

PORT OF HOOD RIVER COMMISSION
Tuesday, January 10, 2017
Marina Center Boardroom

Executive Session Agenda
4:00 p.m.

1. Executive Session under ORS 192.660(2)(e) Real Estate Negotiations
-

Regular Session Agenda
5:00 p.m.

1. Call to Order
 - a. Modifications, Additions to Agenda
2. Public Comment (5 minutes per person per subject; 30 minute limit)
3. Consent Agenda
 - a. Approve Minutes of December 13, 2016 Regular Session (*Laurie – Page 3*)
 - b. Approve Accounts Payable to Jaques Sharp in the Amount of \$5,460 (*Fred – Page 9*)
4. Reports, Presentations and Discussion Items
 - a. FY 15/16 Audit (*Fred Kowell/Tara Kamp, Pauly Rogers and Co. – Page 15*)
 - b. Lower Mill Development Update & Design Guidelines Review (*Anne – Page 17*)
 - c. Waterfront Parking Plan Update (*Michael – Page 25*)

--Open Public Testimony Regarding Waterfront Parking Plan--

5. Director's Report (*Michael – Page 37*)
 6. Action Items
 - a. Approve Audit for Fiscal Year Ending June 30, 2016 (*Fred – Page 45*)
 - b. Approve Property & Liability Insurance Policy with SDIS in the Amount of \$76,644 (*Fred – Page 47*)
 - c. Approve Bridge Insurance Policy with Durham & Bates in the Amount of \$249,759 (*Fred, Scott Reynier, Columbia River Insurance – Page 51*)
 - d. Approve Lower Mill Design Guidelines (*Anne – Page 73*)
 - e. Authorize Acceptance of Oregon Department of Transportation *ConnectOregon* VI Grant in the Amount of \$1,364,900 and Approve Execution of Grant Agreement for the Aviation Technology and Emergency Response Center at the Ken Jernstedt Airfield (*Genevieve – Page 81*)
 7. Commission Call
-
8. Executive Session under ORS 192.660(2)(e) Real Estate Negotiation and ORS 192.660(2)(f) Consideration of Information Exempt from Public Inspection
 9. Possible Action
 10. 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 December 13, 2016 Regular Session
 Marina Center Boardroom
 5:00 P.M.**

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

- Present:** Commissioners Jon Davies, Fred Duckwall, and Brian Shortt; Legal Counsel Jerry Jaques; from staff, Michael McElwee, Fred Kowell, Anne Medenbach, Genevieve Scholl, and Laurie Borton
- Absent:** Commissioners Rich McBride and Hoby Streich
- Media:** Patrick Mulvihill, Hood River News

1. CALL TO ORDER: President Shortt called the Regular Session meeting to order at 5:00 p.m.
a. Modifications, Additions to Agenda: The Expo Project Update was presented by Jeff Pickhardt as Arthur Babitz was unavailable due to illness; and the November 15 Fall Planning Work Session minutes were pulled from the agenda for modification.

2. PUBLIC COMMENT: Stu Watson and Greg Simpson, Hood River Lions members, spoke to the Commission regarding the Club’s search for a paved area to park a couple of large storage containers that would be used as a sorting/staging facility for their recycling efforts that creates a revenue stream for funds given back to the community. Although they have a potential long-term site identified in Odell they would prefer a location closer to the freeway to accommodate the monthly pick-up by the Oregon Beverage Recycling Cooperative. The Maritime location on the waterfront was identified as a potential option for a 12-18 month use. Staff will come back to the Commission in January with options. Becky Brun re-introduced Gorge Owned, a non-profit organization that runs a variety of programs (GO! Local, GO! Sense of Place, GO! Solar, Leaders for Tomorrow, Clean Energy Works, for example) with a mission of educating and inspiring Gorge residents to take actions that will directly improve the health of the local economy, natural environment and sense of community. Gorge Innoventure, a tenant in the Marina Center Building, approached Gorge Owned about a collaboration. Brun said Gorge Owned would like to come back to the Commission at a future meeting to discuss taking on more of a leadership role in assuming the office space adjacent to the Port office.

- 3. CONSENT AGENDA:**
- a. Approve Minutes of ~~November 15, 2016 Fall Planning Work Session~~ and November 29, 2016 Work Session and Regular Session [Fall Planning Work Session Minutes were pulled from the agenda]
 - b. Approve Accounts Payable to Jaques Sharp Attorneys at Law in the amount of \$13,400

- Motion:** Move to approve Consent Agenda as modified
Move: Davies
Second: Duckwall
Discussion: Davies cited a potential conflict of interest due to a client relationship with Jaques Sharp Attorneys at Law
Vote: **Aye:** Davies, Duckwall, and Shortt
Abstain: McBride and Streich

MOTION CARRIED

4. REPORTS, PRESENTATIONS AND DISCUSSION ITEMS:

a. Expo Project Update – Key Development: Jeff Pickhardt informed the Commission the growth of Turtle Island is outpacing the original project design intended for warehousing. Key has proposed Amendment No. 6 (an agenda Action Item) to the Restated Disposition and Development Agreement (DDA) that will change the project as flexible space rather than warehousing and project timelines. During the discussion, Pickhardt responded to questions from the Commission about the project changes.

b. Legislative Update – Thorn Run Partners: Dan Bates provided a call-in report from Salem regarding Thorn Run’s ongoing efforts in Salem on behalf of the Port. A fair amount of time has been invested on funding and structure discussions for a bridge replacement effort with various stakeholders, including ODOT, and Bates said there has been a positive reception to these discussions. Thorn Run has also met with transportation and budget committee members and noted that Rep. Mark Johnson is also talking with his colleagues about the importance of a bridge replacement project. Bates noted, however, that shortfalls in Governor Brown’s budget that was released last week will need to be recovered and the funding tone may be difficult in the next 6-9 months. In response to Commissioner Davies’s question regarding a delay in lobbying efforts until funding sources were better, Bates indicated we would be remiss in foregoing these efforts. Bates also stated the transportation super committee will have an influence with ODOT in advising where funding will go and how it will be implemented, as well as the legislature and the Ways & Means Committee. Bates said the magnitude of asks and available funds will be all over the board, and that it’s too early to answer the ultimate question of how much can be raised and how much will be bonded. Michael McElwee, Executive Director, commented that he and Genevieve Scholl, Communications & Special Projects Manager, are holding weekly conference calls with Bates for updates.

c. FASTLane Application Draft Review: The FASTLane application for pre-construction activities associated with replacement of the Hood River Interstate Bridge will be submitted December 15. The **draft** request has a total project cost of \$9.3 million, which represents a grant amount of \$5.58M and a local match of \$3.72M to fund completion of a Final Environmental Impact Statement, preliminary engineering, and right-of-way acquisitions. The draft, which is 90% complete, was reviewed by Scholl. Copies of support letters were also provided for the Commission’s review. Scholl acknowledged Chief Financial Officer Fred Kowell and Dallas Fridley, Regional Economist with the Oregon Employment Department, for providing financial data for the FASTLane application. *[Note: the final budget for the project cost was submitted for \$8.71million, for a grant amount of \$5.05M and a local match of \$3.66M.]*

5. DIRECTOR’S REPORT: The January meeting schedule was discussed and there was consensus to offset meetings by one week due to packet preparation being affected by holiday schedules; therefore, January meetings will be held on the 10th and the 24th. The Facilities crew was thanked by McElwee for their significant responses to December snow events keeping Port properties plowed and sanded. McElwee reported he had attended the first day of a FEMA Integrated Emergency Management class, as a community partner, regarding lessons learned from the oil train derailment in Mosier this past June. Local agency personnel received further training for a team-based response to disasters. Power interruptions on North C Dock are still occurring, although a little less frequently and testing will continue weather-permitting. A public meeting discussing implementation of the waterfront parking plan has been scheduled for 5:30 p.m. on December 15. Possible action will be brought to the Commission at the second meeting in January. Installation of removable bollards east of the new hotel has been completed by NBW Hood River (Naito Development). This work fulfills most of their obligation under the terms of the Emergency Access Easement Agreement. The remaining obligation of seven parking spaces for public use likely won’t occur until after completion of the commercial building that is now under construction. Anne Medenbach, Development & Property Manager, was acknowledged by McElwee for her work resulting in the FAA’s recent approval to reclassify the airport to a non-utility designation. Stafford Bandlow Engineering has not yet finalized the strain gauge and mag particle testing report of the lift span conducted in November. Installation of new bridge lights is expected to occurring the last week in January 2017. Shortt recommended getting bridge illumination before and after photos.

6. COMMISSIONER, COMMITTEE REPORTS: None.

7. ACTION ITEMS:

a. Approve Contract with Kapsch TrafficCom IVHS Inc. for Toll System Hardware Upgrade in the Amount of \$281,579: Tolling consultant, Dennis Switaj of HDR Engineering, provided a PowerPoint presentation summarizing HDR’s and P-Square’s project approaches over the past 12-14 months and commented on items to be migrated and implemented in 2017. The IDRIS system, or lane loops that reads axle counts, are deteriorating and nearing the end of their useful life. The transponder readers for the Electronic Toll Collection system, or ETC, will be replaced at the same time as the IDRIS system. Switaj looked at several replacement options for both hardware systems with cost and efficiency in mind and determined that Kapsch provided the lowest cost and would handle the installation and testing of all its hardware. A pricing benefit in transponder purchases will also be achieved by moving forward with Kapsch under this agreement in 2016. The Port will begin phasing out the transferrable transponder and moving to a different sticker type transponder that will be less expensive for customers. The new ETC readers will be multi-protocol readers able to read all existing and new transponders. This contract for readers and loops will take care of the Port’s existing asset and the life expectancy for the new hardware is typically 8-10 years. Switaj responded to questions regarding license plate recognition stating new hardware would be necessary and software would need to be enhanced along with entering into Intergovernmental Agreements with state agencies for enforcement.

- Motion:** Move to approve contract with Kapsch TrafficCom IVHS Inc. for replacement of IDRIS and ETC systems and a one-year maintenance agreement for an amount not to exceed \$281,579 subject to legal counsel review.
- Move:** Duckwall
- Second:** Davies
- Vote:** **Aye:** Davies, Duckwall, and Shortt
Absent: McBride and Streich

MOTION CARRIED

b. Approve Contract with P-Square Solutions LLC for Toll System Architecture in the Amount of \$97,777: After further review of the tolling system software system developed and implemented by P-Square, Kowell reported that it has become evident that, if in the future, the Port wants to go to an ALL electronic tolling system the IT infrastructure originally planned is not sufficient. The IT infrastructure also did not contemplate the existing office environment, which is all stand-alone with individual backup systems of different variety that do not have an overall framework that allows for integrated security, backup, retrieval, procedures and functionality. Today’s system is not totally PCI compliant (Payment Card Industry data Security Standard) and when web portal payment is implemented the level of activity will require higher levels of security, backup, retrieval and policies to be in place. This contract puts into place an IT infrastructure and framework/architecture that allows scalability and meets PCI requirements and future system developments.

- Motion:** Move to approve contract with P-Square Solutions, LLC for implementation of an integrated IT Infrastructure and Architecture for Port office and tolling systems in the amount of 497,777 subject to legal counsel review.
- Move:** Davies
- Second:** Duckwall
- Vote:** **Aye:** Davies, Duckwall, and Shortt
Absent: McBride and Streich

MOTION CARRIED

c. Approve Amendment No. 6 to Expo DDA with Key Development: This sixth amendment to the Amended and Restated Disposition and Development Agreements has limited changes to the development scope and establishes a revised schedule anticipating completion of the Parcel 1 project in early 2018, which is about a year later than the current schedule. Jaques questioned the recital date for Amendment 5, which was

delivered to the Port by Pickhardt at tonight’s meeting. McElwee stated the effective date for Amendment 5 would be revised as of today’s date. Davies inquired if approval at this meeting was critical since two Commissioners were absent; Duckwall responded that he did not believe the outcome would change if action was delayed until January.

- Motion:** Move to authorize Amendment No. 6 to the Amended and Restated Disposition and Development Agreement with Key Development, Inc. subject to legal counsel review.
- Move:** Duckwall
- Second:** Davies
- Vote:** **Aye:** Davies, Duckwall, and Shortt
Absent: McBride and Streich

MOTION CARRIED

d. Approve 2017 Marina Moorage Rules & Regulations: Laurie Borton, Marina Manager, summarized additions and modifications to the Marina Moorage Rules & Regulations that will provide better clarity for both tenants and staff. Revisions were vetted with the Marina Committee and Borton noted the statement related to interruptions of electrical service was provided by Legal Counsel. Upon discussion from Commission input, further clarification will be made to overall vessel length allowed in a slip requiring Port approval, and authority to board vessels if a tenant or their emergency contact cannot be reached within a designated timeframe. For comparison purposes, Shortt recommended that staff obtain agreements from other marinas and annual moorage rate comparisons, and attend OPPA/WPPA marina committee meetings.

