

Port of Hood River  
**2018**  
**Fall Planning Work Session**  
November 20, 2018 – 12:00 P.M.  
Marina Center Boardroom

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**Agenda**

*Discussion Lead*

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|--|---|
| <b>I. Overview/Objectives</b>  | <i>Streich</i>  |
| <b>II. Financial Summary</b> <ul style="list-style-type: none"><li>• 10-year Financial Model</li></ul>   | <i>Kowell</i>   |
| <b>III. Discussion Topics</b>  |   |
| <b>A. Hood River Bridge</b> <ul style="list-style-type: none"><li>• Bridge Capital Investment Plan</li><li>• Bridge Replacement – Post-NEPA Conceptual Schedule</li><li>• Tolling and the Future of BreezeBy</li></ul> | <i>Mann/McElwee</i><br><i>Greenwood</i><br><i>Kowell</i>          |
| <b>B. Real Estate</b> <ul style="list-style-type: none"><li>• Future Development Alternatives</li><li>• Lot #1: Infrastructure Framework Plan</li></ul>  | <i>Medenbach</i><br><i>McElwee</i>                                |
| <b>C. Waterfront</b> <ul style="list-style-type: none"><li>• Waterfront Parking Plan</li><li>• Waterfront Event Guidelines</li></ul>   | <i>McElwee</i><br><i>Stafford</i>                                 |
| <b>D. Airport</b> <ul style="list-style-type: none"><li>• Airport Business Model</li><li>• Airport Development</li></ul>   | <i>Medenbach</i><br><i>Medenbach</i>                              |
| <b>E. Special Projects</b> <ul style="list-style-type: none"><li>• Legislative Advocacy</li><li>• Communication Plan &amp; Policies</li><li>• Future Operations</li></ul>  | <i>Scholl/Greenwood</i><br><i>Scholl</i><br><i>McElwee/Kowell</i> |

**Adjourn**

*(Regular Session to follow upon conclusion of Work Session)*

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# Commission Memo



From: Fred Kowell  
Date: November 20, 2018  
Re: Ten Year Financial Forecast

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The ten-year financial forecast, as presented for the FY 2018-19 budget, features the key summary sheets that drive the financial model. Capital improvements, Grants and Other Financings and the Overall Summary are presented to assist in the understanding of the Port's financial position.

Staff will present the model to the Commission during Fall Planning and lead further discussions on the fiscal policies that assist the Port in making prudent decisions by adhering to its financial policies. Staff has updated the capital improvements, grants and other funding through June 30, 2018. Staff will begin to update traffic data within the model once we get through December of this year which will assist in the financial outlook for the remaining years as well as set up the forecast for Spring Planning.

**RECOMMENDATION:** Discussion.

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**Port of Hood River  
Long Range Financial Model  
Updated: April 6, 2018**

Agency-Wide Statistic	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total Operating Revenues	\$7,770,353	\$8,997,836	\$9,151,439	\$9,308,128	\$9,467,975	\$9,631,056	\$9,797,445	\$9,967,222	\$10,467,792	\$11,337,669
Total Direct Operating Expenses	\$2,199,046	\$4,174,013	\$3,811,103	\$3,059,492	\$2,756,574	\$2,603,054	\$2,694,161	\$2,788,457	\$2,884,209	\$2,985,157
Total Allocated Personnel	\$2,031,887	\$2,332,754	\$2,391,072	\$2,450,849	\$2,512,120	\$2,574,923	\$2,639,297	\$2,705,279	\$2,772,911	\$2,837,741
Net Operating Income before Debt Service and Capital Outlay	\$3,539,420	\$2,491,070	\$2,949,263	\$3,797,787	\$4,199,281	\$4,453,078	\$4,463,987	\$4,473,486	\$4,810,672	\$5,514,771
Cash on Cash Return before Debt Service and Capital Outlay	5.8%	3.8%	4.0%	4.4%	4.7%	4.9%	4.7%	4.3%	4.3%	4.8%
Net Operating Income after Debt Service and Net Capital Outlays (Excl. Grant Funded)	\$739,176	\$3,671,697	\$910,348	\$3,096,778	\$2,088,937	\$265,480	\$3,666,382	-\$786,446	\$3,801,395	\$4,507,640
Cash on Cash Return after Debt Service and Capital Outlays (Excl. Grant Funded)	1.2%	5.7%	1.2%	3.6%	2.3%	0.3%	3.8%	-0.8%	3.4%	3.9%
No. FTE in Port Buildings	309	303	309	311	311	311	311	311	311	312
Wages of Jobs in Port Buildings	\$13,203,843	\$13,731,711	\$14,370,602	\$14,825,072	\$15,195,699	\$15,575,591	\$15,964,981	\$16,364,106	\$16,773,208	\$17,192,539
End of Year Reserves	\$9,313,858	\$12,483,453	\$12,896,504	\$15,495,813	\$17,095,182	\$16,857,092	\$20,016,705	\$18,711,511	\$21,982,140	\$25,985,621
Reserves from Sale of Assets	\$ 2,356,074	\$ 3,780,483	\$ 4,869,044	\$ 4,869,044	\$ 4,869,044	\$ 4,869,044	\$ 4,869,044	\$ 4,869,044	\$ 4,869,044	\$ 4,869,044
Reserves Unassigned	\$ 6,957,784	\$ 8,702,970	\$ 8,027,460	\$ 10,626,769	\$ 12,226,139	\$ 11,988,048	\$ 15,147,661	\$ 13,842,467	\$ 17,113,097	\$ 21,116,578
10% on Net Depreciable Assets	\$ 5,783,635	\$ 6,530,075	\$ 7,603,461	\$ 7,961,559	\$ 8,107,959	\$ 8,586,859	\$ 9,328,834	\$ 10,128,984	\$ 10,497,359	\$ 11,267,159
Excess (Under) 10% Depreciable Assets	\$ 1,174,150	\$ 2,172,895	\$ 424,000	\$ 2,665,210	\$ 4,118,180	\$ 3,401,189	\$ 5,818,827	\$ 3,713,483	\$ 6,615,738	\$ 9,849,419

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Capital Projects

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Big 7</b>											
Tenant Improvements Building Upgrades/Roof Big 7 Lower Driveway	\$9,132	\$10,000	\$50,000			\$50,000	\$0	\$0	\$0	\$0	\$0
HVAC/Site/Landscape/Parking	\$0	\$250,000					\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Total	\$9,132	\$280,000	\$86,000	\$0	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Maritime Building											
Tenant Improvements Building Upgrades/Roof	\$0	<del>\$5,050,000</del>	\$0	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site/Landscape/Parking/Sign	\$0	\$10,000	\$0	\$0	\$0	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Total	\$0	\$5,060,000	\$0	\$4,000,000	\$0	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
UTS Portside Bldg.											
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Waterfront Infrastructure</b>											
Capital Outlay	\$4,471										
Portway Ave. Angled Parking											
Portway Avenue Road Project											
Parking / Transit Center	\$76,813	\$45,000		\$2,701,215	\$186,252						
1st Street Re-Alignment				\$1,051,261	\$941,857						
Portway 1st and 2nd reconstruction											
Anchor Way 1st to 2nd incl stoplight											
West Nichols Basin Ped/Bike Path											
Water Access Amenities	\$0										
Paving Projects											
Various Rehabilitation	\$0	\$15,000	\$133,000	\$54,651	\$30,000	\$30,000	\$0	\$0	\$0	\$0	\$0
Visitor Center/DWV S. Parking Lot											
E. Port Marina Drive, Portway, Marina Way											
Total	\$81,284	\$60,000	\$3,885,476	\$1,182,760	\$30,000	\$30,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
<b>Halvard Building</b>											
Pocket Fuel TT	\$0	\$10,000	\$0	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0
Phiem TT/Misc Tenant /Roof Work	\$0	\$10,000	\$0	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$10,000	\$0	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0
<b>Jensen Building</b>											
Site/Landscape/Parking	\$265,679			\$10,000	\$50,000	\$10,000	\$0	\$0	\$0	\$0	\$0
Building Upgrades/HVAC/Roof	\$0	\$37,000	\$50,000	\$100,000	\$50,000	\$50,000	\$0	\$0	\$0	\$0	\$0
Breeze-Way Upgrades/Entry Doors	\$0	\$17,000									
Tenant Improvements	\$265,679	\$54,000	\$50,000	\$160,000	\$50,000	\$60,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Total	\$47,342	\$11,000	\$10,000	\$10,000	\$0	\$25,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>State Office Building</b>											
Building Upgrades/Tenant Improvem	\$47,342	\$11,000	\$10,000	\$10,000	\$0	\$25,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total	\$47,342	\$11,000	\$10,000	\$10,000	\$0	\$25,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Marina Office Building</b>											
Overall Building Upgrades	\$35,090	\$8,000	\$10,000	\$10,000	\$10,000	\$25,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total	\$35,090	\$8,000	\$10,000	\$10,000	\$10,000	\$25,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Port Office Building</b>											
Tenant Space Building Upgrades	\$118,390	\$100,000	\$10,000	\$100,000	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total	\$118,390	\$100,000	\$10,000	\$100,000	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>JWPB-Timber Building</b>											
Tenant Improvements Building Upgrades	\$0	\$7,000	\$10,000	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total	\$0	\$7,000	\$10,000	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>South Marina Commercial/Retail Complex</b>											
A/E	\$0		\$0	\$0	\$0	\$0	\$0	\$50,000	\$50,000	\$0	\$0
Construction	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0		\$0	\$0	\$0	\$0	\$0	\$50,000	\$50,000	\$0	\$0
<b>Wasco St. Office Building</b>											
Tenant Improvements	\$0	\$35,000	\$10,000	\$15,000	\$15,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Total	\$0	\$35,000	\$10,000	\$15,000	\$15,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
<b>Expo Center</b>											
Redevelopment	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Hanel / New Initiatives</b>											
Light Industrial and Land Acquisition	\$275,070	\$680,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$275,070	\$680,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Sub-Total Commercial/ Industrial Properties</b>	\$831,987	\$6,295,000	\$8,071,476	\$1,482,760	\$165,000	\$385,000	\$730,000	\$730,000	\$780,000	\$780,000	\$730,000

Commercial/Industrial Properties

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Capital Projects

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Airport</b>											
Replace Lights	\$ -	\$15,000									
Taxiway B Ext & South Apron	\$1,668,347	\$20,000									
Master Plan/FBO Building/Avgas Relocate	6,143	\$ -									
North Apron Expansion	\$312,374	\$1,535,289	\$1,939,945	\$975,000							
Road Improvement Security/Fence Perimeter		8,000									
T-Hangers-doors	\$20,000	\$23,000									
Jet Fuel Tank		\$5,000									
AWOS/Track Seal, Slurry Seal				\$22,222							
<b>Sub-Total Airport</b>	\$2,006,864	\$1,606,289	\$1,939,945	\$997,222	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Bridge</b>											
Approach Span - Phase I Seismic OR / WA		\$20,000		\$219,000						\$702,000	
Embankment Sloughing at S. Abutment											
Approach Span Replacement OR/ WA		\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
OR/WA Approach - Deck Overlay/Joint Repair											
Foundation Scour Repairs		\$20,000			\$20,000				\$20,000		\$20,000
Pier Cap Concrete Rehabilitation/Clean Reset B											
Pier Foundation 3D Scanning		\$90,000									
Pier Impact Lift Span Survey											
Steel Truss Aux. Brace-Engr Analysis											
Gusset Plate @ Rocker Bearings /Load Rating	\$0	\$40,000									
<b>Sub-Total Bridge</b>	\$0	\$200,000	\$40,000	\$219,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
<b>Bridge</b>											
Approach Span - Phase I Seismic		\$20,000		\$219,000						\$702,000	
Embankment Sloughing at S. Abutment											
Approach Span Replacement OR/ WA		\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
OR/WA Approach - Deck Overlay/Joint Repair											
Foundation Scour Repairs		\$20,000			\$20,000				\$20,000		\$20,000
Pier Cap Concrete Rehabilitation/Clean Reset B											
Pier Foundation 3D Scanning		\$90,000									
Pier Impact Lift Span Survey											
Steel Truss Aux. Brace-Engr Analysis											
Gusset Plate @ Rocker Bearings /Load Rating	\$0	\$40,000									
<b>Sub-Total Bridge</b>	\$0	\$200,000	\$40,000	\$219,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
<b>Bridge</b>											
Lift Span Seismic - Phase I				\$876,000		\$876,000				\$3,000,000	\$3,000,000
OR Deck Truss Spans - Phase I Seismic											
Painting - Lift Span	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Painting - Deck Truss + Pressure Wash	\$373,521	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$2,630,750	\$5,261,500	\$2,630,750	\$10,000	\$10,000
Deck Systems-Welding/Replacement	\$0	\$30,000	\$30,000	\$30,000	\$30,000	\$1,820,000	\$910,000	\$30,000	\$30,000	\$30,000	\$30,000
Bridge Railing/Segments/Boats Seating	\$0	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Rehab Lift Span Drive Motors/Control Sys	\$131,236	\$356,000									
Lift Span Drive Machinery Rehab			\$250,000	\$40,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000
Counterweight Trunnion/ Biennial M&E Inspe	\$0		\$391,000	\$168,000	\$88,000	\$88,000	\$88,000	\$88,000	\$88,000	\$88,000	\$88,000
Replacement Bridge EIS/Land Acq/Eng/Const	\$154,131	\$377,000									
Toll System	\$110,280	\$80,000									
Signage/Lights/Gates		\$80,000									
Replace Siding Toll Booth			\$50,000	\$30,000	\$30,000	\$20,000	\$60,000	\$20,000	\$30,000	\$50,000	\$60,000
Inspections/Repairs Ongoing Maintenance (See		\$88,000									
"Other Expenses" in Toll Bridge	\$38,311	\$88,000									
<b>Sub-Total Bridge</b>	\$807,479	\$1,101,000	\$50,000	\$30,000	\$30,000	\$20,000	\$60,000	\$20,000	\$30,000	\$50,000	\$60,000
<b>Marina</b>											
Capital Maintenance/parking	\$13,694	\$25,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Visitor Dock Rehabilitation	\$0	\$25,600	\$650,000								
Electrical Upgrade	\$8,680										
Boathouse Dock Replacement				\$50,000	\$100,000	\$1,500,000	\$0	\$0	\$0	\$0	\$0
South Dock Upgrade											
A/B Dock Expansion		\$95,000									
Cruise Ship Dock/System Implementation											
<b>Total</b>	\$22,374	\$130,000	\$665,000	\$65,000	\$115,000	\$1,515,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
<b>Marina</b>											
Marina Park											
Frontage Rd Pedestrian Bridge Trail/Restroom	\$15,039	\$35,000		\$133,000							
Marina Green Irrigation Pump House	\$0	\$15,000	\$200,000								
Marina Perimeter Path/Power Vault/Fencing											
Yacht Club Restroom Upgrade/ Tables	\$0	\$50,000	\$200,000	\$133,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$15,039	\$50,000	\$200,000	\$133,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Event Site</b>											
Landscaping/Signage	\$11,120	\$35,000	\$10,000	\$10,000	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Restroom Upgrade	\$0	\$15,000									
Parking		\$40,000									
Jetty Repair			\$350,000								
Event Site Dock Repairs											
<b>Total</b>	\$11,120	\$90,000	\$400,000	\$360,000	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Hook/Spit/Nichols</b>											
Grading/Signage/Amenities	\$0	\$20,000	\$10,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Nichols Basin Dock Ramp/Sewer Line	\$2,500	\$42,000									
Launcky/Spit/Nichols road upgrades	\$2,500	\$20,000	\$10,000	\$15,000	\$15,000	\$65,000	\$75,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Total</b>	\$2,500	\$82,000	\$10,000	\$15,000	\$15,000	\$65,000	\$75,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Sub-Total Recreation</b>	\$28,659	\$222,000	\$610,000	\$508,000	\$65,000	\$75,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>GRAND TOTAL</b>	\$3,697,363	\$9,354,289	\$11,822,421	\$3,580,982	\$1,464,000	\$4,789,000	\$7,419,750	\$8,001,500	\$3,683,750	\$7,698,000	\$7,733,000

