

PORT OF HOOD RIVER COMMISSION
Tuesday, February 4, 2014
Marina Center Boardroom
5:00 p.m.

Regular Session Agenda

1. Call to Order
 - a. Modifications, Additions to Agenda
2. Public Comment (5 minutes per person per subject; 30 minute limit)
3. Consent Agenda
 - Approve Minutes of January 14, 2014 Regular Session Meeting and January 28, 2014 Nichols Basin Public Meeting
 - Authorize Amendment No. 1 to the Contract with Larry Brown Not to Exceed \$5,000
 - Authorize Lease Addendum No. 1 to the Hood River Distillers Lease in the Maritime Building
4. Reports, Presentations and Discussion Items
 - Audit Review – Tara Kamp, Pauly Rogers
 - Bridge Insurance - Durham & Bates/Scott Reynier, Columbia River Insurance
 - Housing Presentation – Maui Meyer, Copper West
5. Director’s Report
6. Commissioner, Committee Reports
 - Marina Ad-hoc Committee-Davies
7. Action Items
 - a. Approve Staff Recommendation for Response to Requirements of the Affordable Health Care Act
 - b. Approve Various Actions with NBW Hood River, LLC Concerning Sale of Property and Easements
8. Commission Call

9. Executive Session under ORS 192.660(2)(e) Real Property

10. Possible Action

11. Adjourn

If you have a disability that requires any special materials, services, or assistance, please contact us at 541-386-1645 so we may arrange for appropriate accommodations.

*The chair reserves the opportunity to change the order of the items if unforeseen circumstances arise. The Commission welcomes public comment on issues not on the agenda during the public comment period. With the exception of factual questions, the Commission does not immediately discuss issues raised during public comment. The Commission will either refer concerns raised during public comment to the Executive Director for a response or will request that the issue be placed on a future meeting agenda. People distributing copies of materials as part of their testimony should bring **10 copies**. Written comment on issues of concern may be submitted to the Port Office at any time.*

**Port of Hood River Commission
Meeting Minutes of January 14, 2014 Regular Session
Marina Center Boardroom
5:00 PM**

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

Present: Commissioners Jon Davies, Fred Duckwall , Rich McBride, Brian Shortt and Hoby Streich; Attorney Jerry Jaques; from staff, Michael McElwee, Fred Kowell, Anne Medenbach, Liz Whitmore and Mellissa Halseth

Absent: None

Media: None

1. CALL TO ORDER: President Rich McBride called the meeting to order at 5:02 p.m.

a. Modifications, Additions to Agenda: Move Insitu Addendum and Bulldog Welding Contract Amendment to Action Items for discussion.

2. PUBLIC COMMENT: Linda Maddox spoke to the Commission regarding the Frontage Road pathway. She was upset that she was not allowed to talk during the previous Commission meeting when this was discussed by the Commission. She feels that public input during the Commission meetings should be permitted throughout the meeting and not just during the Public Comment period at the beginning of the agenda. Maddox requested that she be included in the planning for the Frontage Road pathway.

3. CONSENT AGENDA:

- o Approve Minutes of December 17, 2013 Regular Session Meeting and December 23, 2013 Special Session Meeting
- o Approve Addendum No. 3 to the Insitu Airport Hangar Lease
- o Approve Lease Amendment No. 1 to the HRD Lease in the Maritime Building
- o Approve Lease Amendment No. 1 to the Slingshot Lease in the Big 7 Building
- o Authorize Contract with simp.L for Landscape Design Associated with the Hook Trail Not to Exceed \$4,600 Plus Reasonable Reimbursable Expenses
- o Authorize Amendment No. 1 to Bulldog Welding Contract Not to Exceed \$10,000

*Discussion: Davies stated that he would like the December 17 Regular Session Meeting Minutes corrected to reflect both leases related to Greg Walden were voted on in Action Items and that Davies had stated a potential conflict.

Motion: Move to Approve Consent Agenda as Amended including correction to December 17 Minutes

Move: Duckwall

Second: Davies

Vote: **Aye:** Davies, Duckwall, McBride, Shortt and Streich

MOTION CARRIED

4. REPORTS, PRESENTATIONS AND DISCUSSION ITEMS:

- Hook Launch – Andrew Jansky, Flowing Solutions presented preliminary engineering design concepts for the Hook launch and public beach access. The Commission provided comments or suggestions to the design. Jansky will finalize plans and submit them for permitting and also prepare a detailed cost estimate. This project would be combined with the City of Hood River outfall project and be included in their bid documents. Construction is expected to occur from November 2014 through February 2015.
- Executive Director Work Plan Mid-Year Status – Michael McElwee, Executive Director presented an update on his FY14 work plan. He deferred to Fred Kowell, Finance Manager to discuss the need to postpone the new financial software for a year or two to allow new

BreezeBy bridge software to be installed. The current system is not going to be fully supported in the next few months. The Commission consensus was to move forward on new bridge software. There were no other comments from the Commission.

- Nichols Basin - West Edge Bike/Ped. Path Public Outreach – McElwee reviewed the proposed public meeting schedule. Commissioner Streich volunteered to lead the meetings. McBride encouraged all Commissioners to attend these meetings if possible. Commissioners were asked to email McElwee by the end of the week with any names of stakeholders that they felt should be included.

5. DIRECTOR'S REPORT: McElwee highlighted the following areas:

- Schedule – Senator Merkley is holding a town hall meeting on January 21.
- Staff/Administration – Joe Pounders, Maintenance Supervisor has notified McElwee that he will be retiring at the end of March. A recruitment process for his position will begin Mid-January. Oregon Public Ports has requested a letter of support for the Columbia River Crossing and the Commission agreed.
- Waterfront Development – ODOT has requested that Ron Wyden sign off on the design changes for the Frontage Road Pathway.
- Airport – There have been some challenges with T-Hangar tenants that have either not returned a signed lease or followed up on requested interior inspection issues. Two tenants will be issued a formal letter that leases will not be renewed and an eviction process may need to be initiated.

6. Commissioner, Committee Reports:

- Marina Ad-hoc Committee – Commissioner Davies reported on the December 20 meeting where most of the discussion was an update of past Commission meeting discussions and decisions. There was a dock report from each member that listed some minor repairs. The committee has requested that rate discussions for 2015 begin in the spring. Commissioner McBride requested that rates be presented to the Commission and brought back for approval at a later date to allow tenants the opportunity to respond before they are approved.
- Urban Renewal Agency – Commissioner Streich reported on the January 13 meeting. He stated that if the Port had any projects that they would like in the next Urban Renewal Budget they would need to be presented within 90 days.

7. ACTION ITEMS:

a) Adopt Resolution No. 2013-14-2 Authorizing the 2014-18 Strategic Business Plan:

McElwee clarified that the Commission would review the plan annually. The State will send and Inter Governmental Agreement if the plan is acceptable to them. Commissioner Shortt stated that the work on the Strategic Business Plan was exceptional.

Motion: Move to Adopt Resolution No. 2013-14-2 Authorizing the 2014-18 Strategic Business Plan

Move: Shortt

Second: Duckwall

Vote: **Aye:** Davies, Duckwall, McBride, Shortt and Streich

MOTION CARRIED

b) Adopt Resolution No. 2013-14-3 Authorizing the Financial Policies: The IT procedures have been removed from these policies and are listed separately.

Motion: Move to Adopt Resolution No. 2013-14-3 Authorizing the Financial Policies

Move: Duckwall

Second: Davies

Vote: **Aye:** Davies, Duckwall, McBride, Shortt and Streich

MOTION CARRIED

c) Approve Property & Liability Insurance Policy with SDAO in the Amount of

\$76,846: The premium is very close to the previous year and increased 7.3%.

Motion: Move to Approve Property & Liability Insurance Policy with SDAO in the Amount of \$76,846

Move: Streich

Second: Duckwall

Vote: **Aye:** Duckwall, McBride, Shortt and Streich
Abstained: Davies, stated a conflict of interest

MOTION CARRIED

d) Authorize Bridge Insurance Policy with Durham & Bates in the Amount of

\$224,652: This payment will be made when the bound policy has been received by staff. The renewal keeps the same terms as before with a two-year fixed term and a two-year business interruption.

Motion: Move to Authorize Bridge Insurance Policy with Durham & Bates in the Amount of \$224,652

Move: Duckwall

Second: Streich

Vote: **Aye:** Duckwall, McBride, Shortt and Streich
Abstained: Davies, stated a conflict of interest

MOTION CARRIED

e) Approve Contract Amendment with HNTB Corporation for Bridge Engineering

Services Not to Exceed \$122,227: the Fiscal Year 2014 budget assumed that three high-priority engineering tasks would be completed and was previously estimated at \$195,000. The projects include the North Approach Ramp, Auxiliary Truss and a Lift Span Inspection. Due to budget consideration, the auxiliary truss will be scoped under the on-call services contract this fiscal year.

Motion: Move to Approve Contract Amendment with HNTB Corporation for Bridge Engineering Services Not to Exceed \$122,227

Move: Davies

Second: Streich

Vote: **Aye:** Davies, Duckwall, McBride, Shortt and Streich

MOTION CARRIED

f) Authorize Contract with Berger-ABAM for Planning Services Not to Exceed

\$15,000: The contract would assist staff to prepare the required zone change applications and coordinate efforts through the City of Hood River approval process. Commissioner Davies suggested that Anne Medenbach, Development/Property Manager assist to get familiar with zone changing in Hood River. McBride commented that the City would likely prefer one zone change as opposed to several. McElwee thought that the proposed contract fee was high and recommended a contract for \$7,500 and that the contract could be with a different firm if a contract could not be negotiated successfully.

Motion: Move to Authorize Contract for Planning Services Not to Exceed \$7,500 with Company to be Determined Subject to Legal Counsel Approval

Move: Duckwall

Second: Davies

Vote: **Aye:** Davies, Duckwall, McBride, Shortt and Streich

MOTION CARRIED

g) Approve Addendum No. 3 to the Insitu Airport Hangar Lease: This was moved from the Consent Agenda to provide a change that added FAA required non discrimination language to the addendum.

