

Commission Memo



Prepared by: Michael McElwee
Date: November 15, 2016
Re: Fall Planning Overview

The Fall Planning Session provides opportunity to have broad discussion about key initiatives and policy matters facing the Port. The Commission should consider the meeting primarily as an opportunity to discuss issues and give general direction to staff. However, on some matters more specific direction is sought that will have a near-term impact on staff efforts or may be very helpful in preparation of the Draft FY 17/18 Budget. The Commission may choose to seek additional analyses from staff or the assessment of alternative actions for discussion at a future meeting.

The attached agenda reflects the priority items identified by staff and direction we have received from the Commission over the last several weeks. Each topic is accompanied by a "Discussion Paper" that summarizes the topics and poses key issues and alternative actions for discussion. The challenge is always how to have a substantive conversation about each subject but move through the agenda so that all topics can be covered. The agenda has a designated finish time for each area of discussion as a guide.

It is important to note that it is not necessary that every issue or question be fully resolved at this meeting. It is extremely beneficial for staff to have the discussion and hear from all Commissioners. This allows staff to better prepare recommendations for future Commission consideration and possible actions.

As always, staff is very appreciative of the Commission's time and effort makes to review the packet and in attending the meeting. An invitation was also extended to the Budget Committee and most members have indicated that they will attend. These planning sessions are very important to staff and your direction is greatly valued.

Port of Hood River
2016
Fall Planning Work Session

November 15, 2016 – 12:30 P.M.
Marina Center Boardroom

Agenda

	<i>Finish Time</i>	<i>Discussion Lead</i>
I. Overview/Objectives	<i>12:45</i>	<i>Shortt</i>
II. Financial Summary	<i>1:15</i>	<i>Kowell</i>
• 10-year Financial Forecast		
III. Focus Area/Discussion Topics		
A. Hood River Bridge		
• Capital Planning	<i>2:00</i>	<i>McElwee</i>
○ 30-Yr. Financial Model		
○ 2017-19 Capital Project Work Plan		
• 2017 Toll Increase		<i>Kowell</i>
• Replacement Planning		<i>Scholl</i>
B. Real Estate		
• Financial Return of Lease Assets	<i>2:45</i>	<i>Medenbach</i>
• Portfolio Assessment		<i>Medenbach</i>
• Near-term Development Options		<i>Medenbach</i>
• Lower Mill: Next Steps		<i>Medenbach</i>
• Lot #1: Infrastructure Planning		<i>McElwee</i>
C. Waterfront		
• 2017 Marina Lease Rates	<i>3:45</i>	<i>Kowell, Borton</i>
• Waterfront Parking Plan Implementation		<i>McElwee</i>
D. Airport		
• Airport Financial Analysis	<i>4:15</i>	<i>Medenbach</i>
• Capital Projects Timeline		<i>Medenbach</i>
• Through-the-Fence Access		<i>Medenbach</i>
E. Special Projects		
• OneGorge Collaborative Legislative Advocacy	<i>4:35</i>	<i>Scholl</i>
• Communication Plan and Related Policies		<i>Scholl</i>
F. General Discussion (No white paper)		<i>Shortt</i>
• Economic Trends & the Role of the Port		
Adjourn	5:00	
<i>(Regular Session to follow upon conclusion of Work Session)</i>		

November 15, 2016
Fall Planning Session

Discussion Topic:

Ten Year Financial Forecast

The ten year financial forecast has been updated with the actual financial performance of the Port through June 30, 2016. Staff has updated some of the capital improvements related to the Bridge that we will not have to do based upon the preliminary findings. In addition, we have updated the financial outlook with one of the options for toll increases as well as some known costs today that were not available during Spring planning.

Attached are the summary sheets of the 10-year financial forecast.

RECOMMENDATION: Discussion.

**Port of Hood River
Long Range Financial Model
Updated: November 15, 2016**

Agency-Wide Statistic	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Operating Revenues	\$6,378,245	\$6,885,876	\$7,611,719	\$7,896,367	\$8,248,785	\$8,541,574	\$8,462,585	\$8,596,007	\$8,731,892	\$8,870,294
Total Direct Operating Expenses	\$1,806,447	\$1,838,864	\$1,915,874	\$1,975,649	\$2,083,761	\$2,148,775	\$2,215,817	\$2,284,950	\$2,356,241	\$2,429,755
Total Allocated Personnel	\$1,681,576	\$1,702,424	\$1,785,677	\$1,828,663	\$1,872,689	\$1,917,779	\$1,963,960	\$2,011,258	\$2,059,700	\$2,109,314
Net Operating Income before Debt Service and Capital Outlay	\$2,890,222	\$3,344,588	\$3,910,168	\$4,092,054	\$4,292,335	\$4,475,020	\$4,282,808	\$4,299,799	\$4,315,952	\$4,331,224
Cash on Cash Return before Debt Service and Capital Outlay	4.9%	5.5%	5.9%	5.9%	5.4%	4.9%	4.3%	4.3%	4.3%	4.3%
Net Operating Income after Debt Service and Net Capital Outlays (Excl. Grant Funded)	\$3,602,798	-\$905,504	\$1,582,259	\$2,794,359	\$2,737,842	\$1,887,062	\$2,174,554	\$2,064,291	\$3,192,454	\$2,470,387
Cash on Cash Return after Debt Service and Capital Outlays (Excl. Grant Funded)	6.2%	-1.5%	2.4%	4.0%	3.4%	2.1%	2.2%	2.1%	3.2%	2.4%
No. FTE in Port Buildings	290	298	311	314	318	319	327	329	330	330
Wages of Jobs in Port Buildings	\$12,419,031	\$12,880,430	\$13,298,925	\$13,729,374	\$14,172,098	\$14,472,547	\$14,779,365	\$15,092,687	\$15,412,652	\$15,412,652
End of Year Reserves	\$7,443,439	\$6,107,452	\$7,277,674	\$9,671,053	\$12,027,332	\$13,545,245	\$15,358,523	\$17,070,338	\$19,926,347	\$22,079,056
Reserves from Sale of Assets	\$ 1,848,316	\$ 1,848,316	\$ 3,658,873	\$ 3,658,873	\$ 3,760,194	\$ 3,760,194	\$ 3,760,194	\$ 3,760,194	\$ 3,760,194	\$ 3,760,194
Reserves Unassigned	\$ 5,595,124	\$ 4,259,137	\$ 3,618,801	\$ 6,012,181	\$ 8,267,139	\$ 9,785,052	\$ 11,598,329	\$ 13,310,144	\$ 16,166,153	\$ 18,318,863
10% on Net Depreciable Assets	\$ 5,107,417	\$ 5,221,929	\$ 5,378,790	\$ 6,401,007	\$ 7,521,291	\$ 8,233,117	\$ 8,273,967	\$ 8,482,317	\$ 8,565,167	\$ 8,648,017

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

Base Assumptions	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
CPI	2.50%	2.26%	1.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%
CPI Multiplier	1.025	1.023	1.011	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021
Cumulative CPI	1.054	1.078	1.090	1.113	1.136	1.160	1.185	1.210	1.236	1.262	1.289	1.316
Expense Differential	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Expense Multiplier	103.5%	103.3%	102.1%	103.1%	103.1%	103.1%	103.1%	103.1%	103.1%	103.1%	103.1%	103.1%
Annual Lease Revenue Growth	2.5%	2.3%	1.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Annual Lease Revenue Growth Multiplier	1.025	1.023	1.011	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021
Increase in Bridge Traffic	1.05%	1.05%	1.05%	1.05%	1.05%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%
	1.013	1.011	1.011	1.011	1.011	1.011	1.011	1.011	1.011	1.011	1.011	1.011
Cumulative Increase in Bridge Traffic	102.6%	103.6%	104.7%	105.8%	106.9%	108.1%	109.3%	110.5%	111.7%	113.0%	114.2%	115.5%
ETC Toll	\$ 0.80	\$ 0.80	\$ 0.85	\$ 0.97	\$ 0.97	\$ 0.97	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.05	\$ 1.05
ETC Toll Rate Compared to 2014 Rate	1.067	1.000	1.063	1.141	1.000	1.000	1.031	1.000	1.000	1.000	1.050	1.000
Growth in Average Payroll per FTE	2.5%	2.3%	1.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Growth in Payroll	1.025	1.023	1.011	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021
Cumulative Growth in Average Payroll per FTE	1.054	1.078	1.090	1.113	1.136	1.160	1.185	1.210	1.236	1.262	1.289	1.316
Growth in Allocated Administration Costs	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Admin Cost Multiplier	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025
Cumulative Growth in Allocated Admin Cost	1.051	1.077	1.104	1.131	1.160	1.189	1.218	1.249	1.280	1.312	1.345	1.379
Number of Marina Slips	165	165	165	165	165	165	165	165	165	165	165	165
Interest Rate on Reserve Funds	1.0%	1.0%	1.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Cash Toll	42%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
Ticket/ETC	57%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%

November 15, 2016
Fall Planning Session

Discussion Topic:

Bridge Capital Planning

Overview:

Significant assessment steps, legal efforts, and repair/upgrade work has taken place on the bridge over the past 18 months. These efforts primarily stem from the collision investigation, inspection, repairs and modifications to the lift span, and upgrades at the Toll Plaza. Much of this work was not budgeted; therefore it was necessary to delay the auxiliary truss project to stay within budget. One key benefit is that there is much less uncertainty associated with the lift span and we are better able to define capital project needs.

As in past years, staff has worked with our bridge engineer, HDR, to update the 30-year capital planning model and develop a two-year capital work plan to direct capital spending for the next budget year. This year, in addition, we have more clarity with regard to the possible sale of new bridge revenue bonds that will need to be considered in the 2018/19 fiscal year.

Key Issues:

- High certainty with condition of lift span trunnions and mechanical equipment
- Completion of auxiliary truss upgrades more pressing—deferred from FY17
- Implementation costs of tolling system improvements possibly including weigh-in-motion technology
- Next priority for major painting project— likely lift span towers
- Reasonable commitment to expensive seismic upgrades
- Type and magnitude of projects associated with new bridge revenue bonds

Discussion:

Both the 30-year model and the two-year work plan are being completed by HDR and will be distributed at the meeting for Commission review. There is a close correlation between our capital spending assumptions on the bridge and a potential toll increase, the capacity to fund pre-development work for bridge replacement.

November 15, 2016
Fall Planning Session

Discussion Topic:

Bridge Toll Rate Increases

At the November 1, 2016 meeting, staff presented four scenarios that provided some discussion on issues that were raised. The following will first elaborate on some of the discussion items, then provide a Benefit versus Consequence scenario for each of the scenarios.

Discussion Items Regarding Tolls:

Can we raise the cash toll but provide a ticket or pass for the local community to use toward a lower cash rate?

- In developing the two separate rates, one for Breezeby and the other for cash, there is a disparity that should be reflected in the cash toll that depicts the extra cost to handle cash payments. There have been legal challenges (one pending before POCL) where rates are determined by location or geographical area. It is important to determine rates based upon cost which may include future costs or the ability to move traffic freely across the bridge. The Port's Breezeby system (rates) provides the lowest and most economical cost to a bridge user. The Port has tried to stay away from adding any additional administrative or operating burden to labor that would increase the cost to the public such that we have eliminated tickets and other manual payment types.

Can we elect to have a different rate during the summer season versus the rest of the year?

