

continued from **Marketing on page 1**

increase in high-technology activity, and many are appropriate for the light industrial zone that applies to the Port's Hood River waterfront.

As it turns out, manufacturing and technology companies are leading the way in wage growth in Hood River County, Hovee said.

It's an opportune time for Hood River businesses. Three-fourths of the surveyed companies have seen increased revenues in the past five years, and expect that to continue in the years ahead.

Many cited non-business reasons for keeping doors open here. Hood River County's main benefits are its

quality of life, including local recreation, small-town atmosphere and cost of living.

However, accessibility to land, freight and a perceived under-trained workforce are its disadvantages, Hovee found. On the topic of available industrial land, Hovee reported that more than half of the businesses he surveyed found the supply inadequate and not competitive with other Gorge communities.

Asked about plans to relocate or expand, 42 percent of business owners said they could consider a move. Of this number, only 45 percent said they planned to relocate within Hood River County. About half of those businesses stating they'd consider moving out of the county also say they'd leave the Gorge region, too. The primary reason for moving is for expansion opportunities unavailable here, Hovee noted.

Respondents also were asked what types of businesses would work best in Hood River County. Professional and technical companies, recreation firms and tourism-related retail were the top fields identified.

Hovee was directed to complete the study to help the Port and its local economic development partners better understand the needs and opportunities for job-generating business activity in Hood River County and in the region, and to assist the Port as it plans to develop the Hood River waterfront and other industrial properties.

The county Industrial Lands Committee, meanwhile, is working on recommendations to create more local opportunities to encourage business growth and job creation.

PORT OF HOOD RIVER

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engineering and production operations.

During its first five years, Cloud Cap's office was located in downtown Hood River. When the company finally outgrew that space, the partners purchased their current building across the street from Wasco Business Park at 2621 Wasco Street. They are currently completing an addition that brings the building to 4,400 square feet.

"This building suits us well, but we will probably need more space within a couple of years," Hoag says. So Hoag

went forward with the purchase of a parcel at Wasco Business

park with another partner, John Everitt. They plan to construct two buildings on the .8-acre parcel. A site plan will be presented to the City and Port soon that outlines plans to build a 8,000 square foot, two-story Light Industrial/Office building for another tenant, and to follow with a building for Cloud Cap Technology if company forecasting proves correct.

"We are looking for other tenants for the first building, and will build to suit," Hoag says. Construction will begin sometime later this year. For more information, contact John Everitt at 541-308-6242 or Ross Hoag at 541-490-8592.

Columbia Area Transit plans consolidation of operations

Columbia Area Transit (CAT) has pursued options for a permanent home for over a decade. That dream is becoming more of a reality as the months pass, and the purchase of an acre of property at Wasco Business Park helps fulfill their plans of near future consolidation of operations.

CAT provides "dial-a-ride" service throughout Hood River County, to anyone with the need during weekday business hours. "Our volume of our ridership is gradually increasing and amounts to approximately 24,000

one-way trips per year," Executive Director Dan Schwanz reports. CAT also serves as Hood River County's Greyhound bus agent.

The agency seeks a permanent location for what are now widespread locations of service and vehicle operations. CAT's vehicles are stored at the City of Hood River Public Works property in the Heights, while CAT offices are leased from the Port of Hood River in the Marina DMV building. Greyhound busses are unable to park at the CAT office due to their turning radius, so the Port office building serves as the bus depot.

"It creates a lot of confusion for the bus patrons, and hinders our Greyhound freight service, which we feel we could expand," Schwanz relays. He says having staff, drivers, and vehicles in one location would streamline operations. "As it is now, it's inconvenient in many ways, and wasteful," Schwanz adds. "Many days I don't even see our drivers. In the long run, this permanent home will provide some cost savings."

Columbia Area Transit has purchased the Northeast corner parcel of Wasco Business Park, which amounts to 1.13 acres. The agency is planning to construct an 1,800 square foot office building, covered parking for vehicles,



Columbia Area Transit Executive Director Dan Schwanz

and a Greyhound bus terminal.

Exactly when construction begins depends on funding. CAT needs approximately \$500,000 more to complete its building and infrastructure. The agency is awaiting the verdict of a grant application to Connect Oregon, and if received, the project could begin as early as September. If the grant fails to materialize, CAT will continue to seek other options in order to move forward with plans.