Motion: Move to Approve Addendum No. 3 to the Insitu Airport Hangar Lease

Move: Davies

Second: Shortt

Vote: **Aye:** Davies, Duckwall, McBride, Shortt and Streich

MOTION CARRIED

h) Authorize Amendment No. 1 to Bulldog Welding Contract Not to Exceed \$10,000: McBride moved this from the Consent Agenda to discuss why Port staff was not doing the welding instead of hiring someone else to do it. McElwee explained that he was concerned Port staff couldn't accomplish the remainder of the project in the winter timeframe.

Motion: Move to Authorize Amendment No. 1 to Bulldog Welding Contract Not to Exceed \$10,000

Move: Duckwall

Second: Streich

Vote: **Aye:** Duckwall, McBride, Shortt and Streich

Abstained: Davies, stated a conflict of interest

MOTION CARRIED

8. COMMISSION CALL: Streich said he would be attending The Dalles Airport open house on January 15 at 7pm. Davies thanked the Commission for always allowing him to state his conflicts of interest. Shortt commented on the regional Ports meeting. He said it was a good first meeting with good delegation of responsibilities. Commission consensus was for McElwee to continue attending the regional Ports meetings. McBride suggested the Commission offer the City the option to purchase the Hook. Then the City could provide the maintenance. McBride will be on vacation for the February 4 meeting. He will also be gone from March 27-April 17. Shortt will chair in McBride's absence. McElwee asked if someone could stand in for his radio interview on January 20 and McBride volunteered.

9. EXECUTIVE SESSION: Regular Session was recessed at 7:44 p.m. and the Commission was called into Executive Session under ORS 192.660(2)(e) Real Property, ORS 192.660(2)(h) Legal Counsel and ORS 192.660(2)(f) Exempt Public Records. The Commission was called back into Regular Session at 8:15 p.m. The following was a result of Executive Session.

Motion: Move to Authorize Execution of Lease with Oregon Brine Works in the Timber Incubator Building Suite 400 Subject to Legal Counsel Review

Move: Davies

Second: Duckwall

Vote: **Aye:** Davies, Duckwall, McBride, Shortt and Streich

MOTION CARRIED

10. ADJOURN: President McBride adjourned the meeting at 8:16 p.m.

Respectfully submitted,

Mellissa Halseth

ATTEST:

Rich McBride, President, Port Commission

Hoby Streich, Secretary, Port Commission

**Minutes of January 28, 2014 Meeting
Nichols Basin West Edge Trail Planning
Marina Center Commission Room
5:30 p.m.**

Present: Project Advisory Committee (PAC) Members: Todd Anderson, Arthur Babitz, Larry Brown, Steve Gates, Pepi Gerald, Jaime Mack, Bob Naito, Heather Staten, Greg Stiegel, Lori Stirn, Hoby Streich (Commissioner), Cindy Thieman, Brett VandenHeuvel, Cindy Walbridge

Walker|Macy Consultants: Mike Zilis, Christopher Miller

Port Staff: Michael McElwee, Laurie Borton

Commissioners in the audience: Jon Davies, Fred Duckwall, Brian Shortt

Absent: PAC Member Jeff Pickhardt

Public: Sign-in Sheet Attached

At 5:30 p.m. Port of Hood River Executive Director welcomed PAC and audience members to the first of four public meetings regarding the bike/pedestrian path project. One intent of the meeting was characterized as grounding so that PAC members, staff, and consultants had the same starting point as they work through the next three meetings that will result in staff making a final recommendation to the Port Commission on the design approach that will be developed further into construction documents. McElwee noted that public comment would be welcomed but reserved for the last 30 minutes of the meeting. He also noted that documents are available to the public on the Port's website (<http://portofhoodriver.com/NBP.php>) and that reference materials will continually evolve as the process proceeds.

Following self-introductions McElwee summarized the project's goal, approach, project area, and budget; then reviewed prior planning work that had been prepared over the past 12-18 months by Group Mackenzie.

Mike Zilis and Christopher Miller, Port consultants with Walker|Macy, introduced themselves and provided information on similar projects they have been involved with. They used board illustrations and a PowerPoint presentation for this initial meeting. Their scope for work on this bike/pedestrian trail will be from top of bank to water's edge, stating the section of trail will need to fit funding but also be a starting point for the "next lifetime of success." Zilis requested that PAC members assist them in understanding how the Nichols Basin is used so that conceptual plans are reflective of their background information, types of activities, and scale.

The following represents comments and/or questions from various PAC members (and may not represent a consensus opinion):

- **Types of use:** An increase of multiple activities at the Basin has intensified. The use is starting earlier and going later into the season. The area is often packed out and not just on weekends in July/August. Winter uses should be considered; and there is use by business area employees on lunch breaks.
- **Vehicle access to the water:** You can now drive close to the water's edge and if this accommodation cannot continue, it is a worry. On-site gear storage could be a way of solving the problem. The north end is wind-affected for SUPs and kayaks so a vehicle turnaround at the north end for equipment drop-off may not be feasible.
- **Wider park:** This needs to be part of the conversation to accommodate multiple uses and to be seen as a gateway to downtown. The area is now dominated by buildings and

parking. A more comprehensive approach needs to be done rather than looking at it piecemeal.

- **Habitat:** Water species habitat needs to be considered. Shallow water will benefit juvenile fall Chinook and lamprey. Lawns will require fertilization. Consider large vegetation plantings as a way to reduce geese habitat. Also consider something that honors the area's historical past.
- **On-site Storage:** There is demand but how economically viable is an unknown. Existing space is limited and finite. Storage height also needs to be a consideration for kayaks and boards.
- **Concession Space:** Space needs to be reserved for concessionaires to provide service and assistance to people. Current concessionaires at the Event Site feel they could use 3 to 4 times the space that they now have.
- **Parking:** Required parking will be an issue. This needs to be worked out first before going further into a plan for a bike/ped trail.
McElwee commented that providing parking for everyone is an urban challenge and that creative solutions will be needed; e.g. transit, shared parking. There are also spin-off questions that will need to be considered; restrooms, permit implications, for example.
- **Design:** In the long-term, trail connectivity is a huge benefit. You also need to be mindful of operating maintenance costs and sustainable design will be a critical need. The Port might also consider future grants from SCORP, which is another Oregon Parks & Rec connection.

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- **Is North 1st Street shifted?** --Yes
 - **What are the boundaries?** --East edge of N. 1st to the water. North 1st becomes a hard surface esplanade.
 - **What is the funding timeline?** --The Port has received a grant award of \$122,000 from Oregon Parks & Recreation with a percentage match from the Port. A contractor will need to be identified by the end of 2014 in order to meet grant covenants that state the project shall be completed by December 31, 2015. A grant application has been submitted for ConnectOregon V funding and an application will be submitted in March for LPPG funding. The outcome of both applications should be known by late summer.
 - **If the seawall is found to be not sound will a lot of work be required to make it viable?**
--The seawall structure will be studied. Rebuilding would be a significant cost.
 - **Are there depths for the Nichols Basin?** --A partial bathometric survey will be done.
 - **Can fill be used to create a lake?** --No, there is natural flowage into the Basin from the Hood River.
 - **What is the Basin north-to-south distance?**

At 7:07 p.m. McElwee opened the meeting to public comment, first calling on those who had signed up to speak. The time limit was 2 minutes per person, 30 minutes maximum. Zilis requested that if an opinion had already been presented, the speaker should yield to the next person. The comments are summarized as follows:

Mark Zanmiller – This project will create a pedestrian magnet from downtown but suggests wordage of “esplanade” or “inner harbor” rather than trail. Try to avoid more vehicles. Try to get people as close as possible to the water.

Jacque Brown-Barone – Take advantage of elevations for storage; consider riparian sections with nature interactions; vehicle access to the water, and storage, is important; does not want part-time building occupancy; walking will be encouraged as a result of the project; and

developers should be responsible for public parking. Also inquired whether maintenance would be the Port's responsibility or fall on someone else.

John Wood – This project needs to be worth it to draw people to the area. A larger park would draw more than just being a front door to businesses. If bigger, then it's a destination and not just seasonal.

Susan Froehlich – People come here to be active. Keep the connection to water rather than buildings, and keep green space so it's visually more appealing. She inquired if the upper space elevations could accommodate storage underneath, and if there was some type of "equipment mover." She does not want to see buildings in Zone B and said "less is more."

Chris Gann – She asked the committee to consider the success of the Hood River Waterfront Park. A maximum amount of open space/vista as possible should be used for this area as it will add value to the community.

Adam Smith – Priorities should be recreation, relaxation, and education. There should be easy water access and encouraged use for the Hook and Spit.

Lorri Epstein – Look at the bigger perspective and not just a narrow strip. Basically 81% now is pavement and buildings. The green space needs to be expanded into Zone B.

Eileen Garvin – Maximize the space as people want to be on or near the water. Buildings will block vistas. Maintain simple, natural qualities. Would like to see seasonal uses that go away in the winter.

Susan Crowley – Views an expansion of a park into Zone B as an economic benefit. Buildings on current concept plans create wind tunnels, so consider reconfiguration of buildings to the west of Zone B that would act as a wind break.

Polly Wood – Supports a larger park. If it's not made large enough you can't get it back. Make it the 'front porch' for generations.

Emily Long – Why not use sources of monies other than grants-Port funds for example? (McElwee responded that grants do require matching funds from the Port, and that the Port's expenditures to maintain current open space is a large budget item.)

Linda Maddox – What's lacking is looking over the entire space. There needs to be a consideration for where else vehicle access can be accommodated. Regarding the issue of width, the Group Mackenzie plan did not have a lot of public input. She urged Walker|Macy to start over and move the whole park to the west. The waterfront has been a boon to the economy so imagine what this space will do. The Columbia Riverkeeper plan is a marvelous plan that widens the strip and Event Site.