- Motion:** Move to approve revisions to Marina Moorage Rules & Regulations effective January 1, 2017 subject to changes discussed.
- Move:** Duckwall
- Second:** Davies
- Vote:** **Aye:** Davies, Duckwall, and Shortt
Absent: McBride and Streich

MOTION CARRIED

8. COMMISSION CALL: Commissioner Davies inquired about the Port’s approval of a dog park on the waterfront that was reported in a recent Hood River News article stating he didn’t recall taking that action. Shortt stated 2016 had been a wonderful year and everyone should be proud of a job well done running the Port and of all the accomplishments.

9. EXECUTIVE SESSION: Regular Session was recessed at 7:05 p.m. and the Commission was called into Executive Session under ORS 192.660(2)(e) Real Property Transactions.

10. POSSIBLE ACTION: The Commission was called back into Regular Session at 8:35 p.m. The following action was taken as a result of Executive Session.

- Motion:** Move to approve Memorandum of Understanding with Hood Tech Corp Aero Inc. for development of the south side hangar area of the Ken Jernstedt Airfield.
- Move:** Davies
- Second:** Duckwall
- Vote:** **AYE:** Davies, Duckwall, and Shortt
ABSENT: McBride and Streich

MOTION CARRIED
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Motion: Move to approve lease amendment with the State of Oregon, Department of Motor vehicles, to extend the lease through December 31, 2019 subject to legal counsel review.

Move: Duckwall

Second: Davies

Vote: **AYE:** Davies, Duckwall, and Shortt
ABSENT: McBride and Streich

MOTION CARRIED
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Motion: Move to approve lease with Walden for Congress, Inc. for the campaign office in the DMV Building subject to legal counsel review.

Move: Davies

Second: Duckwall

Vote: **AYE:** Davies, Duckwall, and Shortt
ABSENT: McBride and Streich

MOTION CARRIED
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Motion: Move to approve lease with Greg Walden, Member, U.S. House of Representatives for the District Office in the DMV building subject to legal counsel review.

Move: Davies

Second: Duckwall

Vote: **AYE:** Davies, Duckwall, and Shortt
ABSENT: McBride and Streich

MOTION CARRIED

11. ADJOURN: At 8:37 p.m. there was unanimous approval on the motion by Commissioner Duckwall to adjourn the meeting.

Respectfully submitted,

Laurie Borton

ATTEST:

Brian Shortt, President, Port Commission

Jon Davies, Secretary, Port Commission

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Prepared by: Fred Kowell
Date: January 10, 2017
Re: Accounts Payable Requiring Commission Approval

Jaques Sharp	\$5,460.00
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Attorney services per attached summary

TOTAL ACCOUNTS PAYABLE TO APPROVE	\$5,460.00
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JAQUES SHARP

ATTORNEYS AT LAW

205 3RD STREET / PO BOX 457
HOOD RIVER, OR 97031
(Phone) 541-386-1311 (Fax) 541-386-8771

CREDIT CARDS ACCEPTED

HOOD RIVER, PORT OF
1000 E. PORT MARINA DRIVE
HOOD RIVER OR 97031

Page: 1
January 04, 2017
Account No: PORTOHAM

Previous Balance	Fees	Expenses	Advances	Payments	Balance
CONTRACT (Marina Moorage Rules) 600.00	0.00	0.00	0.00	-600.00	\$0.00
MISCELLANEOUS MATTERS JJ 1,080.00	180.00	0.00	0.00	-1,080.00	\$180.00
ORS 777 CHANGES 380.00	0.00	0.00	0.00	-380.00	\$0.00
LEASE (Wyeast Laboratories, Inc.) 200.00	0.00	0.00	0.00	-200.00	\$0.00
EXPO SITE DEVELOPMENT (Key Development;Pickhardt) 860.00	100.00	0.00	0.00	-860.00	\$100.00
BRIDGE SOFTWARE (P Square Solutions) 140.00	1,780.00	0.00	0.00	-140.00	\$1,780.00
AIRPORT HANGER LEASE (Gorge Leasing Co/SDS Lumber) 140.00	0.00	0.00	0.00	-140.00	\$0.00
BIG 7 LEASE (Big Y Fly, Corp. Inc) 160.00	0.00	0.00	0.00	-160.00	\$0.00

HOOD RIVER, PORT OF

Account No: January 01
PORT

Previous Balance	Fees	Expenses	Advances	Payments	Balance
CONTRACT (H.D.R. ENGINEERING)					
60.00	0.00	0.00	0.00	-60.00	\$0.00
DOG PARK					
800.00	0.00	0.00	0.00	-800.00	\$0.00
JANITOR SERVICES CONTRACT (Allied Maintenance LLC)					
20.00	0.00	0.00	0.00	-20.00	\$0.00
LEASE (Cloud Cap Technology)					
40.00	0.00	0.00	0.00	-40.00	\$0.00
CITY PARKING IGA					
180.00	0.00	0.00	0.00	-180.00	\$0.00
BRIDGE FUNDS					
160.00	0.00	0.00	0.00	-160.00	\$0.00
BRIDGE REPLACEMENT 2016 (ODOT/WDOT)					
2,640.00	820.00	0.00	0.00	-2,640.00	\$820.00
LEASE (Pacific Source Health)					
20.00	0.00	0.00	0.00	-20.00	\$0.00
AIRPORT DEVELOPMENT (Tac-Aero)					
20.00	1,400.00	0.00	0.00	-20.00	\$1,400.00
PROPERTY SALE					
0.00	20.00	0.00	0.00	0.00	\$20.00
SOUTH RUNWAY PROJECT					
4,780.00	0.00	0.00	0.00	-4,780.00	\$0.00
LOOMIS MONEY AGREEMENT (Loomis Armored US, LLC)					
40.00	0.00	0.00	0.00	-40.00	\$0.00
2016 TOLL INCREASES					
980.00	0.00	0.00	0.00	-980.00	\$0.00
AIRPORT MINIMUM STANDARDS (FAA)					
60.00	0.00	0.00	0.00	-60.00	\$0.00
LEASE (Scorpius KTM, LLC & William Sullivan)					
40.00	0.00	0.00	0.00	-40.00	\$0.00

HOOD RIVER, PORT OF

Account No: January 0
PORT

Previous Balance	Fees	Expenses	Advances	Payments	Balance
TOLLING SYSTEM UPGRADE (Kapsch Traffic Com Corp)					
0.00	1,040.00	0.00	0.00	0.00	\$1,040.00
AIRPORT LIGHTS (Airside Solutions Inc)					
0.00	120.00	0.00	0.00	0.00	\$120.00
<u>13,400.00</u>	<u>5,460.00</u>	<u>0.00</u>	<u>0.00</u>	<u>-13,400.00</u>	<u>\$5,460.00</u>

**THIS STATEMENT REFLECTS SERVICES PROVIDED AND
PAYMENTS RECEIVED THROUGH THE 31ST OF DECEMBER
UNLESS OTHERWISE STATED**

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Prepared by: Fred Kowell
Date: January 10, 2017
Re: Audited Annual Financial Report for FY 2015-16

Attached is a copy of the audited Annual Financial Report for the fiscal year ended June 30, 2016. In addition, you will also find a copy of the Communications to the Governing Body (SAS 114 Letter) which summarizes the audit and our role as management with regard to the financial statements, internal controls, and our interactions with the auditor.

Last year we started recording the PERS pension transactions to our financial statements in which we recorded a net pension asset of \$201,797. However, due to the outcome of the PERS legislation through the court system, we have a significant swing in our pension unfunded status. We now have a net pension liability of \$474,231. In this next budget cycle we will show an increase in our PERS contributions rate which should control the increase in this unfunded pension liability.

Overall, our change in Net Position for the Port was a positive \$1,558,865. This was attributable to the increase in revenues driven in large part by a 5.6% increase in bridge traffic, as well as the funding from our capital grants (i.e., Nichols Basin West Edge Trail, Hook Launch and the Airport master plan). The Port continues to be a good steward of public funds and makes every effort to make the Port more efficient and effective as a public entity.

The annual audited financial report is a significant amount of work and will take some time to read and analyze. Staff is ready to answer any questions you may have regarding the financial statements or their accompanying notes.

Tara Kamp is our auditor and is a partner with the auditing firm of Pauly, Rogers and Co., PC. She will attend the January 10th meeting to go over the audit and answer any questions or provide clarifications at the request of the Commission.

Note: Please bring your copies of the audit to the January 10 meeting.

RECOMMENDATION: Discussion.

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Prepared by: Anne Medenbach
Date: January 10, 2017
Re: Lower Mill Site Development Update

The development at the Lower Mill site is nearly complete with the exception of three items detailed below. Items 2 & 3 impact only Lot 902 which borders Hwy 35. Item 1 impacts the entire 12 acres and is the priority.

As the Port moves closer to selling lots, staff recommends the Commission revisit design guidelines for the site (attached). The Port previously wanted to promote industrial activity but retain some control of the overall look of the final development. In the end, this is a site that will have many iterations of industrial use and the Port will want to limit restrictions while maintaining design integrity.

1. Crystal Springs Water District Waterline expansion and extension

Approximately 1800 LF of 10" waterline needs to be installed in order to increase fire flow at the site. This waterline will need to be engineered by Port-retained engineers and will need to go through the permit process with CSWD. It is currently unclear what portion if any of the work will be done by CSWD or if the Port will simply go to bid for the installation of the project. The estimated cost in the table below provided via preliminary costing by Vista GeoEnvironmental. In addition to the physical improvements, SDC's may need to be paid before lot sales.

2. Wetland permitting and mitigation

There is a .86 acre wetland on Lot 902. In order to mitigate this, the Port can either expand an existing wetland or create a new wetland. Staff has been in contact with a neighboring property owner who is willing to negotiate with the Port to expand the wetland on their site in exchange for improvements to the existing pond access. Staff is confident that this can be done to the mutual benefit of both the property owner and the Port. The water would remain in the same drainage, expand an existing wetland asset, improve operations for the existing tenant and reduce mitigation cost.

3. Dirt pile relocation

There is a 20,000 CY pile of dirt/woody debris on Lot 902. Staff has researched recycling options around the state, disposal options via train and truck hauling to waste facilities, hauling to private property for re-use, and has opened the site to private individuals to take mulch for free. To date about 2,000 CY has been removed. Staff has worked with engineers to determine that the Airport can accommodate all of the dirt within its "no development" zones. The cost would be mostly haul costs with loading, rolling and seeding the areas on the Airport that would hold

the fill. This can be done at any time before the wetland mitigation; staff recommendation is that this be done in Spring of 2018.

	Completion timeline	Estimated cost
1. CSWD waterline extension	July 2017	\$200,000
2. A. Wetland Permitting	Feb. 2017-Feb. 2018	\$20,000
2. B. Wetland Mitigation	June 2018	\$75,000
3. Dirt pile relocation	June 2018	\$100,000
	Total Cost	\$395,000

RECOMMENDATION: Discussion. Design guidelines approval is an action item.

**PORT OF HOOD RIVER
LOWER MILL INDUSTRIAL SITE
FOR DISCUSSION
DESIGN GUIDELINES
January 2017**

These Design Guidelines (Guidelines) have been adopted by the Port of Hood River Commission (Port) to ensure that high quality site planning, architecture, and engineering are developed and maintained throughout the Lower Mill Industrial Site (Site).

I. GENERAL APPLICATION

- A. These Guidelines apply to all development projects carried out on land leased or purchased from the Port located within the Site (Exhibit A). The Guidelines will typically be used in association with disposition agreements, leases or other contracts which will reflect the unique requirements, such as schedule and compliance actions, for individual projects. “Development” includes any building or site improvement, construction, renovation or rehabilitation, and exterior alterations to existing buildings. Notwithstanding the generality of the preceding sentence, the Guidelines do not apply to:
1. Interior modifications which do not alter the exterior appearance of a building; or
 2. A development that the Port has exempted from the application of the Guidelines;
- B. The Port may limit application or waive specified Guidelines in its sole discretion.
- C. In addition to applicable Guidelines, proposed development in the Lower Mill Site shall conform to the requirements of other governing bodies, including but not limited to, the Hood River County (County).
- D. The Port will review proposed development based upon the purposes of these Guidelines set out in Sections III.A and IV.A below, as implemented through the criteria of Sections III.B and IV. B. below, and considering the available facts regarding the particular development, and the best interests of property owners in the Site.

