

Commission Memo

To: Commissioners
From: Steve Burdick
Date: March 5, 2013
Re: Pfriem Brewing, Lease Amendment No. 3

Pfriem Family Brewers, LLC (Pfriem) has achieved significant business success and is now seeking to expand its operations in the Halyard Building. An amendment will be necessary to allow: 1) substantial modifications to be made to their existing Suite 101; 2) lease and cause substantial modifications to be made to Suite 102; 3) lease land and cause modifications to be made to land adjacent to Suite 101 for an outdoor patio tasting area; and 4) locate a grain silo adjacent to Lessor's CO2 tanks South of Suite 101.

In addition, the original lease between Pfriem Brewing and the Port needs to be updated to reflect the beginning of the lease term, and when rent payments would begin.

The proposed terms for the related modifications to the lease are shown on the attached Term Sheet.

Staff recommends authorization of the attached Third Addendum to Lease and Lease Guaranties.

RECOMMENDATION: Authorize the Third Amendment to the Lease Agreement with Pfriem Brewing Company, LLC.

Lease Term Sheet

Halyard Building

Address 707 Halyard, Suite 102

Prepared: March 5, 2013

TENANT:	Pfriem Brewing
USES:	Brewery expansion possibly including: tasting room and production expansion including barrel aging and bottling.
AREA:	Approximately 3,795 s.f. Exact square footage to be determined.
RATE:	\$0.88 psf Rent obligation to begin upon issuance of temporary occupancy permit or 30 days after substantial completion of Port's construction contract whichever is earlier.
RATE ADJUSTMENT:	CPI-U for Portland adjusted annually at the same time as the rate is adjusted for Suite 102.
TERM:	Term to begin upon issuance of temporary occupancy permit or 30 days after substantial completion of Port's construction contract whichever is earlier. Term to terminate on June 30, 2017. Two 5 year extension terms will coincide with the lease for Suite 102.
COMMISSION:	None.
NNN COSTS:	Tenant pays NNN costs.
JOBS:	Between increased tasting room staffing from additional commercial space and increased production labor for barrel aging and bottling programs, Pfriem anticipates an addition of 10 – 12 jobs to be created for a total Pfriem payroll of approximately 30 employees.
CONTRACT ADMINISTRATION	Contracts for A&E design services using Pfriem's present architect and for the building modifications will be between the Port and its consultants and contractors.
BUILDING IMPROVEMENTS:	Port will be responsible for soft costs, such as A&E and permits, and for construction costs. The Port's combined maximum long term obligation for soft costs and construction costs will be \$125,000. However, in the short term, the Port will pay all soft and hard costs. Pfriem will be responsible for all long term soft and hard costs in excess of \$125,000. If total costs exceed \$175,000 and Pfriem pays 50% of incurred soft costs, Pfriem can cancel the addendum before the construction contract is awarded.

MAINTENANCE:	Pfriem to pay for interior maintenance. Port to pay for exterior maintenance.
PARKING	Pfriem will have the non-exclusive use of the greater of 28 parking spaces or the City required number of parking spaces. These parking spaces will be in Port owned lots located within 700 feet of the Halyard Building.
SPECIAL PROVISIONS	<ol style="list-style-type: none"> 1. Pfriem will have exclusive use of the two parking spaces South of Suite 102 and immediately South of the CO2 tanks for the placement of a grain silo. No rent will be paid on this parking space. 2. Pfriem will have exclusive use of the two parking spaces immediately East of the Suite 102 tasting room for an outdoor / patio tasting area. Because these two parking spaces are presently disabled spaces, this will result in the effective use of three parking spaces. Pfriem will be responsible for obtaining City planning, structural and building permit approvals related to this outdoor / patio tasting area. The Port will support Pfriem's request. If the City does not allow this use, all other provisions of the lease remain intact. 3. Pfriem will be allowed to seek the City's approval for the building's remaining potential allocation of approximately 826 s.f. for commercial use. This commercial space will be used for patio and interior tasting spaces, kitchen expansion and other related commercial uses and is subject to the City light industrial zone criteria. The Port will support Pfriem's request. If the City does not allow this use, all other provisions of the lease remain intact and the potential allocation for commercial use will revert to the Port. 4. Between March 11, 2013 and the beginning of the lease term, Pfriem will be allowed to store materials and equipment related to the modifications of both Suites 102 and 103 in Suite 102. 5. Up until June 30, 2013, the contractor and tenant for Suite 103 will be allowed to use Suite 102 space for construction staging and equipment storage. In the event of an irresolvable conflict, Pfriem's right to use the Suite 102 space will prevail. <p>The Port will have the opportunity to review the tenant's equity and loan commitment for their share of improvements prior to the award of the construction contract.</p>

THIRD ADDENDUM TO LEASE AND LEASE GUARANTIES

On December 5, 2011, Port of Hood River, an Oregon municipal corporation, as Lessor, and Cascadia Brewing Company, LLC, an Oregon limited liability company, as Lessee, entered a Lease for premises known as Tenant Space 101 in the Halyard Building located 707 Portway Avenue, Hood River, Oregon.

On January 25, 2012, Lessee restated its Articles of Organization to change its name to Pfriem Brewing Company, LLC.

On February 9, 2012, Lessor and Lessee executed a First Addendum to Lease and Lease Guaranties.

On September 3, 2012, Lessor and Lessee executed Addendum No. 2 to Lease and Lease Guaranties.

The lease provided for the lease term to begin on March 1, 2012 or upon receipt of the temporary occupancy permit whichever occurred later. It happened that the date of the temporary occupancy permit (July 16, 2012) became the lease commencement date.

However, although it was not the intent of either party, the rental section of the lease tied the periods during which differing rents would be due solely to the March 1, 2012 date and did not allow for tying the rental schedule to the actual occupancy date.

Now that the premises are occupied, it is timely to amend the lease to reflect the intent of the parties. Except as modified herein, all terms of the December 5, 2011, Lease, as previously amended, remain in effect.

Further, Lessor now desires to expand its operations and to: 1) cause substantial modifications to be made to Tenant Space 101; 2) lease and cause substantial modifications to be made to Tenant Space 102; 3) lease land and cause modifications to be made to land adjacent to Tenant Space 101 for an outdoor patio tasting area; and 3) locate a grain silo adjacent to Lessor's CO2 tanks South of Tenant Space 101. Such modifications and expansion plans are shown on Exhibit "A" to this Addendum.

Now, therefore, the last sentence of the first paragraph (Description) is amended to read, "Lessee shall have the right to utilize the greater of 28 parking spaces or the number of parking spaces required by the City. Such parking spaces will be in Port owned parking lots within 700 feet of the Northeast corner of the Halyard Building and will not be reserved solely for use by Pfriem employees."

The following sentences shall be added to the end of the first paragraph (Description): "Lessee will have exclusive use of the two existing parking spaces South of Suite 101 and immediately South of the existing CO2 tanks for the placement of a grain silo. Contingent upon City approval of commercial use for a patio tasting area, Lessee shall have the exclusive use of approximately 480 s.f. located outside and East of Tenant

Space 101 on the present disabled parking spaces and as shown on the attached Exhibit "A".

The first sentence of the second paragraph (Term) of the lease is hereby amended to read as follows, "The lease term for Tenant Space 101 shall be for the period commencing July 16, 2012, and continuing through June 30, 2017".