Brian Shortt – Commissioner Shortt mentioned a Waterfront Site Assessment narrative that was approved in December. (This document will be provided to the PAC and added to the reference bibliography.) He also suggested that the PAC focus first on people who live here and commented that the Port needed to start with something so this is not a done deal.

Sarah Fox – Inquired if there were any projections on the number of users in the next 5 to 10 plus years? Also asked about the feasibility of underground parking, or parking under buildings—was it cost prohibitive or not allowed by code? (McElwee responded number projections were not known other than a perception it will grow.)

Julie Wilcox – Asked that a broader connection be considered and consider a tie-in to the pedestrian bridge and other looping connectivity's. An esplanade would tend to bring people down by foot vs. cars.

Jon Davies – Stated it would be a benefit to him, as a Commissioner, that the PAC looks at scaling practicality. He doesn't want to lose funding if the project gets too big, so phasing should be kept in mind and what is important and how those phases will tie together.

Public comment was closed at approximately 7:45 p.m., with the following final PAC comments:

- Vehicle access to the water could be anywhere, not just at the north end. A school program for SUP would be a good idea.
- Are grant funds available for floating projects?
- Even if time and funding is limited, there needs to be a vision. If we grab at money now, will that limit our future? (McElwee responded that is a fundamental question, and a result could be the Port backs away from the project.)

McElwee wrapped up the meeting stating the PAC would meet again on Thursday, February 13 at 5:30 p.m. in the Commission Boardroom. Walker|Macy will bring back a couple sketches for design discussion. The committee members were thanked for their time commitment and the Commissioners were also acknowledged for their attendance at this first meeting. Public comment on the Nichols Basin West Edge Trail can be provided by email to porthr@gorge.net; by letter; and through the Port's website contact link to the Port.

The meeting was adjourned at 7:53 p.m.

Prepared by Laurie Borton

Commission Memo

To: Commissioners
From: Michael McElwee
Date: February 4, 2014
Re: Larry Brown Contract Amendment No. 1

Larry Brown was retained by the Port to assist staff with the Expo property DDA and HRJCO DDA on contract not to exceed \$5,000.

Larry's continued assistance is needed for work on the HRJCO DDA and strategies for infrastructure financing.

RECOMMENDATION: Authorize Amendment No. 1 to the Contract with Larry Brown Not to Exceed \$5,000.

Commission Memo

To: Commissioners
From: Anne Medenbach
Date: February 4, 2014
Re: Hood River Distillers – Lease Addendum No. 1

Hood River Distillers (HRD) entered into a lease for 21,700 sf of warehouse space in the Maritime Building on October 1, 2012. They improved the space and added a demising wall, which was completed February 1, 2013.

The lease allowed for a nine month rent abatement period commensurate with the cost of HRD's base building improvement costs. The rent abatement period was to start at the time the demising wall was completed and end no later than August 1, 2013.

The construction period took longer than expected and HRD was not able to occupy the space until February 1, 2013.

The Addendum extends the rent abatement period to nine months after the construction completion date (November 1, 2013). At last month's meeting you extended the rent abatement until October 1, 2013. We realized that wasn't a full nine months and are now requesting a change to November 1, 2013 as a rental commencement date.

RECOMMENDATION: Approve Addendum No. 1 to the existing lease with Hood River Distillers in the Maritime Building.

ADDENDUM NO. 1 TO LEASE

Whereas, the Port of Hood River (“Lessor”) and Hood River Distillers, Inc. (“Lessee”) entered into a lease of 21,700 square feet in the Maritime Building located at 910 Portway Avenue, Hood River, Oregon under a lease dated September 21, 2012; and

Whereas, Paragraph 3. Rental, language states “All rental amounts are payable in advance on the first day of each month, beginning with the month nine months after the month the new tenant demising wall is completed, but in any event beginning no later than August 1, 2013.”; and

Whereas, the demising wall was not completed and Lessee was unable to occupy the space until February 1, 2013 and is requesting the date of the rental commencement be amended to November 1, 2013,

Therefore, the parties agree as follows:

1. The effective date of the lease payment shall be amended to begin November 1, 2013.
2. Except as modified by this Lease Addendum No. 1, all terms and conditions of the Lease shall remain in full force and effect.

DATED THIS ____ DAY OF _____, 2014

PORT OF HOOD RIVER,
An Oregon Municipal Corporation

By: _____
Michael S. McElwee, Port of Hood River Executive Director

HOOD RIVER DISTILLERS, INC.

By: _____
Lynda M. Webber, Vice President and General Manager

**PORT OF HOOD RIVER
HOOD RIVER COUNTY, OREGON**

COMMUNICATION TO THE GOVERNING BODY

FOR THE YEAR ENDED JUNE 30, 2013



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December 13, 2013

To the Board of Commissioners
Port of Hood River
Hood River County, Oregon

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Port of Hood River for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules
- federal, state and other agency rules and regulations related to financial awards

Our Responsibility under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement applicable to each of the major federal programs for the purpose of expressing an opinion on compliance with those requirements. While our audit provided a reasonable basis for our opinion, it will not provide a legal determination on compliance with those requirements.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment.
3. Federal Awards - We found no issues of non-compliance and no questioned costs. We have responsibility to review these programs and give our opinion on the schedule of expenditures of federal awards, the internal control system, compliance with laws and regulations, and general and specific requirements mandated by the various awards.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2013, except for the implementation of GASB 61 – *The Financial Reporting Entity*, and GASB 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were Management’s estimate of Accounts Receivable and Capital Asset Depreciation, which is based on estimated collectability of receivables and useful lives of assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, there were misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. There were immaterial uncorrected misstatements noted during the audit which were discussed with management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Supplementary Information within Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Information in Documents Containing Audited Financial Statements

With respect to the other information accompanying the financial statements, we read the information to identify if any material inconsistencies or misstatement of facts existed with the audited financial statements. Our results noted no material inconsistencies or misstatement of facts.

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accounts and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 65

GASB Statement No. 65 – *Items Previously Reported as Assets and Liabilities* reclassifies certain items previously reported as assets and liabilities to deferred outflows of resources or deferred inflows of resources. Certain items previously reported as assets and liabilities will be reported as outflows of resources or inflows of resources. The term “deferred” will only be used when referring to deferred inflows and outflows of resources. As a result, “deferred revenue” will become “unearned revenue” and “deferred costs” will become “prepaid costs”. The implementation date for this statement is fiscal periods beginning after December 15, 2012.

GASB 66

GASB Statement No. 66, *Technical Corrections*, resolves conflicting guidance that resulted from the issuance of GASB Statement No. 54 and GASB Statement 62. Amends GASB Statement No. 10 by removing the provision that limits fund-based reporting of a government’s risk financing activities to the general fund and the internal services fund type. Amends GASB 62 by modifying the specific guidance on accounting for operating lease payments that vary from a straight-line basis, the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and servicing fees relating to the mortgage loans that are sold when the stated service fee rate differs significantly from a current servicing fee rate. The implementation date for this statement is fiscal periods beginning after December 15, 2012.

GASB 67

GASB Statement No. 67, *Financial Reporting for Pension Plans*, amends the requirements of GASB Statement No. 25 as they relate to pension plans administered through trusts that meet certain criteria, establishes standards for financial reporting by defined benefit pension plans administered through qualified trusts, and amends note disclosure and required supplemental information requirements for defined benefit and defined contribution pension plans administered through qualified trusts. The implementation date for this statement is fiscal periods beginning after June 15, 2013.

Best Practices – Not Significant Deficiencies

1. Fidelity Insurance Coverage

In reviewing fidelity insurance coverage we noticed that the Port often carries cash and investment balances in excess of the insurance coverage amount. We recommend that the Governing Body examine this exposure risk and make a determination as to the amount of insurance coverage they feel is prudent in regard to their oversight.

2. Segregation of Duties

Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related

Pauly, Rogers and Co., P.C.

accounting records or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected. We recommend that the Governing Body continually monitor the financial activities to mitigate this risk and consider obtaining additional fidelity insurance coverage to compensate for this risk.

This information is intended solely for the use of the Board and management and is not intended to be and should not be used by anyone other than these specified parties.



Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

North Central Regional Solutions Advisory Committee Project Proposal

Project: North Central Oregon Attainable Housing Revolving Loan Fund

Impacted Area: Hood River, Wasco and Sherman counties (North Central Oregon)

Description:

The Attainable Housing Revolving Loan Fund supports a solution to one of the region's primary economic development barriers: a shortage of quality housing stock at price ranges and rental levels which are commensurate with the financial capabilities of workers and households in the region. Housing constraints in the region are severe enough to 1) limit the ability to attract and retain businesses and 2) hamper the ability of employers to attract and maintain a professional workforce. The housing concern is a deterrent to businesses, particularly those of any size, which seek to employ a local workforce. The opportunity presented through the Attainable Housing Revolving Loan Fund project is the opportunity to seed a self-sustaining long term resource which leverages public and private investment and addresses a critical impediment to future economic growth in the region.

Overall, the region has focused the core issue as "If you work here, you should be able to live here." Unfortunately, this is not a scenario realized by many workers in the region. Throughout the region, much rental housing is either sub-standard or dedicated to the vacation market, which is beyond the price point of moderate or even upper-income wage earners. Traditional publicly-funded housing programs are not designed to address this need, and the economy has not supported a full private solution, in part due to the vacation and second-home markets attracting investor interest. As a result, the workforce in the region suffers, as does the ongoing opportunity for the region to support business development and growth in the region. To address the barrier and begin closing the gap, this project was designed to facilitate an ongoing funding mechanism flexible enough to incorporate the wide range of housing financing concerns throughout the region under the umbrella "attainable housing." As a term, "attainable housing" incorporates housing availability for all income levels and encompasses all types of housing, including single- and multi-family housing options.

This funding and project builds upon existing investments made by the region and the state including technical assistance, funding for housing studies, hosting housing forums and providing resources for individual housing development projects. This project builds upon the established regional partnerships and expands the leveraging of public and private resources to private investors and employers. The project will accomplish this through development of an Attainable Housing Revolving Loan Fund. The fund will be used as a gap financing tool and will not compete with other resources, which allows leveraging of state funds with resources available through traditional commercial funders, federal programs and private funders.