II. REVIEW PROCESS

The Port will review and approve Plans for all development in the Site using the following process. The Port’s authority is exercised in its proprietary capacity in Hood River County as seller or lessor of property, and the Port’s decisions relating to the Guidelines are not land use decisions. During the review, the Port will consider the unique aspects of each development and assist individual developers or tenants as necessary to avoid delay or inconveniences in the execution of plans. It is not the Port’s intent to dictate design features. The Port encourages creative design, quality development and collaboration between developers and businesses which will enhance the Site.

For each development, the property owner will designate its representative(s) for engagement with the Port, and the Port is entitled to rely on the statements of the representatives as those of the owner. For purposes of these Guidelines, an owner or its representative with authority to act on behalf of the owner will be referred to as the “developer.” The Port shall act through its Executive Director or his/her designee.

A. Preliminary Plan Review Meeting

A pre-design and orientation meeting shall be held with the developer, architect and Port staff to discuss the proposed development, design concept, and specific considerations associated with these Guidelines (“Preliminary Plan Review”). This meeting will provide initial Port design input and an overview of the review process. This meeting should be held in the early stages of development design. The Port may provide input and recommendations based on the preliminary plans during the meeting, and during any period after the meeting to which the parties may agree. However, the Port’s recommendations are not binding on the developer. The Port need not produce a written record of this meeting, unless the Port determines that the proposed development is clearly not subject to these Guidelines, in which case, the Port will notify the developer of that determination, and the developer need not continue in the review process.

B. Plan Review

Unless the Port notifies the developer as a result of the Preliminary Plan Review that the Guidelines do not apply, prior to submitting a development plan to Hood River County for regulatory Site Plan review, the developer shall provide draft site plans to the Port, and obtain Port approval of those plans. These site plans are intended to provide as much detail as possible on the development to determine conformance with the Design Guidelines.

Preliminary plans shall consist of the following:

1. A cover sheet or page showing general project information including project title, date, owner, developer, architect/engineer team, engineer, address for notices to the developer, the development schedule and project location.
2. A brief development summary describing the project including, intended uses, employee projection, hours of operation, estimated traffic impact and truck access needs, building size, landscape concept, building design intent, noise, light, or odors associated with the proposed use, and any other pertinent project information requested by the Port as a result of the Preliminary Plan Review.
3. Site plan drawn to an appropriate scale showing:
 - (1) The location and dimensions of property lines, street rights-of-way, easements (proposed and existing) and setbacks (buildings, Site parking, etc.).

- (2) Building location;
- (3) Driveway/ curb cut locations and sizes;
- (4) Site parking, loading and service area layout, including designated Site parking areas for employee, visitor, or other limited use Site parking areas, maneuvering areas, outdoor storage and refuse collection location
- (5) Type and location of planting material and landscape features;
- (6) Location of all utilities including gas, electricity, telephone, water and storm and sanitary sewers;
- (7) Grading and site drainage information; and
- (8) Exterior yard or storage area outline with projected heights and types of equipment and/or material.

4. Floor plans which indicate the layout and uses for all building floors. These drawings should also indicate primary entrances.. Interior materials and finishes need not be presented.

5. Elevations showing proposed exterior wall and roof materials, height of proposed structure, and any special architectural features, such as canopies, columns, and the like.

6. Location, height, and size of any exterior mechanical, electrical or process equipment whether on site or roof-mounted, and the proposed screening technique for such equipment.

A meeting with Port staff is encouraged to describe the submitted materials. Regardless of whether a meeting is held, within ten working days of the Port's receipt of all materials, or longer time period if the Port needs additional time to review the materials and notifies the developer ("Plan Review Period"), the Port shall respond in writing to the developer indicating the Port's findings relating to the Building Design Guidelines and the Site Design Guidelines set out in Sections III and IV below, including the Port's intent to allow any deviation from the Guidelines. During the Plan Review Period, Port staff may contact the developer to discuss the submission and resolve any specific site issues or concerns.

If the Port finds that the proposed plan does not comply with the applicable Guidelines or that insufficient information has been submitted, and the Port does not waive or limit the Guidelines, then the developer shall modify the proposed site plan to satisfy the Guidelines, and thereafter resubmit the revised site plan for Port approval. The Port's review of a revised site plan will be limited to review of the revisions to the previously non-complying components of the development and any other components added or changed from the original site plan submitted. The Port will complete a review of the revised site plan within five (5) working days of resubmission, or longer time period if the Port needs additional time to review the materials and notifies the developer, with the same opportunities for discussion as in the original review.

Developer may not submit its proposed site plan for County regulatory Site Plan review until the Port and the developer have agreed to the proposed site plan. If the City's regulatory Site Plan review changes a component previously approved by the Port, the County Site Plan review decision shall govern the site plan provided the change is a County requirement not requested by the developer or if requested by the developer the change is acceptable to the Port.

C. Final Plan Review

Prior to submitting plans and related information necessary for County building permits, the developer shall provide one copy of the information to the Port for Port review and approval. The Port will review and notify the developer within ten working days of any non-conformance with these Guidelines, or later if the Port needs additional time to review the information and notifies the developer, and unless the Port waives compliance, the Port will specify changes that are necessary. The Port will not object to any components of the development which it has previously approved, or to any component changed by County Site Plan review provided the change is a County requirement not requested by the developer or if requested by the developer the change is acceptable to the Port. The developer shall not submit the information to the County for building permit review until the Port has approved the submission.

D. Construction Review

If changes are made to any Port approved plans during the County building permitting process, the developer shall clearly describe and highlight such changes and provide one copy to the Port for review prior to any changes being constructed. The Port will make any comments on the changes within ten working days of receipt of the changes from the developer, or later if the Port needs additional time to review the changes and notifies the developer. Developer will seek to incorporate the Port's comments into the development to the extent reasonably possible within the requirements of the County permitted plans.

E. Record Drawings

As-constructed drawings (single hard copy and digital copy) of all development on the site and all underground utilities, including any required utility easement area, shall be furnished to the Port no more than thirty days after the County issues the final County Certificate of Occupancy for the development.

III. BUILDING DESIGN GUIDELINES

A. PURPOSE

The following Building Design Guidelines are intended to promote industrial user functionality while enhancing the Site's visual appeal, to pay homage to the historical timber connection of the

site, to encourage sustainable design, thus strengthening the image as a progressive industrial campus.

B. GUIDELINES

1. Metal buildings are permitted, however utilizing high quality materials such as Cross Laminated Timber panels or other advanced wood products, tilt up concrete, and masonry where appropriate is highly encouraged.
2. Provide variety in the use of materials and permanent architectural features, such as windows, recesses, off-setting walls, changes in materials, and other features which may be proposed;
3. If possible, screen roof mounted equipment from view from Highway 35 by use of parapet wall, mechanical enclosure (penthouse), or other feature that is made of a primary exterior finish material. At a minimum, all mechanical units shall be painted to match the color of the building to minimize visual impacts. Interior hosting of these items is preferred.
4. Consider use of energy efficient and sustainable design techniques including the use of daylighting, passive solar design, solar panels and water re-use systems. If such techniques are not incorporated, the developer's submission will include an explanation of the lack of use.

IV. SITE DESIGN GUIDELINES

A. PURPOSE

The following Site Design Guidelines are intended to create landscape areas that contribute to the aesthetics of the surrounding area, provide attractive setting for buildings, and provide safe, interesting outdoor spaces for employees and customers..

B. GUIDELINES

1. Provide street-side and property line boundary planting and location of utilities within the planting areas where possible in the landscaped street setbacks, with only minimal disruption of these planting areas by access drives.
2. Maintain, as much as possible, the Mt. Adams and surrounding Valley views for all parcels that currently command such a view.
3. Minimize the visual impact of all exterior components of communications, plumbing, power, processing, heating, cooling and ventilating systems from adjoining streets, parcels, buildings, with the goal that the Site have a vegetated feel.

4. Ensure that each site development will not create a nuisance to adjacent sites or streets, or objectionable disturbance to occupants of adjacent properties including but not limited to noise, odor, lighting, and any outdoor equipment. The determination of “nuisance” shall be in the Port’s sole discretion.

Wherever possible, utilize native vegetative species which are disease and drought resistant and are well suited for the climate in Hood River, provided that the Port may approve proposed alternative species based on the developer’s justification of the alternate.

5. Site design and improvements should anticipate potential re-use of the building for other purposes.
6. All utilities shall be installed underground.
7. Parking lots should not be the dominant visual element of the site
8. Utilize water conserving irrigation systems or “xeriscaping” for landscape areas to minimize water usage. If developer determines such a system is not feasible, developer will explain its determination as part of the submission to the Port.

Port Contact:

All plans and correspondence and submission of plans shall be directed to:

Port of Hood River
1000 E. Port Marina Drive
Hood River, OR 97031
Attention: Executive Director

Prepared by: Michael McElwee
Date: January 10, 2017
Re: Waterfront Parking Plan



The Commission discussed the draft Waterfront Parking Management Plan (“Plan”) at the November 15, 2016 Fall Planning Work Session. At that time, staff presented a proposed implementation schedule that anticipated a public meeting in December followed by public testimony and Commission action in January. This meeting represents an opportunity to review the revised draft Plan (attached) and to receive additional public comment.

Update

- Staff presented the Plan at a public meeting on December 15, 2016 in the Port meeting room. Nine members of the public attended in addition to four elected officials or staff. Five members of the public were opposed to parking fees on Portway Ave. Three were specifically opposed to parking fees at the Marina.
- City Council has agreed to re-visit the concept of Waterfront parking at their meeting on January 9, and to receive public testimony. A petition letter that opposes parking fees on the Waterfront has been circulating on-line and is expected to be delivered to the City Council meeting. At last count about 140 people had signed the letter.
- To be able to order meters in time for installation this summer, the City must make a decision whether to purchase by January 27. Recall that if the Commission decides to purchase meters, the Port would order at the same time as the City. If the City does not proceed, then implementation of meters just on Port property would be problematic because of the need for City help with enforcement through an IGA.

Following a staff presentation and Commission discussion, public testimony would be taken and the hearing held open until the end of the regular meeting.

STAFF RECOMMENDATION: For information and discussion.

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Port of Hood River Waterfront Parking Management Plan

January 10, 2017

FINAL DRAFT



I. BACKGROUND

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

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

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

II. GOALS

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

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

III. KEY ISSUES

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

A. Parking Type

Existing parking spaces are generally comprised of four distinct types:

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

- Off-street parking lots serving private uses, generally no fee or time limit.

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

<i>1. Port of Hood River</i>	
• 1 st Street: 48	
• Portway Ave.: 28	
• Jenson Lot: 70 spaces designated for recreation	
• Jenson Lot: 54 stalls designated for building tenants (<i>not counted in total</i>)	
• Event Site: 188 stalls	
• Nichols Basin Seawall: 13	
• Marina Boat Launch: 83 (55 trailer/28 vehicle)	484
<i>2. City of Hood River:</i>	
• 2 nd Street & Portway Ave.	226
<i>3. Private Ownership:</i>	
• Solstice Building Lot: 152	
• Dakine Building Lot: 58	
• Halyard Building Lot: 43	253
TOTAL: 963	

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

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

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

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

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

H. Hours of Operation

The hours during the day that parking payment will be required is a function of user demand and hours devoted to the waterfront by the enforcement officer. Generally, payment should be considered between 10:00 a.m. and 8:00 p.m.. This would allow use of the waterfront without a parking fee until mid-morning on all days.

I. Implementation Schedule

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

J. Equity

The Waterfront should maintain areas where a parking fee is not required. These would include Marina Park, the Swim Beach, Hook and Spit.

IV. PARKING PLAN

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

A. GENERAL ELEMENTS

1. Parking payment required from April 15-October 15 for most areas
2. Jensen West payment required year-around if City enforces year-around on Portway Ave.
3. On street parking rates higher than off street
4. Some spaces near 1st/Portway Ave. are 90 minute maximum to encourage turnover
5. City/Port on street parking rates are the same for consistency
6. On street parking charges accrue up to a daily maximum of \$10
7. Maximum on-street parking of 12 hours per day
8. No payment required for on-street parking before 10:00 a.m.
9. On-street parking not allowed past midnight.
10. Maintain pre-season pass availability available for low cost, through year parking. Passes allow parking at both Event Site and Jensen East Lot.
11. Enforcement days and times vary

12. Enforcement Officer will have more enforcement time hours during pay parking months, but some other enforcement/surveillance duties throughout the year

B. SUBAREAS

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

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

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



Approach:

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

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

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



Approach:

- Install two stations
- Payment Required **10:00 a.m. to 8:00 p.m.**
- Hourly rate of \$1.00/hr.
- Five spaces at north end-- 2-hour maximum stay
- South end allow maximum stay of 12 hours per day, maximum daily rate of \$10. No parking past 12:00 midnight.