A new sentence is added following the first sentence of the second paragraph (Term) of the lease to read as follow, "The lease term for Tenant Space 102 shall be for the period commencing upon issuance of the temporary occupancy permit for Tenant Space 102 or when an AIA G704-2000 Certificate of Substantial Completion of improvements undertaken by Lessor has been signed by Lessor's Architect of Record, whichever is earlier, and continuing through June 30, 2017".

The third paragraph (Lease Extension) is hereby amended to read as follows, "If not in default, and if Lessee pays Lessor all real property taxes Lessee owes or may be responsible to pay under the terms of the lease, Lessee has the option extend the lease for two (2) five-year renewal terms, through June 30, 2022 and June 30, 2027, provided Lessee gives Lessor written notice of Lessee's intent to renew the lease no later than April 1 in the year of the lease's termination date".

The table in the fourth paragraph (Rental) is hereby amended to read as follows:

Date	Square Footage	Rate	Monthly Total
July 16, 2012 – December 31, 2012	4754 Manufacturing 905 Office / Storage	\$0.00 \$0.00	\$0.00
January 16, 2013 – June 30, 2013	4,754 Manufacturing 905 Office / Storage	\$0.88 \$0.22	\$2,262.08
July 1, 2013 – June 30, 2014	4,754 Manufacturing 905 Office / Storage	\$0.88 \$0.44	\$4,581.72
July 1, 2014 – June 30, 2015	4,754 Manufacturing 905 Office / Storage	\$0.88 \$0.66	\$4,780.82
July 1, 2015 – June 30, 2017	4,754 Manufacturing 905 Office / Storage	\$0.88 \$0.88	\$4,979.92

Following this amended table in the fourth section, the Lease is hereby amended to add the following:

Upon commencement of the Term for Tenant Space 102, the table in the fourth section (Rental) will be amended to read as follows:

Date	Square Footage	Rate	Monthly Total
July 16, 2012 - December 31, 2012	4754 Manufacturing 905 Office / Storage	\$0.00 \$0.00	\$0.00
January 16, 2013 - June 30, 2013	4,754 Manufacturing 905 Office / Storage	\$0.88 \$0.22	\$2,262.08
Beginning of term for Tenant Space 102 - June 30, 2014	8,549 Manufacturing 905 Office / Storage 480 Patio Tasting	\$0.88 \$0.44 \$0.22	\$8,026.92
July 1, 2014 - June 30, 2015	8,549 Manufacturing 905 Office / Storage 480 Patio Tasting	\$0.88 \$0.66 \$0.22	\$8,226.02
July 1, 2015 - June 30, 2017	8,549 Manufacturing 905 Office / Storage 480 Patio Tasting	\$0.88 \$0.88 \$0.22	\$8,425.12

The last paragraph of Paragraph 4 (Rental) is hereby amended to read, "All rental amounts are payable in advance on the first day of the month, beginning January 1, 2013. No additional rental amounts will be payable for the grain silo addition to the lease."

A second paragraph shall be added to Paragraph 5 (Use) to read, "Lessee shall seek City approval for the remaining maximum Halyard Building commercial use allocation of approximately 826 s.f. Such commercial use space will be used as patio and interior tasting room space including the mezzanine, kitchen expansion and other related commercial uses and is subject to the City light industrial zone criteria. Lessor will support Lessee's request. If the City does not allow this use, all other provisions of the lease shall remain intact and the potential allocation for commercial use will revert to the Lessor."

A third paragraph shall be added to Paragraph 5 (Use) to read, "Between March 11, 2013 and the beginning of the lease term for Tenant Space 102, Lessee will be allowed to store construction materials and equipment related to the modifications of both Tenant Spaces 101 and 102 in Tenant Space 101. Up until June 30, 2013, the contractor and tenant for Tenant Space 103 will be allowed to use Tenant Space 102 for construction staging and equipment storage. In the event of an irresolvable conflict, Lessee's right to use Tenant Space 102 will prevail."

The section title of Paragraph 6. Improvement Costs shall be amended to read, "**6A. 2012 Improvement Costs for Tenant Space 101.** A first sentence shall be added to read: "This section 6A shall apply to the 2012 improvement costs for Tenant Space 101 only."

Following the above amended Section 6A, a new section shall be inserted to read:

6B. 2013 Improvement Costs for Tenant Space 102 and for Modifications for Tenant Space 101. This section 6B shall apply to the 2013 improvements costs for Tenant Space 102 and modification costs for Tenant Space 101 only. Lessor agrees to make improvements to the Leased Premises prior to Lessee's right to occupy the Leased Premises, including but not limited to:

- New cold storage capacity
- Insulated floor to ceiling room for bottle conditioning with dedicated HVAC system
- Expansion of existing bathrooms
- Outdoor seating area/doorway
- Sloped pad for fermentation, kegging and bottling
- Grain silo pad
- Barrel conditioning area
- Floor coatings
- Electrical, Plumbing, Lighting related to the above improvements

Lessor will use its best efforts to complete construction of the improvements prior to September 1, 2013, however, Lessor does not represent or warrant that the improvements will be completed by September 1, 2013. The improvements Lessor intends to make prior to Lessee's occupancy will be further described in bid documents prepared by Lessor's architect and/or engineer. Lessor's improvements may be modified by Lessor prior to or after commencement of construction. Lessor's improvements to the Leased Premises shall be deemed acceptable to the Lessee. If Lessee requests Lessor to make tenant improvement changes that will increase the construction cost or project soft costs, and Lessor, in Lessor's discretion agrees to make changes, Lessor and Lessee will promptly execute a written agreement describing the changes and agree how the costs will be paid.

Lessor will pay (1) Lessor's engineering fees, architect fees, and City fees to allow occupancy of the leased premises ("soft costs"), and (2) Lessor's general contractor to construct the above listed improvements ("hard costs"), up to a maximum total of \$125,000.00.

All combined soft and hard costs above \$125,000 shall be paid by Lessee. At the end of each month, Lessor will present invoices to Lessee for costs incurred during the month in excess of Lessor's \$125,000 maximum obligation and Lessee shall reimburse Lessor for such costs within 30 days of the date on Lessor's invoices. Prior to the award of the construction contract Lessee shall provide proof satisfactory to Lessor of equity and/or loan commitment for its share of the construction costs. The individuals who signed the Guaranty of Payment and Performance of Obligations and Liabilities Owed by Lessee to Lessor Under a Lease which are attached as Exhibit C to the original Lease agree by their signatures below that the Guaranty as executed applies to this amended Paragraph 6.

Should engineering fees, architect fees, estimated City fees and Lessor's bid to construct the proposed improvements be in excess of of \$175,000.00, Lessee may,

upon reimbursing the Lessor for 50% of the incurred soft cost, elect to cancel the sections of this Lease that pertain to the lease of Tenant Space 102 and the modifications to Tenant Space 101. This right to cancel shall extend only for 14 calendar days of the Lessor's receipt of a lowest qualifying bid for the construction of the proposed improvements. Lessor or Lessee may cancel the sections of this Lease that pertain to the lease of Tenant Space 102 and the modifications to Tenant Space 101 if the bid price and contract terms for constructing such improvements are not acceptable to Lessor or Lessee, which the Lessor or Lessee may determine at their own discretion. If the Lessor cancels such sections, Lessee will not be responsible to reimburse the soft costs as outlined above.