- Use of the fund: Pre-construction, rehabilitation and loan guarantees. Ineligible uses include pre-development costs and construction/rehab for vacation rentals.
- Ultimate Borrower requirements: Collateral and matching funds are required. Infrastructure and pre-development must already be complete in order to seek funding and provide further leverage for the state funds.
- Public decision making and vetting is required, with a project sponsor from a city or county.

Measurements and goals:

- Results in tangible assets through housing development.
- Provides opportunities for those in the region live where they work.

- Begins to “close the gap,” providing special attention and focus to the middle market and transition from affordable housing.

What would happen if this project was not accomplished?

If this project was not accomplished, the region will continue to face acute housing shortages leading to a decline in economic prosperity. The region, as a whole, has benefited through the growth of local businesses, particularly those in the technology sector. The three North Central counties contribute greatly to the State’s economy and have some of the lowest unemployment rates in the state with Hood River County at 5.3%, Sherman County at 6.4% and Wasco County at 7.7% as of November 2013. With key large employers expressing concern about their ability to attract and retain a local workforce, this is a critical issue to address in order to secure the opportunity for continue economic prosperity. Funding to develop the Attainable Housing Revolving Loan Fund is needed in 2014.

Does the project have strong community and agency support?

Yes. This project has broad community support and attempts at resolution have involved multiple state and local agencies. The region has proven partnerships that are in place and ready to go with an attainable housing group which has been meeting regularly and includes representatives from:

- Mid-Columbia Economic Development District
- Mid-Columbia Housing Authority and Columbia Cascade Development Corporation
- DLCD
- Port of The Dalles
- Northern Wasco County School District
- Private developers
- Local Financial Institutions
- Private Employers
- Cities of Hood River, The Dalles and Rufus
- Hood River County
- Wasco County
- Sherman County

In addition, attainable housing is listed as a primary barrier in the region’s Stronger Economies Together plan and Comprehensive Economic Development Strategy. It arose as the primary concern when stakeholders in the region were surveyed in 2012 regarding key barriers to economic development, scoring consistently as the highest ranked concern throughout the region.

Budget

State Funds Requested: The Advisory Committee is requesting up to \$2,000,000 to seed the Revolving Loan Fund. Each state dollar will be leveraged at least 1:1 with private, local and outside funding resources as listed below. We anticipate that the state funds will also act as a catalyst to secure additional funding, thereby increasing the leverage of state resources.

Leverage. Leverage will be achieved through private developer/ultimate borrower contributions which are required of each loan, through direct contributions to establish the Revolving Loan Fund base, and through local resources dedicated to supporting solutions to the attainable housing problem. These contributions include:

- Each loan requires a borrower contribution and loans, as a portfolio average, will not exceed 75% of the project total. At least 25% of the ultimate loan will require private or outside resource contributions. The estimated leverage through this component is \$1,000,000.
- The Columbia Gorge Oregon Investment Board has authorized \$200,000 for a housing loan in 2014 to a qualified borrower which will further leverage the state funds in addressing this issue.
- Hood River County has allocated funds which can be used to support solutions to the housing problem given that it is particularly acute in the County. The fund is currently at \$235,000, but has the potential to increase over the next year. This fund will leverage financial resources through Hood River County for developments that meet their criteria.
- Sherman County has dedicated \$280,000 to support workforce housing projects in the County, through loans and loan guarantees.

Additional leverage which is not quantified above includes all pre-development costs and infrastructure for development, tax credits used by developers and anticipated employer assisted housing contributions. The region will further use the state regional solutions investment as a catalyst to secure additional funding through private employer contributions and local jurisdictions. The region will access the Agora Investment Platform to support further matching for additional funding resources.

Are there operating or maintenance costs associated with the project?

- The administration of the RLF is anticipated to be covered through interest and fees generated by loans to ultimate borrowers, combined with local contributions. This financial model has been successfully employed since 1980 by the Economic Development District in their operation of Revolving Loan Funds for business lending. Administration of the fund will be through the Mid-Columbia Economic Development District.

Is this project characterized as short or long term? (short = 1-2 years)

- The project has both short and long term impacts. It will be instituted immediately and the local team has already developed the framework for management of the fund and set the groundwork for both local contributions and ultimate project investments. The fund can begin disbursing within the first year of state funding.
- Given the revolving nature of the fund, however, long term impacts are also included in the project. As principle is repaid, the funds will continue to recycle in the region as they will be relent for the purposes of the attainable housing fund in perpetuity as long as the fund exists.

Executive Director's Report

February 4, 2014

Staff & Administrative

- Commissioner Streich and I will attend the SDAO annual meeting February 7-9 in Seaside. We have made reservations to attend the PNWA trip to Washington in March 2014 pending further discussion with Hal Hiemstra.
- Attached is a proposed schedule for preparation of the FY14-15 budget. Please review the recommended dates and confirm if you are available to attend. We need to determine if the Commission would like to have a property tour prior to the Spring Planning Meeting.
- We are receiving job applications for the Maintenance Supervisor position. Applications are due by February 12; although the position will remain open until filled.
- Following the regional meeting on January 9, the five Gorge port managers convened to discuss next steps. We are preparing a concept paper for a regional public/private coalition to advocate for legislative change and projects that support economic development.
- I have been asked to participate on the interview panel for the new City Manager. Interviews will occur February 27. A reception will be held for candidates at Double Mountain on February 26 at 5:30 p.m.
- Fred Kowell has completed the six-month financial summary for Port operations. One concern: we are spending well ahead of schedule in the Materials and Services budgets for the Airport, Event Site and Marina Park. We will need to restrict spending in those categories for the remainder of the fiscal year and anticipate a budget adjustment this spring. In addition, we had planned on having the runway shift project completed by June 30th such that we didn't have any capital budget put in place for the Airport in FY 2013-14. This will need to be trued up in Fred's Budget Transfer that will occur in early May.

Recreation

- The first Project Advisory Committee meeting on January 28 started the design and public input process for the Nichols Basin West Edge Trail project. The meeting was well-attended and staff felt it was a good first step. Discussion about the progress and next steps on this project will be a part of each Commission meeting for most of this year.
- Terra Surveying has completed additional survey work for the riverbank around the Pedestrian Bridge. This will help inform the final path design work and respond to Commission comments about fishing access.
- I attended a meeting with various local agencies on January 29 to discuss the need for a comprehensive evaluation of playing fields in the area. Hood River Parks & Recreation is seeking a proposal from a consultant to carry out the study and some Port funding will be requested.

Development

- The pre-application meeting was held on January 30 for the Key Development/Expo project. I attended the meeting and also discussed the process we can anticipate to changing and re-locating the C2 zoning.
- The Oregon Army National Guard will be conducting a re-fueling training on Lot #1 on February 8 & 9. We have executed a temporary use agreement.
- We have executed two temporary use agreements with the Hood River Juice Company for contractor parking on Lot #5 (south of Anchor Way) and for materials staging on the Riverside Dr. property. These are six month agreements.

Airport

- Most T-Hangar lease issues have been resolved. Only two lease issues remain where the eviction process may need to commence unless the tenants are more responsive.
- A minor accident occurred on January 20 when an antique airplane struck the fuel tank. We have a good photo record from FBO Scott Gifford.

Bridge/Transportation

- Port crews are continuing to weld damaged portions of the deck as manpower is available and weather permits.
- HNTB is nearly complete with mounting details for the new speed indicator signs. Their work should be wrapped up by February 10.
- HNTB proposes to carry out the on-site inspection of the lift span on February 10-13. One full day of operational testing will be required and is recommended for February 11, weather permitting. About 4-6 full lifts of the span will occur on that day. Port staff will provide traffic control.
- We are experiencing persistent problems with the southbound lift arm at the toll booth, but have found the problem in a damaged sensor used in the movement of the lift arm.

Spring Planning and Budget Calendar

MARCH 2014

Monday	Tuesday	Wednesday	Thursday	Friday
3	4 Comm Mtg 5pm	5	6	7
10 PNWA TO DC?	11 PNWA TO DC? Nichols Bike/Ped Path Stakeholder-public meeting	12 PNWA TO DC?	13 PNWA TO DC? RTP Grant Wkshp ½ day in Salem	14
17	18 Comm Mtg-postpone to March 25	19	20	21
24	25 Spring Planning-noon w/regular session to follow (lunch provided); invite Budget Comm. members	26	27	28
31	Rich – out of country from March 27 through April 17 or 18 ?? PROPERTY TOUR PRIOR TO SPRING PLANNING			

APRIL 2014

Monday	Tuesday	Wednesday	Thursday	Friday
	1 Comm Mtg 5pm	2	3	4
7	8 Nichols Bike/Ped Stakeholder- public meeting	9	10	11
14	15 Comm Mtg 5pm	16	17	18
21	22 Budget Comm 5pm (dinner provided) Comm members + all Commissioners	23	24	25
28	29	30	Rich returns April 17 or 18	

Spring Planning and Budget Calendar

MAY 2014

Monday	Tuesday	Wednesday	Thursday	Friday
<i>Fred K. in conference May 18-21</i>			1	2
5	6 Comm Mtg 5pm w/ Budget Hearing	7	8	9
12	13	14	15	16
19	20 Comm Mtg 5pm	21	22	23
26 Memorial Day Office Closed	27	28	29	20

JUNE 2014

Monday	Tuesday	Wednesday	Thursday	Friday
2	3 Comm Mtg 5pm w/ Budget Adoption	4	5	6
9	10	11	12	13
16	17 Comm Mtg 5pm	18	19	20
23	24	25	26	27
30				

Commission Calendar

February 2014

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday																																																																																											
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2	3	4 Comm Mtg, 5pm (Rich, absent)	5	6	7 SDAO Annual Conf. McElwee	8 SDAO Annual Conf. McElwee; Streich																																																																																											
9	10	11 Marina Ad Hoc, 8am	12 WF Rec, 1-3pm	13 Bike/Ped Public Mtg 5:30 p.m.	14	15																																																																																											
16	17 Presidents' Day OFFICE CLOSED	18 Comm Mtg, 5pm	19	20	21	22																																																																																											
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*Port of Hood River Marina Ad-hoc Committee
Meeting Minutes of January 21, 2014
Marina Center Boardroom
8:00 A.M.*

Present: Commissioner Jon Davies; Members Steve Tessmer, Tammy Lakey and Josh Sceva;
from staff, Michael McElwee and Mellissa Halseth

Absent: Lance Staughton

Commissioner Davies called the meeting to order at 8:03 a.m.