- There is uncertainty with this approach in regards to a legal challenge. Since the toll rates are determined based upon a crossing, the legal question would be why should there be a difference in a cost of a crossing unless a crossing has different cost factors like multiple axles, weight, operating costs like electronic tolling versus cash. Having a different rate for a crossing during peak season versus non-peak, the question would be whether there was a difference in cost. However, if a rate is developed to allow better traffic flow like time of day rates, then that is a possibility. Time of day rates are legitimate when a public agency is trying to change traffic behavior by spreading out traffic during different times of the day.
- Breezeby provides the lowest cost to our customers currently and in the future will allow the Port to keep its costs down. A customer does not need a credit

card to open a Breezeby account and the Port currently allows for the first transponder to be free.

With regard to the following options, I have put factored the pros and cons of each and put some financial impacts to each. They are as follows:

Option 1: Leave the tolls at the present level.

Benefits:

- The Port will most likely not receive any comments on this scenario from our customers.
- No communication or outreach plan will be needed.
- Easy to factor the number of customers using our bridge and how many over time move from using cash versus Breezeby.

Consequences:

- The Port is coming close to its debt coverage policy of 2.0. Although it's a self imposed financial policy, it does have merit regarding our ability to attract low cost debt financing.
- Future capital improvements to our existing bridge will need to be funded beyond the current toll rates.
- Debt underwriters might not give the Port a high rating lowering the cost of debt issuance.
- Port will limit its ability for future capital needs.

Option 2: Raise "Cash" tolls by \$0.25 for Near-term Capital Needs.

Benefits:

- Provides a little revenue cushion regarding our fiscal debt policy. At first you would think that this would add about \$250,000 to our overall revenue picture but we continue to experience a transfer of payment type by our customers from cash to Breezeby. This will increase the rate of change some more such that only about \$180,000 would most likely occur.
- Rating agencies look favorably on adherence to fiscal policies regarding debt.
- Only impacts cash customers while still providing the lowest possible cost to the bridge customer through Breezeby
- Allows the Port to continue to put tolls towards the current and future capital needs of the existing bridge.

Consequences:

- Financial impact to our customers who use cash and elect not to transfer to using Breezeby.

- Additional financial cash inflow will not be enough for the first phase of a bridge replacement plan.

Option 3: Raise “Cash” Tolls to \$2 - Fund Bridge Replacement and Existing Bridge Needs over the Near-Term

Benefits:

- Increase the “cash” toll to \$2. This increase will allow the Port to contribute its local match toward the completion of a Final Environmental Impact Statement (EIS) or pay for some tasks without state or federal assistance. It has several other benefits.
- It will allow more time to develop the partnerships and possible business model that will be necessary under a replacement bridge scenario. The time it takes to prepare an FEIS plan will be about 20-24 months. Moving the cash toll to \$2 per crossing will allow the Port to pay for the FEIS plan and/or other tasks and demonstrate a significant financial commitment. Since the Port has already completed a refunding of its current bridge bonds, it cannot refinance its debt. It can issue parity debt but it would be expensive in legal, bond rating, and other issue costs.
- The \$1 increase will allow the Port to continue on schedule with the payoff of its existing debt by December 2018 and financial policies.
- It will allow more time to develop the correct amount of debt issuance, the timing of the debt issuance and determine the portion related to the existing bridge and replacement-bridge.
- It still provides the customer with a lower cost payment option (Breezeby) that remains unchanged.
- This new toll will bring in over \$1.1 million in additional funding. It’s difficult to estimate the impact due to the nature of percentage of customers moving from cash to Breezeby. This is a conservative estimate.

Consequences:

- Cash customers will receive a significant increase in the toll.
- Customer outreach and communications will be needed.
- Customer pushback will occur but to what extent is unknown. Having Breezeby at the same rate will mitigate some of the pushback.

Staff recommends that during the next budget process that we establish a new fund called the Bridge Replacement Fund, if the Port goes to a \$2 toll rate per crossing. In addition, rename the existing Bridge Repair & Replacement fund to the Bridge Repair Fund. Finally, the new toll increase occurs July 1, 2017. This will allow more discussion

on this matter, time to notify our customers, implement the new changes to our tolling system that is being migrated and updated in the next 4 months.

RECOMMENDATION: Discussion

November 15, 2016
Fall Planning Session

Discussion Topic:

Bridge Replacement

Overview:

Significant progress has been made in the past year toward accomplishing pre-construction tasks required for replacement of the Hood River Interstate Bridge by 2025, including:

- Designation of the current bridge as a National Highway System (NHS) facility
- Bridge Replacement identified as the #1 priority capital project in the regional CEDS list
- County resolution to include bridge replacement in the next update of the County Transportation System Plan (TSP)
- Federal congressional support continues
- Testimony and updates to the Joint Interim Task Force on Transportation Preservation and Modernization, the Oregon Transportation Commission, and the Governor's Office about the critical need to replace the Bridge
- Meetings with ODOT and WSDOT representatives to cultivate working partnerships
- Completed Benefit Cost Analysis (BCA), required for FASTLane funding requests, as well as an application draft for pre-construction project costs
- Designation as a Critical Rural Freight Corridor by WSDOT

Actions Taken in 2016:

- Port staff, Summit Strategies, and FCS Group completed a draft FASTLane application and Benefit Cost Analysis for pre-construction tasks such as the update to the EIS and TS&L studies, completion of the FEIS, right-of-way purchases, and/or some degree of engineering and design. The application was not submitted in the first round, but is ready to go for the second.
- The Port contracted the services of Thorn Run Partners to lead the advocacy effort in Salem, retained Summit Strategies on the federal front, and hired consultants Steve Siegel and Parsons Brinckerhoff to bring project scopes, timelines, and strategies to a ready-to-deploy position. Siegel is leading the finance/ownership modeling effort, exploring potential public-private partnership (P3) options as well as public funding involving Port, state, and federal participation.
- Rep. Mark Johnson has sponsored three "place-holder" bill drafts, now under review by Oregon Legislative Counsel that may be used during the Oregon legislative session to secure funding, affirm Port tolling authorities, enable or remove barriers to a public-private partnership, and compel ODOT staff to participate in project development.

Happening Now:

USDOT has issued the Notice of Funding Opportunity for the second round of FASTLane funding with an application deadline of December 15. Commission direction will be needed to determine whether and for what elements of the project to apply for this federal funding.

As noted above, the Port has three “place-holder” bills sponsored by Rep. Johnson being readied for possible introduction during the next Oregon legislative session. Commission input will be needed to approve recommended legislative strategies and “asks.”

Financing options and project scopes are being developed to a level of more detail as are projects costs and timelines. Commission input is sought on near-term increases in tolls to establish bridge replacement funding.

Potential Next Steps/Alternatives:

Depending on the success or failure of the Port’s efforts in Salem and of a potential FASTLane application, the Commission will need to consider and provide input to guide staff efforts going forward in the following scenarios:

- Success in Salem results in \$5M in state funding for pre-construction tasks and directive to ODOT to become an active partner in the development
- Failure in Salem results in no state support for bridge replacement, and no directive to ODOT to partner with the Port
- Successful FASTLane application results in federal funding and a required local match of for pre-construction tasks
- Unsuccessful FASTLane application in this round, with three rounds remaining. Potential new application for construction in fourth or fifth round

Impacts:

Bridge Maintenance & Bridge Replacement Costs Accelerating Simultaneously:

Perhaps the greatest challenge now facing our Port is the parallel acceleration of costs to keep the current bridge operational while pursuing the \$260-300M bridge replacement project. Significant staff time will continue to be dedicated to the replacement project, and the need for consulting services will grow with each step toward construction. A significant, multi-year public outreach process will be needed to establish political and community support for bridge replacement.

Legislative Advocacy Costs:

The Port contracted with the firm Thorn Run Partners, for representation in Salem totally focused on bridge replacement since July. Federal advocacy continues under the leadership of Summit Strategies. The cost of the monthly retainer for Thorn Run Partners is \$4,500. Summit Strategies is \$5,000 per month. Total annual cost for contracted legislative advocacy (if these contracts were to be renewed past June 2017) is \$114,000.

Depending on Port objectives and a post-session performance assessment of Thorn Run Partners, the Port may opt to renew the contract with Thorn Run, currently set to expire June 30, 2017, for continued state-level advocacy. Staff anticipates this will not be needed if state funding for near-term pre-construction bridge replacement tasks is not approved. Staff does anticipate a continued need for the services of Summit Strategies LLC at the federal level especially should the Port have a pending FASTLane application in the next cycle.

As progress toward bridge replacement continues, staff also anticipates the need for increased, dedicated staff travel time to both Salem and DC.

Key Questions:

1. Should the Port submit an application for FASTLane funding in the next round?
2. Considering the magnitude of the bridge replacement project in its entirety (garnering state and federal buy-in and potential funding, permitting, and all development tasks through construction), does the Commission feel the current level of investment in legislative advocacy is appropriate?
3. As the Port's strategies for bridge replacement begin to transition into public outreach and cultivation of various stakeholder groups' support, do Commissioners feel individually empowered to personally advocate for Port needs on the local, state, and federal levels? Are there any industry sector or public entity relationships that can be identified and engaged to further Port efforts?
4. Are there any industry sector or public entity relationships that can be identified and engaged to further Port efforts?
5. Should the Port initiate a series of public meetings regarding bridge replacement and toll increases in this calendar year?

November 15, 2015
Fall Planning Session

Discussion Topic:

Financial Return of Leased Assets

Overview:

The Port currently owns and manages nine industrial and commercial buildings totaling 191,624 SF. For purposes of this analysis, Airport and Marina buildings are not included. Most of the portfolio is over 30 years old and maintenance costs will increase as they age.

Issues:

1. Lease structure

The Port currently operates on a modified gross lease structure, although we have a few gross and full service leases. Modified gross leases do not pass through non-capital maintenance costs, insurance, or all utilities. Those costs should be recovered through a higher lease rate; our lease rates have not kept up with these costs.

2. Operating Expense Ratio (OER)

OER is defined as the operating expenses (non-capital, non-debt) divided by the gross operating income. Current ratios range from 52% to 100%. Target for the market is between 30-40%. The goal is to reduce the OER, increasing profit not income, with which to reinvest in assets. Staff implemented a new utility structure that recovers what is allowable in the leases this past year. This improvement will be seen in the 2015/16 actuals.

3. Building Condition

78% of our portfolio is over 40 years old. While we have done a good job maintaining our properties, some are ready for a significant remodel or redevelopment.

Potential Actions/Alternatives:

Modifications that could reduce OER are:

1. Increasing lease rates when lease renewals are missed, leases expire, or new tenant
2. Modernizing lease structure to NNN in order to pass through actual costs
3. Reducing costs

Impacts:

1. Rates may not keep up with actual costs as maintenance costs increase
2. Port systems are not set up to administer NNN structure
3. Lower maintenance levels

Key Questions:

1. Would the Board like staff to proceed with an analysis of the above options? Specific analysis may include:
 - a. Utility costs recovered with recent actual utility implementation
 - b. Timeline when current leases could be modified based on terms.

<i>Budget numbers 2015/16</i>				
<u>Industrial Buildings</u>	<u>Square footage</u>	<u>Lease rate ave</u>	<u>NOI</u>	<u>OER</u>
Big 7	40,119	\$ 0.54	\$30,769.00	85%
Halyard	19,964	\$ 0.92	\$86,424.00	72%
*Jensen	58,417	\$ 0.49	\$79,216.00	52%
Maritime	38,806	\$ 0.49	\$129,863.00	52%
Timber Incubator	10,000	\$ 0.54	\$23,545.00	71%
Wasco	14,650	\$ 0.90	\$85,852.86	71%
Totals 167,306			\$519,784.45	
<u>Commercial Buildings</u>				
DMV	2,320	\$ 1.43	(\$7,404.00)	100%
Marina Park	5,019	\$ 1.07	\$19,268.00	78%
Port Building	14,650			
Totals 21,989			\$11,864.00	
<i>Total NOI</i>			\$531,648.45	
<i>Capital Expenses</i>			\$(300,000.00)	
<i>*ave. 2013,2014, 2015</i>				
Total profit			\$231,648.45	

November 15, 2016

Fall Planning

Discussion Topic:

Portfolio Assessment

Overview:

Over the past two years, the Board has discussed various ways to evaluate Port buildings. For discussion purposes, below is a broad scale evaluation tool to assist in moving the conversation forward.