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GRANTS, LOAN REPAYMENTS, THIRD PARTY FUNDS

	Payment Type	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Commercial/Industrial Properties	Big 7											
	Loading Dock/Condor											
	Repay T/S											
	Annual Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	KWPB											
	Repay T/S											
	Annual Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	UTS Portside Bldg.											
	Demolition											
	Annual Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State Office Building	Remodel											
Port Office Building	Remodel											
Marina Center Building	Remodel											
JWPB-Timber Building												
Wasco St. Office Building	Tenant Improvements											
Maritime Building	Planning and Design											
Jensen Building Improvements	Remodel											
Halvard Building	77											
Waterfront Industrial	Repayment of Sewer Plant Loan											
Repayment of Consolidated URA Loan												
Riverside Reconstruction	Grant	\$19,550	\$19,550	\$19,550	\$19,550	\$19,550	\$14,096	\$7,934				
1st Street Re-Alignment	Grant	\$19,550	\$19,550	\$19,550	\$19,550	\$19,550	\$14,096	\$7,934				
E. Portway Ave. Upgrades	Grant	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Anchor Way 1st & 2nd/Extension	Grant	\$341,462	\$0	\$3,752,476	\$1,128,109	\$0	\$0	\$0	\$0	\$0	\$0	\$0
West Nicholas Basin Ped/Bike Path	Grant	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Portway Avenue EDA Grant	Grant	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
TOTAL	Repayment	\$341,462	\$0	\$3,752,476	\$1,128,109	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hand/New Initiative	Land Acquisition and Bldg											
Sub-Total Commercial/Industrial Properties	Grant	\$385,208	\$1,821,240	\$6,890,790	\$9,649,999	\$1,147,659	\$19,550	\$14,096	\$7,934	\$0	\$0	\$0
Airport	Relocate Runways	Grant	\$1,288,808	\$1,057,232	\$1,485,415	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0
	Taxiway B Ext & South Apron	Grant										
	Master Plan/PBO Building	Grant		\$1,057,232	\$1,485,415	\$877,500						
	North Apron Expansion	Grant										
Road Improvement Security/Fence Perimeter	Loan	\$0										
T-Hangers	Loan											
Jet Fuel Tank	Grant											
AMOS/Crack Seal, Slurry Seal	Grant											
Sub-Total Airport	Grant	\$1,288,808	\$1,057,232	\$1,485,415	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	
Bridge	Bridge Improvements	Loan	\$265,399	\$1,946,000	\$1,545,000	\$660,000	\$250,000	\$8,200,000	\$4,650,000	\$6,700,000	\$6,700,000	
	Sub-Total Bridge	Loan	\$265,399	\$1,946,000	\$1,545,000	\$660,000	\$250,000	\$8,200,000	\$4,650,000	\$6,700,000	\$6,700,000	
Marina	Capital Maintenance	Grant		\$110,000	\$325,000							
	Visitor Deck Rehabilitation	Loan	\$8,425									
	Electrical Upgrade	Loan										
	Bathhouse Deck Replacement	Loan										
South Dock Upgrade	Loan											
A/B Dock Expansion	Loan											
Total	Grant	\$8,425	\$110,000	\$325,000	\$0	\$0	\$1,500,000	\$0	\$0	\$0	\$0	
Recreation	Frontage Rd Marina Green Path	Grant			\$120,000							
	Marina Green Upgrades	Grant										
	Marina Perimeter Path	Grant										
	Total	Grant	\$0	\$0	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Event Site	Landscaping/Signage/Fencing											
Restroom Upgrade	Decking											
Jetty Repair	Total											
Hook and Spit	Grading/Signage/Amenities											
Sewer Line Bike Path	Launch Upgrades											
Total	Grant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sub-Total Recreation	Grant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
GRAND TOTAL		\$0	\$1,957,840	\$9,913,022	\$13,125,414	\$2,705,159	\$269,550	\$1,514,096	\$8,207,934	\$4,650,000	\$4,650,000	\$6,700,000

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## Bridge Capital Investment Plan

### Overview:

A major component of the Port's annual budget each year is devoted to capital spending on projects that support the safety and longevity of the bridge. Staff maintains a 10-year capital plan listing expected bridge capital projects. Each Year Port staff, up in conjunction with the bridge engineer HDR, updates the list based upon recommendations from recent bridge inspections and other observed conditions. The 10-year plan was last modified in spring 2018 as part of preparation for the FY 18/19 budget. Attached is a new 10-year plan, updated to include recent bid results related to the skew/span motor project and findings from the most recent fracture critical inspection. It is important to note that we are entering an approximately 2-year period where capital spending is low. This pause is intended to determine whether sufficient progress can be made on bridge replacement efforts. If those efforts are not successful, a rapid increase in capital spending will be required to maintain the existing facility. This question of capital spending vs. preservation of capital for a new bridge will exist for several years as the replacement effort unfolds.

### Potential Actions/Alternatives:

- Maintain an aggressive capital spending plan. Issue revenue bonds for the next series of bridge projects when current bonds defease this year. Current interest rate environment may be lower than the next few years.
- Anticipate a low capital spending period to ascertain progress on bridge replacement. Be prepared to ramp up capital spending in FY 21/22 depending upon an evaluation of prospects for bridge replacement in FY 20/21.

### Consequences:

High capital investment in the bridge will decrease available funds for bridge replacement or decrease the Port's general reserve funds. Debt obligations incurred on the current bridge will need to be paid off as part of any new bridge funding plan. Alternatively, a period of low capital spending may mean getting behind of important capital projects that maintain the safety and longevity of the bridge.

### Key Issues:

Direction on the approach to capital spending on the bridge over the next 3-5 years.

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## Bridge Replacement – Post-NEPA Conceptual Schedule

### Overview:

The Port is currently underway on FEIS funded by the Oregon state legislature. The EIS Working Group (“EISWG”) comprised of Oregon and Washington representatives have met, established a charter and have affirmed that the alternative agreed to in the 2011 Type, Size and Location (“TS&L”) study should move forward. With the NEPA process scheduled to take more than two year, the Commission should consider subsequent phases after NEPA is completed.

### Phases Toward Bridge Replacement:

1. NEPA PHASE. Currently underway. Completion in early 2021. Cost estimate: \$5M.
2. FEASIBILITY ANALYSIS PHASE. Pursue detailed traffic and revenue (T&R) study, evaluate alternate financial plans, ownership, governance and procurement. 18-30 month duration. Cost estimate: \$1.5M.
3. DEAL STRUCTURING PHASE. Governance structure utilized, investment grade T&R study commissioned, credit ratings sought and grant applications submitted. 12-24 month duration. Cost estimate: \$2M.
4. PRE-CONSTRUCTION PHASE. Complete permits, finalize engineering or establish other procurement approach, set tolls. 12-18 month duration. Cost estimate: \$20M.
5. CONSTRUCTION PHASE. Lead agency manages construction, risk assumed by project owners, current bridge continues to be managed and maintained until completion, removal of current bridge as part of mitigation. 24-36 month duration. Cost estimate: \$260M.

Cost and duration estimates are intended to show concepts and may change based upon any number of criteria. Phases could also overlap.

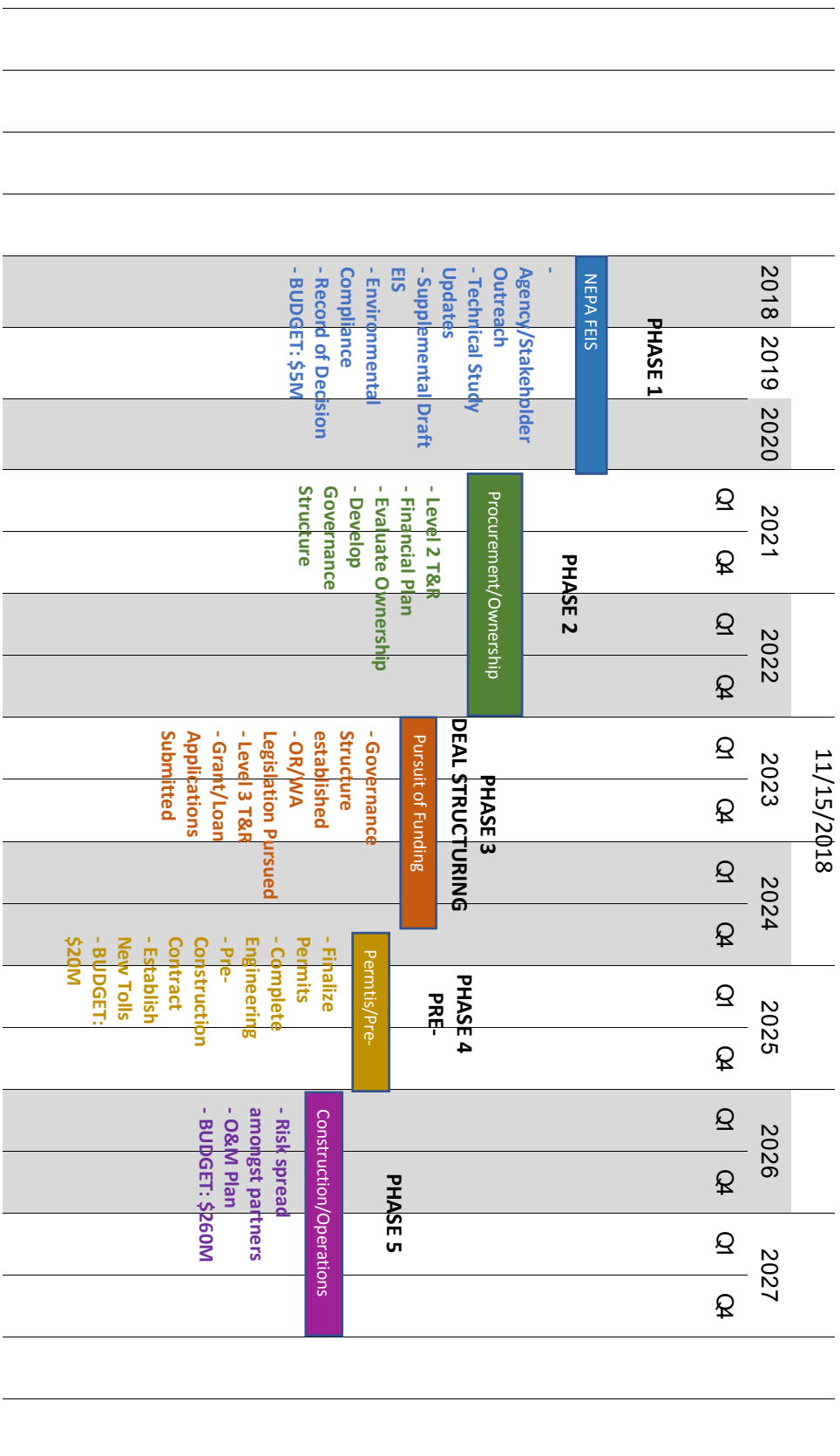
### Key Issues:

Finishing the NEPA process and obtaining a Record of Decision pursuant to the grant agreement with the Oregon Dept. of Transportation.

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# HOOD RIVER BRIDGE REPLACEMENT CONCEPT SCHEDULE



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## Tolling and the Future of BreezeBy

### Overview:

The Port of Hood River is the only electronic tolling facility in Oregon and will soon be the first Oregon Customer Service Center for tolling. Since 2007, the Port started electronic tolling with a system called BreezeBy from a manual toll collection process. In 2019, the Port will start license plate recognition whereby the Port will be able to fine vehicles running through the toll facility, with collections happening for non-payment. To do this the Port will rely upon a 3<sup>rd</sup> party collection agency but will keep the billing of fines in-house. The new system will match vehicle registrations with the Oregon DMV database as well as other vehicle databases in other states.

### Potential Actions/Alternatives:

The Port is unique in its ability and its knowledge of tolling. Most tolling agencies only operate within a state much like the Port of Hood River. We have the capability to provide tolling to other entities in the state than just the Hood River bridge. In February/March 2019, the Port of Hood River will implement its back-office system (BreezeBy) with the Bridge of the Gods (Port of Cascade Locks). This will be an incremental cost to the Port of Hood River but will be funded by the Port of Cascade Locks.

The unique situation the Port has, is to market itself to other entities in the state. Most of these entities need to make capital improvements to their bridges or roads but do not have the funds to do so. Many entities are now seeing that tolling is a piece of the puzzle to their funding requirements which will pay for such improvements.

Should the Port of Hood River move forward in the short-term (next 1-2 years) in establishing a market of possible clients that will use our tolling services?

The Port of Hood River is currently on the NIOP (National Interoperability) committee to bring the nation onto one functional platform where by a single transponder can go from one end of the country to another with local jurisdictions receiving their funds from the home agency of the vehicle passing through its tolling facility. The NIOP is currently in the following steps of tests:

- Hub to Hub Tests
- Hub to Hub Reconciliations
- Hub to Hub Integration Transactions
- Hub to Hub Corrections

Hub to Hub means one agency out of a region will transmit the transactions to the hub in the region where the customer comes from. The Western Region has one of the California tolling agencies as the hub. There will be a nominal fee with regard to this transaction which will flow to the customer.

Should the Port continue to be a lead for Oregon in this national effort?

**Consequences:**

If the Port can grow its customer base related to tolling, it will reduce its overall cost of service by establishing a critical mass of customers. Although Port costs will increase, these costs (direct and indirect) will be funded by customers using toll facilities throughout the state. By leveraging our ability to reduce our indirect costs, the Port will be in better financial position if in the future the Hood River bridge is federalized.

Being included in the national effort will allow the Port to be the Oregon tolling agency of choice since we will be at the table determining the rules and processes.

**Key Issues:**

The Port has a window of opportunity which will allow it to be a leader in the state of Oregon with regard to tolling. At some point in 2020 and beyond ODOT will move forward with its own tolling systems for the greater Portland metropolitan area. However, the Port can establish a niche market for small capacity toll roads and bridges within the state. The costs that will be incurred will either be a pass-through cost or a cost recover. However, during this time there will be a need for more staffing costs to cover other duties of staff as they pursue this niche market.

## Future Development Alternatives

### Overview:

In 2018, staff undertook the development of a Real Estate Asset Strategy, analyzing all of the Port's developable properties. Staff was asked to analyze four properties to inform an immediate development decision. In 2019/20 there may be approximately \$9 million available for the Port to construct income producing buildings. The four properties that were analyzed by Staff are: Maritime, S. Jensen, Lower Mill lot 1015 and the Barman property.

### Potential Actions/Alternatives:

The Port could build 1-3 buildings.

Building	Est. Cost	Use	Cash flow avg. 20 yr.	Issues
Maritime	\$8,000,000	LI- Flex/Office	\$175-190,000	Not sure what use type.
Barman	\$10- 15,000,000	Housing/retail	?	Traffic, utilities, cost, use
S. Jensen	\$3,000,000	LI-Flex	\$40-60,000	Environmental, future development
Lower Mill	\$2,500,000	LI-production/flex	\$40-60,000	None

Lower Mill is shovel ready, has a strong market need and could be started in 2019 with rental income generated by 2020. If the Lower Mill site is selected, another project or two could be completed with the remaining \$6 million, depending on what priorities the Board sets and what opportunities arise.