1. *Additions to Agenda:* None.

2. *Approve Minutes of December 20, 2013 Meeting:* Approved.

3. *Wait Lists:*

- Staff reported that there has been significant movement on the wait lists. All of the names on the Over 30 Foot wait list have been rotated through and there are still slips available. Committee consensus was to notify all names on this particular wait list that that slips will be offered to people not on the list on a first come first serve basis. All names on wait list can notify staff of interest when they are ready. Staff will offer empty slips to names on the wait list again in March or until filled.

4. *Boathouse Lease Update:*

- Six boathouse tenant leases have been returned to date. Staff anticipates the remainder returned by January 31 when payments are due.

5. *South Basin Dock Lottery*

- There have been five entries so far for the lottery. Staff is currently advertising in the Hood River News and will advertise again in mid-late February. Applications are due March 13 with the drawing on March 18.

6. *Marina Master Plan*

- Staff reviewed the proposed work scope and schedule with the committee. Some suggested changes or additions were as follows:
 - Add "Identify Zoning" to Phase One: Data Collection
 - Add Appendix for upland improvements directly connected to the use of the Marina.
 - Add a Project List
 - Add Yacht Club hoist or boat ramp extension, small boat storage/racks, and dry storage facility to Phase Two: Programming.

7. *Other:*

- *Electrical System & Restroom Repairs*
 - Bill Fashing Sr. spoke to the committee about his concerns that the GFCI rating for the new Marina electrical system is set too low. Staff will look into possibly scheduling a test and research the recommendation for frequency of testing the system at regular intervals. There was a recommendation to print stickers warning boaters to leave boat power off until the cord has been plugged in. Fashing also commented that when the restroom near the Yacht Club has the doors replaced they should have vents on them so the shower steam can vent.

8. *Next Meeting:* Tuesday, March 11, 2014 at 8:00 a.m.

9. *Adjourn:* Davies adjourned the meeting at 9:40 a.m.

Commission Memo

To: Commissioners
From: Fred Kowell
Date: February 4, 2014
Re: Affordable Care Act (ACA) – Port Impact

The Affordable Care Act requires employers (the Port) to have a plan in place by March 1, 2014 with regard to healthcare coverage for its employees. At the November 23, 2013 Fall Planning work session staff provided an overarching framework of what should be considered with regard to healthcare coverage and we are now ready to come back to you with our recommendations.

The Port's healthcare insurance is currently purchased through SDAO (Special Districts Association of Oregon) which provides group purchasing power with over 234 Special Districts and over 4,000 insureds.

For the coming 2014-15 fiscal year, staff recommends staying with the SDAO Group Healthcare Plan administered by PacificSource insurance. To provide the Port with flexibility, staff recommends the Port adopt the current coverage but allow itself the flexibility to choose a higher deductible with a lower premium cost. Depending upon budget constraints and other unknown factors, as well as the related premium increase, may require the Port to change its plan specifications.

The current plan's key benefits are stated below:

Deductible:	\$1,000 per person/\$3,000 per family
Out-of Pocket Limit:	\$3,000 per person/\$6,000 per family
Co-Pay:	\$20
Co-Insurance:	80%/20% split

One particular change that will be required to bring the Port into compliance with the current law will be to have all "full-time" employees as designated under the Affordable Care Act (ACA) to have coverage for themselves and any family members.

Staff is also recommending that all employees (both exempt and non-exempt) contribute 10% towards the overall premium cost which includes medical, dental and vision.

Currently, the Port self-insures the deductible portion of the covered employee's healthcare cost up to \$1,000. Staff recommends that in the future the employee pickup the first \$500 of the deductible on their healthcare coverage.

The final recommendation relates to healthcare coverage for our part-time employees. Currently, the Port allows our part-time employees to purchase our healthcare coverage at the group rate. However, after many discussions with our part-time staff, the ACA precludes them from acquiring coverage under Cover Oregon if the Port provides coverage for them. Staff recommends that part-time staff **not** be allowed coverage to the Port's healthcare coverage thereby allowing them access to Cover Oregon and it's various levels of coverage and costs. This recommendation does not relate to retired employees, who can currently have access to the Port's healthcare coverage.

The financial impact is hard to gauge since several employees may or may not decide to be covered under the Port's healthcare coverage but instead use their spouse's employer's coverage. That said, cost could rise between \$30,000 to over \$83,000.

RECOMMENDATION: Approve staff's recommendation with regard to the Port's plan on healthcare coverage for the coming fiscal year.

Commission Memo

To: Commissioners
From: Michael McElwee
Date: February 4, 2014
Re: Property Agreements with NBW Hood River, LLC

A Purchase and Sale Agreement (PSA) was approved with NBW Hood River, LLC (NBW) on May 29, 2013 and subsequently amended on August 20, 2013 to clarify the specific land being acquired and on December 17, 2013 to extend the closing date for the transaction until March 28, 2014.

Staff and legal counsel have worked with NBW to finalize the attached instruments necessary to fulfill the terms of the PSA. Although these are final from staff, Port legal counsel will need to review them with NBW counsel to insure completeness.

RECOMMENDATIONS:

- Authorize Bargain and Sale Deed with NBW, Hood River, LLC for property known as Tract 1 and 1A in the Purchase and Sale Agreement dated May 29, 2013 for \$10,000 subject to legal counsel review and approval.
- Authorize Bargain and Sale Deed with NBW, Hood River, LLC for property known as Tract 2 in the Purchase and Sale Agreement dated May 29, 2013 for \$11,000 subject to legal counsel review and approval.
- Authorize Sanitary Sewer Easement with NBW, Hood River, LLC subject to legal counsel review and approval.
- Authorize Parking Easement with NBW, Hood River, LLC subject to legal counsel review and approval.
- Authorize Emergency Access Easement with NBW, Hood River, LLC subject to legal counsel review and approval.

AFTER RECORDING RETURN TO:

**Tarlow Naito & Summers
150 SW Harrison
Portland Oregon 97201**

SEND TAX STATEMENTS TO:

**NBW Hood River LLC
150 SW Harrison Street, Suite 200
Portland, OR 97021**

Tax Account No: _____

Reference: _____

True and actual consideration: \$10,000

This space provided for recorder's use.

**BARGAIN AND SALE DEED
(SUBJECT TO A CONDITION SUBSEQUENT)**

PORT OF HOOD RIVER, an Oregon municipal corporation, Grantor, subject to the terms and conditions of this Deed, conveys to NBW HOOD RIVER LLC, an Oregon limited liability company, Grantee, all right, title, and interest in and to the real property described as follows ("Property"), subject to the right to have Grantee reconvey the Property to Grantor if the Condition defined below is not satisfied within the time allowed after the execution date of this Deed:

Legal Description: See Exhibit A attached hereto and incorporated herein by reference.

(The Property conveyed is described as Tract 1 and 1A in the Purchase and Sale Agreement between Grantor and Grantee)

Grantee accepts this Deed subject to, and agrees to, each of the following two Conditions to be performed by Grantee, as to Condition "1," within five years after the execution date of this Deed (the time limit is a "Fulfillment Deadline"):

1. Grantee shall commence construction of a hotel or other commercial building, approved by the City on property owned by Grantee that is contiguous to the Property being conveyed by this Deed ("Grantee's Property").. As used herein "commence construction" shall mean (1) obtaining all necessary building permits for the project and recording of a construction loan trust deed to finance

construction of the project or (2) commencement of site grading pursuant to a building permit issued by the City of Hood River.

If Grantor determines that a Condition has not been met on or before the Fulfillment Deadline, Grantor shall give written notice to Grantee of such non-satisfaction of a Condition and Grantee shall have 60 days to cure such non satisfaction. If after the 60-day period the Condition remains unsatisfied then Grantee will execute a bargain and sale deed re-conveying the Property to Grantor upon payment by Grantor of \$10,000. If the Conditions are satisfied on or before the Fulfillment Deadlines, at Grantee's request Grantor and Grantee shall join in the execution of an instrument acknowledging satisfaction of the Conditions and termination of Grantor's right to have the Property reconveyed and record it in the Official Public Records of Hood River County.

The rights and obligations of Grantor and Grantee in this Deed shall be binding on Grantor's and Grantee's successors in interest and assignees of any interests in the Property.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Dated this _____ day of _____ 2014.

Terms agreed to by Grantee:

NBW Hood River LLC

Grantor:

Port of Hood River,
an Oregon municipal corporation

By: _____
Printed Name: W. Robert Naito
Title: _____

By: _____
Printed Name: Michael McElwee
Title: _____

STATE OF OREGON)
)ss.
County of Multnomah)

On this _____ day of _____ 2014, personally appeared before me W. Robert Naito, known to me to be a member of NBW Hood River, LLC (Grantor), and acknowledged the due execution of the foregoing instrument in behalf of said limited liability company by its authority duly given, and acknowledged the said instrument to be the act and deed of said limited liability company.

IN WITNESS WHEREOF, I have hereunto set by hand and affixed my official seal the day and year first above written.

NOTARY PUBLIC FOR OREGON
My commission expires: _____

///

STATE OF OREGON)
)ss.
County of Hood River)

On this _____ day of _____ 2014 personally appeared before me Michael McElwee, known to me to be the Executive Director of the Port of Hood River, a municipal corporation, and acknowledged the due execution of the foregoing instrument on behalf of said municipal corporation by its authority duly given, and acknowledged the instrument to be the act and deed of said municipal corporation.