Portfolio life-cycle stages:

Maintain: Stable cash producers, minor repairs (paint, flooring, doors)

Building age: 1-20 years

Portfolio percentage: 22%

Halyard and Wasco

Remodel: Major Building system replacements required (Roof, HVAC, siding, windows)

Building age: 25-50+ years

Portfolio percentage: 67%

Big 7, Timber Incubator, Jensen, DMV, Marina Park

Redevelop: Major Structural repairs/changes needed. Demolish and redevelop site.

Building age: 40-50+ years

Portfolio percentage: 11% Maritime

Dispose: Location or use no longer fits with mission of the Port. Selling of the asset will fund a project that fits mission.

Portfolio percentage: 0%

Possibly Big 7

Evaluation Criteria:

Market indicators: Indicators that a building needs remodel or redevelopment could be:

- a. Lease rates as compared to the overall market. If rates are much lower, then the building may not be up to local standards.
- b. Vacancy rate. A vacancy rate over 5% in this market may indicate that the building needs a remodel to a more useful configuration.

Performance: High OER, high vacancy and/or low rents indicate waning performance

Opportunity: There is a known need for a remodeled/redeveloped asset.

Available Cash: What is available for capital investment?

Estimated return: The estimated return for remodeling or redeveloping the site must provide at least a 4% 10 year return.

Key Questions:

1. Attached is a summary of the primary leased buildings in the Port's portfolio. The primary buildings that hold the most uncertainty are the Big 7 and Jensen buildings. Staff seeks discussion with the board regarding next steps for each of these.

<i>Budget numbers 2015/16</i>										
<u>Industrial Buildings</u>	<u>Square footage</u>	<u>Lease rate ave</u>	<u>Vacancy</u>	<u>NOI</u>	<u>Age & Condition</u>	<u>Anticipated 10 yr investment level</u>	<u>Role</u>	<u>Age</u>	<u>Evaluation</u>	<u>Timeline</u>
Big 7	40,119	\$ 0.54	25%	\$30,769.00	Below Average	High	Industrial Flex	70	Remodel-Redevelop	5-10 years
Halyard	19,964	\$ 0.92	0	\$86,424.00	Excellent	Low	Industrial Flex	6	Maintain	
*Jensen	58,417	\$ 0.49	0	\$79,216.00	Average	Med	Industrial Flex	44	Remodel	10+ years
Maritime	38,806	\$ 0.49	0	\$129,863.00	Poor	Low	Warehouse	40	Redevelop	3-5 years
Timber Incubator	10,000	\$ 0.54	0	\$23,545.00	Below Average	Med	Warehouse/Flex	40	Remodel	3-5 years
Wasco	14,650	\$ 0.90	10%	\$85,852.86	Excellent	Low	Office/Flex	13	Maintain	
Totals		167,306		\$519,784.45						
<u>Commercial Buildings</u>										
DMV	2,320	\$ 1.43	0	(\$7,404.00)	Average	Med	Office	42	Maintain-Redevelop	7-10 years
Marina Park	5,019	\$ 1.07	6%	\$19,268.00	Average	Med	Office	42	Maintain-Redevelop	7-10 years
Port Building	14,650		0		Average	Low	Office	42	Maintain-Redevelop	10+ years
Totals		21,989		\$11,864.00						
<i>Total NOI</i>				\$531,648.45						
<i>Capital Expenses</i>				\$(300,000.00)						
<i>*ave. 2013,2014, 2015</i>										
Total profit				\$231,648.45						

November 15, 2016
Fall Planning Session

Discussion Topic:

Near Term Development Options

Overview:

Immediate opportunities for new investment have been identified based on market need, land readiness, existing construction projects, available funds, and lease expirations. Construction costs are very general and based on prior estimates from contractors and consultants. The IRR is based on a cash flow model using a 32-40% OER. The Maritime Building is considered a tear-down in 5-7 years when current leases expire.

Potential Actions/Alternatives:

	Deal Description					OER	Cash Flow		IRR	Year
	Building desc.	Size	Lease rate	Construction Costs	cash to construct		year 1	Year 10	IRR	Built
T-Hangars	12 unit hangar	10800	\$4200/year	\$ 540,000.00	\$ (109,000.00)	30%	\$ 10,303.81	\$ 19,233.28	4%	2018
Hanel	LI warehouse flex	15000	\$.80/NNN	\$ 1,275,000.00	\$ (255,000.00)	42%	\$ 24,346.43	\$ 44,597.48	4%	2019
Row hangars	Flex/aviation	20000	\$.60/NNN	\$ 1,800,000.00	\$ (360,000.00)	30%	\$ 34,179.36	\$ 63,944.28	4%	2020
Maritime	LI Production/Flex	40000	\$1.30/NNN	\$ 5,600,000.00	\$ (1,120,000.00)	42%	\$101,911.87	\$ 189,666.41	4%	2021
		75000		\$ 8,675,000.00	\$ (1,735,000.00)		\$160,437.66	\$ 298,208.16		
Assumptions										
	1 Loans are at 4%, 20% down, 30 years									
	2 Construction costs are based on estimates from consultants/contractors-BUDGET ONLY									
	3 Lease rates are based on what gets us to at least a 4% IRR.									
	4 Operating costs assume NNN on all leases i.e. full recovery on utilities, taxes and non-capital maintenance									

Impacts:

Focusing on new development will limit remodel projects. New development may allow movement of existing tenants from buildings that need to be redeveloped.

Key Questions:

1. Staff seeks further discussion from the board regarding the priority next steps and need for further analysis in preparation for FY17/18 budget planning.

November 15, 2016
Fall Planning Session

Discussion Topic:

Lower Mill Next Steps

Overview:

Fifteen months have transpired since the Port acquired nine acres at the Lower Hanel Mill site. During that time, the Port has secured federal and state grant funds; cleaned up the site; demolished the buildings; completed utility installation; acquired and lot-line adjusted an additional 2.26 acres. The site is now a total of 11.36 acres with 6.5 acres mostly ready for development. There are four outstanding items, two that impact the entire site and two that impact only Lot 4.

Potential Actions/Alternatives:

A. Site-wide items:

1. Off-site water line improvement

Timeline: Complete July 2017

- a. CSWD cannot currently provide sufficient fire flow for building construction on the site. The fix for this is two-phased. The first phase is for the Port to complete 1,800 LF of main line expansion and extension. This will increase the flow to acceptable levels for construction. CSWD is currently updating their SDC and reimbursement policy. Once this policy is updated, then the Port will know what the cost share is for this project.

Cost Est: \$150,000

2. DEQ Close out

Timeline: Complete February 2017

The site has a No Further Action determination from the DEQ. However, this has to be followed up with a report regarding the completion of the project in order to close out. Coles Environmental has been retained to complete this.

Cost: \$2,500

B. Lot 4 items:

3. Wetland mitigation

Timeline: Complete Feb. 2018

There is a 0.86 acre delineated wetland on the 2.26 parcel. Staff has identified two potential mitigation sites in the area that need to be analyzed. Port staff will be working with consultants to determine which location will be most efficient.

Cost Est: \$100,000

4. Dirt removal

Timeline: Complete July 2017

The Airport can accommodate 20,000 CY of dirt that is currently piled on the 4.86 acre lot. There is ample room in the RPZ on both ends of the runway. This idea has been run by the FAA and received a verbal OK. The dirt would be loaded, trucked, spread, rolled and seeded by the contractor. This would need to occur before good weather so as to minimize dust and impact to Airport operations.

Cost Est: \$120,000

Demand and Timing:

There continues to be strong interest in the property from local companies wanting to expand. Some would like to move forward in 2017 to purchase.

Key Questions:

1. Staff would like discussion regarding the timing of pre-development tasks and goals for ultimate development of the property.
2. Staff would like confirmation that the strategy is still to sell three lots as soon as possible and retain Lot 1 for Port development.



November 15, 2016
Fall Planning Session

Discussion Topic:

Lot #1 Infrastructure Planning

Overview:

Significant planning work associated with Lot #1 has taken place over several years including the 2013 Preliminary Concept Plan (Group Mackenzie), the 2014 Nichols Basin West Edge Trail Plan (Walker/Macy), the 2016 Lot #1 Development Plan (Walker/Macy) and the 2016 Waterfront Refinement Plan (City of Hood River). All of these efforts have resulted in a clear direction on zoning parameters, design controls, and transportation infrastructure requirements and staff is working with the City on a subdivision plan for the property.

Lot #1 will require the construction of significant and expensive public infrastructure. The success of the waterfront over the last several years has created a significant funding opportunity through the Waterfront Urban Renewal District. The Commission has previously discussed approaching the URA Board about a collaborative effort to finance and implement Lot #1 infrastructure and nearby public amenities. The URA Board can meet the UR plan goals of enhancing the quality of the development and job creation at the waterfront while providing recreational and environmental benefits to the community.

The Commission and staff can provide leadership in defining the nature of, and rationale for, a URA investment. However, the effort will require awareness and support from the public City and waterfront stakeholders generally. The total cost would be large - \$5M-\$7 million - and would need to include the right mix of infrastructure and amenities to satisfy the job creation goals of the Port, financial feasibility of the future development, and community desires. And since full build-out may take many years, it would be advantageous to build a coalition which will hold together through multiple changes in elected officials and changes in public opinion.

The challenge would be to articulate the overall vision for the area while also defining several specific, component projects that are consistent with the 2009 Urban Renewal Plan. Such projects would include basic infrastructure needs including streets, stormwater, and parking, but also public amenities, potentially including Nichols Basin enhancements, public boathouse or similar public facility, and the festival street space.