"It would be nice if the project happens sooner rather than later," Schwanz conveys. "As the county changes and needs occur, we hope to grow and respond to them." For further information, contact Dan Schwanz at 541-386-4202.



Study helps plan future economic growth

Hood River County industry is on the move, adding jobs and boosting the region's economy. If something isn't done to help many of these businesses, they will still be on the go – but that may mean they go away.

An Industrial Market Assessment completed this spring by the Port of Hood River shows that more than half of queried businesses would consider moving out of the county within the next five years if they cannot find a suitable local home. Firms rooted in the Hood River landscape are growing faster than the amount of available land.

This finding was shared with the Hood River County Industrial Lands Committee, which is working to identify property suitable for industrial development – and the types of industry most likely to thrive here. Eric Hovee, of ED Hovee and Associates, completed the study after giving the Industrial Lands Committee a preview in May.

Hovee had personal interviews with the leaders of nearly two dozen local businesses and mailed a second survey to 350 businesses across the Columbia River Gorge.

The top finding: Hood River County industry is poised for extraordinary expansion, but suitable sites are limited. Hovee found surprising growth in manufacturing, plus strong escalation in the information sector that includes software engineers and graphic artists. These information companies represent an

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New Port Executive Director begins July 1

Michael McElwee, the Port of Hood River's new Executive Director, brings a wealth of pertinent experience to his new position, which he begins on July 1.

Having spent the last 14 years with the Portland Development Commission as Development Manager for the Oregon Convention Center Urban Renewal District, McElwee has worked with a broad spectrum of political leaders, boards, community groups, stakeholders and interested citizens. He has a strong background in waterfront planning and economic development, two areas on which the Port of Hood River continues to focus. The Oregon Convention Center Urban Renewal District is a 600-acre, \$135 million district.

"I've been involved with stakeholders in long-term planning, often looking years ahead to help identify what neighborhoods want to become, and what they want to achieve," McElwee explains. "In the short-term, this often translates into looking at specific development projects that help to reach the long-term goals."

McElwee says despite his agency's size and budget not all of his work has been large-scale. Some projects in Northeast Portland were very small and interactive, in neighborhood commercial settings, dealing with lots small properties, local businesses and modest infrastructure projects such as signage, for example.

His work has brought him in touch with riverside projects, including issues associated with waterfront design,

permitting, and construction. McElwee also possesses experience in typical commercial and retail planning. "I think the broad range of experience I've had is consistent with the Port's holdings, which are also very diverse," he adds.

"Working with boards and commissions to clearly identify both public policy objectives, and the projects to implement them, in concert with individual owners, neighborhood groups, and interested citizens, is what successful economic development is about," McElwee elaborates. "The ability to achieve both is key." McElwee first became acquainted with the Port of Hood River over 15 years ago, when working for Benkendorf Associates, Inc., managing land planning, regulatory permits and landscape architecture projects. During those years the Port was completing the Diamond Cannery Project, and downtown renewal was underway. "I was struck by legacy of the Port, its creativity, and accomplishments," McElwee indicates.

Prior to that, he held positions as planner and designer at various firms. He holds a Certificate of Special Studies in Administration and Management from Harvard University, and a Bachelor's in Landscape Architecture from University of Oregon.

So far, McElwee says he's impressed with the people of the community, and thinks the interview process was open, engaging, warm. "I'm energized, excited, ready to get



Michael McElwee brings long-term planning experience to the Port's Executive Directorship.

started," he declares. "My expectation is to make contact with as many people as possible in the first 90 days" he discloses. McElwee has signed a two-year contract with the Port, including regular evaluations.

The McElwees already have ties to Hood River. McElwee's wife, Kathryn, has family in The Dalles and Cascade Locks. The couple has two sons. Christopher, age five, begins kindergarten in the fall, and Connor, age four, will likely attend Little Feet Preschool.