3. Event Site (188 Spaces)

The Event Site is the epicenter of active water sports in the Waterfront and is intensely used for most of the summer. Currently free parking on Portway Ave to the south has allowed use without paying for use of Event Site facilities. The Event Site is currently staffed and payment is required from Memorial Day to Labor Day. The Event Site parking area is completely full an average 10 times per summer season.



Approach:

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

4. Portway Ave. East (28 Spaces)

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



Approach:

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

5. Jensen Building West (70 Spaces)

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



Approach:

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

12. Portway Ave. West

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



Approach:

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

13. The Hook

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



Approach:

- No change.

16. Marina Boat Launch Parking Lot (83 Spaces)

The Marina lot is heavily used during certain times of the year, most notably hot weather days in the summer and during fish runs. It is also used throughout the year by travelers and temporary parkers stopping for lunch or for the view. Note: Maintenance of the lot and restroom is partially funded by the Oregon State Marine Board. This funding may be reduced to the extent that parking revenue is received.

Approach:

- No change.

A. ENFORCEMENT

The City and Port will need to enter into an Inter-Governmental Agreement (IGA) that would allow the City to enforce parking limits on Port property. An IGA will be necessary if the Port seeks to implement any parking plan to set guidelines for enforcement, citation fees, reporting, etc. The IGA would require a funding commitment to the City that ensures the Port pays a proportionate share of a new full-time City Parking Enforcement Officer. This payment is expected to be \$40- \$50,000 per year or about ½ the cost of a full time position with benefits.

B. EQUIPMENT

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

Recommendations:

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

Capabilities: The recommended pay station would allow for a wide variety of payment methods including pay by plate, pay by space or pay and display. Pay and display is recommended whereby the parking officer checks for a pass/receipt or season pass displayed on the dash. Power supply is through solar-charged battery.



Cale Pay Station

Costs: Recommended pay stations cost **\$7,000** and require a monthly fee of **\$75/mo.** per station during operational months for data management by Cale. There are various other charges upon purchase and others for monthly web services. It is estimated that 8 stations will be required for Port properties. The units come programmed and ready to install. Some additional budgeted funds would be required for concrete pads and signage. Maintenance can be performed by Port staff with appropriate training.

C. SEASONALITY

Parking on the waterfront is highly seasonal. For the foreseeable future, pay stations will only be frequented for about 4 months each year depending on weather conditions. However, the enforcement officer will be available year-around. It is recommended that the pay stations be operational for six months, from **April 15 through October 15**, except at the Marina and Jensen

East Lot. Outside those months, the stations would be “tented” with no parking fees required. At the Jensen West Lot, paid parking would be required throughout the year if the City decides to enforce year-around parking fees on Portway Ave. If not, fee parking on the lot would be April 15-October 15. .

D. PRICING

The following are recommended parking fees if a Waterfront Parking Plan is implemented:

Street Parking

- Pricing at any Port on-street pay stations should match the City-- **\$1.00/hr.**
- Maximum daily parking fee of **\$10.**
- Parking fees for the Port’s off-street parking areas (i.e. Event Site and Jensen Building West Lot) should be priced to encourage off-street parking. (Currently, the Event Site parking is \$7.00 per day.)
- Parking at the Marina Parking Lot would remain free. The concept of paid parking should be re-considered after further evaluation of the impact on contributed funds from the State of Oregon.

Season Passes

- For locals and frequent users, offer season passes for the entire parking fee year.
- Passes may be used at both the Event Site and Jensen Building West Lot.
- Recommended price is **\$70** for pre-season purchase and **\$100** after **May 15.**
- Passes could be purchased at Pay Stations, Port office or on-line for in-person pick-up.
- Additional passes for in-family vehicles would be **\$40.**

E. IMPLEMENTATION

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

- | | |
|---------------------|--|
| • November 15, 2016 | Board Discussion (Fall Planning Worksession) |
| • December 15, 2016 | Public Meeting |
| • January 10, 2017 | Commission Discussion - Public Comment |
| • January 23, 2017 | Commission Decision: Pay Station Purchase & IGA Approval
City Council Decision: Same
--If Approved-- |
| • March, 2017 | Installation of Pay Stations & Signage |
| • April, 2017 | Operational Testing |
| • May 1, 2017 | Implementation begins. |

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Executive Director's Report

January 10, 2017

Staff & Administrative

- As you know, we are continuing to experience significant snow events that have required extraordinary efforts from Facilities Dept. staff. Sanding and plowing work continue to take place throughout the daytime and overnight periods following storms. Tenants have generally been very satisfied; however, we did receive a complaint from a Marina tenant regarding snow and ice on the docks. We have purchased two snow blowers to reduce the shovel time, increase efficiency, and enable our crew to get to the dock work more quickly.
- We have made three reservations for the upcoming SDAO annual meeting March 10-13 in Portland. If any Commissioner is interested in attending, please let Laurie know. This is always an excellent opportunity for training on a variety of matters that affect the Port and we receive a discount on our insurance premium. It is fine to attend for a day or the entire conference.
- Thanks to Commissioners Shortt and Duckwall for attending the annual staff Holiday party on December 19.
- The January calendar is attached. The next Commission meeting is on January 24.
- The OneGorge sponsored capitol receptions “Gorge-ous Nights” in Olympia and Salem are in the initial planning stages and Genevieve is supporting both efforts. The Olympia event is confirmed for February 15 and the Salem event is tentatively scheduled for March 9.

Recreation/Marina

- We are still experiencing power outages on C Dock North. It has held for blocks of days - 5 days in one period and 7 in another - but power went down 7 times on 12/31 and 3 times on 1/1. Over the holiday period poor weather intervened and the electrician was unavailable. I reached out to find an ABYC certified electrician and found the name of a national expert in Scappoose; Kevin Ritz. I contacted him and went over the past six months in detail. Kevin is interested in helping but has other commitments. He gave me the name of an electrical engineer with extensive marine experience. Fred King will be here next Tuesday to meet with us and Gorge Electric. Mr. King did suggest disconnecting the GFCI temporarily to keep power on. Thursday, January 5, a Gorge Electric electrician will be on the docks again to do that and to begin the last phase of megger testing the sub-circuit lines.

Development/Property

- The Port’s public meeting to discuss the waterfront parking plan occurred on December 15. There was some concern expressed by representatives of waterfront businesses that

they had not had adequate time to address their issues to the City. City Council will discuss the issue again and take testimony on January 9. The City's decision about how they wish to proceed will be a significant factor for the Commission's decision.

- The Sheppard building is closed in. Ben Sheppard has again extended an invitation to any Commissioner to tour the building.

Airport

- An Airport Advisory Committee has been scheduled for 2:00 p.m. on Thursday, January 26. The meeting will be held at WAAAM.
- The North Ramp development continues in parallel with updates to the Master Plan under CenturyWest. This includes an Environmental Condition Inventory list prepared by BergerAbam for the Airport Master Plan.

Bridge/Transportation

- SBE has prepared two reports related to the lift span. The first addresses the skew system upgrades that were installed last year. The second describes the strain gauge and mag particle testing carried out in the fall. Staff will discuss the highlights from these reports at the meeting on January 24.
- The tolling system was shut off during Christmas day and it started up without any issues. However, over the New Year weekend there was a power outage which caused a disruption in the transfer of data between the lanes and the office regarding payments on account. This has since been rectified by PSquare.
- Senator Merkley's Field Representative, Phil Chang, visited the Port for a tour of the bridge and discussions regarding our pending FASTLane application. Senator Merkley submitted a letter in support of the application along with other members of our regional delegation and has been supportive of the bridge replacement project. Genevieve and John gave Phil a tour and took him into the control room.



- The Port's bridge replacement efforts were highlighted in PNWA's email newsletter, *The Nor'Wester*, highlighting the project's importance to marine traffic on the federal waterway.
- The Port's application to the FASTLane program was successfully submitted on December 15. The Port's request is for \$5.05 million, with a \$3.66 local match pledged. We received letters of support for the application from Senators Jeff Merkley and Ron Wyden, Representative Jaime Herrera Beutler, Senator Maria Cantwell, Washington state Senator Curtis King, WSDOT Secretary of Transportation Roger Millar, SW Washington RTC Director Matt Ransom, the Columbia River Gorge Commission, MCEDD, the cities of White Salmon, Bingen and Hood River, the Columbia River Steamship Operators' Association, PNWA, the Hood River County Chamber of Commerce, and the Port of Cascade Locks as well as local private businesses.
- The 14-week lock closure on the Columbia/Snake river system has begun. Please see the attached PNWA flyer for details.

PNWA Member Spotlight: Port of Hood River applies for grant to study replacing the Hood River bridge

The Port of Hood River has applied for a federal FASTLANE grant to support the completion of pre-construction activities associated with the replacement of the Port-owned Hood River/White Salmon Interstate Bridge. The current bridge's 256' navigation channel span is too narrow and is a major hazard to navigation due to high cross winds and current. Originally constructed in 1924, the bridge is seismically vulnerable and at risk of catastrophic failure from an earthquake. It is weight limited and therefore unable to accommodate larger trucks. As the Port continues to fund repairs and capital improvements necessary to keep the current bridge safe and operational, those costs escalate as it reaches the end of its useful life.

The Columbia River trade corridor is the lifeblood of our regional economy, supporting 46 million tons of foreign trade at a value of over \$20 billion annually. Over 9 million tons of commercial cargo traveled under the Bridge's lift span in 2012. Construction of a new, replacement interstate bridge is a critical infrastructure priority in the Columbia Gorge National Scenic Area. Federal funds, combined with local resources, would ensure that permitting and engineering tasks are executed efficiently and a safe and modern replacement for this important link in our regional economy is constructed soon.

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Commission Calendar - January 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday																																																																																																		
1 New Year's Day	2 OFFICE CLOSED	3	4	5	6	7																																																																																																		
8	9 City Council mtg re parking (MIM)	10 Commission Mtg 4pm Work Session	11 Legislative mtg-Salem (MIM)	12 USCG permitting class Salem (MIM)	13	14																																																																																																		
15	16 ML King Day Office Open	17 County Work Session re Airport URA	18	19 Marina Committee 8am Shortt OPPA Mtg (MM) MCEDD CEDS-Mtg 1	20	21																																																																																																		
22	23	24 Commission Mtg 5pm	25 OneGorge (MM, Gen) (unless date changes)	26 Airport Advisory 2pm Streich, Duckwall at WAAAM MCEDD CEDS-Mtg 2	27	28																																																																																																		
29	30	31				Pastime Commercial Dock through Feb/Mar																																																																																																		
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COLUMBIA SNAKE RIVER SYSTEM EXTENDED LOCK CLOSURE



PNWA works with the Corps to plan for a 14-week closure in winter 2016-17

PNWA is pleased to report that the federal government continues to plan and invest in the future of the Columbia Snake River System (CSRS). Building upon past successes, the U.S. Army Corps of Engineers' Portland and Walla Walla Districts continue to systematically evaluate our inland infrastructure, and target the highest priority repairs.

The next extended maintenance closure will be December 12, 2016 to March 20, 2017. Extended lock closures of this kind are infrequent, but necessary to maintain the integrity of the transportation system. Infrastructure repairs made during this closure will have long term benefits for the entire Northwest. The CSRS is poised for tremendous growth over the next fifteen years. It is fully functional now, and with this targeted maintenance funding, it will remain in service to handle the growth in the coming years. Repair details for the closure include:

Bonneville Lock & Dam. System failures and outdated equipment are requiring that the navlock controls at Bonneville be replaced in the FY2017 closure. The Corps predicts the repairs will be complete by week 8 of the overall 14 week closure. \$8.346M is included in the President's FY2017 budget request to ensure the project remains on track. PNWA is advocating for an additional \$350K for repairs at Bonneville, part of which is critical to complete the development of programming language for the Navlock Control System.

The Dalles Lock & Dam. The downstream lock gate requires new gudgeon bushings and gudgeon anchors, along with new corrosion protection. Both the navlock controls and the upstream gate require full replacement. The Corps will use the full 14 weeks for these three projects. \$4.206M is proposed in the President's FY2017 budget, and PNWA is advocating for an additional \$1.15M in the FY2017 work plan. This includes funding for the downstream gate inspection & corrosion protection, and upstream gate replacement.