Discussion has occurred about the types of businesses that should go on the waterfront and what, if anything, should be constructed there before Lot 1 is developed. This discussion pushes out the development timeframe as does the public input process involved in construction of any buildings on the waterfront.

### Consequences:

If the Port moves forward with Lower Mill, work can begin immediately. Due diligence can also move forward on the other three properties depending on Board priorities. If the Lower Mill is chosen, then the Port could have an estimated \$6,000,000 to deploy on any of the 3 or additional opportunities that arise.

### Key Issues:

- 
- Direction from the Board on Lower Mill Property
- Additional analysis needed in other development opportunity sites
- Support local business or recruit from outside for higher density uses?
- Level of indebtedness

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## Lot #1 Infrastructure Framework Plan

### Overview:

The Commission has been briefed regularly on current efforts to prepare an Infrastructure Framework Plan (“Plan”) for Lot #1. The City of Hood River Urban renewal Agency (“URA”) Board was briefed at their meeting on November 13. Staff expects to present a Final Draft Plan to the URA board in December. Simultaneously, Port staff is pursuing a State of Oregon Port Planning & Marketing Fund grant to engage consultant Eco Northwest to prepare a market analysis for Lot #1. This would inform decisions about the marketability and potential tenant mix in future development. In early 2019, additional steps regarding tax increment generation and options for resolving the maximum indebtedness limit in the Waterfront URA District will be required.

### Potential Actions/Alternatives:

Fall Planning is another opportunity to discuss the status of the Plan and to look ahead to future discussions with the URA Board. Tax increment financing can be a powerful tool to fund the infrastructure that will be needed for Lot #1 and meet other community objectives. The Commission should be fully briefed and prepared to discuss the project in the coming months, particularly the question of maximum indebtedness (“MI”) of which about \$2.2 million remains. For example, the URA Board will likely consider three options early next year:

- No action. Let the Waterfront URA expire, without utilizing the remaining debt capacity or using it for other, unidentified projects.
- One-time increase in the MI for a total debt capacity of about \$3.1 million. Use this debt capacity for all or some Lot #1 infrastructure projects.
- A URA Plan amendment to increase the debt capacity of the waterfront URA. This could potentially allow a range of \$5-8 million in debt capacity for Lot #1.

Staff will present the PowerPoint presentation used by Walker/Macy and Surround Architecture at the November 13 URA Board Meeting to update the Commission and facilitate discussion.

### Consequences:

Funding the needed infrastructure for development of Lot #1 is a very significant challenge. If tax increment financing is not available as a financing tool, development will take much longer to occur and when it does will likely not achieve the kind of public benefits that are expected for this prominent property.

### Key Issues:

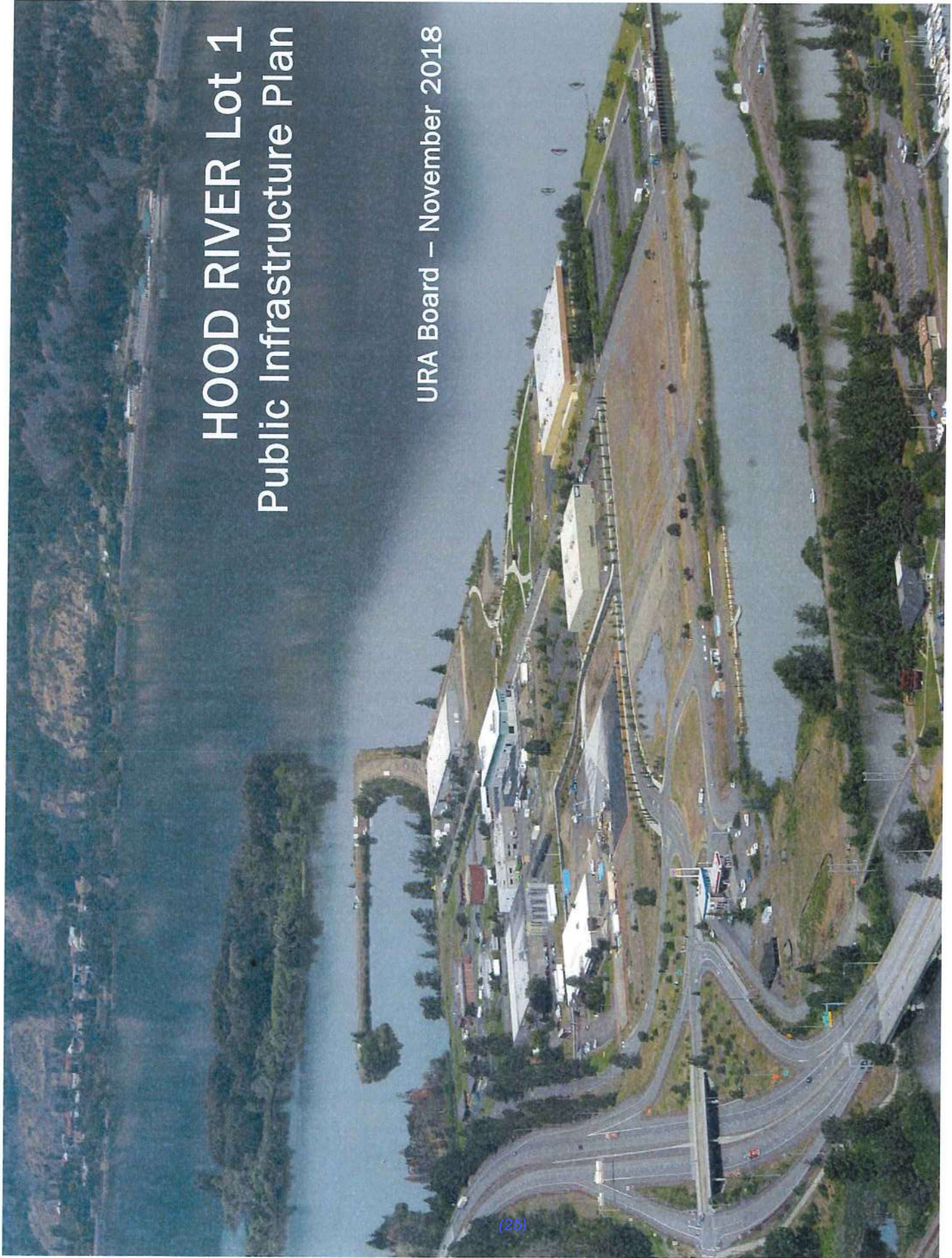
- Feedback/direction on preparation of the final Infrastructure Framework Plan
- Information/briefing needs for December discussion with the URA Board.
- Tasks to fully evaluate market potential of Lot #1 and traffic impacts.
- URA Plan options regarding total URA District debt capacity.

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# HOOD RIVER Lot 1 Public Infrastructure Plan

URA Board – November 2018





# 505 PORTWAY



**LOT AREA**  
54,450 SF

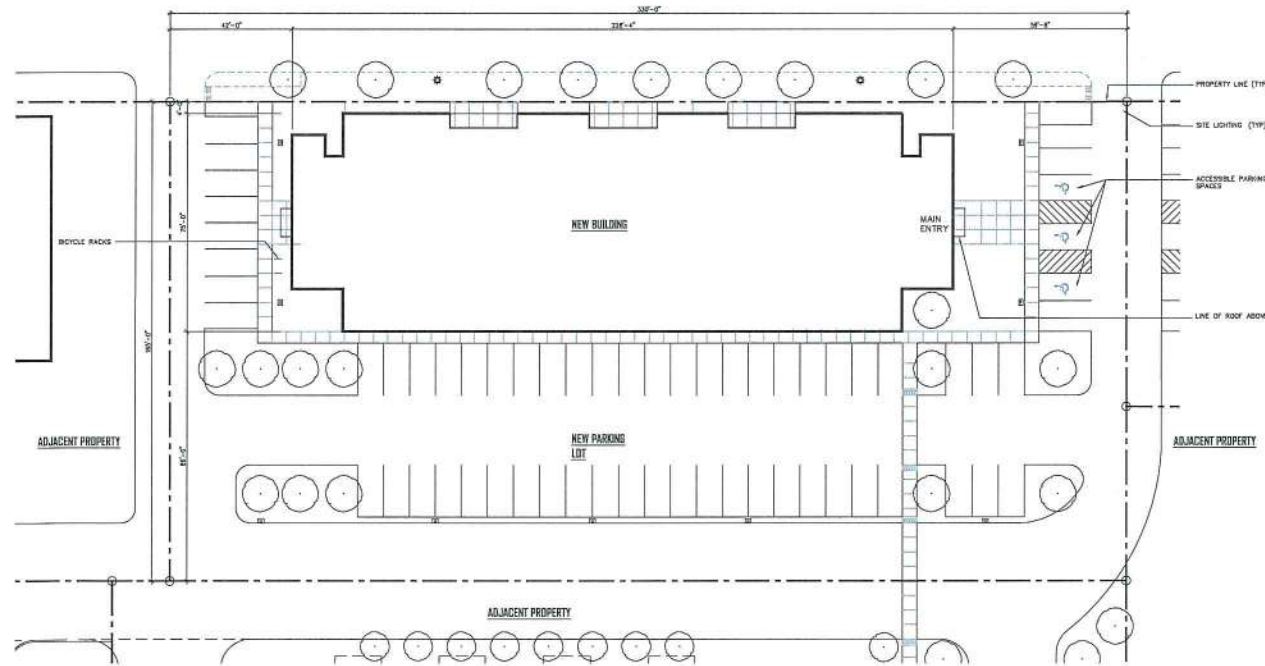
**BUILDING AREA**  
40,769 SF

**PARKING**  
62 SPACES

**EMPLOYMENT**  
100 JOBS

**USERS**

- DAKINE INTERNATIONAL HEADQUARTERS



project	HOOD RIVER MIXED USE EMPLOYMENT	 SURROUND 02
issue date	11.13.2018	
reference	505 PORTWAY	
surround architecture, inc. - portland, or - 503.224.6484 <small>© 2018 surround architecture, inc.</small>		



# USES/ACRE

## HOOD RIVER WATERFRONT

PROJECT	LOT AREA (SF)	LOT AREA (ACRES)	BUILDING AREA (SF)	BUILDING AREA/ACRE*	EMPLOYMENT	EMPLOYMENT/ACRE**	PARKING	PARKING/ACRE***
303 Portway	34,950	0.8	20,505	25,631.25	50	62.5	48	60
505 Portway	54,450	1.25	40,769	32,615.2	100	80	62	49.6
602 Anchor Way	55,182	1.27	32,000	25,196.85	30	23.62	27	21.26
489 N. Eighth	69,770	1.6	30,000	18,750	50	31.25	50	31.25
Nichols Way	37,805	0.87	29,896	34,363.22	50	57.47	64	73.56
<b>TOTAL</b>	252,157	5.79	153,170	26,454.23	280	48.36	251	43.35

### Summary:

\* An average building area of 26,500 SF per acre of mixed use employment

\*\* An average of 48 jobs per acre of mixed use employment

\*\*\* An average of 43 parking spots per acre of mixed use employment

### USERS

- DENTAL
- MEDICAL
- RESTAURANTS
- DAKINE INTERNATIONAL HEADQUARTERS
- TURTLE ISLAND FOODS
- LIGHT INDUSTRIAL
- RETAIL
- CIVIL ENGINEER
- HOOD TECH
- ADVANCED NAVIGATION AND POSITIONING CORPORATION
- CAMP 1805
- CNC FABRICATOR
- URGENT CARE CLINIC
- STOKED ROASTERS + COFFEEHOUSE
- PFRIEM FAMILY BREWERS
- SOLSTICE WOOD FIRE PIZZA, BAR, AND CATERING
- OVERWATCH IMAGING
- HOOD RIVER CHIROPRACTIC
- INTER-FLUVE, INC.
- WATERFRONT ENDODONTICS

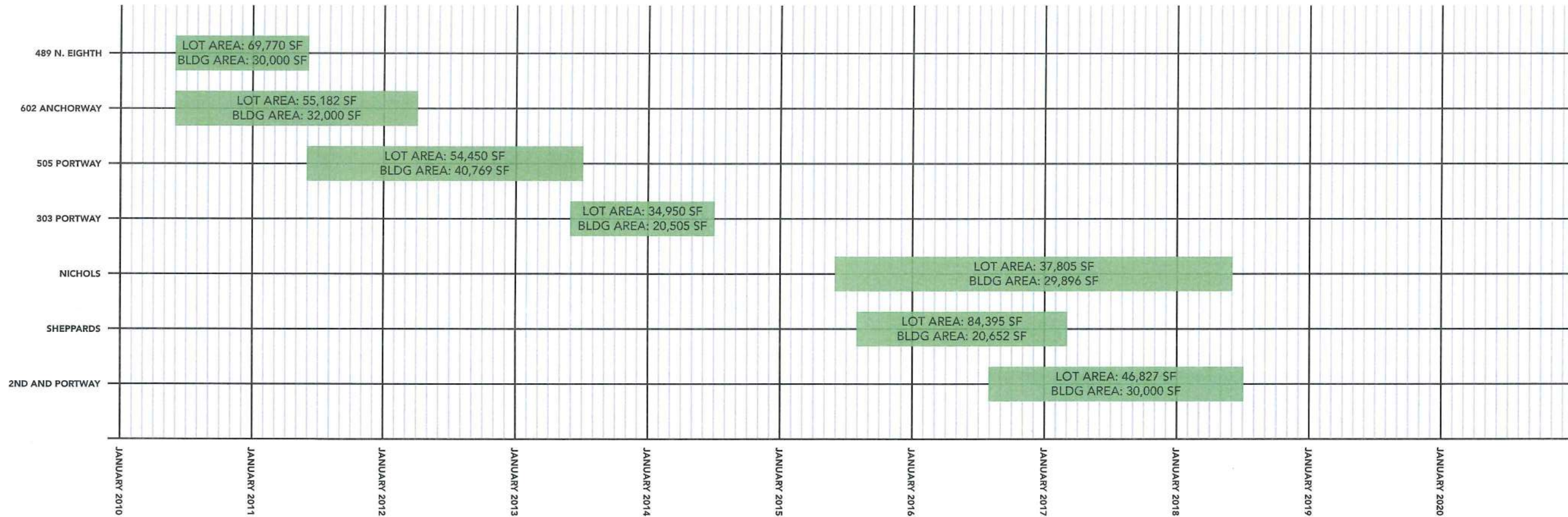
project	HOOD RIVER MIXED USE EMPLOYMENT	 SURROUND <b>03</b>
issue date	11.13.2018	
reference	USES PER ACRE	
<small>surround architecture, inc. - portland, or - 503.224.6484 © 2018 surround architecture, inc.</small>		