If Lessor awards a construction contract for lessor improvements and tenant improvements in substantially the same form as the draft contract attached as Exhibit "B" to this Addendum, all terms of the construction contract shall be deemed acceptable to Lessee. In no event shall Lessee have a claim against Lessor of any kind under the lease, or otherwise, related to Lessor's construction contract, including any claim related to a contract dispute, a contract default, or a delay in completing Lessor's construction contract work, nor shall Lessee be entitled to any offset in or postponement of rent or other payments required by this lease. If Lessee incurs expenses of any kind in contemplation of the lease term commencing but the lease is terminated Lessee shall have no claim against Lessor as a result of incurring such costs.

Following the above new Section 6B, a new section shall be inserted to read:

6C. Architect, Engineering and Construction Contract Administration.

The construction contract, scope of work and any change orders will be administered by Lessor's designated agent. Lessee will be given an opportunity to provide input to and consult with that agent in connection with all aspects of the project.

Dated: _____, 2013

Cascadia Brewing Co, LLC
Pfriem Brewing Co, LLC

Port of Hood River

By: _____
Kenneth Stephen Whiteman
General Manager

By: _____
Michael S. McElwee
Executive Director

Personal Guarantor of Promissory Note

Rudolph Kellner

Kenneth Stephen Whiteman

Joshua Alden Pfriem

Commission Memo

To: Commissioners
From: Steve Burdick
Date: March 5, 2013
Re: Supplement No. 6 to HNTB Bridge Engineering Services Agreement

The Port has used HNTB for engineering services for construction or rehabilitation projects on the Interstate Bridge since 1978. HNTB has also provided various on-call services since 2008 which allows HNTB to respond to unexpected issues or needs.

At this time staff recommends the existing HNTB contract be amended to include the following:

- **On-Call--** Extend these services through June, 2015 to allow HNTB to provide engineering services on an as-needed basis for both the Interstate Bridge and the Pedestrian Bridge. The total fee allocated for this work would not exceed \$50,000.
- **Deck Weld--** Implement the program reviewed with the Commission on February 19 that is intended to address problems related to deterioration of the open metal deck welds. HNTB's work would include determination of the most effective repair welds, assisting in training of Port staff to perform those welds and implementation of a monitoring plan. The total cost of this work would not exceed \$25,000.

The proposed action will require approval of the attached amendment to the HNTB contract (Supplement No. 6) and Task Orders 9 and 10.

RECOMMENDATION: Authorize amendment of the existing HNTB contract for engineering services associated with the Hood River Bridge not to exceed \$75,000.

SUPPLEMENTAL AGREEMENT NUMBER 6

This Supplemental Agreement Number 6 to the MASTER AGREEMENT FOR PROFESSIONAL SERVICES, dated January 1, 2008 (the Agreement), between Port of Hood River (Owner) and HNTB Corporation (HNTB) is made effective as of March 6th, 2013.

ARTICLE 1 – Effective Date

The Agreement is amended to extend the term of the Agreement through June 30, 2015.

ARTICLE 5 – Compensation - Paragraph B

The Agreement is amended to increase the total compensation limit under the Agreement by \$75,000.00 for a total authorized not-to-exceed amount of **\$441,344.00**.

This supplement increases total Task Order compensation amounts to accommodate the following:

- Task Order 9 for Bridge On-Call Services for total not-to-exceed amount of \$50,000.00.
- Task Order 10 for Hood River Interstate Bridge Deck Weld Crack Monitoring for total not-to-exceed amount of \$25,000.00.

Except to the extent modified herein, all terms and conditions of the Agreement shall continue in full force and effect.

PORT OF HOOD RIVER
(Owner)

HNTB CORPORATION
(HNTB)

Signature: _____

Signature: _____

Name: Michael S. McElwee

Name: _____

Title: Executive Director

Title: _____

Date: 03/08/13

Date: _____

SUPPLEMENTAL AGREEMENT NUMBER 6

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ARTICLE 1 – Effective Date

The Agreement is amended to extend the term of the Agreement through June 30, 2015.

ARTICLE 5 – Compensation - Paragraph B

The Agreement is amended to increase the total compensation limit under the Agreement by \$75,000.00 for a total authorized not-to-exceed amount of **\$441,344.00**.

This supplement increases total Task Order compensation amounts to accommodate the following:

- Task Order 9 for Bridge On-Call Services for total not-to-exceed amount of \$50,000.00.
- Task Order 10 for Hood River Interstate Bridge Deck Weld Crack Monitoring for total not-to-exceed amount of \$25,000.00.

Except to the extent modified herein, all terms and conditions of the Agreement shall continue in full force and effect.

PORT OF HOOD RIVER
(Owner)

HNTB CORPORATION
(HNTB)

Signature: _____

Signature: _____

Name: Michael S. McElwee

Name: _____

Title: Executive Director

Title: _____

Date: 03/08/13

Date: _____

TASK ORDER NUMBER 09

On-Call Services for Long Term Preservation Planning for the Hood River Interstate Bridge & Port Pedestrian Suspension Bridge

This Task Order is made effective as of March 6th, 2012, under the terms and conditions established in the MASTER AGREEMENT FOR PROFESSIONAL SERVICES, dated January 1, 2008 (the Agreement), between **Port of Hood River** (Owner) and **HNTB Corporation** (HNTB). This Task Order is made for the purpose of:

Providing updates to the Bridge Long Term Preservation modeling and assessing the maintenance, repair, and rehabilitation needs for the Hood River Interstate Bridge and Port Pedestrian Suspension Bridge.

Section A. Scope of Services

A.1 HNTB shall perform the Scope of Services outlined below under this on-call contract. HNTB shall provide any combination of the following services, but only up to the authorized contract not-to-exceed amount:

- Provide updates to the bridge long-term preservation model for fiscal year 2013/2014.
- Overview bridge inspection reports developed and provided by others (routine bridge inspection reports, fracture critical inspection reports, underwater bridge inspection reports) and provide a recommended POHR response plan.
- Review pedestrian bridge inspection reports developed and provided by others, perform an on-site visual overview inspection and provide a recommended POHR response plan to maintenance, repair and rehabilitation needs.
- Perform visual overview site inspection of the north concrete approach spans of the Hood River Interstate Bridge which has known concrete deterioration issues and provide a recommended POHR response plan.
- Provide recommended action in response to intermittent questions on the lift span electrical and mechanical operations.
- Perform a visual overview inspection of the lift span electrical and mechanical operations and provide a recommended POHR response plan.
- Develop an engineering work plan with approximate costs estimates and schedule for recommended maintenance, repair, and rehabilitation for the next 3 to 5 years.
- Respond to other small information requests and on-site cursory inspections related to the Hood River Interstate Bridge and the Hood River Pedestrian Suspension Bridge.

Assumptions

- The Owner represents that HNTB may rely on any previously developed studies, reports, and data in the performance of these services. HNTB will not independently verify information or conclusions drawn from previous studies and reports.
- HNTB will not confirm by calculation the structural adequacy of the Bridge under these services.
- HNTB will not confirm by calculation the seismic or other lateral load effects on the Bridge.
- HNTB assumes and will not confirm by calculation the structural capacity of the existing bridge.
- HNTB CAD drawings will be conceptual and not for construction.
- HNTB will not produce construction procurement documents or provide construction management under this task.
- The Owner will provide final comments on submittals within 21 calendar days of HNTB submittals.
- Draft documents will be delivered electronically in Adobe ® PDF file format.