IN WITNESS WHEREOF, I have hereunto set by hand and affixed my official seal the day and year first above written.

NOTARY PUBLIC FOR OREGON
My commission expires: _____

EXHIBIT A

AFTER RECORDING RETURN TO:

**Tarlow Naito & Summers
150 SW Harrison
Portland Oregon 97201**

SEND TAX STATEMENTS TO:

**NBW Hood River LLC
150 SW Harrison Street, Suite 200
Portland, OR 97021**

Tax Account No: _____

Reference: _____

True and actual consideration: \$11,000

This space provided for recorder's use.

BARGAIN AND SALE DEED

PORT OF HOOD RIVER, an Oregon municipal corporation, Grantor, conveys to NBW HOOD RIVER LLC, an Oregon limited liability company, Grantee, all right, title and interest in and to the real property described as follows:

Legal Description: See Exhibit A attached hereto and incorporated herein by reference.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424,

OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Dated this _____ day of _____ 2014.

Grantor:

Port of Hood River,
an Oregon municipal corporation

STATE OF OREGON)
)ss.
County of Hood River)

On this _____ day of _____ 2014, personally appeared before me Michael McElwee, known to me to be the Executive Director of the Port of Hood River, a municipal corporation, and acknowledged the due execution of the foregoing instrument on behalf of said municipal corporation by its authority duly given, and acknowledged the instrument to be the act and deed of said municipal corporation.

IN WITNESS WHEREOF, I have hereunto set by hand and affixed my official seal the day and year first above written.

NOTARY PUBLIC FOR OREGON
My commission expires:_____

EXHIBIT A

AFTER RECORDING RETURN TO:
Jaques, Sharp, Sherrerd, FitzSimons & Ostrye
205 Third Street
Hood River, Oregon 97031

SANITARY SEWER EASEMENT AGREEMENT

THIS SANITARY SEWER EASEMENT AGREEMENT ("Easement Agreement") is by and between The Port of Hood River, a municipal corporation of the state of Oregon ("Grantor"), and NBW Hood River, LLC, an Oregon limited liability Company ("Grantee").

RECITALS

- A. Grantor is the owner of the real property described on Exhibit A, attached hereto and incorporated herein by reference ("Grantor's Property").
- B. Grantee desires to install an underground sanitary sewer line across a portion of Grantor's Property to benefit Grantee's property described on Exhibit B, attached hereto and incorporated by reference ("Grantee's Property").
- C. Subject to the terms of this Easement Agreement, Grantor has agreed to grant Grantee a perpetual, non-exclusive underground sanitary sewer easement across a portion of Grantor's Property more particularly described on Exhibit C, attached hereto and incorporated herein by reference ("Grantee's Easement Area").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, Grantor hereby agrees with and grants and conveys to Grantee, and Grantee hereby agrees with Grantor, as follows:

1. Grant of Easement. Grantor hereby grants to Grantee, a perpetual, non-exclusive easement to install, operate, maintain, repair, and replace an underground sanitary sewer line under and across Grantee's Easement Area for the benefit of Grantee's Property ("Sewer Easement").
2. Benefit and Burden to Land. This grant of a Sewer Easement shall run with and be appurtenant to the land, burdening Grantor's Property and benefitting Grantee's Property.
3. Title. The easement granted herein is subject to all prior easements and encumbrances of record, provided, however, Grantor represents that Grantee's Easement Area is free and clear of all monetary encumbrances except real property taxes not yet due and payable.

4. Easement Binding. This Easement Agreement shall be binding upon the parties, and their respective successors and assigns, who acquire interests in Grantor's Property and in Grantee's Property and any further legal subdivisions thereof.

DATED: _____, 2014

GRANTOR:

GRANTEE:

THE PORT OF HOOD RIVER, a municipal corporation

NBW HOOD RIVER, LLC

By: _____
Its: _____

By: _____
Its: _____

STATE OF OREGON)
)ss.
County of Multnomah)

On this ___ day of _____ 2014, personally appeared before me W. Robert Naito, known to me to be a member of NBW Hood River, LLC (Grantor) and acknowledged the due execution of the foregoing instrument in behalf of said limited liability company by its authority duly given, and acknowledged the said instrument to be the act and deed of said limited liability company.

IN WITNESS WHEREOF, I have hereunto set by hand and affixed my official seal the day and year first above written.

NOTARY PUBLIC FOR OREGON
My commission expires: _____

///

///

STATE OF OREGON)
)ss.
County of Hood River)

On this ___ day of _____ 2014, personally appeared before me Michael McElwee, known to me to be the Executive Director of The Port of Hood River, an Oregon municipal corporation, and acknowledged the due execution of the foregoing instrument on behalf of said corporation by its authority duly given, and acknowledged the said instrument to be the act and deed of the municipal corporation.

IN WITNESS WHEREOF, I have hereunto set by hand and affixed my official seal the day and year first above written.

NOTARY PUBLIC FOR OREGON
My commission expires: _____

Exhibit 'B'
TERRA SURVEYING
P.O. Box 617
Hood River, OR 97031
PHONE (541) 386-4531
E-Mail: terra@gorge.net

LEGAL DESCRIPTION
FOR
A
SEWER LINE EASEMENT
Page 1 of 2

This described tract of land is for the purpose of a sewer line easement, located in the northwest quarter of the southeast quarter of Section 25, Township 3 North, Range 10 East, Willamette Meridian in the City of Hood River, County of Hood River and State of Oregon, being more particularly described as follows.

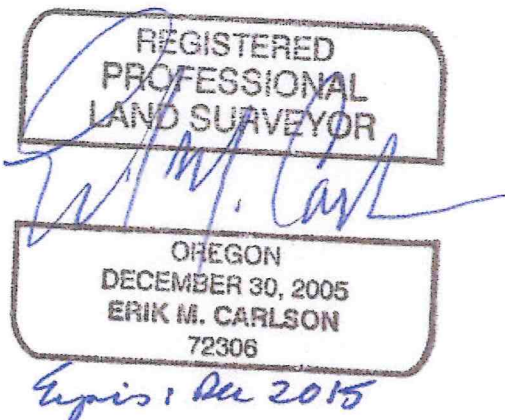
Commencing at a rail road spike monumenting the most northwesterly corner of the property described in Deed #700515: thence South 00°53'00" West along the westerly boundary of said deed a distance of 33.44 feet to a 5/8" iron rod; thence South 00°53'00" West a distance of 16.56 feet to a point on the north line of the Hattenhauer property described on Warranty Deed #9584487; thence North 88°51'25" West along said north line a distance of 119.37 feet to a point on the westerly right of way line as depicted on ODOT County Survey #99036; thence North 20°57'14" West along said west line a distance of 26.19 feet to the point of beginning of the following described 10 foot wide sewer line easement.

Thence North 87°05'09" West a distance of 16.86 feet to the west line of tract described in Hood River County Deed Book 51, Page 206, said tract was conveyed to the Port of Hood River from The State of Oregon in 1953; thence North 00°24'52" West along said west line a distance of 10.01 feet to a point; thence South 87°08'08" East a distance of 13.01 feet to the west line of said ODOT right of way; thence South 20°57'14" East along said right of way a distance of 10.94 feet to the point of beginning.

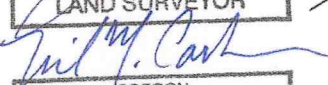
Contains: 149 Sq. Ft., more or less

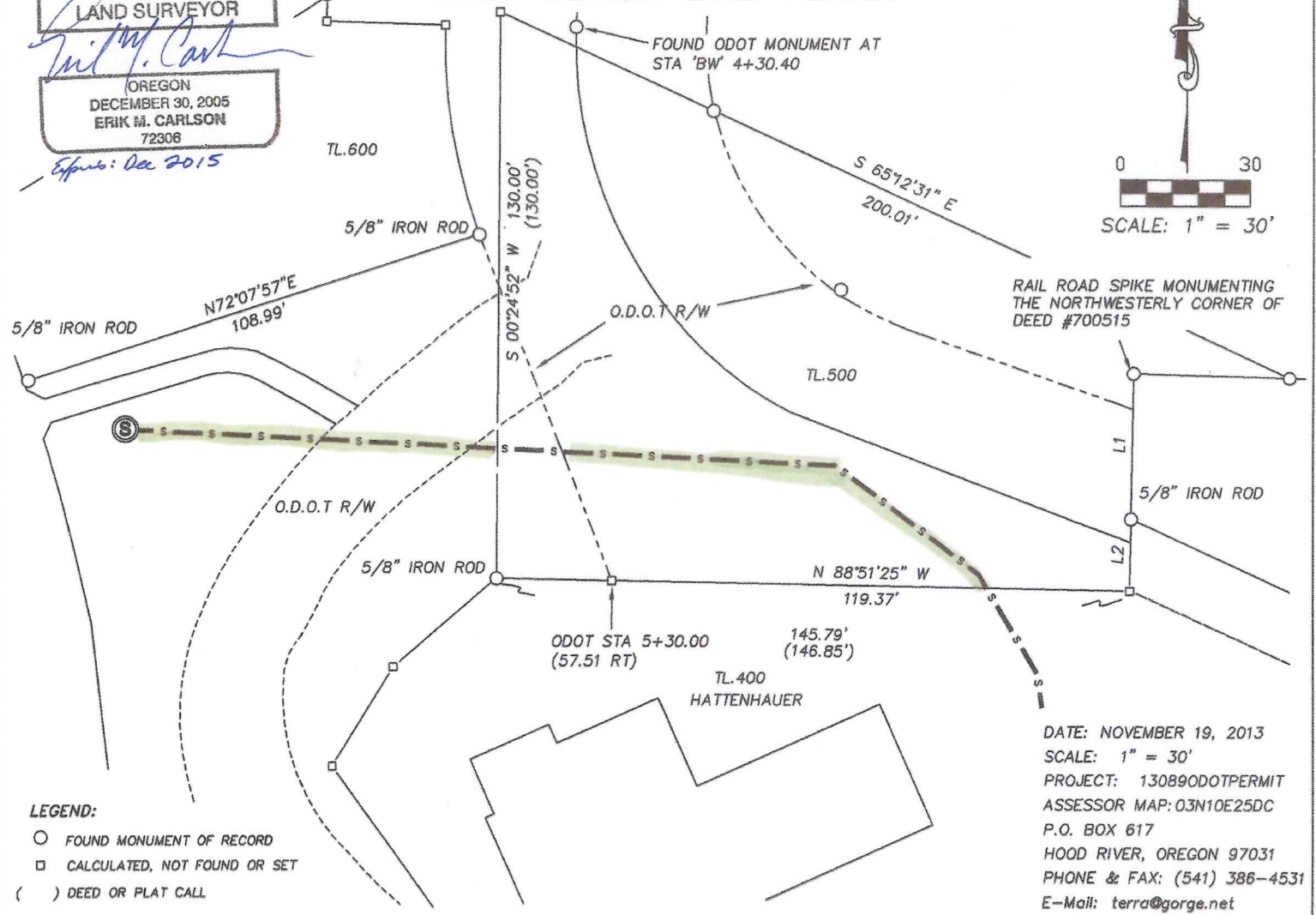
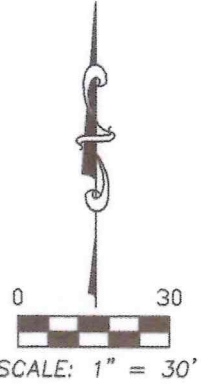
November 20, 2013