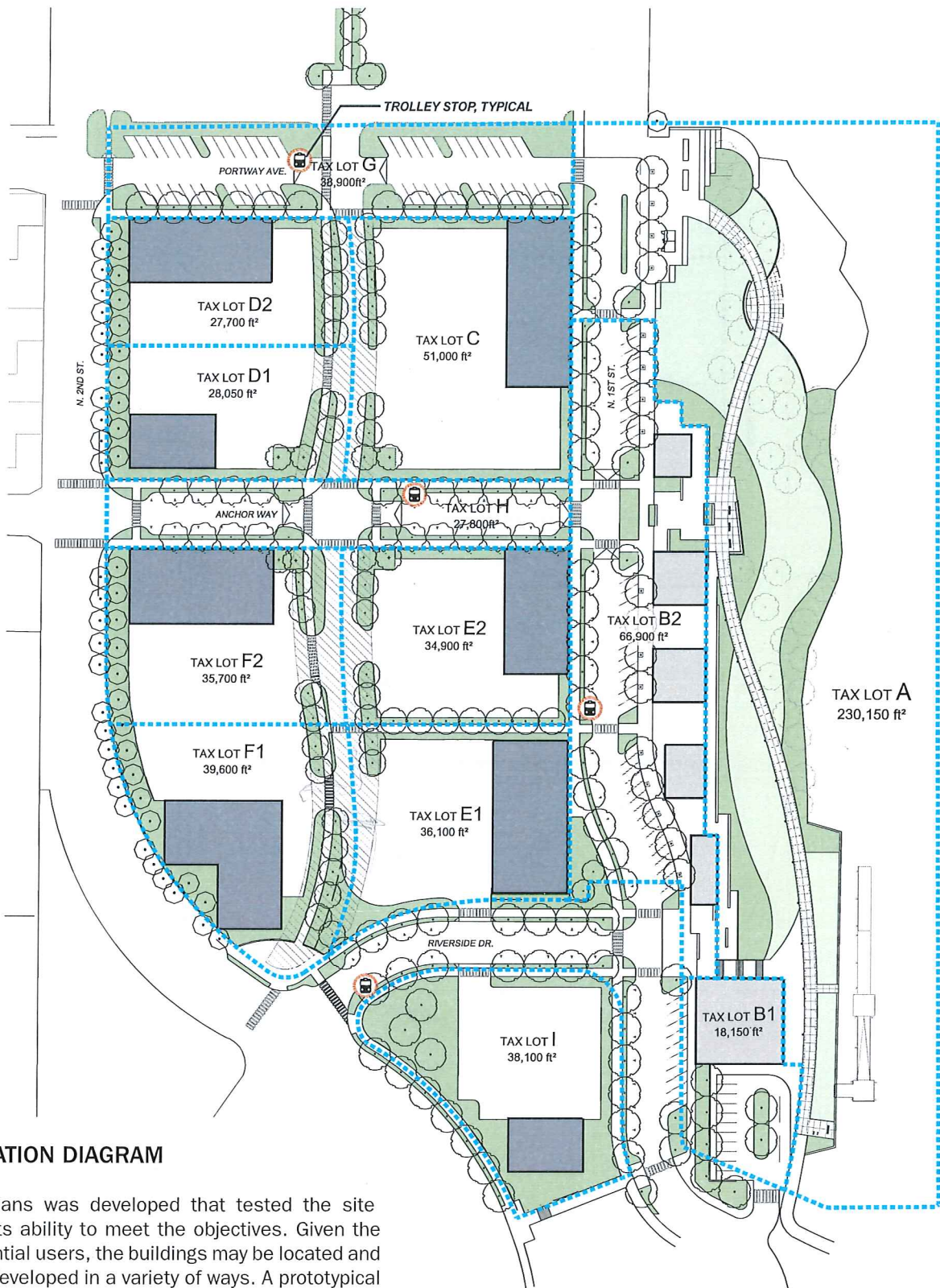
This effort will require a political and financial determination of whether to seek to increase the maximum indebtedness, and if so by how much. Recent analysis indicates between \$5M and \$6M could be generated by the UR district over about a decade, but this amount goes beyond the original UR plan so would require city council approval.

Potential Actions/Alternatives:

Specific tasks in order to pursue URA support for Lot #1 infrastructure and public amenities plan would likely take about a year. Specific tasks would include preparation of a more detailed urban design plan for the area, articulation of specific projects and associated cost estimates, financial and legal analysis of URA amendments and significant public outreach through the URA Advisory Committee and a stakeholder working groups. It would be essential that the URA

board is supportive of the effort before significant work is done. However, without some degree of tax increment financing, the construction of public infrastructure will take much longer to accomplish and some public amenities may not occur at all.

Discussion: Staff seeks Commission direction as to whether to pursue tax increment financing and, if so, under what time frame. Attached is the most recent development concept plan prepared by Walker Macy which represents the latest level of Lot #1 concept planning.



DEMONSTRATION DIAGRAM

A series of plans was developed that tested the site capacity and its ability to meet the objectives. Given the variety of potential users, the buildings may be located and sites may be developed in a variety of ways. A prototypical approach was taken in developing a demonstration diagram that meets the objectives of the Port and community and remains consistent with the urban form guidelines. This diagram depicts one possible scenario of site development. See the Demonstration Development Plan Calculations and Parking Requirements for additional information.

November 15, 2016
Fall Planning Session

Discussion Topic:

Waterfront Parking Plan Implementation

Overview:

Staff has completed a significant amount of work in preparation for installing parking meters on the Port's waterfront parking areas. The Commission has considered this matter on three occasions and given the general direction to proceed. The attached "Waterfront Parking Plan" and City/Port IGA are in final draft form and describe specific details about plan's approach, timing, cost, and enforcement approach. Staff seeks to review final aspects of the plan and get final direction from the Commission as key steps must be taken in January for implementation to occur prior to summer 2017.

Key Aspects of the Proposed Plan:

These are listed on page three of the attached draft plan.

Primary Issues:

- The plan would be implemented in close coordination with the City of Hood River including the type of kiosk utilized and joint purchase agreement. But is likely that the first year will inform changes for future years.
- The Port will need to rely on parking enforcement by a city employee, who would provide the services under the terms of an IGA. That employee would be available year-around, even though parking enforcement would be needed only six months, except for the Marina and Jensen Lots.
- Although the costs are fairly certain, there is risk that parking meter revenue does not meet projections. This is less likely in the out years as the waterfront becomes more developed.
- Paid parking is never popular and there were concerns expressed by both waterfront businesses and some recreational stakeholders, including the CGWA. Additional opportunities for public input are advisable prior to implementation.

Implementation Schedule:

Staff recommends the following schedule for consideration and potential implementation:

2016

- November 15 Board Discussion (Fall Planning Worksession)
- December 15 Advertisement for Public Meeting

2017

- January 11 Public Meeting
- January 23, 2017 Commission action: Approval of Pay Station purchase & City Port Enforcement IGA
- March, 2017 Installation of Pay Stations & Signage
- April, 2017 Operational Testing

- May 1, 2017 Implementation begins

Commission Questions:

1. Does the attached draft “Waterfront Parking Plan” represent the approach to present to the public for input and feedback? What changes should be made?
2. Is the attached draft IGA adequate for final negotiations with the City?
3. What elements of a public input process are advised?

Port of Hood River
Waterfront Parking Management Plan

November 15, 2016
FALL PLANNING FINAL DRAFT



I. BACKGROUND

The popularity of the Hood River Waterfront continues to increase. The public's use of waterfront trails and recreation sites is growing particularly in the summer months. New development in the next few years is expected to further increase parking demand by visitors and employees. This increases demands on the waterfront's limited parking supply. In 2015, the Commission identified the need to anticipate existing and future parking issues and to prepare a plan to efficiently and effectively manage the waterfront parking supply.

Port staff worked closely with Rick Williams Consulting in summer 2015 to document the existing supply of parking spaces, evaluate the dynamics of waterfront parking and then to identify various approaches for Port consideration. Because the City controls a significant number of on-street spaces, Port staff discussed various parking approaches with City staff, particularly issues associated with parking meters and enforcement of parking regulations. In fall 2015, the Hood River City Council decided that the major streets on the Waterfront would have parking meters and be subject to parking stay limits. As a result, City and Port staff has engaged in further coordinated efforts to prepare a coordinated parking management plan.

This document represents the recommended rationale and approach for implementation of a Waterfront Parking Plan for the Port's parking supply in summer 2017.

II. GOALS

The primary goals for management of the Port's waterfront parking resources are to:

- A. Ensure that limited parking resources are managed to benefit all stakeholders
- B. Get the "right user to the right spot"
- C. Greater financial fairness for the use of recreational facilities
- D. Encourage turnover at specific locations to increase availability
- E. Maintain financial self-sufficiency
- F. Provide new resources for road and recreational area maintenance

III. KEY ISSUES

The following are the key factors considered in preparation of the recommended parking plan:

A. Parking Type

Existing parking spaces are generally comprised of four distinct types:

- On-street spaces within the city right-of-way under city control, no fee or time limit
- On-street parking spaces under Port control with seasonal time limits
- Off-street parking owned by the Port with a fee during summer months
- Off-street parking lots serving private uses, generally no fee or time limit.

B. Inventory-- During the summer of 2015, Port staff conducted a detailed count of most parking spaces within the high use portions of the Waterfront. In total, 950 stalls were catalogued. Stall totals are as follows:

1. *Port of Hood River*

- 1st Street: 48
- Portway Ave.: 28
- Jenson Lot: 70 spaces designated for recreation
- Jenson Lot: 54 stalls designated for building tenants (*not counted in total*)
- Event Site: 188 stalls
- Nichols Basin Seawall: 13
- Marina Boat Launch: 83 (55 trailer/28 vehicle) 484

2. *City of Hood River:*

- 2nd Street & Portway Ave. 226

3. *Private Ownership:*

- Solstice Building Lot: 152
- Dakine Building Lot: 58
- Halyard Building Lot: 43 253

TOTAL: 963

C. Enforcement-- A parking plan can only be successful if there is adequate enforcement. The Port is not equipped to carry out enforcement responsibilities. The City can carry out enforcement for the Port but they do not currently have adequate staff capacity. The City will hire a new officer so long as it is a full time position and the Port helps fund it.

D. Seasonality-- As is widely recognized, parking demand on the Waterfront is highly seasonal. Even though overall use is increasing, and extending more into the shoulder seasons, the cost for implementation and operations would need to be covered primarily for about 3 months of high intensity use.

E. Cost-- Initiation of a parking plan will require a significant capital investment in pay stations and budget for staff training in pay station maintenance. Payment to the City will be required for enforcement. All costs would need to be fully borne by the parking revenue and a portion of associated fines.

F. Community Acceptance-- Except for the Event Site, charging for waterfront parking will be new in areas that have previously been free. It will likely take some time for community acceptance of fee-based parking stations.

G. Ongoing Coordination- It is recognized that paid waterfront parking is a new approach and both communication with local stakeholders and modifications and refinements to the plan over time will be required. The Port should work to establish a “coordinating council” of parking owners to oversee the management of parking in the area. This would consist of the Port, City, key private property owners, the CGWA and CGKA among others.

H. Hours of Operation

The hours during the day that parking payment will be required is a function of user demand and hours devoted to the waterfront by the enforcement officer.

I. Implementation Schedule

Funds for the capital cost of pay station are in the FY 16/17 budget for both the Port and City. It is assumed that the purchase, delivery and installation of pay stations would take approximately three months. The optimum time to implement paid parking and commence enforcement would be in late spring, prior to the 2017 summer season.

IV. PARKING PLAN

There are seven key areas of the parking management plan. Following is a summary and staff recommendations for each area:

A. GENERAL ELEMENTS

1. Parking payment required from April 15-October 15 for most areas
2. Marina and Jensen Lot payment required year-around
3. On street parking rates higher than off street
4. Some spaces near 1st/Portway Ave. are 90 minute maximum to encourage turnover
5. City/Port on street parking rates are the same-- \$1/hr.
6. On street parking charges accrue up to a daily maximum of \$10
7. Maximum on-street parking of 12 hours per day
8. No payment required for on-street parking before 10:00 a.m.
9. On-street parking not allowed past 12:00 p.m.
10. Pre-season passes available for \$75. Season passes (purchased after May 15) available for \$125. Passes are non-transferrable but cost \$40 for additional family passes. Passes allow parking at both Event Site and Jensen Lot.
11. Enforcement days and times vary
12. Enforcement Officer will have more enforcement time hours during pay parking months, but some other enforcement/surveillance duties throughout the year

B. SUBAREAS

The Port manages many areas of the waterfront each with different issues and dynamics. Port staff worked with Rick Williams Consulting to identify an appropriate parking management approach for each site. The following describes the specific approach that would be used in each subarea. (Note: Numbers refer to **Attachment 'A': "Waterfront Parking Areas Map"**)

1. **Nichols Basin Seawall** (13 Spaces)

There are a limited number of parking spaces near the seawall. The Port maintains a lease agreement with a kayak rental company and adequate parking is needed for this business. This is a location for easy access to the Nichols Basin for SUP users, especially those that are less physically able to walk longer distances.



Approach:

- Gorge Paddling Center employees/customers park at north end- 5 spaces, no time limit
- Mark one space for handicapped parking—no time limit.
- Mark seven spaces for general public use. No payment required, but enforce a two hour time limit.