# AREA/YEAR

$$\frac{\text{BUILDING AREA (SF)}}{\text{NUMBER OF YEARS}} = \frac{203,822 \text{ SF}}{9 \text{ YEARS}} = 22,647 \text{ SF / YEAR}$$

$$\frac{\text{LOT AREA (SF)}}{\text{NUMBER OF YEARS}} = \frac{383,379 \text{ SF}}{9 \text{ YEARS}} = 42,598 \text{ SF / YEAR}$$



project	HOOD RIVER MIXED USE EMPLOYMENT	 SURROUND 04
issue date	11.13.2018	
reference	AREA PER YEAR	
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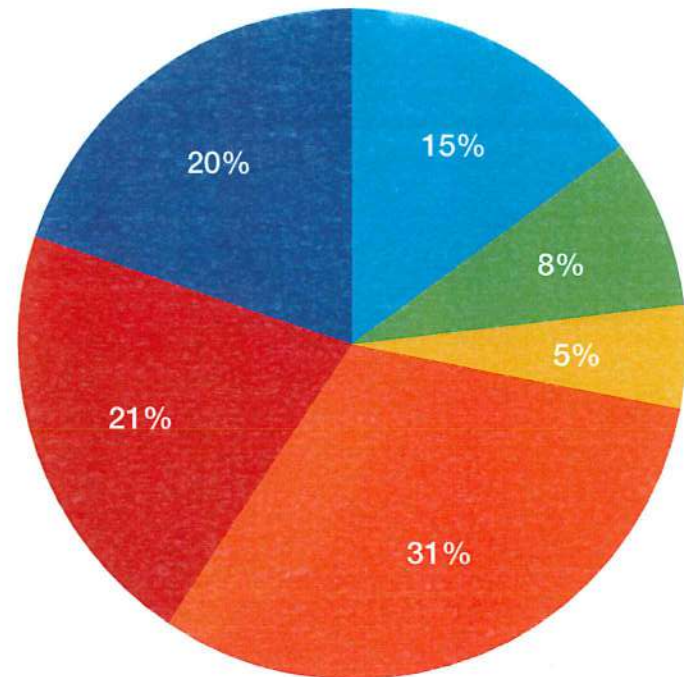


# OCCUPANCY CHART

## AREA OCCUPANCIES

OCCUPANCY	AREA (SF)
Light Industrial Technology	30,000
Retail	16,500
Industrial Offices	10,000
Agricultural Industry / Food + Beverage Production	63,000
Professional Offices	42,000
Recreation Headquarters	40,000

- LIGHT INDUSTRIAL TECHNOLOGY
- RETAIL
- INDUSTRIAL OFFICES
- AGRICULTURAL INDUSTRY / FOOD + BEVERAGE PRODUCTION
- PROFESSIONAL OFFICES
- RECREATION HEADQUARTERS



## BREAKDOWN

- 489 N. EIGHTH  
LIGHT INDUSTRIAL (30,000 SF)
- 602 ANCHOR WAY  
AGRICULTURAL INDUSTRY / FOOD + BEVERAGE PRODUCTION (32,000 SF)
- 505 PORTWAY  
RECREATION HEADQUARTERS (40,000 SF)  
RETAIL (1,000 SF)
- 303 PORTWAY  
PROFESSIONAL OFFICES (17,000 SF)  
RETAIL (10,000 SF)
- NICHOLS  
PROFESSIONAL OFFICES (20,000 SF)  
RETAIL (10,000 SF)
- SHEPPARDS  
AGRICULTURAL INDUSTRY / FOOD + BEVERAGE PRODUCTION (21,000 SF)
- 2ND AND PORTWAY  
AGRICULTURAL INDUSTRY / FOOD + BEVERAGE PRODUCTION (10,000 SF)  
PROFESSIONAL OFFICES (5,000 SF)  
INDUSTRIAL OFFICES (10,000 SF)

project	HOOD RIVER MIXED USE EMPLOYMENT	 SURROUND 05
issue date	11.13.2018	
reference	OCC. CHART	
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# LOT ONE



project	HOOD RIVER MIXED USE EMPLOYMENT	SURROUND 06
issue date	11.13.2018	
reference	LOT ONE	
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# LOT ONE SITEPLAN



- L.I. (LIGHT INDUSTRIAL) ZONE HAS 45' HEIGHT LIMIT
- L.I. ZONE ALLOWS UNLIMITED "INDUSTRIAL OFFICE"
- L.I. ZONE ALLOWS UNLIMITED "LIGHT INDUSTRIAL TECHNOLOGY"
- L.I. ZONE LIMITS RETAIL TO 2,500 SF AND MUST BE RELATED USES
- L.I. ZONE ALLOWS UNLIMITED PROFESSIONAL OFFICES EXCLUDING MEDICAL USES
- TAX LOT A HAS 7,000 SF TOTAL ALLOWED FOR COMMERCIAL USES AND 9,000 SF OF "PUBLIC FACILITIES"

project	HOOD RIVER MIXED USE EMPLOYMENT	 SURROUND 07
issue date	11.13.2018	
reference	LOT ONE	
surround architecture, inc. - portland, or - 503.224.6484		



# LOT ONE EXTRAPOLATED DATA

## LOT ONE HOOD RIVER

BUILDING	LOT AREA (SF)	LOT AREA (ACRES)	BUILDING AREA/ACRE*	BUILDING AREA (SF)	EMPLOYMENT/ACRE**	EMPLOYMENT (AVG.)	PARKING/ACRE***	PARKING
Tax Lot B	66,900	1.54	-----	7,000	--	20	--	40
Tax Lot C	51,000	1.17	26,500	31,005	48	56.16	43	50.31
Tax Lot D1	28,050	0.64	26,500	16,960	48	30.72	43	27.52
Tax Lot D2	27,700	0.64	26,500	16,960	48	30.72	43	27.52
Tax Lot E1	36,100	0.83	26,500	21,995	48	39.84	43	35.69
Tax Lot E2	34,900	0.8	26,500	21,200	48	38.4	43	34.4
Tax Lot F1	39,600	0.91	26,500	24,115	48	43.68	43	39.13
Tax Lot F2	35,700	0.82	26,500	21,730	48	39.36	43	35.26
Tax Lot G	38,900	0.89	26,500	23,585	48	42.72	43	38.27
<b>TOTAL</b>	<b>291,950</b>	<b>6.7</b>	<b>26,500</b>	<b>177,550</b>	<b>48</b>	<b>321.6</b>	<b>43</b>	<b>288.1</b>

\* An average building area of 26,500 SF per acre of mixed use employment

\*\* An average of 48 jobs per acre of mixed use employment

\*\*\* An average of 43 parking spots per acre of mixed use employment

$$\text{LOT AREA / YEAR} = \frac{291,950 \text{ SF TOTAL LOTS AREA}}{42,598 \text{ SF/YEAR}} = \text{6.4 YEARS TO BUILD OUT BASED ON HISTORIC BUILD OUT}$$

project	HOOD RIVER MIXED USE EMPLOYMENT	
issue date	11.13.2018	
reference	LOT ONE	
<small>surround architecture, inc. - portland, or - 503.224.6484 © 2018 surround architecture, inc.</small>		





# Development

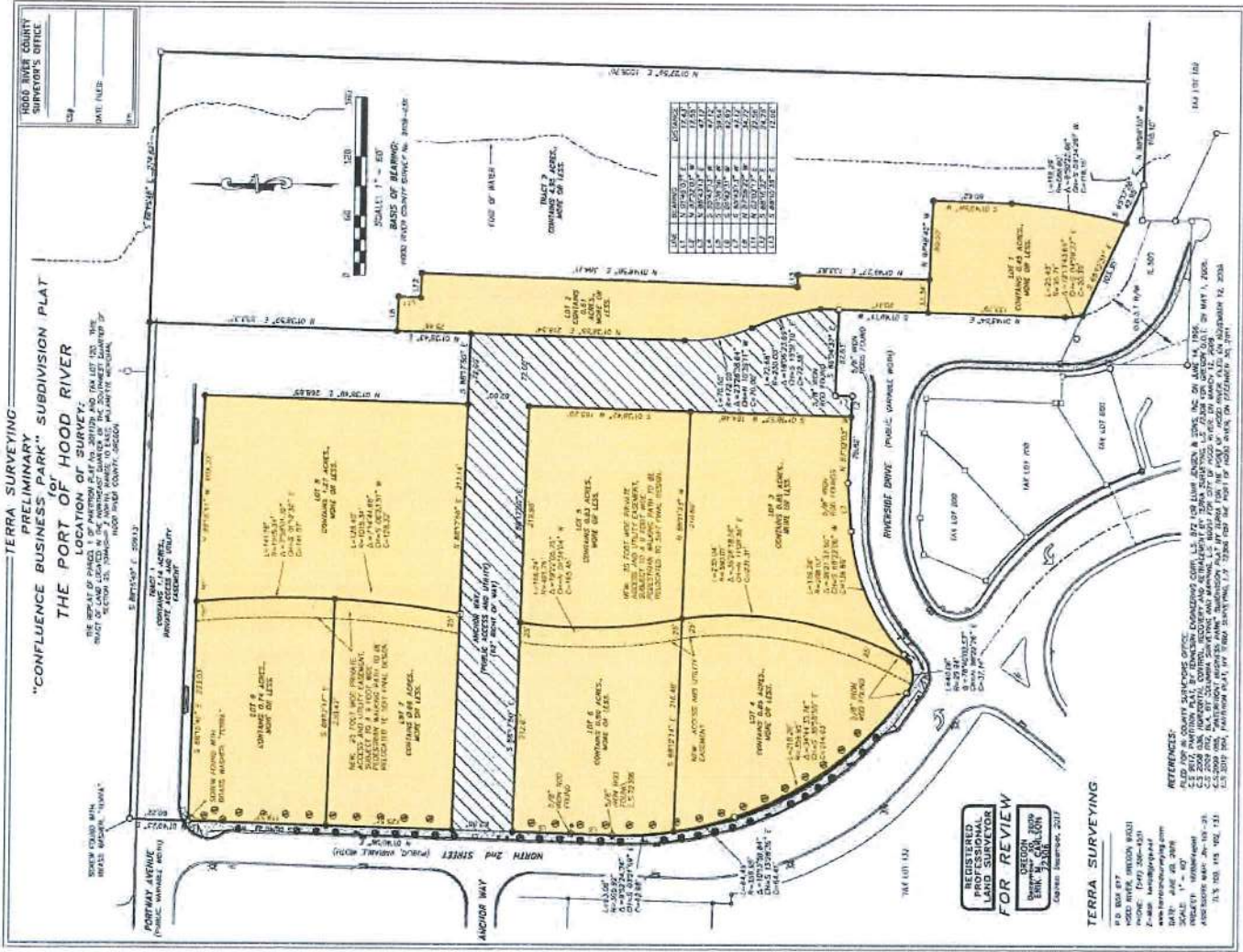
## Plan 2016

WALKER | MACY





# Buildable Lots





# HOOD RIVER LOT 1

## Project: 1st Street (south)

### Description

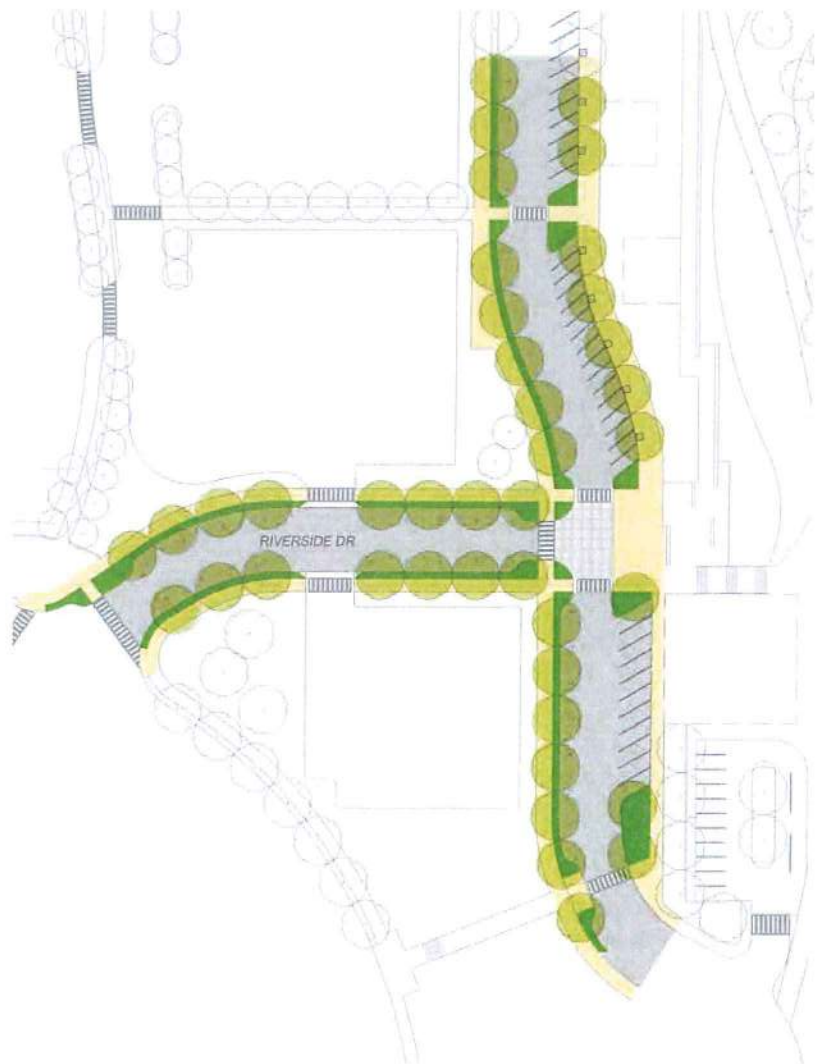
Building the south end of 1st Street provides a new active street edge to development parcels and contributes towards creating a better connected waterfront. Components include:

- Realign street with parking and walks
- Eastside park space
- Curbside stormwater basins
- Utility improvements include: New Power along entire 1st Street alignment & new Storm line at south extent of 1st Street.

### Order of Magnitude Cost

1. Streets/Walks	\$808,370
2. Utilities	\$172,750
3. Landscape	\$184,630
<b>Subtotal</b>	<b>\$1,056,750</b>
Escalation	\$183,751
Contingency	\$349,725
<b>Subtotal</b>	<b>\$1,699,226</b>
Permitting & Design Fees	\$509,768
<b>Total</b>	<b>\$2,209,000</b>

NOTE: Estimates based on 2021 dollars.





# HOOD RIVER LOT 1

## Project: 1st Street (north)

### Description

Realignment of 1st Street to the north provides a new street safe pedestrian crossings with on-street parking and new plantings. As a result, lots are accommodated at the east edge of the new 1st Street, with new pedestrian connections.

Built components include:

- Realigned 1st Street with parking and walks
- Festival street opportunity
- Eastside park space
- Utility improvements include: New Storm line at north extent of 1st Street.

### Order of Magnitude Cost

1. Streets/Walks	\$550,795
2. Utilities	\$99,000
3. Landscape	\$120,205
<b>Subtotal</b>	<b>\$770,000</b>
Escalation	\$121,371
Contingency	\$231,000
<b>Subtotal</b>	<b>\$1,122,371</b>
Permitting & Design Fees	\$336,711
<b>Total</b>	<b>\$1,459,000</b>

NOTE: Estimates based on 2021 dollars.