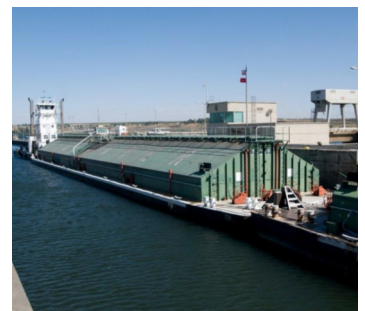
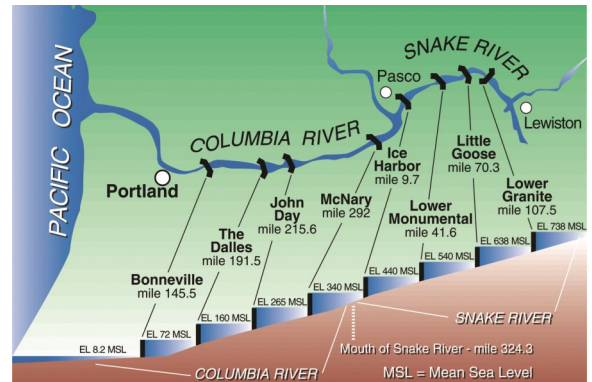
McNary Lock & Dam. During the March 2015 maintenance closure, repairs were made to the downstream miter gate at McNary Dam. During these repairs, extensive cracking was found and critical crack repairs are planned for 2016 and 2017. Funding has been adequate to date, and \$2M of the proposed \$8.252M in the FY2017 budget request will be directed to structural repairs to take place during the FY2017 extended closure. These repairs are to ensure full reliability of the lock gate.

Ice Harbor Lock & Dam. A very high priority for the Walla Walla District is new operating machinery for the downstream gate at Ice Harbor. Critical components of the machinery require complete replacement during the extended closure. \$9.172M was provided for the project in FY2016 to fabricate and install these components.

Lower Monumental Lock & Dam. A new downstream lock gate was installed at Lower Monumental during the 2011 extended maintenance closure. The second phase of this installation is the replacement of the mechanical gear that operates the gate. The newly installed downstream gate is heavier than the original, and the existing gears have reached the end of their service life. The design phase (plans & specs) is complete, and funding for fabrication and installation was included in FY2016. The project is currently on track for replacement in the extended closure.

Little Goose Lock & Dam. Little Goose's downstream gate land-side gudgeon was replaced in April 2014, however, additional work is needed during the closure to fully complete replacement of all downstream gudgeon arms and pintles. The mitre gate quoin blocks and other structural items are also in need of repair, as the hinges have fractured welds causing structural failure. A total of \$7.532M was included in FY2016 to complete fabrication of these components, and for installation during the extended closure. Repairs and gudgeon replacement are estimated to take the full closure.

PNWA is partnering with the Corps, to ensure the grain community and other navigation stakeholders can plan appropriately for the closure and impacts to river users are minimized. We continue to work to ensure the continued reliability of navigation in the Northwest.



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Prepared by: Fred Kowell
Date: January 10, 2017
Re: Audit for Fiscal Year Ending June 30, 2016

The Annual Financial Report and the Communication to the Governing Body for the Fiscal Year Ended June 30, 2016 is included in your Board Packet. It is important that you read the Communication to the Governing Body since this is the auditor's communication to the Board and provides some valuable input into the audit. Tara Kamp from Pauly Rogers and Company will have presented the Audit report earlier in the meeting.

RECOMMENDATION: Approve Audit for Fiscal Year Ending June 30, 2016.

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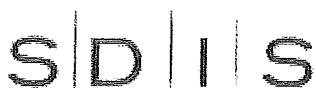
Prepared by: Fred Kowell
Date: January 10, 2017
Re: 2017 SDAO Property and Liability Insurance Renewal

The Port uses Special Districts Insurance Services (SDIS) for its property and liability insurance regarding our assets other than the bridge. The 2017 insurance premium is scheduled to be \$76,644 as compared to \$73,745 for 2016 and \$76,846 for 2014. This is a 4% increase over 2016 but is in line considering multiple years of premiums. The increase is largely attributable to the reduced credit amount we receive when staff and board members attend classes associated with Best Practices. There are several ways in which we get this credit but one is for staff and board members to attend the classes put on by SDAO throughout the year and at their annual conference.

Scott Reynier, our agent for the SDAO property and liability insurance, has provided the summary premium sheets which depict the cost of our property/casualty. He will be attending this Commission meeting to answer any specific questions that you may have regarding this policy.

RECOMMENDATION: Approve the annual SDAO property and liability insurance policy and authorize payment of insurance premium in the amount of \$76,644.

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SPECIAL DISTRICTS
INSURANCE SERVICES

INVOICE

Date: 28-Nov-16

Named Participant: Port of Hood River
1000 E Port Marina Dr
Hood River, OR 97031

Agent: Columbia River Insurance
P.O. Box 500
Hood River, OR 97031-0059

Invoice #	Entity ID	Effective Date	Expiration Date	Invoice Date
32P16164-182	16164	01-Jan-17	31-Dec-17	28-Nov-16

**2017 Longevity
Credit Amount****

\$5,684.50

Coverage	Contribution
General Liability	General Liability Contribution \$25,361 Less Best Practices Credit (\$1,522) Less Multi-Line Discount Credit (\$1,014) Adjusted Contribution \$22,825
Auto Liability	Auto Liability Contribution \$2,738 Less Best Practices Credit (\$171) Adjusted Contribution \$2,567
Non-owned and Hired Auto Liability	\$150
Auto Physical Damage	\$1,359
Hired Auto Physical Damage	\$0
Excess Liability	\$6,940
Property	Property Contribution \$40,033 Less Best Practices Credit (\$2,502) Adjusted Contribution \$37,531
Earthquake	\$4,950
Flood	\$0
Equipment Breakdown / Boiler and Machinery	\$0
Crime	\$322

**Only Eligible Districts that signed the Longevity Credit and Rate Lock Guarantee Agreement will receive the indicated Longevity Credit Amount

Total: **\$76,644**

1310 *[Signature]* 12/30/16
Prepaid Insurance

Coverage is provided for only those coverages indicated above for which a contribution is shown or that are indicated as "included." Your payment evidences "acceptance" of this renewal. Please use the payment coupon on the following page to help us apply your payment correctly.

Payment instructions are on the following page.

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Prepared by: Fred Kowell
Date: January 10, 2017
Re: Bridge Insurance Renewal

The bridge insurance policy renewal, underwritten by ACE USA and brokered by Durham and Bates (of Portland), is still in the process of being bound but at this point we know the premium is \$249,759 or a 6% increase over the last year amount of \$235,123.

The renewal has most of the same terms as before with a couple of exceptions. The renewal policy's deductible regarding the lift span did go down to \$500,000. This is attributable to the continued work and inspection efforts that the Port has been accomplishing over the last year. There is a high probability that the deductible will go down to its pre-allision level of \$250,000 in this next year.

With regard to the increase in premium, the major factor is the increase in the value of the bridge. In addition, business interruption was increased to \$8 million to reflect two years (which has been the criteria) of bridge revenue losses if a major event occurs. The property damage limit increased to \$114,032,595 from \$111,251,312 which is directly related to the inflationary cost of time and materials.

The renewal does provide an option for a two year policy with the rate guarantee. Scott Reynier our agent of record will be at the meeting and will discuss further about locking into a two year proposal.

RECOMMENDATION: Approve the Bridge Insurance Policy underwritten by ACE USA and brokered by Durham & Bates for \$249,759.

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DURHAM AND BATES
INSURANCE BROKERS & AGENTS

720 SW Washington St., Ste 250 Portland, OR 97205-3554
 Phone: 503.224.5170 Fax: 503.221.0540
 www.durhamandbates.com

Invoice # 8689	Page 1 of 1
Account Number	Date
PORTOFH-01	1/3/2017

BALANCE DUE UPON RECEIPT

AMOUNT PAID	Amount Due
	\$249,759.00

Customer Service	David Hearn Dara Reffitt
-------------------------	-----------------------------

Port of Hood River
 Attn: Fred Kowell
 1000 E. Port Marina Dr.
 Hood River, OR 97031

Inland Marine - Equip Floater	Policy Number: IMCI2071153A011	Effective: 1/1/2017 to 1/1/2018
	ACE American Insurance Company	

Item #	Eff Date	Inv Date	Trans	Description	Amount
Participation Policy Number: IMCI2071153A011					
51935	1/1/2017	1/3/2017	RENB	17-18 Insurance Renewal Inland Marine Yr 1 of 2-yr term	\$249,759.00

Total Invoice Balance: \$249,759.00

BALANCE DUE UPON RECEIPT

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Port of Hood River

Commercial Insurance Proposal

January 1, 2017 - January 1, 2018



DURHAM AND BATES INSURANCE BROKERS & AGENTS

720 SW Washington St, Suite 250

Portland, Oregon 97205

Phone: (503)224-5170

ACCOUNT SERVICING TEAM

No matter how comprehensive or competitively priced your insurance program is, you still need people to provide ongoing service. The individuals who make up your account servicing team include some of the industry's finest professionals. Our insurance experts know that you expect and deserve the best.

These are the individuals who will be handling your account:

Commercial Insurance

Account Executive

Direct Telephone:

E-Mail:

David Hearn, Senior Vice President, CIC

(503) 796-1640

davidh@dbates.com

Commercial Insurance

Client Services

Direct Telephone:

E-Mail:

Dara Reffitt

(503) 223-9491

darar@dbates.com

CEO

Direct Telephone:

E-Mail:

Jeremy Andersen, CIC

503-796-1642

JeremyA@dbates.com

President

Direct Telephone:

E-Mail:

Bill Hurst

503-241-9212

Billh@dbates.com

This proposal of insurance is intended for reference only. For specific terms, conditions, limitations and exclusions, please refer to actual coverage documents. Higher limits may be available.

TABLE OF CONTENTS

- 1. Account Servicing Team..... 2
- 2. Table of Contents..... 3
- 3. Important Notices..... 4
- 4. Policy Delivery Options..... 5
- 5. Important Notice Regarding Certificates of Insurance..... 6
- 6. Named Insured Schedule..... 7
- 7. Inland Marine..... 8
- 8. Additional Optional Coverages..... 12
- 9. Your Duties In The Event of a Loss..... 13
- 10. A.M. BEST – Rating & Analysis..... 14

This proposal of insurance is intended for reference only. For specific terms, conditions, limitations and exclusions, please refer to actual coverage documents. Higher limits may be available.

IMPORTANT NOTICES

Our goal is to help you become fully aware of many complicated insurance issues which affect your insurance coverage. Please review the following and feel free to discuss these with your Account Executives.

- Some policies may contain aggregate limits, which are the maximum amount the insurer will pay for all covered claims during each policy term. Higher limits of liability may be available. Please contact us to discuss options available to you.
- In your business transactions you may be asked to sign leases, contracts or other written agreements which may transfer financial obligations to you. We suggest you have your ATTORNEY and ACCOUNTANT review these documents prior to signing them. Be certain to forward copies to this office so we may assist with any insurance requirements to properly address these exposures.
- This proposal is based on exposures to loss that were made known to us. All changes of exposures must be reported by you to ensure proper coverage is in effect.
- Property values such as building or real property, business personal property (previously known as contents), loss of income and extra expense limits used were those presented or authorized by you. Please carefully review these limits for accuracy.
- This insurance proposal is prepared for your convenience. It should not be considered an exact or complete analysis of any policies, or legal evidence of insurance.
- “Coverage territory” for all policies is the United States, its territories and possessions, Canada, and Puerto Rico, unless specifically stated.
- Durham & Bates Agencies, Inc. has “Profit Sharing Agreements” with many of our major insurance company partners, which may provide compensation in addition to commissions. These agreements are designed to reward our agency for providing a quality book of business to the insurance company. These agreements are never tied to a specific account, but rather the profitability of the entire book of business with the insurer.

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POLICY DELIVERY OPTIONS

As we continue to update technology in our office, we offer the following options for insurance policy delivery.

- 1) **Email** – Probably the most convenient and timely method is delivery by email, allowing you to print and/or electronically store the policies and an insurance summary easily. All subsequent endorsements to a policy are also delivered electronically via email.
- 2) **Thumb Drive** - We can also provide policies via Thumb Drive. It may be delivered in person or sent to you via regular mail.

Please let us know at your earliest convenience which is the preferred format and we will deliver the policies in accordance with your selected method.