- Final documents will be delivered electronically in Adobe ® PDF file format and hard paper copies.
- Because HNTB has no control over the cost of labor, materials, or equipment furnished by others, or over the resources provided by others to meet project schedules, HNTB's opinion of probable costs and of project schedules shall be made on the basis of experience and qualifications as a practitioner of its profession. HNTB does not guarantee that proposals, bids, or actual project costs will not vary from HNTB's cost estimates or that actual schedules will not vary from HNTB's projected schedules.

Section B. Schedule

B.1 HNTB shall perform the Services and deliver the related Documents (if any) according to the following schedule:

HNTB anticipates notice-to-proceed for this Scope of Services for before the end of March 2013 and anticipates task completion by June 30, 2015.

Section C. Compensation

C.1 In return for the performance of the foregoing obligations, Owner shall pay to HNTB the not to exceed amount of \$50,000.00 according to the following terms:

Direct salary times a multiplier for overhead and profit equal to 2.91 and reimbursable expenses at actual cost.

IN WITNESS WHEREOF, Owner and HNTB have executed this Task Order.

PORT OF HOOD RIVER
(Owner)

HNTB CORPORATION
(HNTB)

Signature _____

Signature _____

Name Michael S. McElwee

Name _____

Title Executive Director

Title _____

Date 03/08/13

Date _____

TASK ORDER NUMBER 10

Hood River Interstate Bridge Deck Weld Crack Monitoring

This Task Order is made effective as of March 6th, 2012, under the terms and conditions established in the MASTER AGREEMENT FOR PROFESSIONAL SERVICES, dated January 1, 2008 (the Agreement), between **Port of Hood River** (Owner) and **HNTB Corporation** (HNTB). This Task Order is made for the purpose of:

Weld crack monitoring and response planning for the Hood River Interstate Bridge open-grid steel deck.

Section A. Scope of Services

A.1 HNTB shall perform the Scope of Services outlined below to develop a monitoring program and recommend maintenance, repair, and rehabilitation for weld cracking that is occurring on the open-grid steel deck. Specifically, HNTB shall:

- Perform on-site visual overview inspection of the "puddle" welds at the junction of the open-grid steel deck bars (hereafter, deck welds) in the existing condition for a baseline.
- Develop a targeted repair and monitoring area which will be used to collect data on the effectiveness of repair.
- Provide a short term and long term plan for monitoring deck weld cracks.
- Provide CAD drawings of the open grid deck to support the monitoring and repair program. Update drawings to support the plan.
- Provide advice for deck welding repairs to be performed by Owner staff, both in the targeted repair and monitoring area and outside this area.
- Provide advice for Owner staff training such that staff can make the recommended deck weld repairs.
- Perform on-site visual overview inspection of deck weld repairs in targeted repair and monitoring areas, a total of 6 times, ranging from February 2013 to June 2015.
- Communicate with industry suppliers and university research experts on the state-of-the-art issues and repair opportunities for similar deck weld cracking issues on other bridges.
- Provide a final Monitoring and Deck Weld Repair Plan with cost estimates and schedule for repairs performed either by the POHR staff or through a separate procurement construction contract.

Assumptions

- The Owner represents that HNTB may rely on any previously developed studies, reports, and data in the performance of these services. HNTB will not independently verify information or conclusions drawn from previous studies and reports.
- HNTB will not confirm by calculation the structural adequacy of the Bridge under these services.
- HNTB will not confirm by calculation the seismic or other lateral load effects on the Bridge.
- HNTB assumes and will not confirm by calculation the structural capacity of the existing deck system.
- HNTB CAD drawings will be conceptual and not for construction.
- HNTB will not produce construction procurement documents or provide construction management under this task.
- The Owner will provide final comments on submittals within 21 calendar days of HNTB submittals.
- Draft documents will be delivered electronically in Adobe ® PDF file format.

- Final documents will be delivered electronically in Adobe ® PDF file format and hard paper copies.
- Because HNTB has no control over the cost of labor, materials, or equipment furnished by others, or over the resources provided by others to meet project schedules, HNTB's opinion of probable costs and of project schedules shall be made on the basis of experience and qualifications as a practitioner of its profession. HNTB does not guarantee that proposals, bids, or actual project costs will not vary from HNTB's cost estimates or that actual schedules will not vary from HNTB's projected schedules.

Section B. Schedule

B.1 HNTB shall perform the Services and deliver the related Documents (if any) according to the following schedule:

HNTB anticipates notice-to-proceed for this Scope of Services for before the end of February 2013 and anticipates task completion by June 30, 2015.

Section C. Compensation

C.1 In return for the performance of the foregoing obligations, Owner shall pay to HNTB the not to exceed amount of **\$25,000.00** according to the following terms:

Direct salary times a multiplier for overhead and profit equal to 2.91 and reimbursable expenses at cost.

IN WITNESS WHEREOF, Owner and HNTB have executed this Task Order.

PORT OF HOOD RIVER
(Owner)

HNTB CORPORATION
(HNTB)

Signature _____

Signature _____

Name Michael S. McElwee

Name _____

Title Executive Director

Title _____

Date 03/08/13

Date _____

Commission Memo

To: Commissioners
From: Steve Burdick
Date: March 5, 2013
Re: OrangeWallStudios, Architect and Engineering Services

OrangeWallStudios, Inc. (OWS) was Pfriem's architect for the improvements for which they were responsible in the initial lease and is their preferred architect for the modifications to Suite 101 and the improvements to Suite 102 envisioned as part of Addendum No. 3 to the Pfriem lease. Staff concurs with Pfriem that the quality of the OWS work is superior and the cost of their services is acceptable.

The plan and specifications are for such items as the modifications to existing kitchen and restrooms, walls in Suite 102, electrical, mechanical and HVAC extensions to Suite 102, development of the outside patio area and the installation of a new exterior door in the Suite 101 East wall.

Pfriem desires to have as much work as possible completed before their busy summer season. So, the architectural and engineering work is planned to occur as soon as possible so that construction can be bid in late spring and at least the work in Suite 101 can be complete by early summer.

Staff recommends authorizing the attached professional services contract with OWS for architect and engineering services related to Suites 101 and 102 in the Halyard Building. This recommendation is contingent upon the approval of the lease addendum No. 3 with Pfriem Brewing.

RECOMMENDATION: Contingent upon authorization of Pfriem lease addendum No. 3, authorize an agreement with ORANGEWALLstudios, Inc. for architect and engineering services for Suites 101 and 102 in the Halyard Building in an amount not to exceed \$21,000 plus reasonable reimbursable expenses.

PROFESSIONAL SERVICES CONTRACT

This Agreement is between the Port of Hood River, an Oregon Municipal Corporation, (hereinafter referred to as “Port”), and ORANGEWALLstudios inc. (hereinafter referred to as “Consultant”).