# HOOD RIVER LOT 1

## Enhancement Project: Swerve

### Description

The Swerve will serve multiple functions including:

- A pedestrian oriented connection from downtown Hood River to the popular waterfront event site
- Supplies vehicular access to future off-street parking lots at interior of Lot 1
- Stormwater basins will capture surface runoff of adjacent hardscape

### Order of Magnitude Cost

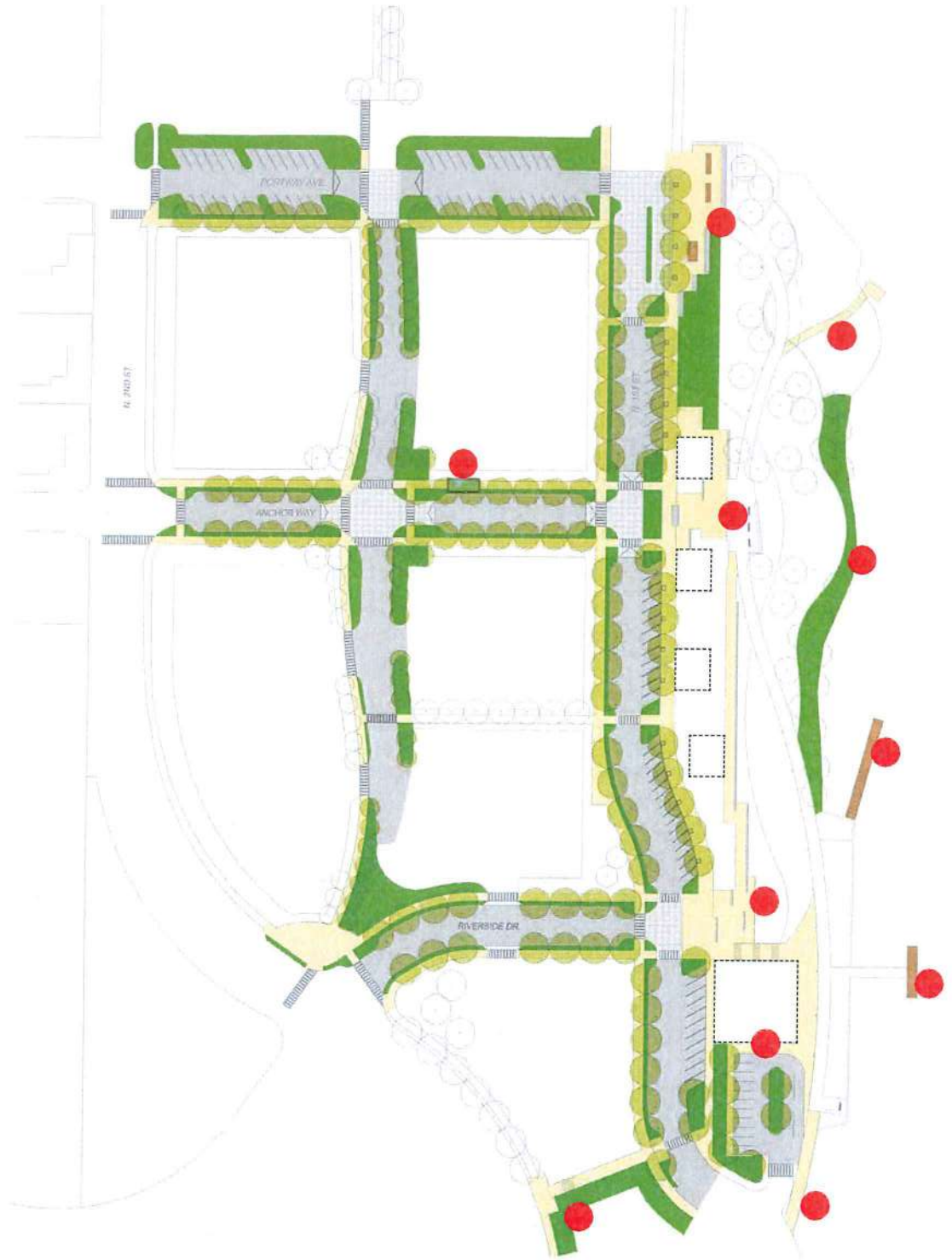
1. Streets/Walks	\$207,000
2. Utilities	\$ ---
3. Landscape	\$330,000
4. Furnishings	\$25,000
<b>Subtotal</b>	<b>\$562,000</b>
Escalation	\$88,585
Contingency	\$168,600
<b>Subtotal</b>	<b>\$819,185</b>
Permitting & Design Fees	\$245,756
<b>Total</b>	<b>\$1,065,000</b>

NOTE: Estimates based on 2021 dollars.





Enhancements

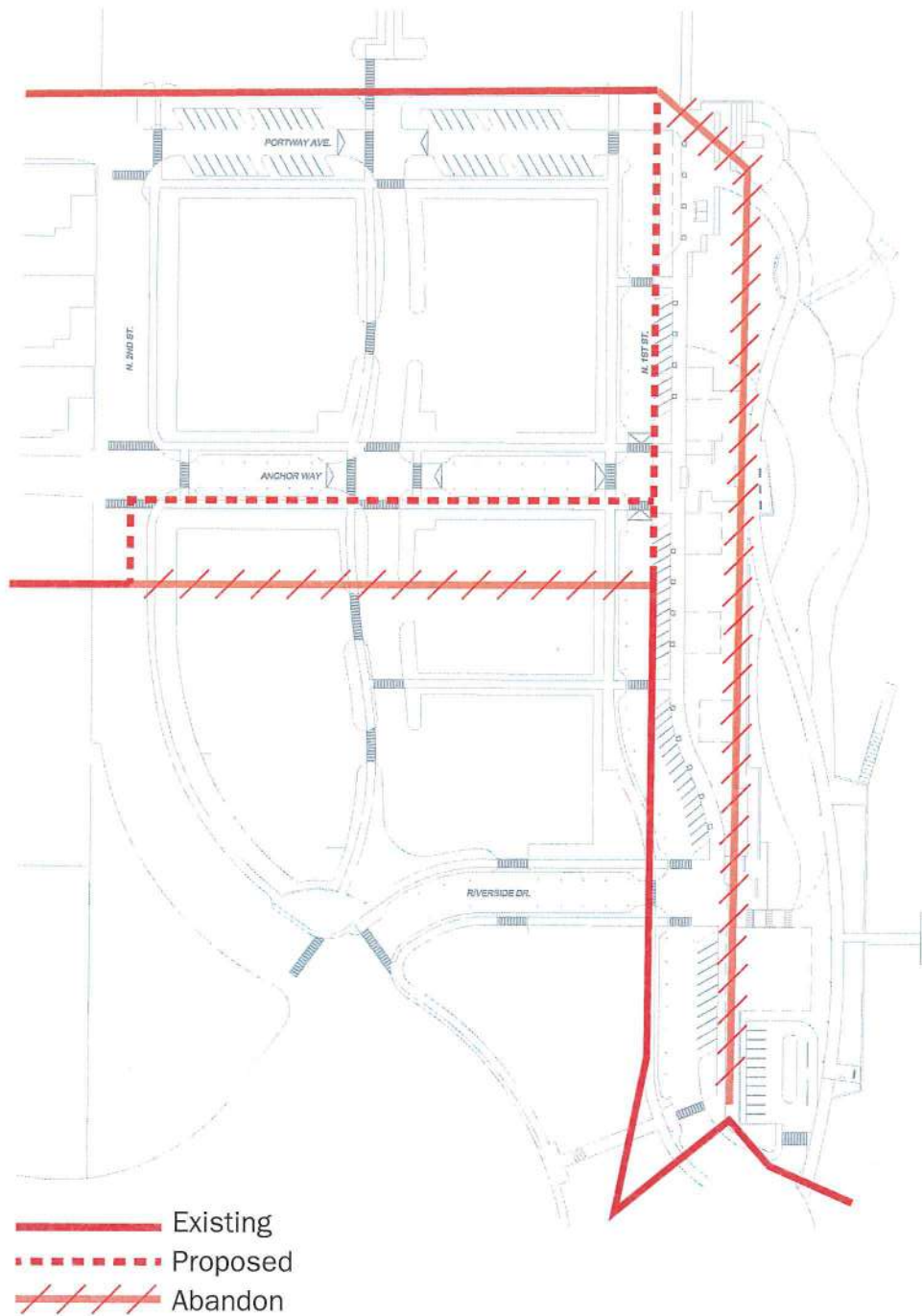




## Utility Component: **Power**

### Description

Underground existing power to be abandoned at the edge of Nichols Basin Park and relocated at the realigned 1st Street. In addition, the existing east-west run through Lot 1 will be abandoned in place of a new alignment which will align with Anchor Way.

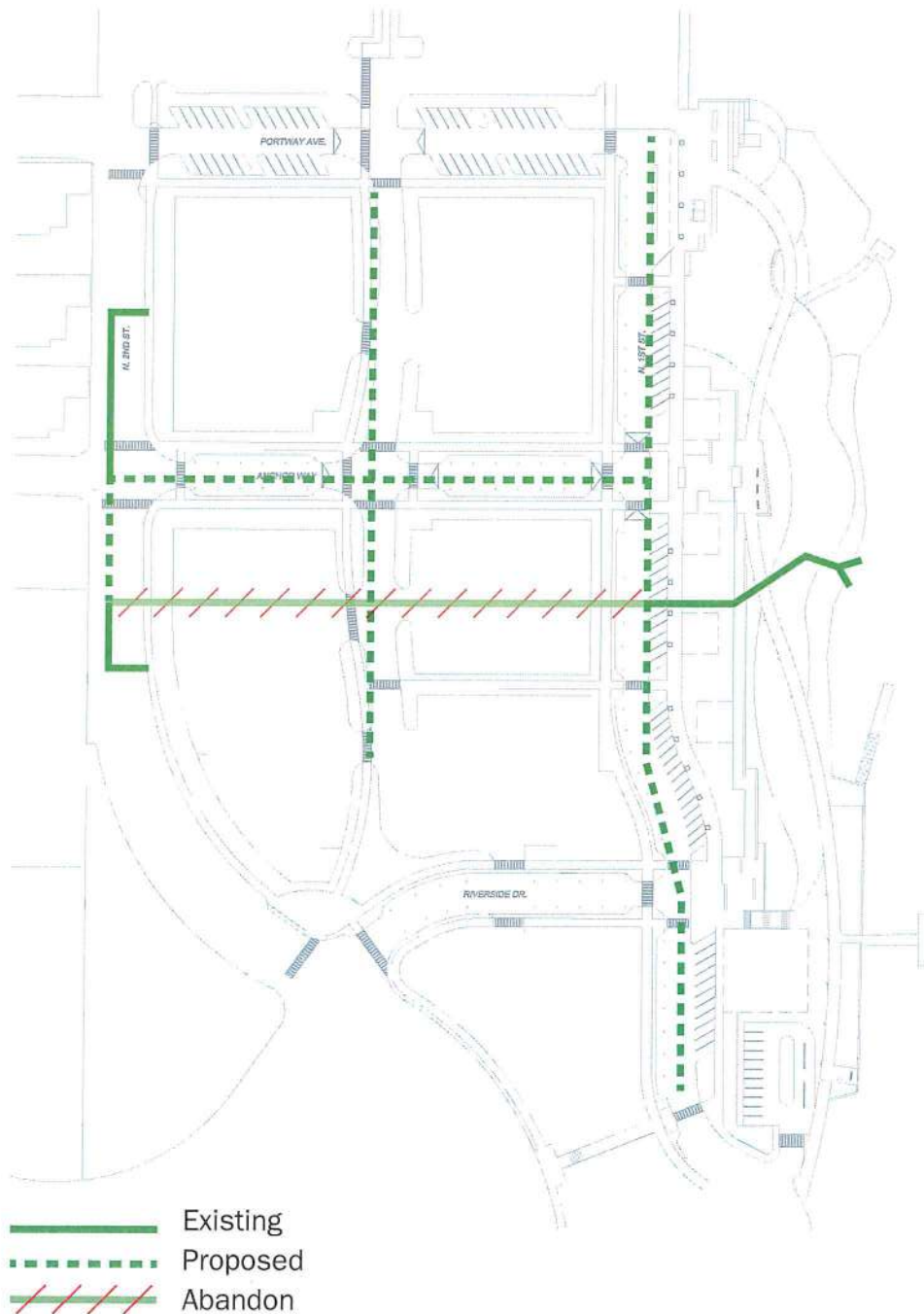




## Utility Component: Storm

### Description

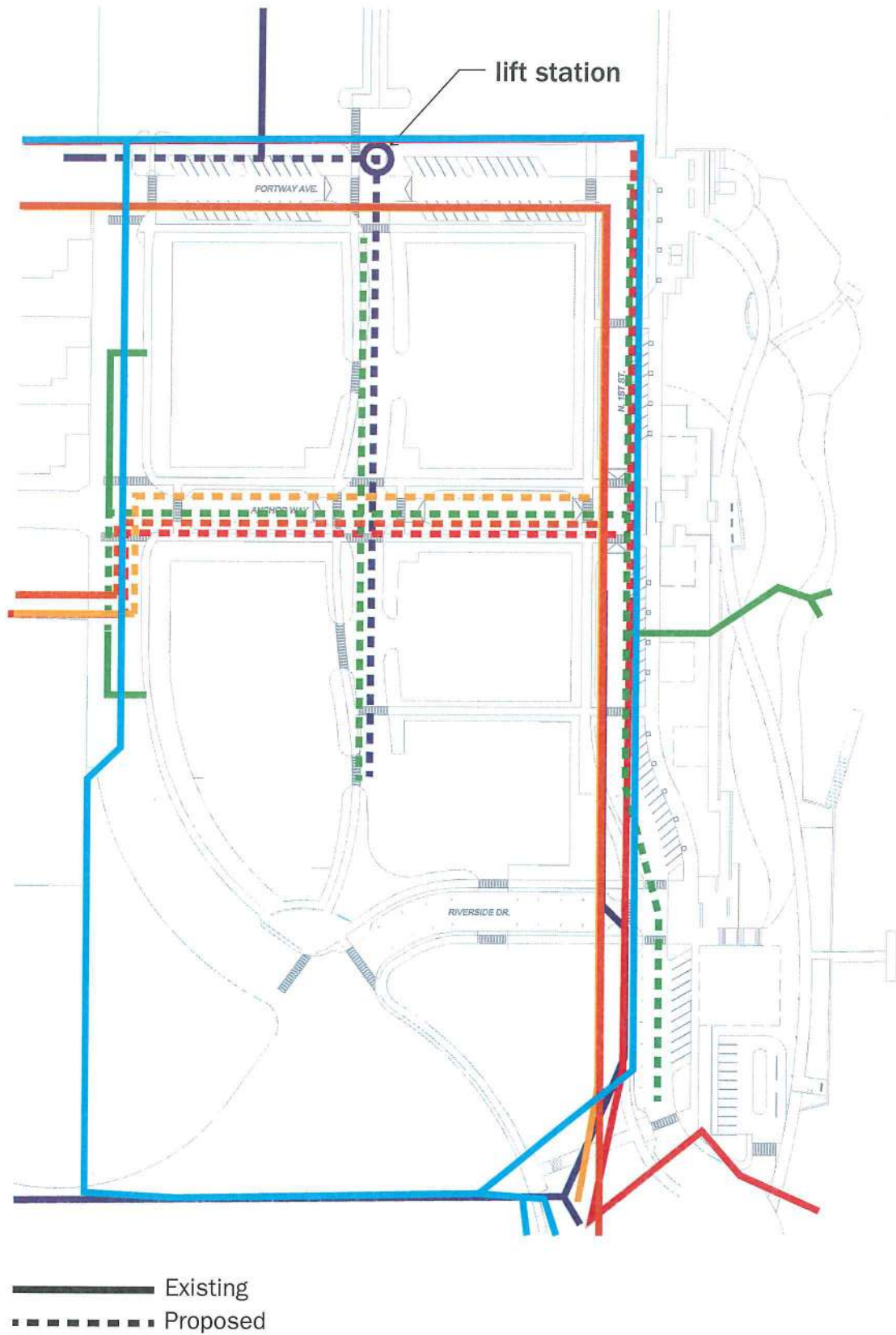
Existing east-west storm utility to be abandoned and realigned along new Anchor Way. This will connect to a new north-south run at 1st Street and connect to the existing outfall which daylights at Nichols Basin. Additionally, a new north-south run will align with the Swerve driveway. This will capture surface water in future adjacent parking lots.