EMC



TERRA SURVEYING
 EXHIBIT MAP
 FOR
 ODOT SEWER LINE PERMIT

REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

 OREGON
 DECEMBER 30, 2005
 ERIK M. CARLSON
 72306
Expires: Dec 2015



LEGEND:
 ○ FOUND MONUMENT OF RECORD
 □ CALCULATED, NOT FOUND OR SET
 () DEED OR PLAT CALL

DATE: NOVEMBER 19, 2013
 SCALE: 1" = 30'
 PROJECT: 130890DOTPERMIT
 ASSESSOR MAP: 03N10E25DC
 P.O. BOX 617
 HOOD RIVER, OREGON 97031
 PHONE & FAX: (541) 386-4531
 E-Mail: terra@gorge.net

AFTER RECORDING RETURN TO:
Jaques, Sharp, Sherrerd, FitzSimons & Ostrye
205 Third Street
Hood River, Oregon 97031

PARKING EASEMENT

THIS PARKING EASEMENT ("Parking Easement") is made by NBW Hood River, LLC, an Oregon limited liability Company ("Grantor") to and for the benefit of Port of Hood River, an Oregon municipal corporation ("Grantee" or "Port").

RECITALS

- A. Grantor is the owner of the real property described on Exhibit A, attached hereto and incorporated herein by reference, acquired from the Port ("Grantor's Property").
- B. As a condition of the purchase of the Port's property Port required Grantor to dedicate nine parking spaces on Grantor's Property as public parking spaces for motor vehicles.
- C. In furtherance of the foregoing agreement Grantor has agreed to grant Grantee and the public a perpetual parking easement for nine motor vehicle parking spaces for use by the public on Grantor's property.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, Grantor and Grantee agree as follows:

1. Grant of Easement. Grantor hereby grants to the Port, for use by the public, a perpetual easement for nine motor vehicle parking spaces on Grantor's Property in the location shown on Exhibit B, attached hereto and incorporated herein ("Parking Easement"). Grantor agrees to allow vehicular access to the Parking Easement.
2. Relocation. Grantor reserves the right, from time to time, to relocate the Parking Easement on Grantor's Property, provided that the relocated Parking Easement contains nine parking spaces and is located on Grantor's Property. Grantor shall have the right to temporarily restrict access to the Parking Easement during periods of construction of improvements on Grantor's Property.
3. Term/Enforcement of Easement. This Easement Agreement shall be perpetual, shall run with Grantor's land, and shall bind Grantor's successors and assigns who acquire an interest in Grantor's Property. The rights granted shall be enforceable by the Port.

DATED: _____, 2014

GRANTOR:

GRANTEE:

NBW HOOD RIVER, LLC

THE PORT OF HOOD RIVER, a municipal corporation

By: _____
Its: _____

By: _____
Its: _____

STATE OF OREGON)
) ss.
County of Multnomah)

On this ___ day of _____ 2014, personally appeared before me W. Robert Naito, known to me to be a member of NBW Hood River, LLC (Grantor), and acknowledged the due execution of the foregoing instrument in behalf of said limited liability company by its authority duly given, and acknowledged the said instrument to be the act and deed of said limited liability company.

IN WITNESS WHEREOF, I have hereunto set by hand and affixed my official seal the day and year first above written.

NOTARY PUBLIC FOR OREGON
My commission expires: _____

STATE OF OREGON)
) ss.
County of Hood River)

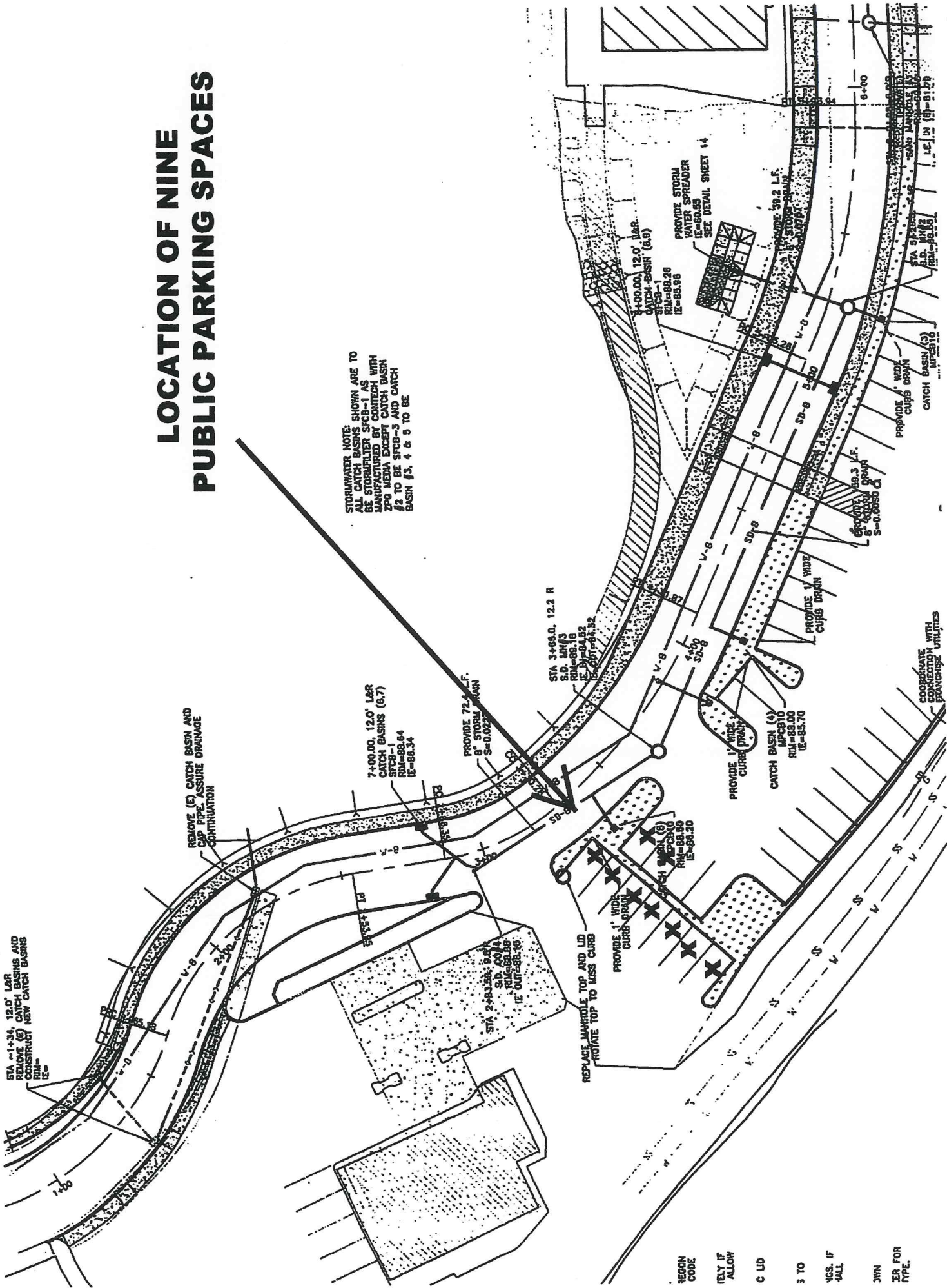
On this ___ day of _____ 2014, personally appeared before me Michael McElwee, known to me to be the Executive Director of The Port of Hood River, a municipal corporation, and acknowledged the due execution of the foregoing instrument on behalf of said municipal corporation by its authority duly given, and acknowledged the instrument to be the act and deed of said municipal corporation.

IN WITNESS WHEREOF, I have hereunto set by hand and affixed my official seal the day and year first above written.

NOTARY PUBLIC FOR OREGON
My commission expires: _____

LOCATION OF NINE PUBLIC PARKING SPACES

STORMWATER NOTE:
 ALL CATCH BASINS SHOWN ARE TO
 BE STORMFILTER SFCB-1 AS
 MANUFACTURED BY CONTECH WITH
 2790 MEDIA EXCEPT CATCH BASIN
 #2 TO BE SFCB-3 AND CATCH
 BASIN #3, 4 & 5 TO BE



REGON
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 C UD
 3 TO
 VCS. IF
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 TYPE.