In consideration of the mutual covenants set forth in this Agreement, Port authorizes Consultant and Consultant agrees to carry out and complete services as described below:

1. **PROJECT:** Work shall be performed by Consultant in connection with a project generally described as: construction drawings, bid period assistance and construction administration for Suite 101 modifications and Suite 102 tenant improvements and exterior patio improvements at the Halyard Building located at 707 Portway Ave. in Hood River, Oregon.
2. **SCOPE OF SERVICES:** The Consultant shall be responsible for the performance of all services as set forth in the scope of services attached hereto and incorporated herein as **Exhibit ‘A’** (the “Services”) and to the extent described in this Agreement and shall perform Services using the degree of skill and knowledge customarily employed by professionals performing similar services in the community. The Consultant shall be responsible for providing, at the Consultant’s cost and expense, all management, supervision, materials, administrative support, supplies, and equipment necessary to perform the Services as described herein, all in accordance with this Agreement.
3. **TERM OF AGREEMENT:** The term of this Agreement shall begin on the date this contract is fully executed and shall expire 30-days following issuance of a certificate of substantial completion by the City of Hood River or when the Services have been completely performed to the Port’s satisfaction, whichever first occurs, or otherwise by mutual written agreement of the parties or by the exercise of the termination provisions specified herein.
4. **ADDITIONAL SERVICES:** The Port may request that the Consultant provide the Port with certain services (“Additional Services”) not identified in Exhibit A. Additional Services shall not be performed by the Consultant unless written approval is received from the Port. Upon receipt of the written request, the Port and the Consultant shall negotiate the scope of the relevant Additional Services and price, which shall be subject to the mutual written agreement of the Consultant and the Port. If the Consultant performs any Additional Services prior to or without receiving a written request from the Port, the Consultant shall not be entitled to any compensation for such Additional Services. Authorization shall be issued by individual work orders or by amendment to this contract that is signed by the Executive Director of the Port.
5. **TIME OF THE ESSENCE:** The Services of the Consultant shall be undertaken and completed in such a manner and in such a sequence as to assure their expeditious completion in light of the purpose of this Agreement. It is agreed that time is of the essence in the performance of this Agreement.
6. **COMPENSATION:** The Port shall pay fees to the Consultant for Services performed under the terms of this Agreement an amount not to exceed **\$21,000.00** (“Compensation”), unless otherwise approved by the Port. The Port will also reimburse Consultant for reasonable direct expenses incurred by the Consultant (“Reimbursable Expenses”). Consultant will obtain written approval from Port prior to expenditure of any individual Reimbursable expense that exceeds \$250.00 Consultant will not exceed \$1,000.00 in total Reimbursable Expenses without Port approval.

Consultant shall submit monthly invoices based on the payment schedule in Exhibit "A" and detailing the services provided to date. Invoices shall include a detailed description of work performed and include evidence of any reimbursable expenses in a form acceptable to the Port. Port shall make payments in a timely manner, within thirty (30) days of receipt of invoice.

If Port does not pay within thirty (30) days of receipt of invoice acceptable to Port, the invoice shall incur a service charge of 1.5% per month on the unpaid monthly balance. Consultant reserves the right to withhold services or cancel this Agreement if Port's account is more than sixty (60) days delinquent.

7. STATUS OF CONSULTANT AND RELATIONSHIP TO PORT: The Consultant is an independent contractor and nothing contained herein shall be construed as constituting any relationship with the Port other than that as owner and independent contractor, nor shall it be construed as creating any relationship whatsoever between the Port and any of the Consultant's employees. Neither the Consultant nor any of the Consultant's employees are nor shall they be deemed employees of the Port. The Consultant is not and shall not act as an agent of the Port. All employees who assist the Consultant in the performance of the Services shall at all times be under the Consultant's exclusive direction and control. The Consultant shall pay all wages, salaries and other amounts due the Consultant's employees in connection with the performance of the Services and shall be responsible for all reports and obligations respecting such employees, including without limitation social security tax, income tax withholding, unemployment compensation, worker's compensation, employee benefits and similar matters. Further, the Consultant has sole authority and responsibility to employ, discharge and otherwise control the Consultant's employees. The Consultant has sole authority and responsibility as principal for the Consultant's agents, employees, sub-consultants and all others the Consultant hires to perform or assist in performing the Services. The Port's only interest is in the results to be achieved.

8. WARRANTIES AND REPRESENTATIONS: The Consultant represents, warrants and covenants that:

- a. The Consultant has the required authority, ability, skills and capacity to, and shall, perform the services in a manner consistent with this Agreement. Further, any employees and sub-consultants of the Consultant employed in performing the Services shall have the skill, experience and licenses required to perform the Services assigned to them.
- b. To the extent the Consultant deems necessary, in accordance with prudent practices, the Consultant has inspected the sites and all of the surrounding locations whereupon the Consultant may be called to perform the Consultant's obligations under this Agreement, and is familiar with requirements of the Services and accepts them for such performance.
- c. The Consultant has knowledge of all of the legal requirements and business practices in the State of Oregon that must be followed in performing the Services and the Services shall be performed in conformity with such requirements and practices.
- d. The Consultant is validly organized and exists in good standing under the laws of the State of Oregon, and has all the requisite powers to carry on the Consultant's business as now conducted or proposed to be conducted and the Consultant is duly qualified, registered or licensed to do business in good standing in the State of Oregon.
- e. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action and do not and will not (a) require any further consent or approval of the board of directors or any shareholders of the Consultant or any other person which has not been obtained or (b) result in a breach of default under the certificate of incorporation or by-laws of the Consultant or any indenture or loan or credit agreement or other material agreement or instrument to which the Consultant is a party or by which the Consultant's properties and assets may be bound or affected. All such consents and approvals are in full force and effect.

9. CONSULTANT'S INSURANCE:

- a. The Consultant shall acquire and maintain, during the entire term of this Agreement, including any extensions of the term, statutory workers' compensation insurance coverage, commercial general liability insurance coverage, automobile liability insurance coverage and of not less than \$500,000 per occurrence. The Port shall be named as additional insured on the Consultant's commercial general liability insurance and automobile liability insurance. Any such policy of insurance obtained to comply with this paragraph shall provide that the Port shall receive thirty (30) days written notice prior to the policy's cancellation, non-renewal or modification to any provision of such policy affecting the insurance coverage requirements under this Agreement.
- b. The Consultant shall acquire and maintain, during the entire term of this Agreement, including any extensions of the term, professional liability insurance coverage, of not less than \$1,000,000 per occurrence.
- c. Prior to commencing any work under this Agreement, the Consultant shall provide the Port with a certificate or certificates evidencing the insurance required by this section, as well as the amounts of coverage for the respective types of coverage. If the Consultant sub-contracts any portion(s) of the Services, said sub-consultant(s) shall be required to furnish certificates evidencing statutory worker's compensation insurance, comprehensive general liability insurance and professional liability insurance coverage in amounts satisfactory to the Port and the Consultant. If the coverage under this paragraph expires during the term of this Agreement, the Consultant shall provide replacement certificate(s) evidencing the continuation of required policies.
- d. If any policy obtained by the Consultant is a claims-made policy, the following conditions shall apply: the policy shall provide the Consultant has the right to purchase, upon cancellation or termination by refusal to renew the policy, an extended reporting period of not less than two (2) years. The Consultant agrees to purchase this extended insurance coverage and to keep it in effect during the reporting period. If the policy is a claims-made policy, the retroactive date of any renewal of such policy shall be not later than the date this Agreement is signed by the parties hereto. If the Consultant purchases a subsequent claims-made policy in place of the prior policy, the retroactive date of such subsequent policy shall be no later than the date this Agreement is signed by the parties hereto.

10. INDEMNIFICATION: The Consultant shall indemnify, defend and hold harmless the Port, its commissioners, employees and agents, from and against any and all claims, demands, suits, actions, proceedings, judgments, losses, damages, injuries, penalties, costs, expenses (including attorney's fees) and liabilities to the extent, they are directly resulting from, or alleged to arise from, the acts of the Consultant, or any of the Consultant's sub-consultants, Consultant's suppliers and/or Consultant's employees arising in connection with the performance of this Agreement. The obligations of the indemnifications extended by the Consultant to the Port shall survive the termination or expiration of this Agreement.