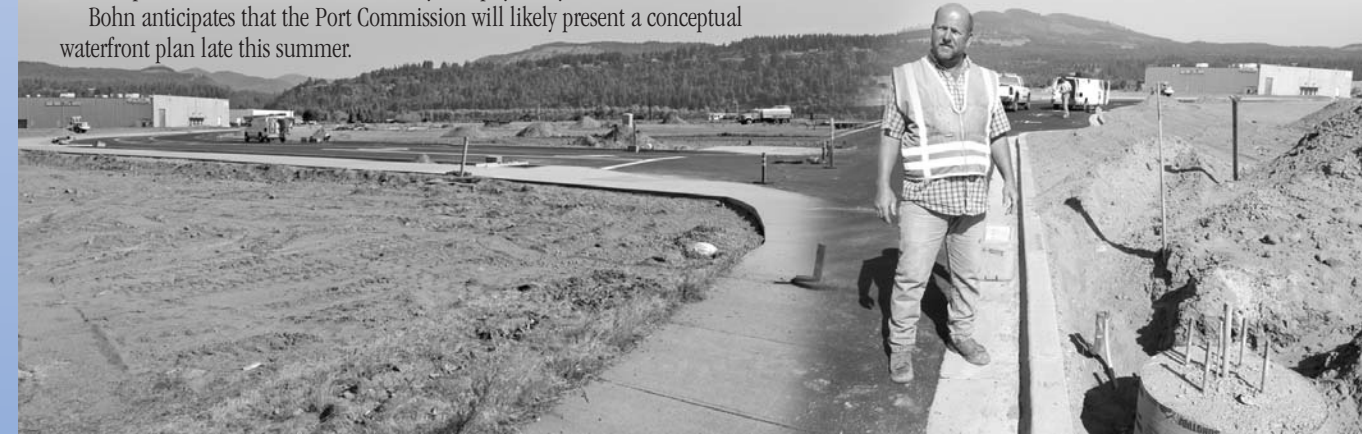
"We have an opportunity to make a difference here," states Commission President Sherry Bohn. Noting that the Port of Hood River has been without an Executive Director for seven months, Bohn adds, "Everyone on staff has stepped up and taken leadership above and beyond what's expected of them to keep projects going forward. They've been empowered. I think Michael McElwee brings the type of leadership that can keep that momentum going."

North Second Street completed

The construction of North Second Street moved along on schedule through the month of May, and is now complete with the exception of landscaping and lighting fixtures. The lighting fixtures will be installed in mid-June after foundations have cured.

"This is the first necessary step to develop the waterfront," explains Port Commission President Sherry Bohn. "I look at North Second Street as the 'connection.' That's the biggest hurdle we face developing the waterfront. All planners over the years have said unless there's a physical connection, downtown and the waterfront are like two islands. With street and streetscape, the two areas are more visually and physically connected."

Bohn anticipates that the Port Commission will likely present a conceptual waterfront plan late this summer.



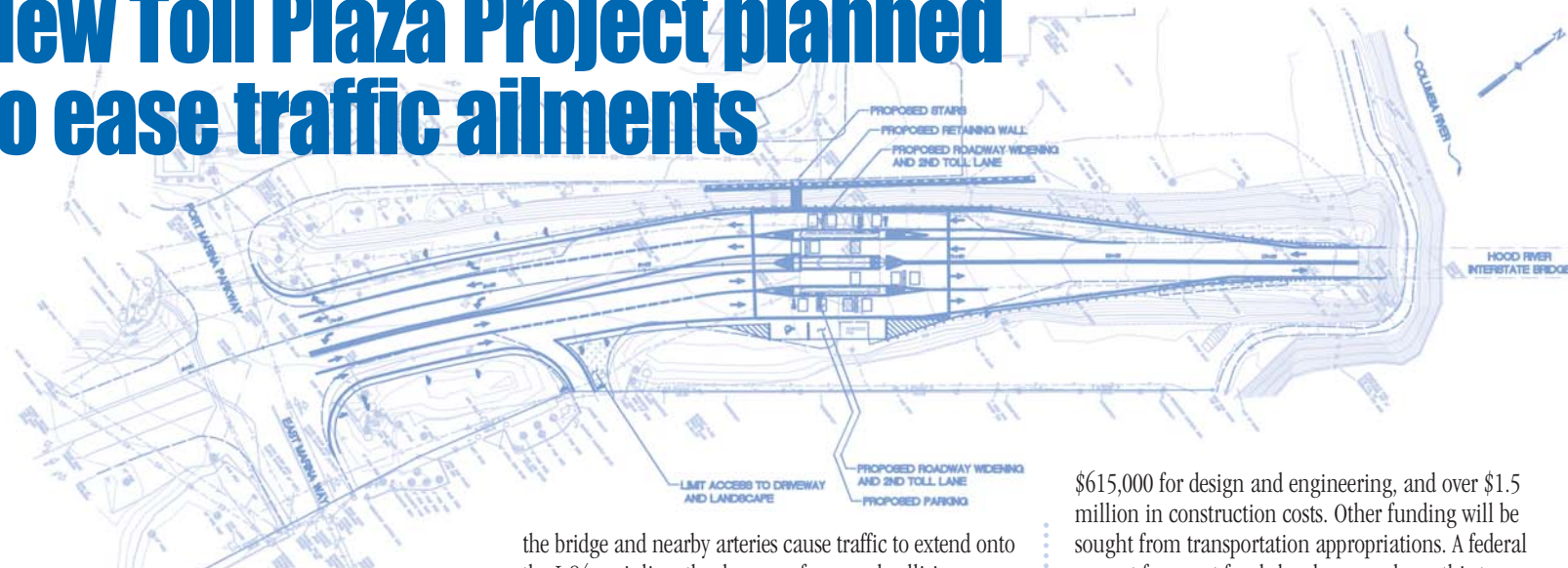
Stuart Chrisman of Mid-Columbia Asphalt visits the site to assess progress in mid-May.