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IMPORTANT NOTICE REGARDING CERTIFICATES OF INSURANCE

- A certificate of insurance is evidence of insurance coverage. You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others. Some of these obligations are not covered by insurance. You should review these with competent legal counsel.
- Contracts, leases and agreements you sign may have indemnification and other requirements that cannot be addressed by an insurance policy. We recommend that these be reviewed by you and your legal counsel.
- In addition to providing a Certificate of Insurance, you may be required to name your client or customer on your policy as an Additional Insured. This is possible only with permission of the insurance company and, in some cases, an additional premium.
- There are other consequences including:
 - Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
 - Your policy may provide higher limits than required by contract; your full limits can be exposed to the Additional Insured.
 - There may be conflicts in defense when your insurer has to defend both you and the Additional Insured.
- As your agents, we will obtain or issue certificates of insurance at your request. However, we can only evidence coverage that is included in your policies.
- Please be aware that many insurance contracts will provide automatic Additional Insured coverage to your client or customer only when required in a written and signed contract. Discuss with your broker any situations where you do not have an obligation through a signed written agreement.

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NAMED INSURED SCHEDULE

Our Named Insured Listing includes the following, unless noted on coverage pages. Please review carefully for accuracy & notify us for needed corrections.

Port of Hood River

Certain responsibilities or duties fall upon the First Named Insured under the proposed insurance contract:

- Responsibility to pay all premiums, including audit premiums
- Right to receive all return premiums
- Ability to cancel policy
- Ability to request changes to insurance contract
- Right to receive all correspondence from the insurer, including cancellation and non-renewal notices
- Right to request claims information from the insurer

This policy does not apply to liability arising out of conduct of any partnership or joint venture, past or present, of which the insured is a partner or member and which is not designated in the policy as Named Insured.

This proposal of insurance is intended for reference only. For specific terms, conditions, limitations and exclusions, please refer to actual coverage documents. Higher limits may be available.

INLAND MARINE

Property Coverage and Limits	ACE American Ins. Company 2016-2017	ACE American Ins. Company 2017-2018
Policy Form	ACE Engineered Risk Manuscript form	ACE Engineered Risk Manuscript form
Description and Location of Property	Lift Bridge spanning the Columbia River from Hood River, OR to White Salmon, WA, abutment to abutment. Also includes the pedestrian bridge abutment to abutment.	Lift Bridge spanning the Columbia River from Hood River, OR to White Salmon, WA, abutment to abutment. Also includes the pedestrian bridge abutment to abutment.
Coverage Territory	The fifty states comprising the United States of America, Including the District of Columbia and Canada, except property in transit by water or air to and from Alaska or Hawaii	The fifty states comprising the United States of America, Including the District of Columbia and Canada, except property in transit by water or air to and from Alaska or Hawaii
Coverages	All Risks of Direct Physical Loss or Damage, Earth Movement, Flood, Named Windstorm, and Boiler & Machinery. Including Loss of Revenue	All Risks of Direct Physical Loss or Damage, Earth Movement, Flood, Named Windstorm, and Boiler & Machinery. Including Loss of Revenue
Valuation	Replacement Costs if replaced within 24 months, otherwise Actual Cash Value	Replacement Costs if replaced within 24 months, otherwise Actual Cash Value
Coinsurance	None	None
Notice of Cancellation	90 days notice of cancellation except 10 days for nonpayment	90 days notice of cancellation except 10 days for nonpayment
Occurrence Limit of Insurance	\$118,066,968	\$122,032,595
Sub-Limits of Insurance¹		
Property Damage	\$111,251,312	\$114,032,595
Pedestrian Bridge	\$340,403	\$340,403

This proposal of insurance is intended for reference only. For specific terms, conditions, limitations and exclusions, please refer to actual coverage documents. Higher limits may be available.

Property Coverage and Limits	ACE American Ins. Company 2016-2017	ACE American Ins. Company 2017-2018
Loss of Revenue	<ul style="list-style-type: none"> ◆ \$6,815,656 ◆ Period of Indemnity – 730 days 	<ul style="list-style-type: none"> ◆ \$8,000,000 ◆ Period of Indemnity – 730 days
Debris Removal	<ul style="list-style-type: none"> ◆ 25% of Damage ◆ \$1,000,000 Maximum 	<ul style="list-style-type: none"> ◆ 25% of Damage ◆ \$1,000,000 Maximum
Pollutant Clean Up	\$100,000 per occurrence and annual aggregate	\$100,000 per occurrence and annual aggregate
Fire Department Service Charge	\$25,000	\$25,000
Expediting Expenses	\$100,000	\$100,000
Extra Expense	\$1,000,000	\$1,000,000
Loss Adjustment Expenses	\$25,000	\$25,000
Transit	\$100,000	\$100,000
Off-Site Storage	\$100,000	\$100,000
Earth Movement	\$50,000,000 per occurrence and annual aggregate	\$50,000,000 per occurrence and annual aggregate
Flood	<ul style="list-style-type: none"> ◆ \$50,000,000 per occurrence and annual aggregate FEMA Flood Zones within 100 year Flood Plain (see policy for specific Flood Zones) ◆ \$50,000,000 per occurrence and annual aggregate all other Flood Zones 	<ul style="list-style-type: none"> ◆ \$50,000,000 per occurrence and annual aggregate FEMA Flood Zones within 100 year Flood Plain (see policy for specific Flood Zones) ◆ \$50,000,000 per occurrence and annual aggregate all other Flood Zones
Named Storms	\$118,066,968 per occurrence and annual aggregate	\$122,032,595 per occurrence and annual aggregate

This proposal of insurance is intended for reference only. For specific terms, conditions, limitations and exclusions, please refer to actual coverage documents. Higher limits may be available.

Property Coverage and Limits	ACE American Ins. Company 2016-2017	ACE American Ins. Company 2017-2018
Boiler Machinery	<ul style="list-style-type: none"> ◆ \$25,000,000 Any one Accident ◆ \$100,000 Expediting Expense ◆ \$100,000 Hazardous Substance ◆ \$100,000 Water Damage ◆ \$100,000 Ammonia Contamination 	<ul style="list-style-type: none"> ◆ \$25,000,000 Any one Accident ◆ \$100,000 Expediting Expense ◆ \$100,000 Hazardous Substance ◆ \$100,000 Water Damage ◆ \$100,000 Ammonia Contamination
Deductibles		
Damage caused by or resulting from Earth Movement	\$1,900,000	\$1,900,000
Loss or Damage caused by or resulting from Flood	\$950,000	\$950,000
Loss or Damage to Lift Span – All Perils excluding Earth Movement	\$1,000,000	\$500,000
Loss of Revenue	15 Days, except 7 days for Boiler Machinery	15 Days, except 7 days for Boiler Machinery
All other covered losses	\$250,000	\$250,000
Significant Policy Exclusions		
Ordinance or Law	Excluded	Excluded
Asbestos	Excluded	Excluded
Rust, Mold, Mildew, Fungi, Spores, Bacteria, Wet or Dry Rot, Extremes of Temperature or Humidity	Excluded	Excluded

This proposal of insurance is intended for reference only. For specific terms, conditions, limitations and exclusions, please refer to actual coverage documents. Higher limits may be available.

Property Coverage and Limits	ACE American Ins. Company 2016-2017	ACE American Ins. Company 2017-2018
Corrosion, Decay, Deterioration, Erosion, Evaporation, Inherent Vice, Latent Defect, Leakage, Loss of Weight, Marring or Scratching, Shrinkage, Wear & Tear	Excluded	Excluded
Off Premises Power or Communication Failure	Excluded	Excluded
Settling, Shrinking, Cracking, Expansion or Contraction in Foundations	Excluded	Excluded
Error, Omission or Deficiency in design, plans, specifications, engineering or surveying	Excluded	Excluded
Faulty or defective workmanship, materials or supplies	Excluded	Excluded
Premium		
Approximate Rates (excluding Terrorism)	\$0.199144	\$0.20467
Total Property Premiums – Annual	\$235,123	\$249,759
Optional Terrorism Premium	\$11,755	\$12,489
Total Policy Premium (Excluding TRIA):	\$235,123 (One Year Term)	\$249,759 (One Year Term)
Two Year Term Option	N/A	Two Year Policy offered per the Rate Guarantee Endorsement (subject to terms and conditions outlined in the endorsement)

This proposal of insurance is intended for reference only. For specific terms, conditions, limitations and exclusions, please refer to actual coverage documents. Higher limits may be available.

ADDITIONAL OPTIONAL COVERAGES

Although we are not attempting to name every possible coverage option we call your attention to the following coverages which are NOT included in this Insurance Proposal. These coverages may be important to you and may be available upon request.

- Aviation Coverage Owned or Non-Owned
- Cyber/Internet Liability
- Directors & Officers Liability
- Earthquake/Earth movement Coverage
- Employment Practices Liability
- Fiduciary Liability
- Flood Coverage
- International Coverage Program
- Mold & Fungus
- Pollution Insurance (including Underground Storage Tank Insurance)
- Professional Liability
- Regulatory Business Interruption (Swine Flu and Other Diseases)
- Trade Credit Insurance
- Various Group Benefit Programs – Group Health, Life, Disability, etc.
- Workers' Compensation

This proposal of insurance is intended for reference only. For specific terms, conditions, limitations and exclusions, please refer to actual coverage documents. Higher limits may be available.

YOUR DUTIES IN THE EVENT OF A LOSS

This is for informational purposes only and this overview provides typical claimant duties and expectations in the event of a loss, claim, lawsuit or any occurrence under the policy. Your policy is the sole determination of coverage and the mutual duties and obligations between you and the insurance company. Nothing on this page or in this document changes your policy in any manner. Please read your insurance policy carefully to understand what actions your insurance company expects you to follow.

- Notify Durham and Bates Agencies to expedite and assist in your claim process.
- Notify the insurance company as soon as possible. Note the time, place and description of the occurrence and the names with points of contact for any injured people and witnesses, including all passengers. Immediately forward copies of any demands, notices, summonses or legal papers received in conjunction with an occurrence.
- Notify the proper authorities. Contact the police in particular for theft or vandalism claims or if the law may have been broken.
- Do not make any statements (oral or written) without insurance company permission. You cannot hinder the insurance company's ability to seek reimbursement for damages from responsible parties, therefore, do not assume any obligation, liability, accept any offer or reward or make any payment, except for necessary first aid or to immediately protect property from further damage.
- Do not abandon your insured property; take all reasonable precautions to protect property immediately after the loss.
- Allow the insurance company to inspect the damaged property prior to repair or disposal.
- Cooperate with the insurance company and their representative(s). Such things as regular communication with the adjustor, answering questions about the occurrence under oath, helping obtain and give evidence, attending hearings and trials and getting witnesses to testify are all generally expected.
- File proof of loss within a set amount of time with the insurance company. This is usually a sworn statement setting forth the interest of the Named Insured and of all others in the property affected, any encumbrances, the value of the property at the time of the loss, the amount, place, time and cause of such loss, and the description and amounts of all other insurance covering such property.

This proposal of insurance is intended for reference only. For specific terms, conditions, limitations and exclusions, please refer to actual coverage documents. Higher limits may be available.

A.M. BEST – RATING & ANALYSIS

Coverage	Carrier	Current AM Best Rating
Inland Marine	Ace American Insurance Co.	A++ XV

The objective of Best's rating system is to provide an opinion as to an insurer's financial strength and ability to meet ongoing obligations to policyholders. Their opinions are derived from evaluations of a company's balance sheet strength, operating performance and business profile as compared with Best's quantitative and qualitative standards.

Secure Best's Ratings

A++, A+	Superior
A, A-	Excellent
B++, B+	Good

Vulnerable Best's Ratings

B, B-	Fair
C++, C+	Marginal
C, C-	Weak
D	Poor
E	Under Regulatory Supervision
F	In Liquidation
S	Rating Suspended

Definitions of Best's Ratings

Secure Best's Ratings

A++ & A+ (Superior) Assigned to companies which have, on balance, superior balance sheet strength, operating performance and business profile when compared to the standards established by the A.M. Best Company. These companies, in our opinion, have a very strong ability to meet their ongoing obligations to policyholders.

A & A- (Excellent) Assigned to companies that have, on balance, excellent balance sheet strength, operating performance and business profile. These companies, in our opinion, have a strong ability to meet their ongoing obligations to policyholders.

B++ & B+ (Good) Assigned to companies that have, on balance, very good balance sheet strength, operating performance and business profile. These companies, in our opinion, have a good ability to meet their ongoing obligations to policyholders.

Vulnerable Best's Ratings

B & B- (Fair) Assigned to companies that have, on balance, fair balance sheet strength, operating performance and business profile. These companies, in our opinion, have an ability to meet their current obligations to policyholders, but are financially vulnerable to adverse changes in underwriting and economic conditions.