11. CONFIDENTIALITY: Consultant shall have the right to include photographic or artistic representations of the design of the Project among Consultant's promotional and professional materials. Consultant shall be given reasonable access to the completed Project to make such representations. However, Consultant's materials shall not include the Owner's confidential or proprietary information if the Owner has previously advised Consultant in writing of the specific information considered by the Owner to be confidential or proprietary.

12. **ASSIGNMENT:** The Consultant shall not assign this Agreement or parts hereof or its duties hereunder without the express written consent of the Port. In the event of dissolution, consolidation or termination of the Port, the parties agree that the Port may assign to a successor entity any rights, obligations and functions it may have remaining under this Agreement.

13. **SUBCONSULTANTS:**

- a. **General.** The Consultant is solely and fully responsible to the Port for the performance of the Services under this Agreement. Use of any sub-consultant by the Consultant shall be pre-approved by the Port. The Consultant agrees that each and every agreement of the Consultant with any sub-consultants to perform Services under this Agreement shall be terminable without penalty.
- b. **Sub-Consultant Commitments:** All of the Consultant's subcontracts in connection with the performance of the Services shall be in writing and include the following provisions:
 - i. The subcontract/contract is immediately terminable without cause, and cost for such termination activities shall be determined according to the terms of this Agreement.
 - ii. The sub-consultant shall carry insurance in forms and amounts satisfactory to the Port in its sole discretion, as provided by this Agreement
 - iii. All warranties (express or implied) shall inure to the benefit of the Port and its successors and assigns.

The Consultant shall provide the Port with a copy of each subcontract executed with the performance of the Services within seven (7) days of each subcontract's execution.

Sub-consultants who assist the Consultant in the performance of the Services shall at all times be under the Consultant's exclusive direction and control and shall be sub-consultants of the Consultant and not consultants of the Port. The Consultant shall pay or cause each sub-consultant to pay all wages, salaries and other amounts due to the Consultant's sub-consultants in performance of the duties set forth in this Agreement and shall be responsible for any and all reports and obligations respecting such sub-consultants. All sub-consultants shall have the skill and experience and any license or permits required to perform the Services assigned to them.

14. **TERMINATION NOT-FOR-CAUSE:** In addition to any other rights provided herein, the Port shall have the right, at any time and in its sole discretion, to terminate, not for cause, in whole or in part, this Agreement and further performance of the Services by delivery to the Consultant of written notice of termination specifying the extent of termination and the effective date of termination.

- a. **Obligations of Consultant.** After receipt of a notice of termination, and unless otherwise directed by the Port, the Consultant shall immediately proceed as follows:
 - i. Stop work on the Services as specified in the notice of termination;
 - ii. Terminate all agreements with sub-consultants to the extent they relate to the Services terminated;
 - iii. Submit to the Port detailed information relating to each and every sub-consultant of the Consultant under this Agreement. This information will include sufficient detail so the Port can immediately contact each such sub-consultant to determine the role or function of each in regard to the performance of the Services and if the Port so elects, the Port may engage any sub-consultant for substantially the same terms as have been contracted by the Consultant;
 - iv. Complete performance in accordance with this Agreement of all of the services not terminated; and

- v. Take any action that may be necessary, or that the Port may direct, for the protection and preservation of the property related to this Agreement that is in the possession of the Consultant and in which the Port has or may acquire an interest.
 - b. Termination Settlement. After termination the Consultant shall submit a final termination settlement proposal to the Port in a form and with a certification prescribed by the Port. The Consultant shall submit the proposal promptly, but no later than thirty (30) days from the effective date of termination, unless extended in writing by the Port upon written request by the Consultant within such thirty-day period. If the Consultant fails to submit the proposal within the time allowed the Port's payment obligations under this Agreement shall be deemed satisfied and no further payment by the Port to the Consultant shall be made.
 - c. Payment upon Termination. As a result of termination without cause the Port shall pay the Consultant in accordance with the terms of this Agreement for the Services performed up to the termination and unpaid at termination.
 - d. Port's Claims and Costs Deductible upon Termination. In arriving at the amount due the Consultant under this paragraph there shall be deducted any claim which the Port has against the Consultant under this Agreement.
 - e. Partial Termination. If the termination is partial the Port shall make an appropriate adjustment of the price of the Services not terminated. Any request by the Consultant for further adjustment of prices shall be submitted in writing within thirty (30) days from the effective date of notice of partial termination or shall be deemed forever waived.
15. **FORCE MAJEURE:** Neither party to this Agreement shall be liable to the other party for delays in or failure to perform services caused by circumstances beyond its reasonable control, including but not limited to acts of God, acts of governmental authorities, strikes, riots, civil unrest, war, lockouts extraordinary weather conditions or other natural catastrophe, or any other cause beyond the reasonable contemplation of either party. For delays resulting from unanticipated material actions or inactions of Port or third parties, Consultant shall be given an appropriate time extension and shall be compensated for all costs of labor, equipment, and other direct costs Consultant reasonably and necessarily incurs. Delays of more than ninety (90) calendar days shall, at the option of either party, make this contract subject to termination.
16. **RECORD KEEPING:** The Consultant shall maintain all records and documents relating to Services performed under this Agreement for three (3) years after the termination or expiration of this Agreement. This includes all books and other evidence bearing on the Consultants costs and expenses under this Agreement. The Consultant shall make these records and documents available to the Port, at the Port's office, at all reasonable times, without any charge. If accepted by the Port, photographs, microphotographs or other authentic reproductions may be maintained instead of original records and documents.
17. **WORK PRODUCT:** All work product of the Consultant prepared pursuant to this Agreement, including but not limited to, all maps, plans, drawings, specifications, reports, electronic files and other documents, in whatever form, shall remain the property of the Port under all circumstances, whether or not the services are complete. When requested by the Port, all work products shall be delivered to the Port in PDF or full-size, hard copy form. Work products shall be provided to the Port at the time of completion of any of the discrete tasks specified in the Services. Consultant shall maintain copies on file of any such

work product involved in the Services for three (3) years, shall make them available for the Port's use, and shall provide such copies to the Port upon request at commercial printing or reproduction rates.

Subject to the provisions of the Oregon Public Records Law (the "Law"), all construction documents, including, but not limited to, electronic documents prepared under this Agreement are for use only with this project, and may not be used for any other construction related purpose, or dissemination to any contractor or construction related entity without written approval of the Consultant.

18. CONSULTANT TRADE SECRETS AND OPEN RECORDS REQUESTS:

- a. Public Records. The Consultant acknowledges and agrees that all documents in the Port's possession, including documents submitted by the Consultant, are subject to the provisions of the Law, and the Consultant acknowledges that the Port shall abide by the Law, including honoring all proper public records requests. The Consultant shall be responsible for all Consultants' costs incurred in connection with any legal determination regarding the Law, including any determination made by a court pursuant to the Law. The Consultant is advised to contact legal counsel concerning such acts in application of the Law to the Consultant.
- b. Confidential or Proprietary Materials. If the Consultant deems any document(s) which the Consultant submits to the Port to be confidential, proprietary or otherwise protected from disclosure under the Law, then the Consultant shall appropriately label such document(s), and submit such document(s) to the Port together with a written statement describing the material which is requested to remain protected from disclosure and the justification for such request. The request will either be approved or denied by the Port in the Port's discretion. The Port will make a good faith effort to accommodate a reasonable confidentiality request if in the Port's opinion the Port determines the request complies with the Law.
- c. Stakeholder. In the event of litigation concerning disclosure of any document(s) submitted by consultant to the Port, the Port's sole involvement will be as stakeholder retaining the document(s) until otherwise ordered by the court and the Consultant shall be fully responsible for otherwise prosecuting or defending any actions concerning the document(s) at its sole expense and risk.