2. **N. 1st Street** (48 Spaces)

This area has been used primarily by water sport recreationalists who wish to avoid paying in the Event Site lot and, to a lesser extent, walkers and temporary visitors. Due to the loss of lower-level parking after construction of the Nichols Basin Trail, SUP and other Nichols Basin light watercraft recreationalists is expected to put more pressure on these parking areas. Higher turnover should be encouraged on N. 1st Street.



Approach:

- Install two stations
- Payment Required **10:00 a.m. to 8:00 p.m.**
- Hourly rate of \$1.25/hr.
- Five spaces at north end-- 2-hour maximum stay
- South end allow maximum stay of 12 hours per day, maximum daily rate of \$10. No parking past 12:00 p.m.

3. **Event Site** (188 Spaces)

The Event Site is the epicenter of active water sports in the Waterfront and is intensely used for most of the summer. Currently free parking on Portway Ave to the south has allowed use without paying for use of Event Site facilities. The Event Site is currently staffed and payment is



required from Memorial Day to Labor Day. The Event Site parking area is completely full an average 10 times per summer season.

Approach:

- Continue to staff the Event Site Booth and collect parking fees. Season passes would still be purchased at the Port office or booth.
- Install one pay station near the booth. Require payment from April 15-June 1 and September 1-October 15.
- If Event Site lot is full, season pass holders could park on Lot #1. This would be so designated on season pass.

4. Portway Ave. East (28 Spaces)

This area is used primarily by Event Site users who wish to avoid paying in the Event Site lot and, to a lesser extent, short term spectators, walkers and patrons of the Cruise Dock restaurants.



Approach:

- Install two pay stations
- Payment required 10:00 a.m. to 8:00 p.m. from April 15 through October 31.
- Five spaces at east end-- maximum stay of 2-hours
- Hourly rate of \$1.00/hr.
- For the remaining 23 spaces, allow a maximum stay of 12 hours per day, maximum daily rate of \$10. No parking past 12:00.

5. Jensen Building Recreation Parking Area (70 Spaces)

The Jensen Building west lot is used both by tenants and for access to the windsurfing launch site at Waterfront Park. For several years, the Port has entered into an agreement with the CGWA to manage the lot in the summer. Parking is primarily gravel with one row of paved parking for recreational use. The Port is currently evaluating the feasibility of paving this area for greater accessibility. Overnight parking for RV's was considered but raises too many issues at least in the first year.



Approach:

- Install one pay station
- Hourly rate of \$1.00/hr.
- Payment required from 10:00 a.m. to 8:00 p.m. throughout the year.
- Event Site season pass valid for use.

12. Portway Ave. West

This area is heavily used by truckers for local deliveries and serves truck access to the Maritime Building. The Port has allowed truck/trailer parking to occur for many years given its importance to the community and lack of suitable alternatives. The Port has a use agreement with one trucking company. A dog park may be installed at the far west end in 2017.



Approach:

- Continue to allow truck use
- Seek agreements with all trucking companies and require payment.
- Prohibit passenger vehicle/RV parking— install clear signage

13. The Hook

This area is heavily used by windsurfers in the summer and modestly by dog walkers, fisherman, etc. throughout the year.



Approach:

- No change.

16. Marina Boat Launch Parking Lot (83 Spaces)

The Marina lot is heavily used during certain times of the year, most notably hot weather days in the summer and during fish runs. It is also used throughout the year by travelers and temporary parkers stopping for lunch or for the view. Maintenance of the lot and restroom is partially funded by the Oregon State Marine Board.

Approach:

- Install two pay stations with rates to include additional fee for trailers.
- Hourly rate of \$.75/hr. for passenger vehicles spaces. \$1/hr. for truck/trailers.
- Payment required from 8:00 a.m. to 8:00 p.m. throughout the year.
- Pay station and fees would be in place year-round; however, designate four spaces near the restrooms for 30 minute free parking to accommodate transient users.

A. **ENFORCEMENT**

The City and Port will need to enter into an Inter-Governmental Agreement (IGA) that would allow the City to enforce parking limits on Port property. An IGA will be necessary if the Port seeks to implement any parking plan to set guidelines for enforcement, citation fees, reporting, etc. The IGA would require a funding commitment to the City that ensures the Port pays a proportionate share of a new full-time City Parking Enforcement Officer. This payment is

expected to be about \$50,000 per year or ½ the cost of a full time position with benefits.

Attachment ‘B’ represents the draft “Intergovernmental Agreement for City Enforcement of Port Property Parking Restrictions” that would need City and Port approval.

B. EQUIPMENT

Centralized pay stations will be required for all areas of paid parking. Such stations are now highly sophisticated and can be programmed in a variety of ways to accommodate various parking objectives. Port staff has met with the city and industry representatives to develop initial familiarity and capabilities—See **Attachment ‘C’**.

Recommendations are as follows:

- Utilize the same pay stations – Cale-- that the City of Hood River utilizes downtown and is planning on the waterfront. This will ensure system integration and user familiarity. Passes displayed on dash.
- Assume one pay station per **15-20 cars** for on-street parking on the Port areas of waterfront.
- No cash would be accepted at the stations—debit and credit cards only.



Cale Pay Station

The price for each pay station varies depending on its capabilities. The most sophisticated units do not require parking pass to be displayed—the customer inputs their license plate and purchases a specific amount of time. The parking officer checks that license plate via a handheld device. These units cost \$8,725 and require a monthly fee for data management by Cale. The other option is currently being used today by the City of Hood River and requires a pass/receipt to be displayed on the vehicle dash. These units cost **\$7,000** but also require a (reduces) monthly management fee. There are various other charges upon purchase and others for monthly web services. It is estimated that 8 stations will be required for Port properties. The units come programmed and ready to install. Additional budget would be required for concrete pads and signage. Maintenance can be performed by Port staff with appropriate training. The draft pro-forma for parking operations

C. SEASONALITY

Parking on the waterfront is highly seasonal. For the foreseeable future, pay stations will only be frequented for about 4 months each year depending on weather conditions. However, the enforcement officer will be available year-around. It is recommended that the pay stations be operational for six months, from **April 15 through October 15**, except at the Marina and Jensen Lot. Outside those months, the stations would be “tented” with no parking fees required. At the Marina Launch Parking Lot, paid parking would be required throughout the year as described above.

D. PRICING

It is recommended that pricing at the Port’s on-street pay stations should be the same as the City’s downtown-- **\$1.00/hr**. Parking fees for the Port’s off-street parking areas (i.e. Event Site and Jensen Lot) will be lower than the recreation sites to encourage off-street parking. (Currently, the Event Site parking is \$7.50 per day.) Parking at the Marina Parking Lot would be set at \$.75/hr. and \$1.25/hr. for truck/trailer combinations with a \$10 per day maximum daily rate. To accommodate transient visitors, a few spaces would be fee with a 30-minte maximum. In addition, to accommodate frequent users the Port would offer that same season pass that would allow parking at the Event Site and Jensen Lot if displayed on the dashboard. The recommended price for this pass is **\$75** for pre-season purchase and **\$125** for purchase after **May 15**. The pass would be available only at the Port office or on-line for in-person pick-up. Additional passes for in-family vehicles would be **\$40**.

E. IMPLEMENTATION

Implementation of an operational parking plan can occur by summer 2017. Staff recommends the following schedule (dates are approximate):

- November 15, 2016 Board Discussion (Fall Planning Worksession)
- December 15, 2016 Public Meeting
- January 10, 2017 Commission discussion/additional public comment
- January 23, 2017 Commission action: Approval of Pay Station purchase & City Port Enforcement IGA

- March, 2017 Installation of Pay Stations & Signage
- April, 2017 Operational Testing
- May 1, 2017 Implementation begins.

F. FINANCIAL ANALYSIS

See **Attachment ‘D’** for the expected revenue and expenses to implement the Waterfront Parking Plan.

Port of Hood River Waterfront Parking Management Areas



Port Parking Management Areas (Vehicles)

- 1. Nichols Basin Dock (8)
 - 2. First Street (48)
 - 3. Event Site (188)
 - 4. Portway Avenue East (28)
 - 5. Jensen Bldg. Tenant Lot (54)
 - 6. WF Park Access Lot (70)
 - 12. Portway Avenue West
 - 13. Hook Road
 - 16. Marina Parking Lot (not shown) (83)
- \$ = Pay Stations

PORT OF HOOD RIVER
Waterfront Parking Project Analysis
Schedule of Estimated Revenues and Expenses

	May	June	July	August	September	Total
Total	9	30	31	31	7	108
Weekdays	4	22	23	21	4	74
Weekends+Holiday	5	8	8	10	3	34
Marina						365
Weekdays						251
Weekends+Holiday						114

<u>Revenues</u>	<u>Price per Hour</u>			<u>Parking Spaces</u>
Waterfront Parking	\$ 1.00	\$ 1.25	\$ 1.50	
Marina Parking - Vehicles	\$ 1.00	\$ 1.25	\$ 1.50	
Marina Parking - Trailers	\$ 0.50	\$ 0.50	\$ 0.50	
<u>Portway</u>				28
Weekdays	\$ 15,540	\$ 19,425	\$ 23,310	
Weekends+Holiday	\$ 8,282	\$ 10,353	\$ 12,424	
<u>1st Street</u>	\$ 14,208	\$ 17,760	\$ 21,312	48
Weekdays	\$ 8,160	\$ 10,200	\$ 12,240	
Weekends+Holiday				
<u>Jensen</u>				70
Weekdays	\$ 13,986	\$ 17,483	\$ 20,979	
Weekends+Holiday	\$ 17,612	\$ 22,015	\$ 26,418	
<u>Marina</u>				55
Weekdays	\$ 22,747	\$ 28,002	\$ 33,258	28
Weekends + Holidays	\$ 14,464	\$ 17,805	\$ 21,147	
Total Revenues	\$ 114,999	\$ 143,043	\$ 171,087	

<u>Expenses</u>			
Enforcement Officer	\$ 50,000	\$ 50,000	\$ 50,000
Pay Station Maintenance	\$ 5,670	\$ 5,670	\$ 5,670
	\$ 55,670	\$ 55,670	\$ 55,670
Operating Income	\$ 59,329	\$ 87,373	\$ 115,417
<u>One-Time Expenses</u>			
Pay Stations - 7 + 1	\$ 56,750	\$ 56,750	\$ 56,750
Payback in years	\$ 0.96	\$ 0.65	\$ 0.49

ESTIMATED REVENUE:

		Portway	1st Street	Jensen	
		28 stalls	48 stalls	70 spaces	
Per hour		50 cars @ 8 hours	50 cars @ 8 hours	50 cars @ 8 hours	TOTAL
\$	1.00	\$43,200	\$43,200	\$43,200	\$129,600
\$	1.25	\$54,000	\$54,000	\$54,000	\$162,000
\$	1.50	\$64,800	\$64,800	\$64,800	\$194,400
	Parking Fine Collection				TBD

NOTES:

\$.75/hour is City rate in town (Mon-Sat: 8am-6pm - 3 hr max)

Proposed Waterfront Enforcement: Mon-Sunday 9am-6pm

Memorial Day to Labor Day - 26 weekend/holidays - 82 weekdays

Based on average stay of 4 hours

Estimated quantity of cars is based on Waterfront Occ Avg %

If Event Site lot is full, season pass holders can use pass to park on street

<u>Waterfront Occ Avg %</u>	Portway - South of ES	1st Street	Jensen	Marina
Weekdays (9am - 6pm)	75%	40%	27%	25%
Weekends (9am - 6pm)	87%	50%	74%	35%

ANNUAL EXPENSES:

Enforcement Officer				\$50,000
Pay Station Collection				\$15,000

ONE-TIME EXPENSES:

Pay Stations (\$10,000 ea)	\$20,000	\$40,000	\$20,000	\$80,000
Signage				\$5,000

Enforcement at least five days per week during the Parking Enforcement Period which must include weekend days. During other months, the Enforcement Officer shall conduct regular patrols of the Port's waterfront facilities four days per week during other months. The Parking Enforcement Officer will be a City employee under the exclusive supervision and control of the City. The City will pay all costs associated with the Parking Enforcement Officer, including paying their salary, benefits, materials, equipment and administrative support.

