tons	32 tons
Type 3-3: 6-axle combo truck/trailer	40 tons	32 tons
SU4: 4 axle SHV	27 tons	22 tons
SU5: 5 axle SHV	31 tons	24 tons
SU6: 6 axle SHV	34.75 tons	25 tons
SU7: 7 axle SHV	38.75 tons	25 tons



PORT OF HOOD RIVER

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<p>PORT MEETINGS</p> <p>Regular Port Commission meetings are held on the 1st and 3rd Tuesday of each month. (Currently meeting virtually due to COVID-19). Our Boardroom is located at 1000 E. Port Marina Drive. The Port welcomes your questions, comments and suggestions.</p>	<p>PORT DIRECTORY</p> <p>Commissioners</p> <p>John Everitt Ben Sheppard David Meriwether Kristi Chapman Hoby Streich</p> <p>Executive Director - Michael McElwee</p> <p>Contact</p> <p>(541) 386-1645 • porthr@gorge.net www.portofhoodriver.com Production - Pageworks Design, Inc.</p>
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Looking Ahead *continued from page 1*

in the years ahead. First, our efforts to replace the bridge are making good progress. Our strategic challenge will be to maintain momentum which in large part depends on grant funding, political support and continued bi-state cooperation. Second, with all the positive efforts, a new bridge could be in operation before 2028. At that time, a source of financial support for several Port asset areas, most importantly waterfront recreation, will no longer be available. In coming years, the challenge will be how to continue the services the public values with a much lower revenue base. The third challenge relates to one of the Port’s fundamental approaches to economic development. For decades, the Port acquired (primarily) underutilized industrial properties, provided infrastructure, set public objectives, and then conveyed them to private business. Now, such properties are generally non-existent, expensive and a ready market exists in the private sector. In the years ahead, the Port will need to develop its existing properties thoughtfully to achieve public objectives. Finally, and related to everything the Port does, connections among the communities in the Gorge and to the larger economy is more important than ever. That means practical things like mass transit, broadband and cross-river transportation, but also good communication and increasing collaboration among businesses, public service agencies and the public. The Port’s Strategic Plan is intended to look ahead and help address these many challenges.

2021 Waterfront recreation preview

Port staff has been busy planning and preparing waterfront recreation areas and facilities for the 2021 season, expecting a record year as a result of pent-up demand as more people become vaccinated against COVID-19 and more restrictions are lifted. Safety guidelines and protocols will be in place based on CDC, Oregon Health Authority, and Hood River County Health Department, especially regarding public restrooms, trash management, and crowding.

Operational changes at the waterfront, including opening public restrooms and resuming trash can services, will occur July 1 or sooner if possible, when summer Facility Crew are hired and vaccinated. Concessions are expected to open in May.

2021 Event Site parking passes are available at the Event Site parking booth. Since the office is still closed to the public, all pass orders will be delivered through the mail. Remember that Event Site passes are not valid for on-street parking and your pass must be displayed on windshield at all times to be valid.

The Port has suspended reservations for the Marina Park Picnic Shelter at this time. The tentative date to open and make reservations is July 1st. For special event information, visit: portofhoodriver.com/waterfront-recreation/events/

Events are anticipated to return to the waterfront this summer as allowed by the State, including:

- Gorge Downwind Champs July 12-17
- Hood to Coast Windy Relay July 24
- Gorge Paddle Challenge August 13-15
- Associated Wind and Watersport Industries (AWSI) Board Sports Expo Sept. 7-11
- Kiteboard 4 Cancer (KB4C) August 28-29
- Columbia Gorge Marathon October 24
- Columbia Gorge Wind and Water Association Swap Meets TBA-cgw2.org

The Port of Hood River expects 46 visits from cruise ships, beginning May 6th. The Port has met with State and local agencies to discuss issues.