Cloud Cap Technology's staff outside their existing location.

Park with another partner, John Everitt. They plan to construct two buildings on

New Toll Plaza Project planned to ease traffic ailments



Everyone despises traffic jams, and unfortunately drivers in Hood River are becoming more accustomed to them. Frequent congestion at the Hood River Interstate Bridge and the surrounding roadway network during peak afternoon commute times has caused the Port of Hood River and Oregon Department of Transportation to develop strategies and remedies for the town's most notorious back ups.

With traffic volumes on the bridge growing steadily at around 3% per year, projections are for this traffic to increase 50% by 2025. Fortunately solutions are in sight to unclog these arteries, with the first and probably most significant being the Port of Hood River Toll Plaza Improvement Project.

As part of a multi-faceted strategy to alleviate congestion, the Port will add two toll lanes and rebuild the toll plaza beginning this fall. The additional toll lanes will give the Port of Hood River Interstate Bridge the distinction of offering the first automatic tolling system operating in the Pacific Northwest. By May, 2007, the bridge will offer two lanes of traditional toll collection, and two lanes of electronic toll collection. This increased capacity should greatly reduce traffic back ups at the bridge toll plaza and contiguous roads and highways.

At its worst, traffic congestion in this area results in Interstate 84 back ups when eastbound and westbound off ramps at Exit 64 spill back onto I-84. When queues onto

the bridge and nearby arteries cause traffic to extend onto the I-84 mainline, the dangers of rear-end collisions increase as well as the potential for drivers taking risks due to delays and frustration.

The Port's new electronic tolling system will utilize reader cards to identify those enrolled in the program. Automatic gates at the toll plaza will control speeds, but the toll transaction will occur early enough that vehicles should not have to stop completely. Video camera surveillance will also be utilized for violation enforcement.

Natural merging should occur from both lanes entering and exiting the bridge as electronic and manual collection vehicles sort themselves out. The capacity for manual toll collection is approximately 400 vehicles per hour. In Hood River, busy summer days usually peak at around 500 vehicles per hour, which is responsible for back ups on the access roads to the bridge and interstate off-ramps. Automatic toll collection can double current tolling capacity, allowing for 800 vehicles per hour in each direction with the new system, according to Linda Shames, Finance Manager for the Port.

"Coincidentally, 900 vehicles per hour is the capacity of the Hood River Bridge, according to HNTB Engineers. Various entities have different goals with automatic tolling. Ours is congestion relief," Shames states.

This new system should also increase convenience for frequent bridge users. Drivers can deposit funds in their accounts with tolls automatically deducted at each pass through the toll plaza. The reader card mounts inside the windshield, and can be reloaded with funds. Ticket books will soon be obsolete. Drivers using this system can cross the bridge without stopping, or even opening a window.

"There will be a tremendous amount of work at the Port office to prepare for this transition," according to Shames. "We will be adding credit card processing and introducing a system for maintaining customer accounts. The Port is exploring telephone and internet purchases, as well."