- c) Patrol Port Parking Areas: The City Enforcement Officer shall patrol and provide Port Parking Enforcement on the following Port parking areas: 1st Street (approx. 48 stalls), Portway Avenue between 1st and 2nd Streets (28 stalls), the Jensen Building Lot Recreational Use parking area (approx. 70 stalls) and the Marina Boat Launch Parking Lot (83 stalls) as shown on **Attachment A**. Maximum parking time limit shall be as indicated on pay station machines. In months other than the Parking Enforcement Period, the Enforcement shall conduct regular surveillance patrols of the Port's waterfront properties.

- d) Prepare Activity Reports: The City will provide the Port with monthly written reports no later than ten (10) days after the end of each month identifying dates, times, locations and activities performed by the Parking Enforcement Officer when monitoring, enforcing and reporting on Port Parking Areas activities. In addition, the Parking Enforcement Officer or another City representative shall report to the Port Commission at Commission meetings at least semi-annually, and more frequently when requested by the Port, about parking enforcement activities, and may discuss related issues or make recommendations.

- e) Issue Fines, and Provide Payments to Port: The City will collect fines for all Port Parking Area parking violations. The Port Parking Area fines will be the same amounts and enforced by the City in the same manner as other City parking fines, unless otherwise agreed in writing by the Port and City. The City will transfer to the Port all parking fines the City collects for Port Parking Area violations less twenty per cent (20%) as a City administrative fee. The City will provide the Port with written reports detailing tickets issued and fines collected for the Port during the prior month, and will transfer Port Parking Area fines to the Port, less the City administrative fee, within ten (10) days after each month when a fine has been collected.

- f) Participate in a "Waterfront Parking Coordinating Committee": The City, Port and representatives of waterfront businesses will meet occasionally to discuss implementation issues and response actions to insure maximum effectiveness and acceptance of the parking plan. The Enforcement Officer or other Port official will participate in these meetings.

2. Port Responsibilities:

- a. Provide Port Parking Area Rules and Time Limits. The Port shall prepare specific regulations and time limits for Port Parking Areas that are acceptable to the City. The Port may modify Port Parking Area locations or time limits after giving the City not less than thirty (30) days notice of changes. If a Port change will affect the Parking Enforcement Officer activities, the amount the Port pays the City for Port Parking Area enforcement or time spent patrolling Port Parking Areas shall be equitably adjusted by mutual agreement.
- b. Obtain Signs and Equipment to Regulate Parking. The Port will purchase and install parking signs notifying the public of Port Parking Areas restrictions, and purchase and install parking pay station machines to collect parking fees and issue limited time parking permits. The pay station machines purchased will be the same as or similar to the parking pay station machines the City currently uses in downtown Hood River. The Port will pay all costs for the purchase, installation, maintenance and replacement of the Port's parking signs and pay station machines.
- c. Collection and Retention of Port Parking Areas Payments. The Port will be responsible other form of payment from all Port parking pay station machines, and will be entitled to retain those payments.
- d. Pay For Parking Enforcement Officer Services. The Port shall pay the City for the services of the Parking Enforcement Officer as follows:
 - \$25,000 on or before April 15 of the calendar year
 - \$25,000 on or before June 15 of the calendar year

3. Future Agreements, Amendment. The parties acknowledge the precise scope and timing of some City and Port responsibilities, and payments anticipated by this agreement, have not been determined. For example, details about dates and hours of the Traffic Enforcement Officer monitoring the Port Parking Area and issuing parking tickets will be discussed and agreed upon by the Port and City. The amount the Port will pay the City and payment dates for the Parking Enforcement Officer has also not been determined. Issues about insurance and indemnification have not been addressed. As the parties discuss these and other details, and agree on terms not included in this agreement, an amendment of this agreement will be necessary. Toward this end, the parties shall cooperate in good faith to identify issues and agree on terms to be included in an amendment.

4. Statutory Intergovernmental Agreement and Authority. This agreement is entered into by and between the parties as a statutory intergovernmental agreement pursuant to ORS 190.003 to 190.130. The individuals whose signatures appear below certify that each is fully authorized by their respective governing body to execute this Agreement on the party's behalf and to fully bind the party to its terms.

5. Entire Agreement. This agreement, including and the recitals, constitute the entire

agreement between the parties with regard to the matters addressed herein. No terms or representations not set forth in this Agreement shall be considered a part of or enforceable under this Agreement.

6. Effective Date, Term and Modification: This Agreement shall be effective as of the last date signed below and shall remain in effect unless terminated by mutual agreement or until one of the parties terminates the agreement after providing not less than thirty days prior notice of termination to the other party. This Agreement may be amended at any time only upon the mutual written agreement of both parties.

7. No Third Party Beneficiaries. This Agreement is strictly and solely between the parties signed below, and it shall not create any obligation on the part of either party to perform or pay anything to or on behalf of anyone not a party to this Agreement. This Agreement does not create any rights in favor of or for any person or entity that is not a party to this Agreement.

8. Dispute Resolution and Attorney Fees: Any dispute arising under this Agreement shall be resolved, first, through direct communication between the Port Executive Director and the City Manager including any appropriate staff, then by mediation and then by binding arbitration in Hood River County, Oregon under Oregon law. Each party shall be responsible for its own costs associated with dispute resolution and for one half of the cost of a mediator and/or arbitrator.

IT IS SO AGREED:

For the City of Hood River:

For the Port of Hood River:

Hood River City Manager

Port of Hood River Executive Director

Date: _____

Date: _____

Approved as to form:

Approved as to form:

City Attorney

Port General Counsel

November 15, 2016
Fall Planning Session

Discussion Topic:

Airport Financial Analysis

Overview:

Currently, the Airport nearly breaks even on operational expenses. Grant matches and capital improvements are subsidized by the general fund. Staff would like to look at ways to improve operations and expenses to ensure operational expense coverage and look at revenue generation options to potentially cover capital expenditures and grant matches in the future.

Potential Actions/Alternatives:

1. Evaluate expenses.
2. Increase lease revenue.
3. Build new cash producing assets.

The Port has completed very large capital improvement projects over the last three years and will continue to do so over the next three. Once these improvements are made, the capital expenses for infrastructure will be minimal. The Port could subsidize new construction projects over the next five or more years in order for the Airport to become self-sufficient.

Key Questions:

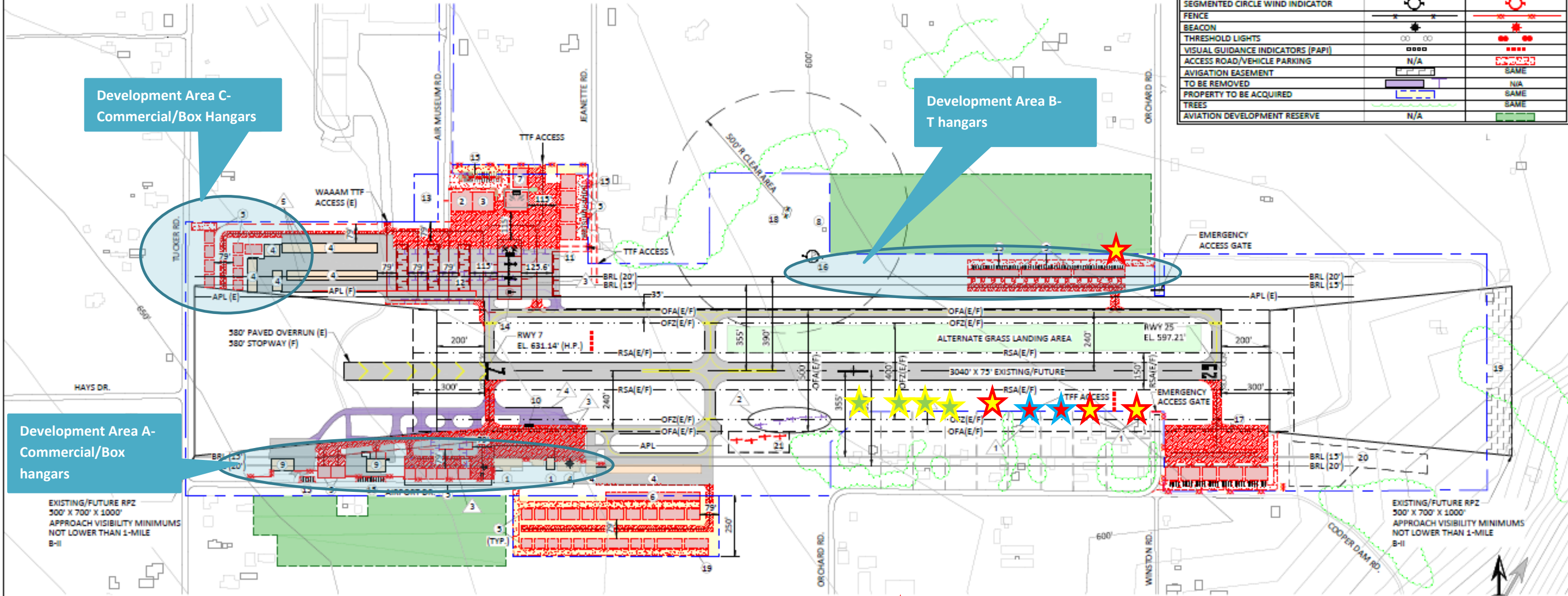
1. Does the Commission seek further analysis of increases to revenue and decreases of expenses?
2. Does the Commission seek to further analysis of potential new construction projects? (I.e., move forward with architects to get preliminary costing?)
3. Is the goal of self-sufficiency worth pursuing? Are there other goals that would be higher priorities at this time?

BUILDING/FACILITY KEY		
DESCRIPTION	DESCRIPTION	
1 FBO / MX HANGAR (E)	12 TIEDOWN APRON	
2 FBO BUILDING PHASE I	13 PROPERTY TO BE SWAPPED (F)	
3 FBO BUILDING PHASE II	14 TRANSIENT HELICOPTER PARKING	
4 HANGARS (E)	15 AUTO PARKING (F)	
5 BOX HANGARS (F)	16 WIND TEE (E)	
6 T-HANGARS (F)	17 SUPPLEMENTAL WIND TEE (E)	
7 COMMERCIAL HANGAR (F)	18 AWOS (E)	
8 REGULATOR BUILDING	19 PROPERTY TO BE ACQUIRED	
9 AGRICULTURAL OPS AREAS	20 GLIDER STORAGE / PARKING AREA (F)	
10 FUEL (RELOCATE)	21 GLIDER PARKING AREA (F)	
11 FUEL LOCATION (F)	22 POTENTIAL AVIATION RESERVE	

NOTES:
 1. STOPWAY AT WEST END OF RUNWAY WILL INCREASE FUTURE ACCELERATE - STOP DISTANCE AVAILABLE (ASDA) FOR RUNWAY 25 TO 3,620 FEET.
 2. HIGH POINT (SURVEYED) ON RUNWAY IS 631.14' MSL. PUBLISHED AIRPORT ELEVATION (FAA A/FD) TO BE UPDATED FOR CONSISTENCY.