## Utilities: Comprehensive Plan





Street Projects: *Comprehensive Plan*





Enhancements & Street Projects: **Comprehensive Plan**





# Development

## Plan 2016

WALKER | MACY







## Waterfront Parking Plan

### Overview:

The Waterfront Parking Plan was implemented starting in late June 2018. After five months of operations, staff considers the plan a success. Public acceptance was mostly neutral or positive, and financial performance met expectations even though it was in effect for only about eight high-use weeks. Staff has assessed the plan's performance after this first summer of operations and has identified areas where changes can be made to improve effectiveness. Please find the following attachments:

- Financial summary through October 31, 2018
- List of potential actions for implementation prior to summer 2019
- Rate Sheet with proposed/potential changes

### Strategic Plan Role:

The waterfront parking plan is part of a multi-prong effort to reduce the annual operating deficit for the Port's waterfront recreational properties. It also provides an incentive for waterfront recreationalist to disperse to other, less heavily-used areas of the waterfront.

### Potential Actions/Alternatives:

Primary potential changes to the Plan are as follows:

- Establish a uniform rate - \$1.75/hr. or \$2.00 per hour
- Add additional signage
- Consolidate parking zones
- Improve coordination with major events vis-à-vis demand planning and enforcement
- Raise Event Site pass prices but allow use year-around
- Clarify definitions for dismissal of complaints
- Improve coordination of Cale and Duncan platforms

### Consequences:

Taking all or some of the suggested actions is expected to improve public understanding of the parking plan and improve financial and operating performance.

### Key Issues:

Staff seeks to update the Commission on the results of the first summer of Waterfront Parking Plan operations and feedback on recommended changes for improvement.

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**Port of Hood River  
Waterfront Parking Financial Summary**

May 1, 2018 through Oct. 31 2018

Prepared: November 15, 2018

		<b>2019 Projected</b>
<b>Revenues</b>		
Parking Fees ( Cale)	\$ 60,229	\$ 95,000
Fines (Duncan)	\$ 6,570	\$ 9,000
Parking Pass Sales Increase (1)	\$ 25,255	\$ 25,255
Truck Co. Use Payments (Zone 6)	\$ 1,350	\$ 7,200
<b>Total Annual Revenues</b>	<b>\$ 93,404</b>	<b>\$ 136,455</b>
<b>Expenses</b>		
Port Enforcement Staff (2)	\$ 35,680	\$ 18,000
Cale Pay Station Software & Support	\$ 4,530	\$ 4,530
Duncan Parking Enforcement Software	\$ 2,545	\$ 2,545
<b>Sub-Total</b>	<b>\$ 42,755</b>	<b>\$ 25,075</b>
<b>Period Net Operating Income</b>		
	<b>\$ 50,649</b>	<b>\$ 111,380</b>
<b>Capital Costs</b>		
Pay Stations (Yr. 1)	\$ 74,042	
Pay Stations (Yr. 2)		\$ 24,000
Signage	\$ 18,352	\$ 5,000
Duncan Enforcement Software and Equipment (3)	\$ 45,663	
Paint Curbs & Mark Spaces	\$ 7,718	\$ 3,000
Cale Weboffice	\$ 750	
Capital Cost Carryover		\$ 95,876
<b>Sub-Total</b>	<b>\$ 146,525</b>	<b>\$ 127,876</b>
<b>Surplus (Deficit)</b>		
	<b>\$ (95,876)</b>	<b>\$ (16,496)</b>

(1) Pre-season Pass Sales in 2017 = \$114,000; Pre-season Pass Sales in 2018 = \$139,255

(2) Includes 40 hr. /week staffing for three months due to limited service employee

(3) Includes Software, Handhelds, LPR Framework

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# Waterfront Parking Plan

## Staff Recommended Actions

11.20.2018

### 1. Enforcement

- 4-hour maximum parking in all areas, except Truck Parking in Zone 6.
- Events: better coordination regarding planning and enforcement the idea of collecting, but not ticketing during these types of events was discussed.
- Better overnight enforcement on West Portway for Campers/Commercial
- Consider 24/h sporadic enforcement—consider continuing private parking enforcement
- Confirm CivicSmart for “like” search function is present and being used
- Reviewed processing of complaints
- Holiday – 4<sup>th</sup> of July – No enforcement, signs posted for Free Parking.
- Clarify reasons for Complaint Dismissal
- Define who needs to be included contacted for malfunctions of the kiosks
- Confirm no disputes accepted after 1.5 month. Courtesy notices are being sent.

### 2. Signage/Kiosks

- Less differentiation in signage and zones. Consolidate Zones 2 &3
- Paint curb on West Portway and possible add a stencil “Entering Paid Parking Zone.”
- Improve signage:
  - Zone 6: More signs and clarify “No Passenger Cars on Weekdays”.
  - Lot 1 – reposition signage, so that it’s visible from east side adjacent to 1st Street.
- Install 2 kiosks on two islands in the Event Site Parking Lot for fall/winter/spring use
- 3<sup>rd</sup> parking kiosk should be installed in Nichols Basin area.
- Prepare for maintenance of the kiosks throughout and after winter weather has cleared.

### 3. Pricing

- Uniform regular parking pricing: \$2/h vs. \$1.75/h
- Uniform complaints pricing: discussion occurred about \$18/h vs. \$20/h
- Review use agreements: Concessions and Events closed paid parking lot vs. having open paid parking lot and increase their price accordingly.

### 4. Event Site / Annual Pass

- Consider signage/customer communications that will be needed in winter to implement paid parking at the Event Site. (Outreach to MHM customers)
- Close kiosks for Summer season, and keep booth staffed – an evolving item of the future.
- Season pass will be “Annual Pass”
- With the pass, include a slip of known dates when parking lots are not available. Consider limiting events that bar access to parking.
- Include on the slip that pass in non-refundable, non-replaceable.
- Improve designs passes – static, non-adhesive, with colors that match the dailies.
- Raise price of annual pass to \$100 for full year.
  - \$100 Annual Pre-Season Pass, \$125 Annual Regular Pass

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Port of Hood River  
Waterfront Parking Plan

**2018/19**  
**Schedule of Rates & Charges**

DRAFT 11/20/18

**Event Site Passes**

	<u>2018</u>	<u>2019</u>
- Daily	\$ 8	\$ 8
- Daily Oversize	\$ 15	\$ 15
- Annual Pre-Season	\$ 75	<b>\$ 100</b>
- Annual Regular Pass	\$ 100	<b>\$ 125</b>
- Annual Preseason Oversize Pass	\$ 140	\$140
- Annual Oversize Pass	\$ 200	\$200

**Notes:**

*Passes must be displayed at all times when parked in designated lots*  
*Passes may be used at Event Site, West Jensen & Lot One (when open)*  
*Pre-season passes purchased on-line only May 1-May 23, 2019*  
*Lost passes will NOT be replaced or refunded*

**RATES**

	<b>Passenger Cars</b>		<b>Commercial Trucks</b>	
	<u>April 1 - Sept. 30</u>	<u>Oct. 1 - March 31</u>	<u>April 1 - Sept. 30</u>	<u>Oct. 1 - March 31</u>
<b>Zone 0001: Nichols Basin</b>	<b>\$1.75/hr.</b> <i>Max. 3 Hr. Stay</i>	<b>\$1.75/hr.</b> <i>Max. 4 Hr. Stay</i>		
<b>Zone 0002: N. 1st St./E. Portway Ave.</b> <i>( Note: Zone #3 Eliminated starting April 1, 2019)</i>	<b>\$1.75/hr.</b> <i>Max. 4 Hr. Stay</i>	<b>\$1/hr.</b> <i>No Max. Stay</i>	<b>Prohibited</b> <b>Prohibited</b>	<b>Prohibited</b> <b>\$20/Overnight</b>
<b>Zone 0004: Event Site</b>	<b>n/a</b> <i>Booth Open</i>	<b>\$5/Day</b> <i>HRM Ski Bus</i>		
<b>Zone 0005: West Jensen</b> <i>(Note: Rate raised from \$1 to \$1.75 starting April 1, 2019)</i>	<b>\$1.75/hr.</b> <i>Max. 8 Hr. Stay</i>	<b>\$1.75/hr.</b> <i>Max. 8 Hr. Stay</i>		
<b>Zone 0006: West Portway Ave.</b>	<b>Weekends Only</b>	<b>Prohibited</b>	<b>\$150/Month (w/Agreement)</b> <b>\$20/Day or Part (Individual User)</b>	

**Notes:** *Payment for parking shall be required 9:00 a.m. to 8:00 p.m.*  
*Overnight Parking for Trucks is allowed on 1st St. & Zone 6 Only*

*On July 4th street parking will be free with no max. hours.*  
*Overnight is vehicle parked between 11:00 p.m. and 6:00 a.m.*

**Parking Complaint & Late Payment Charges**

	<b>Charge</b>	<i>Additional Charge (added each stated period)</i>			
		<b>30+ Days</b>	<b>60+ Days</b>	<b>90+ Days</b>	<b>Over 90 Days</b>
<b>Overtime Parking</b>	\$10	\$10	\$10	\$20	Collections
<b>Non-Payment (Each Occupied Space)</b>	\$18	\$18	\$18	\$20	"
<b>Parking in Unauthorized Space</b>	\$20	\$20	\$20	\$30	"
<b>Car/Van Overnight Parking</b>	\$40	\$40	\$40	\$40	"
<b>Truck Overnight No-Pay (Zone 2)</b>	\$40	\$40	\$40	\$80	"
<b>Truck Overtime Parking (Zone 2)</b>	\$20	\$20	\$20	\$40	"
<b>Truck Daytime No-Pay (Zones 6 &amp; 2)</b>	\$40	\$40	\$40	\$80	"

**H/C Ramp, Fire Lane, Overnight Parking, etc.** *Contact City Police*

**Notes:** *Overnight Parking for passenger vehicles not allowed in any Zone*  
*Overnight parking for truck is defined as midnight to 9:00 a.m.*  
*Trucks are defined as commercial tractor and/or trailer*  
*Unauthorized parking is Zone 5 tenant spaces, Zone 6 and commercial truck parking on E. Portway Ave.*

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## **Waterfront Event Guidelines**

### **Overview: Quantity and duration of Events**

The Event Site and Jensen Beach Parking Lot have been utilized by several large events for exclusive parking and use during the busy summer months of June, July and August. Events are growing and expanding and are requesting longer time extensions and more space.

User groups that utilize this same area have increased in size and variety. The events coincide with high use times for Parking Pass Holders and other beach users, thus creating limited availability for parking and beach access for the public.

### **Overview: Event Rate Schedule**

The large events at the Event Site and Jensen Parking Lot are exclusive, therefore Port staff does not collect parking tolls. The 2018 rate schedule for Events does not cover the potential loss of revenue from parking.

- a. In 2018, average revenue for Saturdays and Sundays on July weekends was \$1192 per day.
- b. The 2018 rate schedule for an exclusive event is \$900 per day.

### **Key Issues:**

1. Overcrowding and availability for parking
2. Beach Access for the public
3. Potential Parking Revenue loss for Port
4. Parking Pass Holders impacted
  - a. In 2018, Event Site / Jensen Parking Passes were good for 100 days.
    - i. Event Site had 9 days that pass holders were displaced to Lot #1, or Jensen.
    - ii. Jensen Parking Lot had 6 days that pass holders were displaced to Event Site or Lot #1.

### **Potential Actions/Alternatives:**

During the months of June, July and August should Event Port Policy:

- Allow for events to expand or increase
- Require Events to stay the same as last year
- Require Events to reduce in size or quantity

During the months of June, July and August should Port Policy change the current rate schedule:

- Increase Rates to offset potential loss of parking revenue
  - a. Flat fee charge
  - b. Different fees for weekdays or weekends
- Keep the rates as they are
- Port disallows exclusive parking for events and charges for parking.

### **Consequences:**

- Reducing quantity or size of events limits ability for the Port to generate more revenue to maintain the property.
- Raising rates may be cost prohibitive to Event Promoters.
- Allowing more Events- Public has reduced area to park and access.

### Parking Revenue at the Event Site Parking Lot

Year	Daily Pass	Oversize Vehicle	Annual Pass	Annual Oversize	Total	% Increase from Previous year
2018	5237	195	1,065	19	\$139,534	23%
2017	5089	108	726	19	\$114,050	13%
2016	5171	239	768	21	\$101,580	-10%
2015	6019	184	819	25	\$111,968	45%

### Large Events

2018 Events that Restricted Parking at Event Site & Jensen Parking Lot June, July, August 2018			
Event Site	Date	Fee	Days
AWSI Trade Show	August 14-18 Tuesday - Saturday	\$ 2,600.00	1 day Set Up 3 days Event 1 day tear down
Kiteboarding for Cancer	July 12-15 Thursday- Sunday	\$ 2,900.00	1 day Set UP 3 days Event
Gorge Downwind Paddle Championships	July 16-21 Monday - Saturday	\$ 1700.00	1 day set up 4 days Event 1 day tear down

## 2018 Event Rate Schedule

### Marina Park / Hook / Spit / Nichols Basin

Up to 50 People	\$100 per day
50-100 people	\$200 per day
Over 100 people	\$500 Exclusive Use per day

### Picnic Shelter

Up to 75 people	\$50 Exclusive Use non-commercial per day
	\$100 Exclusive Use Commercial per day
75-15 people	\$200 Exclusive Use per day

### Marina Green

Up to 50 People	\$100 per day
50-100 people	\$200 per day
Over 100 people	\$900 Exclusive Use per day

### Event Site

Up to 50 People	\$100 per day
50-100 people	\$200 per day
Over 100 people	\$900 Exclusive Use per day

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## Airport Business Model

### Overview:

Staff developed a 10-year business model for the airport based on established Port assumptions, breaking down operations and capital improvements/grants. Operationally, the airport operates at a deficit. Lease income is not keeping up with costs. The airport is seeing increase use, resulting in increased utility and maintenance costs and requiring more staff time, all of which are funded by the Port. Additionally, the Port has committed to grant-funded infrastructure projects that require significant grant matches. Although, there is opportunity to leverage those projects to construct income producing buildings or lease land for development.

### Potential Actions/Alternatives:

#### Operational expenses

A significant amount of operational expenses are not passed through to airport users; utilities, maintenance, management, and insurance. These costs could be allocated to each airport tenant/user, like a Common Area Maintenance (CAM) fee. If just a few of the following are implemented, the airport would no longer operate at a deficit.

- In 2016, the amount of utilities and maintenance that was not passed through and essentially subsidized by the Port totaled \$79,618.
- The Port currently pays the FBO \$20,880 and leases the FBO for free. Staff will be renegotiating that agreement this year and will suggest that the Port stops this payment.

#### Additional Operational income

- As part of the new FBO agreement, the Port may charge a fuel flowage fee on both Jet A and av. gas. This can be between 6-10% (based on a survey). It could add up to \$7,000+ per year for the Port.
- The T-Hangar fees have increased by 6% per year over the last 2 years. This increase brings in about \$6,000 additional per year. That adds about \$150/200 increase per year to each t hangar lease. This makes lease rates very high after 3 years. We may want to have 6% for 3 years and back it off to 3% annual increase after that.
- A management fee could be charged to each tenant.

### Consequences:

If the Port moves toward recouping operational costs the operational budget would be significantly positive. There will be push back from current tenants as they won't want to lose this subsidy. With the current interest in the airport, Staff feels that allocating these costs to the users is reasonable and justified.