Total construction costs are expected to be \$4,275,000 which includes the Toll Collection System, Toll Plaza, and roadway modifications. The Port will contribute

\$615,000 for design and engineering, and over \$1.5 million in construction costs. Other funding will be sought from transportation appropriations. A federal request for grant funds has been made on this top priority for federal lobbying efforts by the Hood River Coalition, a consortium of representatives from Hood

River County, City of Hood River, and Port of Hood River. If not forthcoming, the project will proceed in two phases.

The outside tolling lanes will be built initially, followed by construction of the toll house. Traffic interruption will be minimal.

Shames says the Port has explored one-way tolling, but discovered a myriad of issues make it unappealing. "Mainly, people don't like to queue on the bridge. The possibility also exists for inequality in one-way tolling," Shames explains. Often tourists travel just one-way across the bridge, while trucks pay based on their number of axles.

Logging trucks are more expensive when full, as drivers generally pull up back trailers when empty. And anytime tolls double, there's a sense of unfairness. "We've analyzed one way tolls, and they don't make sense for this bridge," Shames reports.

Other solutions to alleviate congestion are planned by Oregon Department of Transportation (ODOT). ODOT is modifying all Exit 64 interchanges in 2007, including tight diamond intersections, four lanes with full signalization, and realignment of the offramps to improve turning for trucks. The Port's new toll collection facility will complement these solutions.

"Various entities have different goals with automatic tolling. Ours is congestion relief."

Linda Shames, Finance Manager

Development interest high at Wasco Business Park

Numerous land purchases have closed at the Port of Hood River Wasco Business Park. The last available lot is scheduled for closing in early June with a local environmental company. These land purchases are making more Light Industrial space available in Hood River, as businesses seeking space will soon be able to consider a number of developments planned.

Legacy Assets to construct flexible incubator buildings

Flex-space buildings will likely be available for lease by year's end from Legacy Assets for light industrial use at Wasco Business Park. Dean Cameron of Legacy Assets has purchased a 1.45 acre lot adjacent to the east side of Wal-Mart. He plans to build flexibly configured incubator units in four to five buildings. Each space is designed to accommodate manufacturing, distribution and/or service companies.

Buildings ranging in size from 4,000 to 8,000 square feet will be divided into 1,000 to 5,000 square foot units to suit each tenant. "I'm hoping to create opportunities for others to succeed," Cameron explains. He adds that his concept for Legacy Assets is to create something permanent in the community, with long-term value.

Rents are expected to start at 60¢ per square foot, depending on the level of interior finish each tenant desires. "The Port of Hood River is providing an excellent opportunity to develop light industrial land," Cameron shares. "And we hope to create an excellent opportunity for small businesses by developing these buildings."

Immediate plans are to construct two buildings in 2006, with others following based on demand.

Cameron lives in The Dalles, and has been a commercial real estate appraiser and consultant for the past 30 years. His office is located at 116 Third St. in Hood



Dean Cameron of Legacy Assets

River. For further information, contact Dean Cameron at 541-386-4558 or email deanjcameron@msn.com.

Future Light Industrial space secured for Cloud Cap Technology

Business partners Ross Hoag and Bill Vaglianti co-founded Cloud Cap Technology, Inc. in 1999 to provide autopilot solutions for the unmanned aerial vehicle market. In six years, the business has grown from two full time employees to 16, plus various local contractors.

"Businesses like ours provide higher paying jobs on average," Hoag remarks. Cloud Cap's customer base is comprised of both large and small defense contractors, the Department of Defense and many of the nation's leading University Aerospace programs. "Since we are locally owned, the revenues we generate stay in the community. It's a good model for the local economy," he adds.

Hoag announces the company is releasing two new products this summer and expects to add more employees and need more space as a result.

That's the type of company the Port of Hood River wants to keep here. In addition, Hoag says the company uses the services of many other local businesses in its

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PDC wraps up first year's work

After a year's worth of meetings, public outreach, input, research and decision-making, the Park Development Committee (PDC) submitted its final report to the Port of Hood River and City of Hood River on design, funding, construction, and long-term maintenance options for the new City park on Lot 6.