NON STANDARD CONDITIONS			
NO.	ITEM	DESCRIPTION	DISPOSITION
1	ROFA	SOUTHEAST SIDE RESIDENCES	NONE - MODIFICATION TO STANDARDS
2	ROFZ	GLIDER PARKING	RELOCATE OUTSIDE ROFZ
3	TAXILANE OFA APRON	TAXILANE CLEARANCES TO PARKED AIRCRAFT / FUELING (ADG I & ADG II)	RECONFIGURE APRON
4	PARALLEL TAXIWAY SEPERATION	LESS THAN STD. ADG II RUNWAY SEPERATION	RELOCATE
5	TAXILANE OFA (HANGARS)	LESS THAN STD. ADG I CLEARANCES	MODIFY WHERE FEASIBLE

LEGEND		
	EXISTING	FUTURE
BUILDINGS	[Symbol]	[Symbol]
AIRFIELD PAVEMENT	[Symbol]	[Symbol]
BUILDING RESTRICTION LINE (BRL)	BRL (E)	BRL (F)
AIRCRAFT PARKING LINE (APL)	APL (E)	APL (F)
AIRPORT PROPERTY LINE	[Symbol]	[Symbol]
RUNWAY SAFETY AREA (RSA)	[Symbol]	[Symbol]
OBJECT FREE AREA (OFA)	[Symbol]	[Symbol]
OBSTACLE FREE ZONE (OFZ)	[Symbol]	[Symbol]
TAXIWAY OBJECT FREE AREA (TOFA)	[Symbol]	[Symbol]
RUNWAY PROTECTION ZONE (RPZ)	[Symbol]	[Symbol]
GROUND CONTOURS	10'	SAME
AIRPORT REFERENCE POINT (ARP)	[Symbol]	SAME
RUNWAY END IDENTIFIER LIGHTS (REIL)	[Symbol]	[Symbol]
WIND INDICATOR	[Symbol]	[Symbol]
SEGMENTED CIRCLE WIND INDICATOR	[Symbol]	[Symbol]
FENCE	[Symbol]	[Symbol]
BEACON	[Symbol]	[Symbol]
THRESHOLD LIGHTS	[Symbol]	[Symbol]
VISUAL GUIDANCE INDICATORS (PAPI)	[Symbol]	[Symbol]
ACCESS ROAD/VEHICLE PARKING	N/A	[Symbol]
AVIGATION EASEMENT	[Symbol]	SAME
TO BE REMOVED	[Symbol]	N/A
PROPERTY TO BE ACQUIRED	[Symbol]	SAME
TREES	[Symbol]	SAME
AVIATION DEVELOPMENT RESERVE	N/A	[Symbol]



Development Area A-
Commercial/Box
hangars

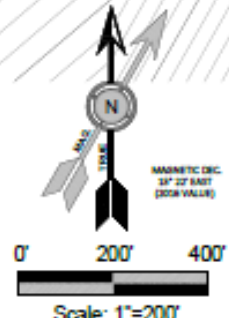
Development Area C-
Commercial/Box Hangars

Development Area B-
T hangars

★ Proposed TTF
★ Existing TTF
★ Potential TTF

THE PREPARATION OF THIS DOCUMENT MAY HAVE BEEN SUPPORTED, IN PART, THROUGH THE AIRPORT IMPROVEMENT PROGRAM FINANCIAL ASSISTANCE FROM THE FEDERAL AVIATION ADMINISTRATION (PROJECT NUMBER X-101-10001-1001-10) AS PROVIDED UNDER TITLE 49, UNITED STATES CODE, SECTION 47104. THE CONTENTS DO NOT NECESSARILY REFLECT THE OFFICIAL VIEWS OR POLICY OF THE FAA. ACCEPTANCE OF THIS REPORT BY THE FAA DOES NOT IN ANY WAY CONSTITUTE A COMMITMENT ON THE PART OF THE UNITED STATES TO PARTICIPATE IN ANY DEVELOPMENT DEPICTED THEREIN NOR DOES IT INDICATE THAT THE PROPOSED DEVELOPMENT IS ENVIRONMENTALLY ACCEPTABLE IN ACCORDANCE WITH APPROPRIATE PUBLIC LAWS.

DRAFT



NO.	DATE	BY	APPR.	REVISIONS

VERIFY SCALES
 BAR IS ONE INCH ON ORIGINAL DRAWING. IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY.

FEDERAL AVIATION
ADMINISTRATION APPROVAL
 APPROVAL DATE: _____
 SIGNATURE _____

PORT OF HOOD RIVER
APPROVAL
 APPROVAL DATE: _____
 SIGNATURE _____

CENTURY WEST ENGINEERING
 BEND OFFICE: 1000 SW EMMAK DRIVE, #100 BEND, OR 97702 541.322.8982 OFFICE 541.382.3423 FAX
 DESIGNED BY: DM DRAWN BY: JLS CHECKED BY: WMR SCALE: AS SHOWN
 DATE: JANUARY 2016 PROJECT NO: 12399009.01

HOOD RIVER AIRPORT
 AIRPORT LAYOUT PLAN

FIGURE NO. -
 SHEET NO. 3 OF 11

Jul-16 Airport Cash Flow

INCOME	Budget actuals	Year 1 2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Ag land leases											
Benton	\$ 11,948.00	\$ 11,031.00	\$ 11,031.00	\$ 11,031.00	\$ 11,031.00	\$ 11,031.00	\$ 11,031.00	\$ 11,031.00	\$ 11,031.00	\$ 11,031.00	\$ 11,031.00
Hangar land leases											
SDS	\$ 2,220.00	\$ 2,220.00	\$ 2,220.00	\$ 2,220.00	\$ 2,220.00	\$ 2,220.00	\$ 2,220.00	\$ 2,220.00	\$ 2,220.00	\$ 2,220.00	\$ 2,220.00
Werner	\$ 4,118.00	\$ 4,118.00	\$ 4,118.00	\$ 4,118.00	\$ 4,118.00	\$ 4,118.00	\$ 4,118.00	\$ 4,118.00	\$ 4,118.00	\$ 4,118.00	\$ 4,118.00
Acree	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00
Unimax	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00
RSB	\$ 462.00	\$ 462.00	\$ 471.24	\$ 480.66	\$ 490.28	\$ 500.08	\$ 510.09	\$ 520.29	\$ 530.69	\$ 541.31	\$ 552.13
RTTF	\$ 840.00	\$ 1,260.00	\$ 1,260.00	\$ 1,260.00	\$ 1,260.00	\$ 1,260.00	\$ 1,260.00	\$ 1,260.00	\$ 1,260.00	\$ 1,260.00	\$ 1,260.00
Hangar leases											
Hood Tech	\$ 30,727.00	\$ 30,888.00	\$ 31,505.76	\$ 32,135.88	\$ 32,778.59	\$ 33,434.16	\$ 34,102.85	\$ 34,784.90	\$ 35,480.60	\$ 36,190.21	\$ 36,914.02
Cloud Cap	\$ 17,833.00	\$ 13,392.00	\$ 13,659.84	\$ 13,933.04	\$ 14,211.70	\$ 14,495.93	\$ 14,785.85	\$ 15,081.57	\$ 15,383.20	\$ 15,690.86	\$ 16,004.68
T-hangars	\$ 100,224.00	\$ 102,100.00	\$ 104,142.00	\$ 106,224.84	\$ 108,349.34	\$ 110,516.32	\$ 112,726.65	\$ 114,981.18	\$ 117,280.81	\$ 119,626.42	\$ 122,018.95
Maintenance hangar	\$ 3,000.00	\$ 3,000.00									
New Development											
T Hangar- 24 unit				\$ 73,030.00	\$ 74,490.60	\$ 75,980.41	\$ 77,500.02	\$ 79,050.02	\$ 80,631.02	\$ 82,243.64	\$ 83,888.51
S. Ramp Commercial Hangar land lease		\$ 9,600.00	\$ 9,792.00	\$ 9,987.84	\$ 10,187.60	\$ 10,391.35	\$ 10,599.18	\$ 10,811.16	\$ 11,027.38	\$ 11,247.93	\$ 11,472.89
N Commercial hangar					\$ 120,000.00	\$ 122,400.00	\$ 124,848.00	\$ 127,344.96	\$ 129,891.86	\$ 132,489.70	\$ 135,139.49
Box Hangars											
Concessior HR Soaring	\$ 300.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
Fuel Flowage			\$ 6,000.00	\$ 6,120.00	\$ 13,000.00	\$ 13,260.00	\$ 13,525.20	\$ 13,795.70	\$ 14,071.62	\$ 14,353.05	\$ 14,640.11
Tie downs		\$ 2,000.00	\$ 2,020.00	\$ 2,040.20	\$ 2,060.60	\$ 2,081.21	\$ 2,102.02	\$ 2,123.04	\$ 2,144.27	\$ 2,165.71	\$ 2,187.37
Reimbursable income											
Taxes	\$ 5,089.00	\$ 5,300.00	\$ 5,406.00	\$ 5,514.12	\$ 5,624.40	\$ 5,736.89	\$ 5,851.63	\$ 5,968.66	\$ 6,088.03	\$ 6,209.79	\$ 6,333.99
Utilities	\$ 10,257.00	\$ 11,500.00	\$ 11,730.00	\$ 11,964.60	\$ 12,203.89	\$ 12,447.97	\$ 12,696.93	\$ 12,950.87	\$ 13,209.89	\$ 13,474.08	\$ 13,743.56
Total Income	\$ 187,768.00	\$ 198,121.00	\$ 204,605.84	\$ 281,310.18	\$ 413,276.00	\$ 421,123.33	\$ 429,127.41	\$ 437,291.35	\$ 445,618.37	\$ 454,111.72	\$ 462,774.71
EXPENSES											
Port staff allocation	\$ 75,019.00	\$ 76,519.38	\$ 78,049.77	\$ 79,610.76	\$ 81,202.98	\$ 82,827.04	\$ 84,483.58	\$ 86,173.25	\$ 87,896.72	\$ 89,654.65	\$ 91,447.74
Utilities	\$ 28,925.00	\$ 29,503.50	\$ 30,093.57	\$ 30,695.44	\$ 31,309.35	\$ 31,935.54	\$ 32,574.25	\$ 33,225.73	\$ 33,890.25	\$ 34,568.05	\$ 35,259.41
Maintenance	\$ 53,322.00	\$ 54,388.44	\$ 55,476.21	\$ 56,585.73	\$ 57,717.45	\$ 58,871.80	\$ 60,049.23	\$ 61,250.22	\$ 62,475.22	\$ 63,724.73	\$ 64,999.22
Insurance	\$ 8,049.00	\$ 8,209.98	\$ 8,374.18	\$ 8,541.66	\$ 8,712.50	\$ 8,886.75	\$ 9,064.48	\$ 9,245.77	\$ 9,430.69	\$ 9,619.30	\$ 9,811.69
Property Tax	\$ 5,087.00	\$ 5,188.74	\$ 5,292.51	\$ 5,398.37	\$ 5,506.33	\$ 5,616.46	\$ 5,728.79	\$ 5,843.36	\$ 5,960.23	\$ 6,079.44	\$ 6,201.02
Professional services		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ 800.00	\$ 816.00	\$ 832.32	\$ 848.97	\$ 865.95	\$ 883.26	\$ 900.93	\$ 918.95	\$ 937.33	\$ 956.07	\$ 975.20
Service and repair	\$ 6,070.00	\$ 6,191.40	\$ 6,315.23	\$ 6,441.53	\$ 6,570.36	\$ 6,701.77	\$ 6,835.81	\$ 6,972.52	\$ 7,111.97	\$ 7,254.21	\$ 7,399.30
FBO payment	\$ 20,880.00										
Total expenses	\$ 198,152.00	\$ 180,817.44	\$ 184,433.79	\$ 188,122.46	\$ 191,884.91	\$ 195,722.61	\$ 199,637.06	\$ 203,629.81	\$ 207,702.40	\$ 211,856.45	\$ 216,093.58
Net Operating Income	\$ (10,384.00)	\$ 17,303.56	\$ 20,172.05	\$ 93,187.71	\$ 221,391.08	\$ 225,400.72	\$ 229,490.34	\$ 233,661.55	\$ 237,915.97	\$ 242,255.27	\$ 246,681.13
Debt Service				\$ (48,000.00)	\$ (107,580.00)	\$ (107,580.00)	\$ (107,580.00)	\$ (107,580.00)	\$ (107,580.00)	\$ (107,580.00)	\$ (107,580.00)
Grant match	\$ (18,000.00)	\$ (230,000.00)	\$ (400,000.00)		\$ (177,500.00)		\$ (100,000.00)				
Capital investment				\$ (218,000.00)	\$ (260,000.00)						
	\$ (18,000.00)	\$ (230,000.00)	\$ (400,000.00)	\$ (266,000.00)	\$ (545,080.00)	\$ (107,580.00)	\$ (107,580.00)	\$ (207,580.00)	\$ (107,580.00)	\$ (107,580.00)	\$ (107,580.00)
Cash Flow	\$ (28,384.00)	\$ (212,696.44)	\$ (379,827.95)	\$ (172,812.29)	\$ (323,688.92)	\$ 117,820.72	\$ 121,910.34	\$ 26,081.55	\$ 130,335.97	\$ 134,675.27	\$ 139,101.13