C++ & C+ (Marginal) Assigned to companies that have, on balance, marginal balance sheet strength, operating performance and business profile. These companies, in our opinion, have an ability to meet their current obligations to policyholders, but are financially vulnerable to adverse changes in underwriting and economic conditions.

This proposal of insurance is intended for reference only. For specific terms, conditions, limitations and exclusions, please refer to actual coverage documents. Higher limits may be available.

C & C- (Weak) Assigned to companies that have, on balance, weak balance sheet strength, operating performance and business profile. These companies, in our opinion, have an ability to meet their current obligations to policyholders, but are financially very vulnerable to adverse changes in underwriting and economic conditions.

D (Poor) Assigned to companies that have, on balance, poor balance sheet strength, operating performance and business profile. These companies, in our opinion, may not have an ability to meet their current obligations to policyholders and are financially extremely vulnerable to adverse changes in underwriting and economic conditions.

E (Under Regulatory Supervision) Assigned to companies (and possibly their subsidiaries/affiliates) that have been placed by an insurance regulatory authority under a significant form of supervision, control or restraint, whereby they are no longer allowed to conduct normal ongoing insurance operations. This would include conservatorship or rehabilitation, but does not include liquidation. It may also be assigned to companies issued cease and desist orders by regulators outside their home state or country.

F (In Liquidation) Assigned to companies that have been placed under an order of liquidation by a court of law or whose owners have voluntarily agreed to liquidate the company. Note: Companies that voluntarily liquidate or dissolve their charters are generally not insolvent.

S (Rating Suspended) Assigned to rated companies that have experienced sudden and significant events affecting their balance sheet strength or operating performance whose rating implications cannot be evaluated due to a lack of timely or adequate information.

This proposal of insurance is intended for reference only. For specific terms, conditions, limitations and exclusions, please refer to actual coverage documents. Higher limits may be available.

Financial Size Categories (FSC)

To enhance the usefulness of their ratings, A.M. Best assigns each company a Financial Size Category (FSC). The FSC is designed to provide the subscriber with a convenient indicator of the size of a company in terms of its statutory surplus and related accounts. Many insurance buyers only want to consider buying insurance coverage from companies that they believe have sufficient financial capacity to provide the necessary policy limits to insure their risks. Although companies utilize reinsurance to reduce their net retention on the policy limits they underwrite, many buyers still feel more comfortable buying from companies perceived to have greater financial capacity.

	(in Millions of US Dollars)	
FSC I	less than	1
FSC II	1 to	2
FSC III	2 to	5
FSC IV	5 to	10
FSC V	10 to	25
FSC VI	25 to	50
FSC VII	50 to	100
FSC VIII	100 to	250
FSC IX	250 to	500
FSC X	500 to	750
FSC XI	750 to	1,000
FSC XII	1,000 to	1,250
FSC XIII	1,250 to	1,500
FSC XIV	1,500 to	2,000
FSC XV	greater than	2,000

This proposal of insurance is intended for reference only. For specific terms, conditions, limitations and exclusions, please refer to actual coverage documents. Higher limits may be available.

DURHAM AND BATES
INSURANCE BROKERS & AGENTS

720 SW Washington St., Ste 250 Portland, OR 97205-3554
Phone: 503.224.5170 Fax: 503.221.0540
www.durhamandbates.com

Invoice # 8689	Page 1 of
Account Number	Date
PORTOFH-01	1/3/2017
BALANCE DUE UPON RECEIPT	
AMOUNT PAID	Amount Due
	\$249,759.00
Customer Service	David Hearn Dara Reffitt

Port of Hood River
Attn: Fred Kowell
1000 E. Port Marina Dr.
Hood River, OR 97031

Inland Marine - Equip Floater	Policy Number: IMCI2071153A011	Effective: 1/1/2017 to 1/1/2018
ACE American Insurance Company		

Item #	Eff Date	Inv Date	Trans	Description	Amount
Participation Policy Number: IMCI2071153A011					
51935	1/1/2017	1/3/2017	RENB	17-18 Insurance Renewal Inland Marine Yr 1 of 2-yr term	\$249,759.00

Total Invoice Balance: \$249,759.00

BALANCE DUE UPON RECEIPT

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Prepared by: Anne Medenbach
Date: January 10, 2017
Re: Lower Mill Site Development Design Guidelines

Design Guidelines for future development at the Lower Mill site were first reviewed by the Commission in May of 2016. Commission feedback at that time was to lessen design restrictions to promote industrial development. The new Design Guidelines accomplish a general overview of preferred design elements, clarify the role of the Port in design and development oversight, and reflect lessened restrictions for standard industrial users.

RECOMMENDATION: Approve Design Guidelines for the Lower Mill Industrial Site.

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**PORT OF HOOD RIVER
LOWER MILL INDUSTRIAL SITE**

DESIGN GUIDELINES

January 2017

These Design Guidelines (Guidelines) have been adopted by the Port of Hood River Commission (Port) to ensure that high quality site planning, architecture, and engineering are developed and maintained throughout the Lower Mill Industrial Site (Site).

I. GENERAL APPLICATION

- A. These Guidelines apply to all development projects carried out on land leased or purchased from the Port located within the Site (Exhibit A). The Guidelines will typically be used in association with disposition agreements, leases or other contracts which will reflect the unique requirements, such as schedule and compliance actions, for individual projects. “Development” includes any building or site improvement, construction, renovation or rehabilitation, and exterior alterations to existing buildings. Notwithstanding the generality of the preceding sentence, the Guidelines do not apply to:
1. Interior modifications which do not alter the exterior appearance of a building; or
 2. A development that the Port has exempted from the application of the Guidelines;
- B. The Port may limit application or waive specified Guidelines in its sole discretion.
- C. In addition to applicable Guidelines, proposed development in the Lower Mill Site shall conform to the requirements of other governing bodies, including but not limited to, the Hood River County (County).
- D. The Port will review proposed development based upon the purposes of these Guidelines set out in Sections III.A and IV.A below, as implemented through the criteria of Sections III.B and IV. B. below, and considering the available facts regarding the particular development, and the best interests of property owners in the Site.

II. REVIEW PROCESS

The Port will review and approve Plans for all development in the Site using the following process. The Port’s authority is exercised in its proprietary capacity in Hood River County as seller or lessor of property, and the Port’s decisions relating to the Guidelines are not land use decisions. During the review, the Port will consider the unique aspects of each development and assist individual developers or tenants as necessary to avoid delay or inconveniences in the execution of plans. It is not the Port’s intent to dictate design features. The Port encourages creative design, quality development and collaboration between developers and businesses which will enhance the Site.

For each development, the property owner will designate its representative(s) for engagement with the Port, and the Port is entitled to rely on the statements of the representatives as those of the owner. For purposes of these Guidelines, an owner or its representative with authority to act on behalf of the owner will be referred to as the “developer.” The Port shall act through its Executive Director or his/her designee.

A. Preliminary Plan Review Meeting

A pre-design and orientation meeting shall be held with the developer, architect and Port staff to discuss the proposed development, design concept, and specific considerations associated with these Guidelines (“Preliminary Plan Review”). This meeting will provide initial Port design input and an overview of the review process. This meeting should be held in the early stages of development design. The Port may provide input and recommendations based on the preliminary plans during the meeting, and during any period after the meeting to which the parties may agree. However, the Port’s recommendations are not binding on the developer. The Port need not produce a written record of this meeting, unless the Port determines that the proposed development is clearly not subject to these Guidelines, in which case, the Port will notify the developer of that determination, and the developer need not continue in the review process.

B. Plan Review

Unless the Port notifies the developer as a result of the Preliminary Plan Review that the Guidelines do not apply, prior to submitting a development plan to Hood River County for regulatory Site Plan review, the developer shall provide draft site plans to the Port, and obtain Port approval of those plans. These site plans are intended to provide as much detail as possible on the development to determine conformance with the Design Guidelines.

Preliminary plans shall consist of the following:

1. A cover sheet or page showing general project information including project title, date, owner, developer, architect/engineer team, engineer, address for notices to the developer, the development schedule and project location.
2. A brief development summary describing the project including, intended uses, employee projection, hours of operation, estimated traffic impact and truck access needs, building size, landscape concept, building design intent, noise, light, or odors associated with the proposed use, and any other pertinent project information requested by the Port as a result of the Preliminary Plan Review.
3. Site plan drawn to an appropriate scale showing:
 - (1) The location and dimensions of property lines, street rights-of-way, easements (proposed and existing) and setbacks (buildings, Site parking, etc.).

- (2) Building location;
- (3) Driveway/ curb cut locations and sizes;
- (4) Site parking, loading and service area layout, including designated Site parking areas for employee, visitor, or other limited use Site parking areas, maneuvering areas, outdoor storage and refuse collection location
- (5) Type and location of planting material and landscape features;
- (6) Location of all utilities including gas, electricity, telephone, water and storm and sanitary sewers;
- (7) Grading and site drainage information; and
- (8) Exterior yard or storage area outline with projected heights and types of equipment and/or material.

4. Floor plans which indicate the layout and uses for all building floors. These drawings should also indicate primary entrances.. Interior materials and finishes need not be presented.

5. Elevations showing proposed exterior wall and roof materials, height of proposed structure, and any special architectural features, such as canopies, columns, and the like.

6. Location, height, and size of any exterior mechanical, electrical or process equipment whether on site or roof-mounted, and the proposed screening technique for such equipment.

A meeting with Port staff is encouraged to describe the submitted materials. Regardless of whether a meeting is held, within ten working days of the Port's receipt of all materials, or longer time period if the Port needs additional time to review the materials and notifies the developer ("Plan Review Period"), the Port shall respond in writing to the developer indicating the Port's findings relating to the Building Design Guidelines and the Site Design Guidelines set out in Sections III and IV below, including the Port's intent to allow any deviation from the Guidelines. During the Plan Review Period, Port staff may contact the developer to discuss the submission and resolve any specific site issues or concerns.

If the Port finds that the proposed plan does not comply with the applicable Guidelines or that insufficient information has been submitted, and the Port does not waive or limit the Guidelines, then the developer shall modify the proposed site plan to satisfy the Guidelines, and thereafter resubmit the revised site plan for Port approval. The Port's review of a revised site plan will be limited to review of the revisions to the previously non-complying components of the development and any other components added or changed from the original site plan submitted. The Port will complete a review of the revised site plan within five (5) working days of resubmission, or longer time period if the Port needs additional time to review the materials and notifies the developer, with the same opportunities for discussion as in the original review.

Developer may not submit its proposed site plan for County regulatory Site Plan review until the Port and the developer have agreed to the proposed site plan. If the City's regulatory Site Plan review changes a component previously approved by the Port, the County Site Plan review decision shall govern the site plan provided the change is a County requirement not requested by the developer or if requested by the developer the change is acceptable to the Port.

C. Final Plan Review

Prior to submitting plans and related information necessary for County building permits, the developer shall provide one copy of the information to the Port for Port review and approval. The Port will review and notify the developer within ten working days of any non-conformance with these Guidelines, or later if the Port needs additional time to review the information and notifies the developer, and unless the Port waives compliance, the Port will specify changes that are necessary. The Port will not object to any components of the development which it has previously approved, or to any component changed by County Site Plan review provided the change is a County requirement not requested by the developer or if requested by the developer the change is acceptable to the Port. The developer shall not submit the information to the County for building permit review until the Port has approved the submission.

D. Construction Review

If changes are made to any Port approved plans during the County building permitting process, the developer shall clearly describe and highlight such changes and provide one copy to the Port for review prior to any changes being constructed. The Port will make any comments on the changes within ten working days of receipt of the changes from the developer, or later if the Port needs additional time to review the changes and notifies the developer. Developer will seek to incorporate the Port's comments into the development to the extent reasonably possible within the requirements of the County permitted plans.

E. Record Drawings

As-constructed drawings (single hard copy and digital copy) of all development on the site and all underground utilities, including any required utility easement area, shall be furnished to the Port no more than thirty days after the County issues the final County Certificate of Occupancy for the development.

III. BUILDING DESIGN GUIDELINES

A. PURPOSE

The following Building Design Guidelines are intended to promote industrial user functionality while enhancing the Site's visual appeal, to pay homage to the historical timber connection of the

site, to encourage sustainable design, thus strengthening the image as a progressive industrial campus.