### Key Issues:

1. Does the Board believe that the airport should be self-sustaining?
2. Is the Board willing to pass through additional operational expenses?

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## Airport Development

### Overview:

FAA or state-funded grants for infrastructure projects provide significant improvements to the airport. These require low cost matches compared to the project, but the Port still provides up to \$200,000 per year in matching funds. The idea is that these mostly infrastructure improvements will increase operational income by increasing land value and developability. Since 2015, the Port has received over \$6 million in grants with matches ranging from 10-30%. This level of development will greatly curb after 2020 and matches will be much less (est. <\$20,000 per year). The Port should take advantage of the improved airport and staff requests Commission discussion on how to do that.

### Potential Actions/Alternatives:

Capital Match: The Port is committed to FAA and ConnectOregon VI (“COVI”) projects through 2020. After that, there are no large projects on the horizon. Next year, the Port has an \$800,000 match to make for COVI. The County has committed to \$200,000 to the project and negotiations with Hood Tech Corp Aero Inc. (“HTCAI”) are beginning regarding an additional \$400,000. The goal would be to get the Port match to \$200,000. Additionally, the FAA North ramp project, scheduled for 2020, will incur design costs of about \$225,000 in 2019 and a project cost of about \$2 million in 2020; all requiring a 90/10 match.

Income Properties: The Port may need to construct income producing properties or land lease them for construction to the private sector. For example, in the Future Development Options (“FDO”), constructing commercial hangars on the north ramp, could provide income to the Port with a good return and much needed inventory for local aviation-related. Leasing land to private developers for box hangars has market demand and could provide some additional income.

### Consequences:

The Port is committed to the COVI project. If negotiations don’t work out with HTCAI, the Port could need to pay a \$600,000 match.

Constructing flexible hangars on the north ramp may provide significant annual cash flow (\$80,000 in 5 years). The return is between 14-17% with an initial construction cost of around \$3 million. Alternately if the Port land leases that area, cash flow is about \$15-20,000 per year. Box hangars are expensive to build the lease rates are low, the return on constructing these does not make sense. However, land leasing these areas to the private sector does (approx. \$5,000/yr). The Port would have to extend some utilities to the box hangar location and could get federal funding for paving around the new hangars.

### Key Issues:

1. Does the Board feel that the Port should further evaluate the feasibility of building commercial hanger? Land lease?
2. Should the Port land lease for box hangar development?

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## Legislative Advocacy

### Overview:

The Port has had significant success with its government relations strategy, highlighted by the \$5-million appropriation from the Oregon legislature in 2017. With the FEIS currently underway, the Port will need to be aware about financing opportunities (and the accompanying governance requirements) that may be worth pursuing in Olympia and Washington D.C. In addition, the Port should stay vigilant in looking for federal environmental clearances and permit streamlining. The Commission approved an increase in the overall combined scope and fee of three government relations firms in June 2018. As part of that discussion, the Port increased the effort in Olympia, slightly decreased the effort in Salem, and kept even at the federal level. With such a significant and complex project, having a Port advocate that has great relationships with important legislators, active and ready to predict, analyze, and react to any issues that may arise may support project success.

Other Port priorities like industrial development project funding and permitting, potential grant applications for new projects, and state agency involvement in improvement projects at the airport and, potentially, in the marina could all benefit from continued representation in Salem. But there is a significant annual cost to these efforts.

### Potential Actions/Alternatives:

1. Slow state-level advocacy efforts during NEPA process and focus solely on identifying environmental streamlining programs in Washington D.C.
2. Pursue traditional grant funding programs requiring additional budget levels to complete applications and support documentation.
3. Continue with the course determined in spring, focusing on developing the relationship and opportunities with Washington state.
4. Seek and secure state and federal agency funding and permitting support in Port projects at the airport, marina, and on the waterfront.

### Consequences:

1. Though focusing solely on NEPA may simplify the Port's approach to bridge replacement, there may be opportunities in Oregon, Washington and D.C. to place the bridge replacement project in a favorable position if a transportation package were to gain momentum in Olympia and Washington D.C.

### Key Issues:

1. Building relationships with key agency headquarter representatives in Washington D.C.
2. Appropriate time to partner with Washington entities on financing advocacy efforts.
3. Should focus remain on obtaining a Record of Decision on the Final EIS?
4. What other Port projects represent high priority projects that Port lobbyists should be focused on?

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**LEGISLATIVE SCHEDULE 2018-2023**

2018		2019				2020				2021				2022				2023			
3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Election Day ●	Concepts Due ●	Legislators sworn in Long Session	Short	Election Day ●	Concepts Due ●	Legislators sworn in Long Session	Short	Election Day ●	Concepts Due ●	Legislators sworn in Long Session	Short	Election Day ●	Concepts Due ●	Legislators sworn in Long Session	Short	Election Day ●	Concepts Due ●				
Election Day ●	Concepts Due ●	Legislators sworn in Long Session	Short	Election Day ●	Concepts Due ●	Legislators sworn in Long Session	Short	Election Day ●	Concepts Due ●	Legislators sworn in Long Session	Short	Election Day ●	Concepts Due ●	Legislators sworn in Long Session	Short	Election Day ●	Concepts Due ●				
Election Day ●	President's Budget Appropriation Requests	Legislators sworn in 116th Congress	President's Budget Appropriation Requests	Election Day ●	President's Budget Appropriation Requests	Legislators sworn in 117th Congress	President's Budget Appropriation Requests	Election Day ●	President's Budget Appropriation Requests	Legislators sworn in 118th Congress	President's Budget Appropriation Requests	Election Day ●	President's Budget Appropriation Requests	Legislators sworn in 119th Congress	President's Budget Appropriation Requests	Election Day ●	President's Budget Appropriation Requests				

Oregon Legislature

Washington Legislature

Congress

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## Communication Plan & Policies

### Overview:

The last time the Commission reviewed and discussed the Port Communications Plan (“Plan”) was during the 2016 Fall Planning session. The Plan is tied to the goals and objectives of the 2014-2018 Strategic Business Plan, with the stated purpose to “set in place the necessary policies and protocols and enable the development of new programs and tools to optimally communicate with Port constituents, stakeholders, customers, and partners.”

Priority tasks for 2017-18 included the launch of paid parking on the waterfront, a toll increase, promotion of the new BreezeBy customer web portal, and ongoing promotions of Port development projects at Lower Mill and the Airport. There was significant work involved in the management of messaging around bridge replacement – both in a proactive and a reactive mode. Funding for the Final EIS and statutory authorities related to bridge replacement required heavy legislative and constituent communications communicate the Port’s intent. The unsolicited P3 proposal from United Bridge Partners required a detailed and thorough response to our constituency and agency partners on both sides of the river. Now with the EIS contract awarded and public involvement activities managed by WSP, much of the Port’s responsibility has shifted to a supervisory and distribution role, rather than content generation.

### Potential Actions/Alternatives:

Staff anticipates the following activities to be a focus of public information work in the next year or more:

- Bridge Replacement post-NEPA key messaging on the Port’s position and intent
- Port of Cascade Locks adoption of BreezeBy electronic tolling system
- Lower Mill site development
- Airport North Ramp development
- Lot #1 infrastructure development
- Waterfront parking changes, continued public information
- Promoting adoption of the BreezeBy mobile app

### Impacts:

Each of these focus areas requires minimal financial investment with the exception of the Waterfront Trail signage project. That project is included in the FY 2018-19 budget at \$20,000. Public outreach and public meeting needs for the other items listed could require some investment in display and radio advertising, publications, facilities rental and catering.

### Key Questions:

1. Staff seeks Commission input on the attached 2018-19 update to the Plan, specifically on the stated priorities, messages, as well as the chosen media and delivery methods for Port public information and customer communications.
2. What is the appropriate level investment in paid services and advertising to achieve Port goals?

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### PURPOSE

*The Port works with the community to create an environment that promotes economic growth and vitality for all citizens. The Port establishes and maintains collaborative relationships with all stakeholders and promotes consensus to meet competing needs. It engages in prudent, cost-effective investments that achieve public objectives but maintain its long-term economic self-sufficiency. The Port is a high-performing organization – a model of best practices among special districts in Oregon – providing high quality services. The Port focuses its efforts on its district while collaborating with other entities in the Mid-Columbia region in recognition of the inter-dependence of communities in the area.*

- *Description of Optimal Performance,  
2014-2018 Port of Hood River Strategic Business Plan*

The purpose of this communications plan is to set in place the necessary policies and protocols, and enable the development of new programs and tools, to optimally communicate with Port constituents, stakeholders, customers, and partners.

The plan is a living document, meant to foster a proactive approach to public relations while equipping the Port to be prepared to react and respond when unexpected issues arise, or during a crisis. As additional communication systems and tools emerge and become adopted into Port protocols, this plan will evolve to accommodate them. As the coming years promise to bring a period of some of the most rapid change in the Port's history in terms of bridge replacement and ownership, waterfront and rural industrial site development, and continued coalition building for advocacy of regional priorities in an increasingly dramatic and polarized political climate, the purpose of this plan will be to maintain a thoughtful, proactive approach in planning and executing all communications.

### INTRODUCTION

#### *Strategic Direction*

In January of 2014, the Port Commission approved Resolution 2013-14-2 adopting the 2014-2018 Strategic Plan for the Port of Hood River. The Strategic Business Plan followed a rigorous public input process and included an in-depth situational analysis of the economic impact of the Port, local market trends, S.W.O.T analysis, and identification of critical issues and district needs. Nearly all elements of the plan include a public relations and communications component.

In January of 2015, the Port created a new administrative staff position, Communications and Special Projects Manager, to play a lead role in managing the Port's internal and external communications and carry out a variety of

unique projects related to policy development, project and legislative advocacy, stake holder relationships and Port Website updates. More broadly, the Communications and Special Projects manager assures implementation of the communication elements of the strategies and goals outlined in the Strategic Business Plan.

For FY 2018-19, the Communications Plan continues to be tied directly to the goals and objectives of the 2015-2018 Strategic Business Plan. Specifically, the Plan addresses the following communication needs cited in the Strategic Plan, listed below with the Strategic Plan chapter numbers for context:

#### FACILITIES PLAN (COMMUNICATIONS ELEMENTS)

##### **1.a. Hood River Toll Bridge:**

- Strategy c: Seek federal and state funding to help the Port finance capital upgrade and maintenance projects. *(Lobbying and Advocacy)*
- Strategy d: Support reasonable regional efforts to plan for long-term replacement of the Bridge. *(Lobbying and Advocacy - Regional)*

##### **1.b. Roadways/Parking Areas:**

- Strategy b: Participate in transportation planning efforts with the City of Hood River, Hood River County and other jurisdictions within the Port District. *(Lobbying and Advocacy)*
- Strategy c: Advocate for improved freight and transportation access for the region. *(Lobbying and Advocacy - Regional)*

##### **2.a. Waterfront Business Park:**

- Strategy b: Actively seek interest of local businesses for expansion opportunities. *(Community Outreach and Public Input)*
- Strategy d: Participate actively and engage the public in planning and development efforts. *(Regional Collaboration)*

##### **2.c. Industrial Property Management:**

- Strategy b: Work closely with local businesses and seek ways to assist with facility needs. *(Community Outreach and Public Input)*

##### **3.a. Waterfront Recreation, Marina:**

- Strategy b: Increase year-round activity and vitality in the Marina Basin. *(Marketing and Promotions)*

##### **3.d. Waterfront Recreation, Other Recreational Sites:**

- Strategy c: Seek funding and partnership opportunities to design, permit and develop additional recreational sites under the Port's ownership and/or design review control. *(Regional Collaboration)*

##### **3.e. Recreation Trails:**



- Strategy a: Seek funding opportunities for the design and development of the pedestrian and bicycle trail connections with an emphasis on facilities on or near Port properties. *(Regional Collaboration)*
- Strategy b: Support efforts by the Hood River Valley Parks and Recreation District and other entities to plan, design and construct pedestrian and bicycle facilities. *(Regional Collaboration)*

## ECONOMIC DEVELOPMENT AND MARKETING PLAN

### 1. Business Retention:

- Strategy a: Carry out ongoing communication with existing businesses to anticipate their growth needs, and identify value-added opportunities that foster growth in wages and employment. *(Community Outreach and Public Input)*
- Strategy b: Work cooperatively with the other economic development agencies in the Mid-Columbia region by participating on boards, commission and advisory committees to advance economic development efforts. *(Regional Collaboration)*
- Strategy c: Coordinate with businesses such as agriculture and forestry and identify ways to enhance the area's traditional economic base. *(Community Outreach and Public Input)*
- Support the tourism sector and seek ways to increase tourism activities, particularly in the shoulder seasons. *(Community Outreach and Public Input)*

### 2. Business Recruitment:

- Strategy b: Work with other economic development entities, other ports and local businesses to integrate the Port's business recruitment strategies in the area. *(Regional Collaboration)*

### 3. Workforce Training and Education:

- Strategy a: Support efforts to ensure access to high quality education and training opportunities for area residents and workers, and create opportunities for youth to remain in Hood River County. *(Education Initiative)*
- Strategy b: Assist MCEDD, CGCC and other providers to assess the educational and skill level of the local workforce. Assist in identifying needed facilities and resources to address identified training needs. *(Education Initiative)*
- Strategy c: Report to the Commission when training resources may be needed to support the growth of existing businesses or successfully recruit new ones. *(Education Initiative)*

### 4. Regional Collaboration:

- Strategy a: Participate in and support a regional collaboration with other ports and the CRGNSA Gorge Commission in order to address local economic development issues. *(Regional Collaboration)*

In broader context, the 2018-19 Communications Plan is guided by the stated Mission, Values, Goals, and Strategies of the 2015-2018 Strategic Plan. They are:

## PORT OF HOOD RIVER MISSION STATEMENT

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*The Port of Hood River works to promote and maintain a healthy economy and strong quality of life in the Port District and throughout the Columbia Gorge.*

## PORT OF HOOD RIVER VALUES

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Values apply to the entire Port organization and serve to guide activities of the agency and the conduct of the Commission and staff. The Port has identified the following seven values paramount:

1. Integrity – maintain a high level of professional standards
2. Responsiveness – act in a timely way to all reasonable requests
3. Transparency – ensure business is conducted openly, with public oversight
4. Collaboration – actively participate with all stakeholders
5. Stewardship – seek high standards of maintenance of the Port’s assets and always consider the long-term public good
6. Innovation – consider new approaches and best practices
7. Quality – strive for excellence in all Port activities

## PLAN GOALS

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The purpose of this plan is to guide and implement a comprehensive communications program over at least the next fiscal year (2018-19). It is intended to be a living document with ongoing review and modification according to Port priorities, policy direction, and available resources.

Using this plan as a framework, the Port will strive to:

- Increase public awareness and interest in the Port’s operations and long-term economic development and transportation infrastructure goals by providing state-of-the-art communication systems, linking the Port with its constituents, customers, regional communities and the public at large.
- Ensure stakeholders and target audiences have easy access to information that is current, clear, and engaging.
- Maintain strong and positive relationships with the news media to enable consistent visibility of Port activities and impacts.
- Provide communications and marketing services for all Port functional areas: Administration/Office, Facilities, and Toll Booth.
- Create a more efficient and cohesive internal communications system.