19. DESIGNATION OF REPRESENTATIVES: The Port hereby designates Stephen Burdick, Development Manager and the Consultant hereby designates Gary R. Hartill, AIA as the persons who are authorized to represent the parties with regard to administration of this Agreement, subject to limitations, which may be agreed to by the parties.

20. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between the parties hereto relating to the Services and sets forth the rights, duties, and obligations of each party to the other as of this date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be amended except by a writing executed by both the Consultant and the Port and approved by the Port Commission.

21. INTERPRETATION: In this Agreement the singular includes the plural and the plural includes the singular; statutes or regulations are to be construed as including all statutory or regulatory provisions consolidating, amending or replacing the statute or regulation referred to; references to "writing" include printing, typing, lithography, computer software and other means of reproducing word in a tangible visible form; references to articles, sections (or subdivisions of sections), exhibits, annexes, appendices or schedules shall be construed to be in this Agreement unless otherwise indicated; references to agreements, exhibits, annexes, appendices hereto and other contractual instruments shall, unless

otherwise indicated, be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by this Agreement; words not otherwise defined which have well-known technical or industry meanings, unless the context otherwise requires, are used in accordance with such recognized meanings; and references to persons include their respective permitted successors and assigns, and, in the case of governmental persons, persons succeeding to their respective functions and capacities.

22. **BINDING AGREEMENT:** This agreement shall inure to and be binding on the heirs, executors, administrators, successors, and assigns of the parties hereto.
23. **NO WAIVER:** No waiver of any provisions of this Agreement shall be deemed to constitute a waiver of any other provision of the Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed a waiver of any subsequent default hereunder.
24. **LIMITATION ON DELEGATION:** The parties hereto acknowledge and agree that certain powers, rights and duties conferred on or held by the Port are inherently governmental in nature and may not be delegated by contract to the Consultant. Nothing in this Agreement shall be construed as an unlawful delegation of the non-delegable functions and powers of the Port, and the Consultant shall have no obligation to perform any non-delegable function.
25. **LEGAL COUNSEL:** The parties hereto agree they have full and adequate opportunity to consult with legal counsel and that each has had such counsel as it deems appropriate.
26. **OBSERVE ALL LAWS:** The Consultant shall keep fully informed regarding and materially comply with all federal, state and local laws, ordinances and regulations and all orders and decrees of bodies or tribunals having jurisdiction or authority which may affect those engaged or employed in the performance of this Agreement.
27. **CONTROLLING LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, and any disputes hereunder shall be tried in the courts of the State of Oregon.
28. **MEDIATION/ARBITRATION:** Excepting injunctive relief, any dispute, controversy or claim arising out of, in connection with, or relating to, this Agreement or any breach or alleged breach of this Agreement, shall, upon request of any party involved, be submitted to mediation in Hood River County, Oregon. If a settlement cannot be reached through mediation, the parties agree that the dispute will be submitted to and be settled by arbitration in Hood River County, Oregon. Such arbitration shall be in accordance with Uniform Arbitration Act (UAA) as in effect, and as hereinafter amended. Any award rendered shall be final and conclusive upon the parties, and a judgment on such award may be entered in the highest court of the forum, state or federal, having jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration, provided that each party shall pay for and bear the cost of their respective own experts, evidence and counsel's fees. The parties to either mediation or arbitration recognize that mediation sessions are settlement negotiations and that settlement negotiations are inadmissible in any litigation or arbitration of their dispute, to the extent allowed by law. The parties will not subpoena or otherwise require the mediator to testify or produce records, notes, or work product in any future proceeding beyond mediation. In addition, the parties agree that all information obtained in either the mediation or arbitration process is strictly confidential and further agree that the party not otherwise having such information available to them other than through the mediation or arbitration process shall hold all such information in confidence.

29. **FURTHER ASSURANCES:** Each party shall execute and deliver, at the request of the other party, any further documents or instruments, and shall perform any further acts that may be reasonably required to fully effect the transaction intended by this Agreement.
30. **LIMITATION ON LIABILITY:** IN NO EVENT SHALL CONSULTANT BE LIABLE FOR INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS, LOSS OF USE, OR OTHER ECONOMIC LOSS FOR EVENTS BEYOND THE CONSULTANTS CONTROL; **PROVIDED, HOWEVER, THAT THIS LIMITATION SHALL IN NO WAY DIMINISH CONSULTANTS PROFESSIONAL LIABILITY INSURANCE COVERAGES OR DEFENSE OBLIGATIONS OTHERWISE AVAILABLE TO CONSULTANT UNDER ANY CONSULTANT PROFESSIONAL LIABILITY POLICY.**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, this ____ day of _____, 2013.

CONSULTANT:

PORT OF HOOD RIVER

Gary R. Hartill, AIA

Michael S. McElwee

President / Principal
Title

Executive Director
Title

Date

Date

240 N. Broadway, Suite 202
Portland OR 97227
(503) 227-8100
garyh@orangewallstudios.com

1000 E. Port Marina Drive
Hood River OR 97031
(541) 386-1645
porthr@gorge.net



240 n. Broadway | Suite 202
Portland Oregon, 97227
503.227.8100 | www.orangewallstudios.com

Fee Proposal for Design Services (revision 2)

March 1st, 2013

Job Number: 13-Pfm

Job Name: Pfriem Family Brewing Expansion

By:

ORANGEWALLstudios inc dba ORANGEWALLstudios architecture and planning
240 N Broadway | Suite 202
Portland, OR 97227
Ph 503.227.8100 | Fx 503.227.5569
Contact: Gary Hartill, AIA, President | Principal
garyh@orangewallstudios.com

To:

Port of Hood River
1000 E. Marine Drive
Hood River, OR 97031
Ph: 541.386.1645 | Fx: 541.386.1395
Attn: Steve Burdick
sburdick@portofhoodriver.com

For work at the project:

Cascadia Brewing Co, LLC aka Pfriem Family Brewers
707 Portway Ave #101
Hood River, OR 97031

Thank you for the opportunity to present this fee proposal for the Expansion and renovation project for the Pfriem Family Brewers.

The following proposal outlines the scope of work and related fees for such work.

If accepted, this proposal will be attached as an exhibit to the AIA B104 Standard Contract between owner and architect or similar mutually agreed upon contract for the execution of work. Work under this scope during bidding and construction will be provided for under the terms and requirements of the AIA A201 General Conditions of the Contract for Construction and scope and fee under this proposal assumes the General Contractor and Sub contractors shall be subject to the requirements of the AIA A201.