AFTER RECORDING RETURN TO:
Jaques, Sharp, Sherrerd, FitzSimons & Ostrye
205 Third Street
Hood River, Oregon 97031

EMERGENCY ACCESS EASEMENT AGREEMENT

THIS EMERGENCY ACCESS EASEMENT AGREEMENT (“Easement Agreement”) is entered into between Port of Hood River, a municipal corporation of the State of Oregon ("Grantor"), and NBW Hood River, LLC, an Oregon limited liability Company ("Grantee").

RECITALS

A. Grantor is the owner of the real property described on Exhibit A, attached hereto and incorporated herein by reference (“Grantor’s Property”).

B. Grantee is the owner of the real property described on Exhibit B, attached hereto and incorporated herein by reference (“Grantee’s Property”).

C. Subject to the terms of this Easement Agreement, Grantor has agreed to grant Grantee a perpetual non-exclusive access easement for the limited purposes stated, over and across a portion of Grantor’s Property containing 4,420 square feet, more particularly described on Exhibit C, and shown on the Terra Surveying Exhibit C Map, both being attached hereto and incorporated herein by reference (“Emergency Vehicle Access Easement Area” or “EVAEA”).

FOR GOOD AND VALUABLE CONSIDERATION, receipt of which is acknowledged, Grantor hereby agrees with and grants and conveys to Grantee, and Grantee hereby agrees with Grantor, as follows:

1. Grant of Easement. Grantor hereby grants to Grantee a perpetual non-exclusive access and use easement for emergency vehicles (police, fire, ambulance, and official rescue vehicles) to come onto and travel over the Emergency Vehicle Access Easement Area (“Emergency Vehicle Access Easement”).

2. Benefit and Burden to Land. This grant of an Emergency Vehicle Access Easement shall run with the land, burdening Grantor's Property and benefitting Grantee's Property.

3. EVAEA Improvement Restriction. Grantor agrees not to install or construct any structure or improvement in the EVAEA that protrudes above ground which will impair or restrict emergency vehicle travel across the EVAEA.

4. EVAEA Bollards. Grantee intends to construct a road for public use, and for the benefit of Grantee's Property, from the western boundary of Grantee's Property to the eastern boundary of Grantee's Property ("Grantee's Roadway"). When Grantee constructs Grantee's Roadway Grantee will install re-movable bollards that impede motor vehicle traffic (which may be temporarily removed by Grantor, Grantee or emergency vehicle personnel). The bollards will be installed by Grantee at the southerly entrance to the EVAEA and across the EVAEA at the location marked L2 on the Exhibit C Map.

5. Grantee Pathway Costs Payment Obligation. When Grantee constructs Grantee's Roadway, Grantee will construct a ten foot wide, paved bicycle and pedestrian pathway ("the PAW") on Grantor's Property. The PAW will be located adjacent to and will cross the EVAEA. The PAW will begin at the west end of the Hood River pedestrian bridge and continue northerly to a location at the eastern boundary of Grantee's Property. The PAW work shall be done promptly by Grantee, shall comply with applicable laws and codes, shall be subject to prior Grantor approval before construction begins, and shall be subject to Grantor's inspection and final approval upon completion. Grantor shall not unreasonably withhold approvals. If Grantee does not construct asphalt or concrete pathway **by January 31, 2016**, Grantor may do so and Grantee shall reimburse Grantor for construction costs. Grantor shall provide Grantee with an itemized statement of all Grantor's construction costs associated with the 10-ft. concrete or asphalt path, grading and sub-base (including all materials, labor and contractor overhead and profit). Grantee agrees to promptly pay Grantor the total statement amount of Grantor's PAW construction costs.

6. Hammerhead Area Improvements Construction. A portion of Grantor's Property containing 1,570 square feet, located north of the EVAEA is shown as a "Hatched Area" on the attached Exhibit C Map ("Hammerhead Area"). When Grantee constructs Grantee's Roadway, Grantee will pave the Hammerhead Area and install other improvements required by the City Engineer such as signage and vehicle barriers at Grantee's expense ("Hammerhead Area Improvements"). Grantor grants to Grantee a revocable license to enter the Hammerhead Area to make Hammerhead Area Improvements. All Hammerhead Area Improvements work shall be done promptly by Grantee, shall comply with applicable laws and codes, shall be subject to prior Grantor approval before construction begins, and shall be subject to Grantor's inspection and final approval upon completion. Grantor shall not unreasonably withhold approvals. If Grantee refuses or fails to promptly construct any Hammerhead Area Improvements Grantor has requested Grantee to make, to comply with Grantor's specifications, or to comply with any law or code, Grantor may construct or finish construction of those Hammerhead Area Improvements. In such event, Grantor shall provide Grantee with an itemized statement of costs incurred by

NOTARY PUBLIC FOR OREGON
My commission expires: _____

STATE OF OREGON)
) ss.
County of Hood River)

On this ___ day of _____ 2014, personally appeared before me Michael McElwee, known to me to be the Executive Director of The Port of Hood River, a municipal corporation, and acknowledged the due execution of the foregoing instrument in behalf of said corporation by its authority duly given, and acknowledged the said instrument to be the act and deed of the municipal corporation.

IN WITNESS WHEREOF, I have hereunto set by hand and affixed my official seal the day and year first above written.

NOTARY PUBLIC FOR OREGON
My commission expires: _____

Exhibit 'C'
TERRA SURVEYING
P.O. Box 617
Hood River, OR 97031
PHONE (541) 386-4531
E-Mail: terra@gorge.net

LEGAL DESCRIPTION
FOR
A
EMERGENCY VEHICLE ACCESS EASEMENT
Page 1 of 2

This describes a tract of land for the purpose of a emergency vehicle access easement, located in the southeast quarter of Section 25, Township 3 North, Range 10 East, Willamette Meridian in the City of Hood River, County of Hood River and State of Oregon, being more particularly described as follows.

Commencing at a ¾" iron pipe monumenting the southeastern corner of Hood River County deed #700515; thence South 01°32'31" West along the east line of said deed a distance of 10.88 feet to the point of beginning of the following described easement.

Thence South 01°32'31" West along said deed line a distance of 23.59 feet to the beginning of a non-tangential curve concaved northwesterly whose chord bears North 35°25'00" East a distance of 64.42 feet. Radius measures 54.08 feet. Thence along said curve through the central angle of 73°06'15" a distance of 69.00 feet; thence North 00°36'12" East a distance of 54.92 feet to a point; thence North 08°43'35" East a distance of 66.85 feet to the beginning of a curve concaved southwesterly whose chord bears North 35°52'59" West a distance of 71.29 feet. Radius measures 54.08 feet. Thence along said curve through the central angle of 82°27'41" a distance of 77.83 feet to the east line of deed #700515; thence South 01°32'31" West a distance of 23.16 feet to a non-tangential curve concaved southwesterly whose chord bears South 36°57'23" East a distance of 43.09 feet. Radius measures 46.72 feet. Thence along said curve through the central angle of 54°55'22" a distance of 44.78 feet to a point; thence South 08°44'02" West a distance of 66.85 feet to a point; thence South 00°36'49" West a distance of 45.39 feet to a curve concave northwesterly whose chord bears South 27°56'48" West a distance of 43.15 feet. Radius measures 46.72 feet. Thence along said curve through central angle of 55°00'23" a distance of 44.85 feet to the point of beginning of this access easement.

Contains: 4,420 Sq. Ft., more or less
January 31, 2014
EMC



Erik's: Dec 2015

TERRA SURVEYING
EXHIBIT C MAP
EMERGENCY VEHICLE ACCESS

NICHOLS BASIN

0' 60' 120' 180'



SCALE: 1" = 60'

TAX LOT 100
 NBW #700515

HOOD RIVER

L=47.29'
 R=28.04'
 $\Delta=96^{\circ}38'13''$
 C LEN=41.88'
 BRG=S $38^{\circ}45'03''$ W

HATCHED AREA RESERVED
 FOR FUTURE IMPROVEMENTS
 CONTAINS 1,570 SQ.FT.

L=77.83'
 R=54.08'
 $\Delta=82^{\circ}27'41''$
 C LEN=71.29'
 BRG=S $35^{\circ}52'59''$ E

L=44.78'
 R=46.72'
 $\Delta=54^{\circ}55'22''$
 C LEN=43.09'
 BRG=S $36^{\circ}57'23''$ E

NORTH LINE OF GOVERNMENT LOT B
 EMERGENCY VEHICLE
 ACCESS EASEMENT
 CONTAINS 4,420 SQ.FT.

L=44.85'
 R=46.72'
 $\Delta=55^{\circ}00'23''$
 C LEN=43.15'
 BRG=S $27^{\circ}56'48''$ W

POINT OF COMMENCEMENT,
 MONUMENTED BY A 3/4"
 IRON PIPE,

POINT OF BEGINNING

TL. 7700
 PORT.

FOOT BRIDGE

L=69.00'
 R=54.08'
 $\Delta=73^{\circ}06'15''$
 C LEN=64.42'
 BRG=N $35^{\circ}25'00''$ E

LEGEND:

- CALCULATED, NOT FOUND OR SET
- MONUMENT OF RECORD
- () DEED OR PLAT CALL
- EMERGENCY VEHICLE ACCESS EASEMENT
- AREA RESERVED FOR FUTURE IMPROVEMENTS

LINE	BEARING	DISTANCE
L1	S $01^{\circ}32'31''$ W	11.39'
L2	S $01^{\circ}32'31''$ W	25.59'
L3	N $00^{\circ}36'12''$ E	54.92'
L4	N $08^{\circ}43'35''$ E	66.85'
L5	S $88^{\circ}33'11''$ E	3.43'
L6	N $88^{\circ}33'11''$ W	20.00'
L7	S $01^{\circ}32'31''$ W	23.16'
L8	S $08^{\circ}44'02''$ W	66.85'
L9	S $00^{\circ}36'49''$ W	45.39'

DATE: JANUARY 31, 2014
 SCALE: 1" = 60'
 PROJECT: 13089EXHIBITC
 ASSESSOR MAP: 03N10E25DC
 P.O. BOX 617
 HOOD RIVER, OREGON 97031
 PHONE & FAX: (541) 386-4531
 E-Mail: terra@gorge.net