The PDC was appointed last spring by the Port and City as part of an intergovernmental agreement to steer design and development of the new park. The Port transferred title of this six-acre riverfront parcel, valued at \$1.7 million, to the City on January 19.

A preliminary concept design has been a major focus of the PDC's work and recommendations. This plan, created by Greenworks PC, a Portland landscape architecture firm, includes all of the Port-required park elements, and additional elements deemed desirable by the committee.

Additionally, the PDC assisted the City of Hood River with numerous grant applications for park development funds. The PDC received \$5,000 seed money from the Port, while the City received a \$10,000 grant from Oregon Investment Board, as well as \$25,000 from Hood River Valley Parks and Recreation District System Development Charges for preliminary park design.

During the design phase, three initial design options were presented at public

meetings in Hood River and Odell, as well as printed in the Hood River News. Posters with each design sketch were displayed around the Port district at nearly a dozen locations. A survey was available during this public input phase, with results analyzed qualitatively and quantitatively. Many citizens also asked questions and offered feedback at the public meetings.

The primary recurring sentiment was that the land should be developed as a family park with multiple uses. Other common issues surrounding park development were native plants and habitat restoration, compatibility of beach uses, parking concerns, and wind mitigation and protection. All of this information was weighed by the PDC, and direction was then given to Greenworks for development of its preliminary concept plan, which again was presented at a public meeting in Hood River.

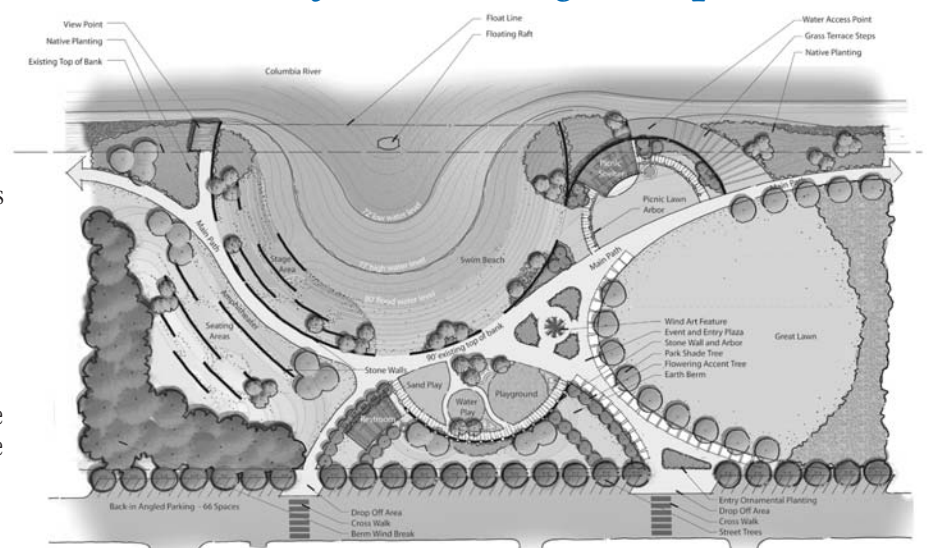
The concept plan presented in the PDC's final report will continue to be refined and improved over the course of the next several months as necessary.

Preliminary estimates for park development are around \$3.5 million, with the likelihood it will be created in two phases. Funding options identified are federal, state and other grants,

donations, System Development Charges (SDCs), and local government allocations.

Maintenance funding options presented in the final report include revenue from user fees and park facility rental, vendor fees, and parking fees. In addition, fundraisers, county service correctional labor, public/private partnerships, and local government allocations are noted.

Waterfront Park Design Concept



The preliminary park design concept includes topological features for wind mitigation and visual aesthetics. It includes turf and open areas, as of yet unspecified plantings of trees and shrubs, a path that would connect to the Riverfront Pedestrian Trail System, a children's play area, event and picnic areas, restrooms, and a beach.

OUTSTANDING ACHIEVEMENT

The Port of Hood River received the 2006 Outstanding Achievement Award from the Special Districts of Oregon Association for the park land donation to the City of Hood River. This award is on display at the Expo Center Conference Room.

PORT DIRECTORY

Commissioners

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PORT MEETINGS Regular Port Commission meetings are held on the 1st and 3rd Tuesday of each month in the Expo Center Conference Room. The Port welcomes your questions, comments and suggestions.