SCOPE:

General Architectural Scope:

- 1) Space planning and coordination with Tenant for layout of interior space
- 1a) *meetings and coordination for work under this contract.*
- 2) Site planning and design for an exterior patio located on the east side of the building.
- 3) Design of new access from existing dining room to the new exterior patio.
- 4) Preparation of Agency approval documents and submittal to Tenant and Agencies for Approvals.
- 5) Preparation of documents for a competitively bid project per the bidding requirements of the Port of Hood River.
- 6) Administration of the contract for construction per the requirements of the AIA A201

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Interior Scope:

- 1) The general scope of work is as follows:
 - a) Provide interior design services including selection, specification of all permanently attached interior finishes to include paint, flooring, ceiling treatments and wall finishes.
 - b) Selection and specification of general interior overhead lighting
 - c) Coordination with Tenant provided Kitchen design for code required finishes and utility connections (selection, specification and procurement and installation of kitchen equipment by the Tenant.
 - d) Loose Furnishings and equipment selection, specification, procurement or installation is specifically excluded

Construction Administration Scope:

- 1) ORANGEWALLstudios will attend Bi monthly construction coordination meetings with the Owner General Contractor and the subcontractor during construction phase and will provide written field reports to the team.
- 2) ORANGEWALLstudios will coordinate with the General Contractor and facilitate communication with the owner with regard to matters of schedule and overall project communication.
- 3) Review pay applications from the GC.
- 4) At the end of significant project completion, ORANGEWALLstudios will walkthrough the project with the builder and the Client to review outstanding scope of work. ORANGEWALLstudios will prepare a final punch list and submit to the Client for review before sending to the builder.

Mechanical/Plumbing Scope:

- 1) Coordination with Port of Hood River for the design and scoping of modifications required to the Existing Building HVAC system. Develop design and scoping narrative and specifications to allow for competitive bidding for the modifications to the existing system.
- 2) Design coordination with Tenant and documentation for connection of Tenant provided equipment
- 3) Design and documentation for modifications to the restroom venting and venting of Kitchen and dish sink (Exhaust hood venting design by Tenant)
- 4) Layout of new water lines to serve the bathroom and the kitchen
- 5) *(1) Site trip site meeting to field verify existing conditions*
- 6) *Coordination and A/E meetings required for coordination of work.*

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Electrical Scope:

- 1) Design and documentation of electrical circuiting to existing panels *(or new panels if required)* for new and remodeled scope of work (Note: assume existing service to the building is sufficient to service scope)
- 2) *(1) Site trip site meeting to field verify existing conditions*
- 3) *Coordination and A/E meetings required for coordination of work.*

Structural Scope:

- 1) Design and documentation and calculations for work at the following areas:
 - New header in demising wall
 - Engineering for Exterior Patio Enclosure
 - Engineering for new Partition walls
- 2) *Coordination and A/E meetings required for coordination of work.*



Civil Scope:

- 1) Design of Drainage and Storm water management for new outdoor patio and planters
Note: Civil Engineering is for new work only. Fee assumes CAD based Boundary and Topo Survey at area of work is will be provided to the design team.
- 2) (1) Site trip site meeting to field verify existing conditions
- 3) Coordination and A/E meetings required for coordination of work.

Should field survey be required this will be an additional service to the fee of this scope.

Fire Sprinkler and Fire Alarm Scope to be Design/Build

FEE:

The fee for the proposed work will be billed as a lump sum fee with payment as below.

Architecture Fee	\$12,000.00
Civil Engineering	\$3,000.00
Mechanical/Plumbing Fee	\$4,000.00
Structural Engineering Fee	\$2,000.00

TOTAL: TOTAL DESIGN LABOR FEE \$21,000.00

Reimbursement Allowance (actual costs to be billed) \$1,000.00

Payment Schedule

An initial payment Start of Contract \$2,000.00
The remainder of the fees to be billed monthly as a percentage of work complete.

Additional scope can be provided for during the design and construction process and will be estimated at time requested.

SCHEDULE:

Work can start with approval of this proposal and with the return of the contract and payment of the retainer. Estimated total schedule for design is about 4 weeks depending on owner review time. ORANGEWALLstudios is not responsible for delays in product delivery schedule of ordered items or contractor installed or provided items. Construction Schedule to be set by the contractor

REIMBURSABLE EXPENSES/BILLINGS:

Printing and reimbursable costs in addition to fee and will be billed monthly as the project progresses.

Time for services is tracked in 15 minute increments. Billings will be made monthly and will include consultant and reimbursable expenses for that month. Payments are due on receipt. 1 1/2% interest charged monthly on all unpaid invoices 30 days from invoice date.

Assumption and Exclusions

The fees proposed are valid for 6 months from contract date. If project commencement is delayed or the project is delayed for more than 6 months ORANGEWALLstudios inc. shall retain the right to renegotiate the design fee. If the project stops for more 3 months a fee of \$500 to restart to project shall be charged.

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Should the contract documents prepared under this contract be used for future additions or alterations to this Project or for other projects such use shall be at the Owner's sole risk and without liability to ORANGEWALLstudios inc. and ORANGEWALLstudios inc's consultants.

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or ORANGEWALLstudios inc.

ORANGEWALLstudios inc. shall have the right to include photographic or artistic representations of the design of the Project among ORANGEWALLstudios inc's promotional and professional materials. ORANGEWALLstudios inc. shall be given reasonable access to the completed Project to make such representations. However, ORANGEWALLstudios inc.'s materials shall not include the Owner's confidential or proprietary information if the Owner has previously advised ORANGEWALLstudios inc. in writing of the specific information considered by the Owner to be confidential or proprietary.

This contract may be terminated by either party with written notice of 7 days. The owner agrees to pay for services rendered through termination date. Use of the Project Documents after termination of this contract shall be at the Client's own risk. The Client shall waive ORANGEWALLstudios inc, its agents, and consultants free of liability if the Client chooses to use the documents without ORANGEWALLstudios inc.'s review and written approval. Liability under this contract shall be limited to the amount of fee paid for services rendered under this contract.

In the event of non payment for services rendered or expenses incurred on behalf of the project, ORANGEWALLstudios inc. reserves the right to stop work, and withhold drawings and documents until past due fees have been paid in full. The Client shall pay all fees and costs associated with the collection of unpaid invoices for services and expenses rendered under this contract.

Payments are due on receipt from the date of ORANGEWALLstudios inc's invoice. Amounts unpaid thirty (30) days after the invoice date shall bear interest at the rate of 1.5% monthly.

The owner will make available all electronic CAD files and other background documentation about the project and the space.

ORANGEWALLstudios is not responsible for design decisions made by other parties related to the project or their errors or omissions.

Thank you for your consideration for this project. I look forward to working together.

ORANGEWALLstudios inc.



by Gary R. Hartill, AIA President | Principal

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2013 SCHEDULE OF FEES¹

HOURLY RATES:

Principal:	\$175/hour
Project Architect/Manager	\$125/hour
Job Captain/Interior Designer	\$95/hour
Draftsperson	\$75/hour
Administrative/Intern Staff	\$65/hour

CONSULTANTS: cost + 10%
UNLESS SPECIFICALLY PROVIDED FOR UNDER
THE BASE SCOPE OF WORK

PRINTING COSTS:

OUTSOURCED:	cost + 10%
INHOUSE:	
CAD (LEDGER-11x17)	\$.50/ea
CAD (24" X 36" Plots)	\$10.00 ea
COLOR PRINTING/PLOTS	\$3.00/sq ft

Mileage \$.60/mile

OTHER PROJECT RELATED
EXPENSES/MISC² cost + 10%

¹Schedule of fees effective for contracts through calendar year 2013, ORANGEWALLstudios Inc reserves the right to revised the above costs after December of 2013

²Miscellaneous expenses includes but is not limited to presentation materials, report covers, binding costs, food beverages for meetings, travel costs (airfare, transportation, hotels ect) which are incurred and required for completion of the project. A summary of reimbursable expenses incurred can be made available to the client at their request.

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