**PORT OF HOOD RIVER
AIRPORT REVENUES AND EXPENDITURES**

	Actuals			Budget	
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	%
<i>Operating Revenues</i>					
Airport T-Hangars	\$ 96,066	\$ 98,892	\$ 100,224	\$ 102,100	54%
Airport Hangar 1	30,690	25,372	30,728	31,000	16%
Airport Leases	31,828	34,117	38,172	38,200	20%
	<u>158,584</u>	<u>158,381</u>	<u>169,124</u>	<u>171,300</u>	
Utility reimbursements	22,040	10,112	10,257	11,500	6%
Property tax reimbursements	2,517	3,195	5,088	5,300	3%
Miscellaneous	5,092	17,530		1,000	1%
<i>Operating Revenues</i>	<u>188,233</u>	<u>189,218</u>	<u>184,469</u>	<u>189,100</u>	<u>100%</u>
<i>Operating Expenses</i>					
Labor, taxes and burden	71,483	73,300	75,019	85,500	29%
Electric, water and garbage	39,350	29,672	28,925	35,000	12%
Insurance	8,441	8,364	8,049	9,000	3%
Maintenance	70,802	43,946	53,322	60,000	21%
Miscellaneous	5,802	3,741	5,140	7,000	2%
Security/IT	1,092	910	930	1,000	0%
Professional Services	5,056	2,593	6,223	5,000	2%
Legal	7,064	5,748	14,259	15,000	5%
Taxes	4,003	3,584	5,087	5,300	2%
<i>Operating Expenses before 2010 FlexLease Debt</i>	<u>213,093</u>	<u>171,858</u>	<u>196,954</u>	<u>222,800</u>	<u>77%</u>
Debt Service	-	-	-	68,300	23%
<i>Operating Expenses before Capital Outlay</i>	<u>213,093</u>	<u>171,858</u>	<u>196,954</u>	<u>291,100</u>	<u>100%</u>
<i>Net Cashflow before Capital Outlay</i>	<u>(24,860)</u>	<u>17,360</u>	<u>(12,485)</u>	<u>(102,000)</u>	
<i>Capital Outlay</i>	<u>\$ 1,260,796</u>	<u>129,661</u>	<u>\$ 76,139</u>	<u>\$ 2,336,900</u>	
<i>FAA Grant</i>	<u>\$ 260,484</u>	<u>\$ 119,517</u>	<u>\$ 61,377</u>	<u>\$ 1,250,000</u>	
<i>Debt Issuance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,270,000</u>	

**November 15, 2016
Fall Planning Session**

Discussion Topic:
Airport Capital Projects Timeline

Overview:

The Port has put in motion an aggressive capital projects timeline that will change the facilities at the Airport significantly over the next four years. Working in partnership with Tac-Aero (FBO), the FAA, and the State, the Port has assembled nearly \$13,000,000 million in improvement projects that will benefit the local economy, support the aviation industry, and move the Airport toward self-sufficiency.

Potential Actions/Alternatives:

Currently there are six projects in motion and set to complete by 2020:

Status	Task Name	Lead	2017				2018				2019				2020				
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
South taxiway Rehab	FAA grant + 10% Port Match	\$1,300,000.00																	
North Apron Environmental Assessment	FAA grant + Port funding overage	\$250,000.00																	
North Apron Site Development	COVI grant + Port and Private Match	\$2,300,000.00																	
North Apron FBO Construction	Private Investment	\$5,500,000.00																	
North Apron Rehabilitation	FAA grant + Port 10% match	\$1,775,000.00																	
North Apron Commercial Hangars & Fue	Port or Private funding	\$1,500,000.00																	
		\$12,625,000.00																	

The Port may also construct 1-2 T-hangar buildings in the near term to accommodate both the loss of tie down space and the existing private need (waiting list of 43).

Impacts: Total Port investment is an estimated \$1,270,000 (with commercial hangar and T-Hangars) over the next four years. The cash flow created by these buildings will help put the airport into a self-sustaining status.

Key Questions:

1. Is the board in agreement with the general direction of the FAA funded CIP projects?

November 15, 2016
Fall Planning Session

Discussion Topic:

Through the Fence (TTF) Access

Overview:

The Airport Layout Plan (ALP) is the document that visually encompasses the Master Plan. The ALP shows current and future development, Capital Improvement Projects, access points, potential off-airport development and/or acquisition land and airspace designations. The ALP was updated in the Master Plan and is currently under FAA review. Since its first submission in May, there have been significant changes: Through the Fence (TTF) access additions, non-utility to utility runway change, clarification on easements, clarification on building footprints, potential additional hangars and property line corrections.

Potential Actions/Alternatives:

The attached ALP shows the proposed changes since the version submitted in May. Note that there are four proposed TTF locations. Once approved by the FAA, the Commission will review the TTF applications and make the final determination as to approval. There are four additional potential Residential Through the Fence (RTTF) locations shown. Those access points are not being proposed to the FAA but are the maximum potential RTTF's from adjoining properties.

Impacts:

The ALP is a planning document and is meant to provide a path for FAA funding of Capital Improvement Projects (CIPs). When any line is moved on the plan, that change has to be approved by the FAA. The goal for this ALP is to incorporate as many currently known changes as possible, thereby limiting the amount of review time by the FAA. The Commission retains ultimate choice as to whether the items shown on the ALP occur or not, this is simply a way to get "pre-approval" from the FAA with minor adjustments after agreements and construction are completed.

A fence will need to be constructed along three of the residential property boundaries as soon as possible. These properties have no current interest in RTTF and have had pedestrians incursions onto the runway.

Key Questions:

1. Does the Board generally agree with the RTTF proposed locations and including them in the ALP?

November 15, 2016
Fall Planning Session

Discussion Topic:

Collaborative Legislative Advocacy and OneGorge

Overview:

Participation in the OneGorge Advocacy Group has grown to 133 participants. The group continues to meet monthly, and has collaborated on a total of seven advocacy letters, two capitol receptions, and one legislative forum this year. Discussions and actions have been focused primarily on transportation infrastructure; regional economic development; workforce housing; and funding for public transportation, Gorge Commission staffing, OIB/WIB, and search & rescue operations.

The Port has dedicated significant staff time as well as direct financial support (\$5,000) to ensure the group's continued viability and profile in the Oregon, Washington, and federal legislatures. The Port's contract with Summit Strategies includes a \$5,000 budget for services to OneGorge should the group require advocacy support in Salem. The experience of the past two years has shown that OneGorge can work together with contract lobbying firms in a mutually beneficial way. Summit Strategies utilized the group's collaborative procedures several times to ensure delivery of objectives, and the group has benefitted from several "field reports" from Summit staff providing on-the-ground perspective throughout the state and federal political cycles.

Potential Actions/Alternatives:

Staff recommends the Port continue to support OneGorge financially at the same level as it has since FY 2014-15 (\$5,000), but seek to establish greater staff time support from those other active participants that may have staff capable and available to share the administrative work (i.e., website maintenance, meeting arrangements, email list maintenance, event planning and production).

Impacts:

Annual financial support for OneGorge is \$5,000. Estimated staff time for administrative support has decreased somewhat this year, now at about 5-15 hours per month depending on activities.

Key Questions:

1. Does the Commission feel the current level of financial and administrative support provided by the Port is appropriate?
2. Are there any improvements or changes the Commission feels should be made to the group's organizational structure, communication procedures, or event production?

November 15, 2016
Fall Planning Session

Discussion Topic:

Communication Plan and Related Policies

Overview:

During the 2015 Fall Planning session, the Commission reviewed a draft Communications Plan (Plan) that was 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 last year included the redevelopment of the Port website (portofhoodriver.com); establishment of complimentary social media sites (Twitter, Facebook, LinkedIn); redesign of Port paper and electronic newsletters; and expansion of email listserv. These tasks have all been completed.

Potential Actions/Alternatives:

With the highest priority projects that focused on Port public communications now complete, new priorities have been identified and focus can shift to modernizing and improving internal communications systems and protocols.

SIGNAGE: The bridge signage plan now being implemented includes variable message signage (VMS) to improve public information protocols related to bridge traffic. Plans call for the purchase of one new VMS display this year. Wayfinding signage on Port bike/ped paths and properties has also been identified as a potential area of improvement. With the completion of the Waterfront Trail and the significant improvements made to Port-owned recreation open spaces, there is a need for a uniform series of wayfinding, safety, and site information signage along the waterfront.

PUBLIC OUTREACH/MEETINGS: As the Port proceeds with Airport development, Bridge replacement, and Parking Plan implementation, significant public outreach and collection of public input will be required. The coming year promises several public meetings for each of these items, and Port meeting facilities, information and marketing collateral, and public messaging will need to be developed. Efficient means of collecting public testimony and fostering positive dialog with Port constituents and the Commission will be helpful in this task.

INTERNAL SYSTEMS:

Port property management and real estate marketing needs, maintenance and project management, and tenant and client communications could all benefit from upgrades to software and development of new collaboration protocols among Port staff. Upgrading Office software, some hardware, and integrating new SaaS tools will provide greater efficiencies in staff collaboration while ensuring better service to our customers and improved project management.

New employee policies related to management of Port electronic communications (email listserv, website, social media sites) will be integrated into the next update to the Employee Manual.

Impacts:

Each of these three focus areas requires some financial investment. Hard costs for two VMS displays would be \$32,000 and Waterfront/Port Property wayfinding signage is estimated to be \$45,000. Public outreach and public meeting needs for the Airport, Bridge Replacement, and Parking Plan implementation could require some investment in advertising, publications, facilities rental and catering. Software upgrades for 10 “seats” to Office 365 Enterprise E3 would cost \$2,400 annually. Project and property management software costs vary considerably, and several staff members are working together to find the SaaS platform that best meets Port needs.

Key Questions:

1. Does the Commission feel these three focus areas are the highest priorities in the coming year?
2. Are there other focus areas for Port communications that should be addressed in the next year?
3. What type and level of investment in public communications does the Commission seek?