Since 2015, the Communication Plan has been guided by the following principles, with key messages and target audiences identified as follows:

## GUIDING PRINCIPLES

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1. Proactive, and well prepared for reactive communications
2. Positive focus versus negative
3. Open, transparent, clear disclosure of the issues
4. Dialog encouraged and preferred over one-way communications
5. Uniform theme/key talking points. Long-term context explained to avoid scattered, disconnected messages
6. Innovative use of new media, adept and informed deployment of communication technologies (The medium is the message)

7. Collaborative messaging and partnership development throughout the Columbia Gorge for the purpose of amplifying and organizing regional voice on needs and priorities
8. Quality versus quantity – investing in producing highest quality collateral products, programs, and services with an eye to channel fatigue in target audiences (Slow and steady wins the race)
9. Stewardship and storytelling – recognition of the historic and cultural significance of the Port of Hood River, its assets, and its work. Care and attention to archiving, preserving, and sharing the stories of the Port

## KEY MESSAGES

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The Port is a vital economic engine for Hood River and the Columbia River Gorge region, responsible for maintaining a vital transportation link between two states as well as roads and trail facilities within the City and County. The Port is responsible for job creation and economic prosperity in the region. Whenever possible and appropriate, the Port will convey third-party verified metrics of the impact of Port work and investments in terms of new jobs created, jobs retained and other economic impacts; Port work related to safety and security of Port-owned facilities, i.e. the Hood River-White Salmon Interstate Bridge; Port culture of open collaboration and transparency; specific development and workforce objectives. Regarding bridge replacement, the Port is under contract with the State of Oregon to deliver a completed Final EIS in the next two years. While committed to working in a wholly transparent, open and collaborative way with regional partners, the Port is not yet in a position to make decisions on the future ownership and operation of the new bridge and doesn't expect to be in that position until the EIS process is nearly complete.

## TARGET AUDIENCES

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The Port is organized into five primary functional areas: Bridge, Airport, Marina, Waterfront Recreation, and Industrial Development. Administratively, Port operations generally fall into three categories: Administrative/Office, Bridge Toll Booth, and Facilities. Each functional area can claim its own group or groups of target audiences and stakeholders dependent on department heads and staff for ongoing informational updates, dialog, and opportunities to provide input throughout the year.

In general terms, the Port's main target audiences are listed below, with some overlap in each category:

- Residents of cities of Hood River, White Salmon, Bingen and Hood River and Klickitat Counties
- Port District constituents
- Port Building Tenants
- Waterfront users
- Marina moorage tenants, guest dock users, cruise ship dock users
- Airport T-Hangar tenants, guest airport users, residential and commercial neighbors of the Airport
- Bridge users and BreezeBy customers
- Businesses and prospective tenants
- Local agencies
- State and federal legislators and their staffs
- Local news media
- Development and construction project bidders and vendors

Secondary audiences:

- Other Ports and public entities of Oregon and the Pacific Northwest (Model organization and programs)
- State and National news media
- Broader public consumer audiences throughout Oregon and Pacific Northwest (Community branding and marketing)

## MEDIA

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The Port generally employs following media to provide the communications services either in-house or via personal service contracts:

- Press Releases
- Web site(s)
- Social Media (Facebook, Twitter)
- Email Listserv bulk email messaging (newsletters, news alerts, surveys and reports)
- Online Surveys and Feedback Forms
- E-commerce Web Portals
- Presentations
- Print Publications, including twice-yearly newsletters, annual reports
- Print Display Advertising
- Media relations (Including provision of stock photography, B-Roll video, Fact Sheets, etc.)
- Promotional collateral and educational materials development (multimedia)
- Events (Conferences, Trade Shows, Receptions, Tours, etc.)
- Interactive, dynamic-content online Calendars
- Sponsorships
- Policy documents
- Commission Meeting Packets (print and digital)
- Signage: Way finding, Traffic Control, Interpretive, Promotional and Informational
- Maps: Way finding, Parking Control, Promotional and Informational
- Public Notices and Classified Advertising

## Future Operations

### Overview:

The Port relies upon bridge toll revenues to support capital expenditures that keep the bridge safe and operational. Those same revenues are used to support debt obligations and other Port cost centers. As the possibility of bridge replacement increases within in the next ten years, the Port must consider ways to carry out its public agency responsibilities with a fundamentally different business model in the future. Staff has prepared the attached summary of challenges and opportunities for Commission consideration and discussion. This is the first important step in an effort that will likely take years to fully develop and implement.

### Potential Actions/Alternatives:

The Port will face a very significant challenge to maintain its current operations in the future if the bridge replacement effort achieves success. The advantage in considering this fundamental challenge now is that there are several years before bridge replacement occurs. Specific early actions can be considered and taken in the near and medium term to prepare for a positive transition in the future.

### Consequences:

Engaging in a thorough assessment of the Port's future revenue mix and cost structure in the context of the Port's public agency responsibilities, and taking specific actions over the next several years, may lead to a reasonably strong future foundation for the Port.

### Key Issues:

- The Port's primary responsibilities as a public agency.
- The realistic size and scope of the Port in the future.
- Potential future revenues sources.
- Merge/consolidation ideas.
- Near-term & medium-term steps to prepare for change.

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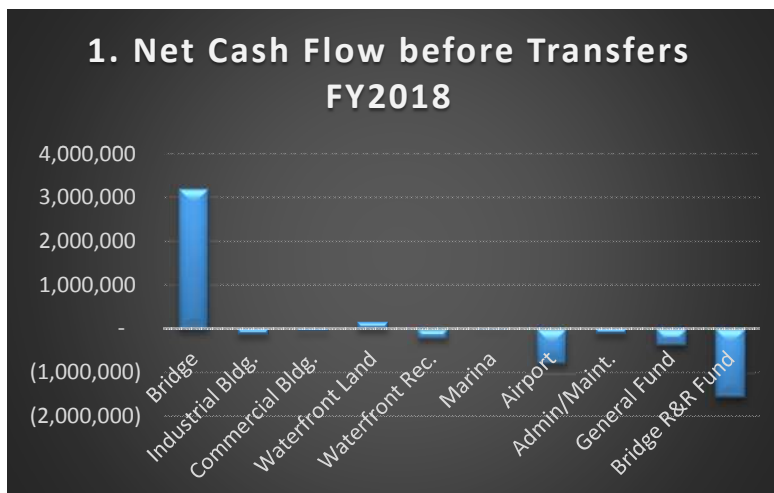
## Preliminary Discussion Paper: Financial Issues Facing Port due to Replacement Bridge Project

### 1. Introduction

The future of the Port’s finances is linked to the future of the replacement bridge, whether the bridge is successfully developed or not, and whether it is owned or operated by the Port or not. The Port currently uses a portion of its toll proceeds to fund a “gap” between the cost and revenues of some of its non-bridge assets (such as the waterfront recreation assets). Once the replacement bridge opens to traffic, net toll revenue will no longer be available to underwrite this gap.<sup>1</sup> Absent a replacement revenue stream, the Port will need to consider significant changes to Port operations. A multi-year Port strategy must be designed and implemented over the next few years to address this issue. This paper outlines some of the key issues for preliminary discussion purposes; additional work is required to fully assess the options.

### 2. The Problem

In the aggregate, the Port’s the capital and operating expenses of the Port’s non-bridge cost centers exceed the revenues derived from these assets. In FY2018, while the bridge yielded \$3.2 million in net cash flow and Waterfront Land was slightly positive (due to a one-time-only reimbursement), every other Port cost center yielded a negative cash flow (Figure 1).

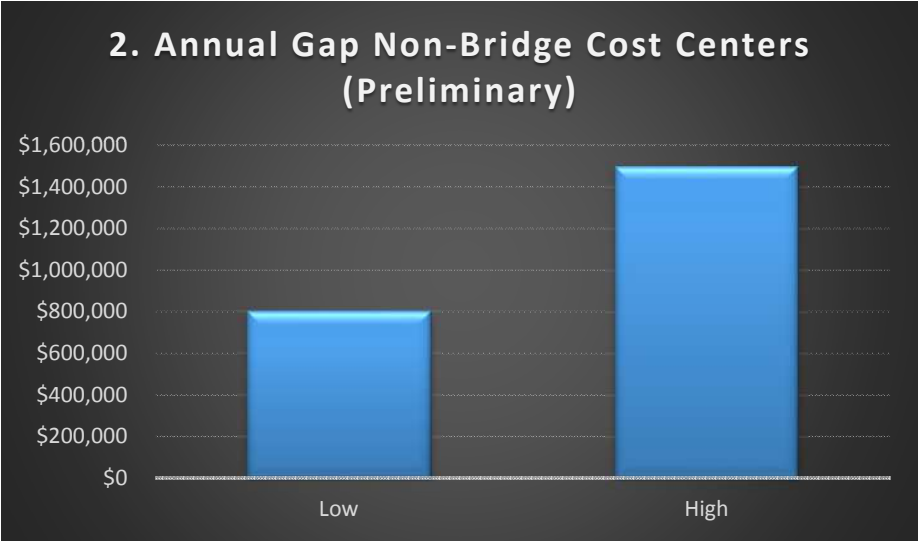


Cumulatively the Port’s non-bridge cost centers had a gap of about \$1.5 million between their costs and revenues, which was underwritten primarily with toll revenues (Figure 2).

Only 10% of this gap is from an aggregate negative net operating income among the non-bridge cost centers (primarily general fund and other administrative costs). The bulk of the gap is due to capital expenses (including debt service payments) not paid by third-party sources. Some capital outlays are

<sup>1</sup> If the replacement bridge is undertaken as a P3 project, federal law would permit the Port to receive rent, franchise fees, or other payments from the P3 entity under the P3 agreement, and could use these payments for general Port purposes (not limited to the bridge). If the replacement bridge is undertaken publicly by an entity other than the Port, the Port could lease property it owns that is used by the bridge, including any buildings used by the public entity for bridge operations, and use the rent payments to fund non-bridge Port operations. This analysis does not address these factors.

discretionary (i.e.; constructing a new building) that can be entirely avoided, others are normal capital costs of owning assets (i.e.; replacing a roof on a building) that can be deferred but ultimately required. Because the size gap will fluctuate annually depending on the year’s mix of capital expenditures, which, within limits, the Port can manage, the gap is stated as a range - \$800,000 to \$1,500,000 (Figure 3).



**3. Issues requiring Port Consideration**

The potential impacts of the gap on future Port activities are substantial, and necessitate the Port’s consideration of several complex issues over the next few years; such as:

- 3.1 **Use of Reserves:** The Port carries cash reserve in its Revenue Fund that can be used to underwrite the gap for a while, allowing additional time, if needed, to make adjustments to the Port’s activities and funding sources. However, these reserve funds are also needed for projects that create an on-going revenue base for the Port, such as new rental property. The Port will need to balance these competing objectives.
- 3.2 **Managing Debt:** The Port has typically issued debt by pledging all of its resources, with toll revenues providing the bulk of the cash flow pledged to repay the borrowing and the required coverage. The capacity of the Port to borrow for non-bridge purposes will be substantially impaired when toll revenue is no longer available for non-bridge purposes. The potential loss of toll revenues in the future may impact borrowing before the replacement bridge opens, as lenders demand loan terms addressing the possible limitations on the use of toll revenue.
- 3.3 **Implementing New Revenue Centers:** Part of the strategy for addressing the gap includes seeking new revenue sources. New revenues are unlikely to fully replace the lost toll revenue, but can materially lessen the impact. The options identified to date, shown below, are in various stages of development – some being implemented, some being studied, and some highly speculative.
  - **Tolling Services:** Fred Kowell is working on monetizing the Port’s tolling expertise by providing back-office tolling services to local governments in Oregon – such as the Port of Cascade Locks. With more local governments considering tolling their facilities, there appears to be a growing market. The Port would be paid its expenses plus a profit margin that could help fund



Port projects or programs. No reliable estimate exists of revenue potential; for preliminary discussion purposes assume \$50,000, with larger amounts possible over the longer term. This idea would not work if another entity (such as WSDOT) operates the replacement bridge.

- Parking Revenue: The recently implemented parking meter program is estimated to yield about \$125,000 of new net revenue annually.
- Modify Lease Terms for Port Rental Properties: Ann Medenbach has proposed to convert, as lease renewals arise, the Port's current typical lease terms for its rental properties to triple net leases. This leasing strategy is estimated to add about \$150,000 in new Port revenue by 2024. Deferred maintenance on the rental properties, if any, will need to be addressed before the triple net lease will draw interest from potential lessees.
- Develop/Purchase New Rental Properties: A new waterfront building has been proposed. Assuming the Halyard Building is a reasonable comparable at this early stage, the new building could produce \$115,000 in net operating income (before capital outlays and/or debt service). The development of the new building will require a drawdown of reserve funds to use as equity and the repayment of debt. Taking the debt service into account, the new building will show a negative cash flow until the debt is repaid. At issue is whether this is feasible when toll revenues are about to be ineligible or are already ineligible for repaying such debt.
- Require Annual Maintenance Fee Assessments in Development Agreements: The Port has entered an agreement with a developer requiring payment to the Port of an annual open space maintenance fee calculated at 26-cents per building square foot, adjusted by CPI. The Port intends to incorporate this requirement in other developments along the waterfront. This maintenance fee is estimated to yield about \$15,000 per year now, \$25,000 per year within a few years, and perhaps as much as \$50,000 per year within ten years.

The revenue estimates shown above are very preliminary, and there is a high risk in assuming that each and all of these revenue sources will yield as much as currently estimated.

### 3.4 **Taxation and Governmental Actions:**

The Port may consider, as a partial means for narrowing the gap, employing various legislative authorities to create a revenue source for its waterfront recreation assets. For example, the Port can consider seeking:

- A local option operating levy to fund its waterfront recreation assets. This would require voter approval every five years.
- Subject to voter approval, the creation of a new Park and Recreation District, separate from the Port, with a permanent tax base and responsibility for operating, maintaining, and improving the waterfront recreation area. The Port may also consider consolidating or merging the waterfront recreation assets into an existing parks district or governmental entity.

### 3.5 **Scaling-Back Port Functions and Staff:**

The Port may conclude it cannot or should not entirely fill the revenue gap in non-bridge cost centers and instead consider:

- Limiting non-grant-funded capital outlays. Going forward discretionary capital outlays, in particular those requiring borrowings, must be evaluated in the context of no longer be able to use toll revenue for non-bridge purposes as soon as (although likely longer than) 5-6 years from now. This may change the cost-benefit calculus of discretionary capital projects in the future.
- Reducing Port activities and staffing. Absent sufficient resources, the Port would have to consider scaling-back Port activities to those commensurate with reduced revenue; raising such questions as to which activities and positions are eliminated or reduced. -----

## 4. **Conclusions**

Toll revenue will not be ineligible for non-bridge costs, and therefore the gap is not a problem, until the replacement bridge opens for traffic; which is at least 5-6 years from now, or longer. Thus, the Port has time to plan and implement a plan that addresses the gap.

The task is made more difficult, both technically and politically, by the uncertainty of if and when the replacement bridge might open, what the governance structure might be, and whether and what role the Port may have in the replacement bridge.

While this paper focuses on the issues if the replacement bridge is built, there is an entirely separate set of issues facing the Port if development of the replacement bridge drags on and the existing bridge must remain operational for an extended period. The Port has previously prepared a list of costly maintenance and rehabilitation projects required to operate the existing bridge over an extended period. While some of these projects can be delayed for a while, there may come a point when the Port must proceed. Some will require borrowing; this will be more complex if the replacement bridge is looming. And, the Port will need a method to repay the borrowings if and when the replacement bridge opens.

Thus, the challenge facing the Port is not just addressing a possible revenue gap in its non-bridge cost centers caused by a replacement bridge. Rather its deriving and implementing a strategy that allows it to navigate years of uncertainty surrounding whether or not the replacement bridge is successful in the foreseeable future.