B. GUIDELINES

1. Metal buildings are permitted, however utilizing high quality materials such as Cross Laminated Timber panels or other advanced wood products, tilt up concrete, and masonry where appropriate is highly encouraged.
2. Provide variety in the use of materials and permanent architectural features, such as windows, recesses, off-setting walls, changes in materials, and other features which may be proposed;
3. If possible, screen roof mounted equipment from view from Highway 35 by use of parapet wall, mechanical enclosure (penthouse), or other feature that is made of a primary exterior finish material. At a minimum, all mechanical units shall be painted to match the color of the building to minimize visual impacts. Interior hosting of these items is preferred.
4. Consider use of energy efficient and sustainable design techniques including the use of daylighting, passive solar design, solar panels and water re-use systems. If such techniques are not incorporated, the developer's submission will include an explanation of the lack of use.

IV. SITE DESIGN GUIDELINES

A. PURPOSE

The following Site Design Guidelines are intended to create landscape areas that contribute to the aesthetics of the surrounding area, provide attractive setting for buildings, and provide safe, interesting outdoor spaces for employees and customers..

B. GUIDELINES

1. Provide street-side and property line boundary planting and location of utilities within the planting areas where possible in the landscaped street setbacks, with only minimal disruption of these planting areas by access drives.
2. Maintain, as much as possible, the Mt. Adams and surrounding Valley views for all parcels that currently command such a view.
3. Minimize the visual impact of all exterior components of communications, plumbing, power, processing, heating, cooling and ventilating systems from adjoining streets, parcels, buildings, with the goal that the Site have a vegetated feel.

4. Ensure that each site development will not create a nuisance to adjacent sites or streets, or objectionable disturbance to occupants of adjacent properties including but not limited to noise, odor, lighting, and any outdoor equipment. The determination of “nuisance” shall be in the Port’s sole discretion.

Wherever possible, utilize native vegetative species which are disease and drought resistant and are well suited for the climate in Hood River, provided that the Port may approve proposed alternative species based on the developer’s justification of the alternate.

5. Site design and improvements should anticipate potential re-use of the building for other purposes.
6. All utilities shall be installed underground.
7. Parking lots should not be the dominant visual element of the site
8. Utilize water conserving irrigation systems or “xeriscaping” for landscape areas to minimize water usage. If developer determines such a system is not feasible, developer will explain its determination as part of the submission to the Port.

Port Contact:

All plans and correspondence and submission of plans shall be directed to:

Port of Hood River
1000 E. Port Marina Drive
Hood River, OR 97031
Attention: Executive Director



Prepared by: Genevieve Scholl
Date: January 10, 2017
Re: Connect VI Grant Agreement

The attached Connect VI grant agreement requires formal approval from the Commission and legal counsel.

RECOMMENDATION: Authorize Acceptance of Oregon Department of Transportation *Connect* Oregon VI grant in the amount of \$1,364,900 and approve execution of grant agreement for the Aviation Technology and Emergency Response Center project at the Ken Jernstedt Airfield.

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GRANT AGREEMENT
CONNECTOREGON VI
OREGON DEPARTMENT OF TRANSPORTATION
CONNECTOREGON FUND PROGRAM 2016
Project Name: Aviation Technology & Emergency Response Center

This Agreement is made and entered into by and between the **State of Oregon**, acting by and through its Department of Transportation, hereinafter referred to as “ODOT,” and **Port of Hood River**, acting by and through its Board of Commissioners, hereinafter referred to as “Recipient,” both hereinafter referred to individually or collectively as “Party” or “Parties.”

- 1. Effective Date.** This Agreement shall become effective on the date this Agreement is fully executed and approved as required by applicable law. Unless otherwise terminated or extended, Grant Funds under this Agreement shall be available for Project Costs incurred on or before the earlier of five years after the Effective Date or the third anniversary date of the Lottery Revenue Bonds (the “Bonds”) issued, in part, to fund this grant (Availability Termination Date). No Grant Funds are available for any expenditures before the Effective Date or after the Availability Termination Date. ODOT’s obligation to disburse Grant Funds under this Agreement shall end as provided in Section 6.b.iv of this Agreement.
- 2. Agreement Documents.** This Agreement consists of this document and the following documents:
 - a. Exhibit A: **Project Description, Key Milestones, Schedule and Budget**
 - b. Exhibit B: **Recipient Requirements**
 - c. Exhibit C: **Subcontractor Insurance**
 - d. Exhibit D: **Reserved**
 - e. Exhibit E: **Application and documents provided by Recipient to ODOT prior to the execution of the Agreement**

Exhibits A through E are incorporated by reference into this Agreement. Exhibits A through C are attached hereto. In the event of a conflict between two or more of the documents comprising this Agreement, the language in the document with the highest precedence shall control. The precedence of each of the documents comprising this Agreement is as follows, listed from highest precedence to lowest precedence: this Agreement without Exhibits; Exhibit A; Exhibit B; Exhibit C; Exhibit E.

- 3. Project Cost; Grant Funds; Match.** The total Project Cost is estimated at \$2,166,900. In accordance with the terms and conditions of this Agreement, ODOT shall provide Recipient Grant Funds in an amount not to exceed \$1,364,900 or seventy (70) percent of the total eligible Project Costs, whichever is less, of eligible Project Costs described in Section 6 hereof. ODOT acknowledges that Recipient has partially met the required match. Eligible costs for this Project incurred will be reimbursed at seventy-one (71) percent until the \$1,364,900 limit is reached. Recipient shall provide matching funds for all Project Costs as described in Exhibit A. ODOT will withhold five (5) percent of the Grant Funds to be distributed as provided in Section 6.c.

ODOT/ Port of Hood River
Agreement No. 31641

4. Project:

- a. **Use of Grant Funds.** The Grant Funds shall be used solely for the Project described in Exhibit A and shall not be used for any other purpose. No Grant Funds will be disbursed for any changes to the Project unless such changes are approved by ODOT by amendment pursuant to Section 11.c hereof.
- b. **Eligible Project Costs.** The Grant Funds will only be used for Recipient's actual Project Costs to the extent those costs are (a) reasonable, necessary and directly used for the Project, (b) costs permitted by generally accepted accounting principles established by the Governmental Accounting Standards Board, as reasonably interpreted by the State, to be capitalized to an asset that is part of the Project, (c) capital expenditures for federal income tax purposes within the meaning of Section 1.150-1(b) of the Internal Revenue Code (the "Code"), and (d) eligible or permitted uses of the Grant under State law and this Agreement.

Eligible Project Costs do NOT include operating and working capital expenditures charged to the Project by Recipient or payments made to related parties, do NOT include loans or grants to be made to third parties, and may only include the payment of principal due on interim financing for the Project with the prior written consent of the State.

c. Project Change Procedures.

- i. If Recipient anticipates Project key milestones will be delayed by more than ninety (90) days from the key milestones shown in Exhibit A, Recipient shall submit a Request for Change Order (Form 734-2648), the form of which is hereby incorporated by reference, to ODOT's Project Liaison as soon as Recipient becomes aware of any possible delay. The Request for Change Order must be submitted prior to the milestone completion date shown in Exhibit A. The fillable form can be downloaded on-line at the following address: http://www.oregon.gov/ODOT/TD/AT/Pages/Forms_Applications.aspx
- ii. Recipient shall not proceed with any changes to Project scope or delivery schedule prior to the execution of an amendment to this Agreement executed in response to ODOT's approval of a Request for Change. A Request for Change Order may be rejected at the discretion of ODOT. ODOT may choose to request review by the Oregon Transportation Commission.

5. Progress Reports.

- a. **Monthly Reports.** Recipient shall submit monthly progress reports to ODOT using the *ConnectOregon* Monthly Progress Report (Form 734-2668), attached by reference and made a part of this Agreement. ODOT will appoint a Project Liaison after execution of this Agreement and provide Recipient with the contact information. Progress reports must be submitted to the ODOT Project Liaison and ODOT's *ConnectOregon* Program Manager by the first Wednesday of each month. The fillable form can be downloaded on-line at the following address: http://www.oregon.gov/ODOT/TD/AT/Pages/Forms_Applications.aspx

ODOT/ Port of Hood River
Agreement No. 31641

- b. Final Report.** Recipient shall submit a written report to ODOT's *ConnectOregon* Program Manager that identifies the number of jobs created or retained both during construction and after Project completion, as a direct result of this Project. The report must also include the number of jobs projected in the application. This report must also include data on the methodology that measures the Project's success as described in the grant application. The report must be received and approved by ODOT within eighteen (18) months after the completion of Project. Recipient's obligation to provide this report will survive expiration of this Agreement. Recipient shall use ("Final Report" Form 734-2947), which also must be signed by Recipient. The form is available at: <http://www.oregon.gov/ODOT/TD/AT/Pages/Forms/Applications.aspx>.

6. Disbursement and Recovery of Grant.

- a. Disbursement Generally.** ODOT shall reimburse eligible costs incurred in carrying out the Project, as described in and limited by Section 4.b., up to the Grant Fund amount provided in Section 3. Reimbursements shall be made by ODOT within forty-five (45) days of ODOT's approval of a request for reimbursement from Recipient. Recipient must pay its contractors, consultants and vendors prior to submitting invoices to ODOT for reimbursement. Requests for Reimbursement will identify the Project, Agreement number, Project start and end date, the request for reimbursement number or the account number or both, and itemize all expenses as well as provide a detailed breakdown of Project Costs expended and Grant Funds reimbursed to date, and the amount of undisbursed Grant Funds. Upon request by ODOT, Recipient shall provide to ODOT proof of payment and backup documentation supporting Recipient's invoices. Requests for reimbursement shall be submitted monthly for any month for which Recipient seeks reimbursement of eligible costs. Eligible costs are the reasonable and necessary costs incurred by the Recipient, or under a subagreement described in Section 9 of this Agreement, in performance of the Project and that are not excluded from reimbursement by ODOT, either by this Agreement or by exclusion as a result of financial review or audit.
- b. Conditions Precedent to Disbursement.** ODOT's obligation to disburse Grant Funds to Recipient is subject to satisfaction, with respect to each disbursement, of each of the following conditions precedent:
- i.** ODOT has received funding, appropriations, limitations, allotments, or other expenditure authority sufficient to allow ODOT, in the exercise of its reasonable administrative discretion, to make the disbursement.
 - ii.** Recipient is in compliance with the terms of this Agreement, including without limitation completion of all prerequisites for reimbursement provided in Exhibit B.
 - iii.** Recipient's representations and warranties set forth in Section 7 hereof are true and correct on the date of disbursement with the same effect as though made on the date of disbursement.
 - iv.** Recipient has provided to ODOT a request for reimbursement in accordance with Section 6.a. Recipient must submit its final request for reimbursement following completion of the

ODOT/ Port of Hood River
Agreement No. 31641

Project and no later than ninety (90) days after the earlier of completion of the Project or the Availability Termination Date. Failure to submit the final request for reimbursement within ninety (90) days after the completion of the Project or the Availability Termination Date could result in non-payment.

- c. Retainage.** ODOT will withhold five percent retainage from the amount paid pursuant to each reimbursement request and shall release this retainage to Recipient as the following conditions are met:
- i.** Eighty percent (80%) of the five percent retainage shall be released to Recipient upon final project acceptance by ODOT.
 - ii.** Twenty percent (20%) of the five percent retainage shall be released to Recipient upon approval by ODOT of the report described in Section 5.b of this Agreement. In accordance with Administrative Rule OAR 731-035 and Oregon Laws 2013, Chapter 723 (House Bill 5008) ODOT may not pay and the Recipient forfeits the amount under this paragraph if the Recipient does not submit the report required by Section 5.b on or before the due date. Recipient acknowledges and agrees that Recipient may not apply for another *ConnectOregon* grant during the next application cycle if Recipient fails to submit the report required by Section 5.b on or before the due date.
- d. Recovery of Grant Funds.** Any Grant Funds disbursed to Recipient under this Agreement that are expended in violation of one or more of the provisions of this Agreement (“Misexpended Funds”) or that remain unexpended on the earlier of the Availability Termination Date or termination of this Agreement must be returned to ODOT. Recipient shall return all Misexpended Funds to ODOT promptly after ODOT’s written demand and no later than fifteen (15) days after ODOT’s written demand. Recipient shall return all unexpended Grant Funds to ODOT within fourteen (14) days after the earlier of the Availability Termination Date or termination of this Agreement.

7. Representations and Warranties of Recipient. Recipient represents and warrants to ODOT as follows:

- a. Organization and Authority.** Recipient is duly organized and validly existing under the laws of the State of Oregon and is eligible to receive the Grant Funds. Recipient has full power, authority and legal right to make this Agreement and to incur and perform its obligations hereunder, and the making and performance by Recipient of this Agreement (1) have been duly authorized by all necessary action of Recipient and (2) do not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or other administrative agency or any provision of Recipient’s Articles of Incorporation or Bylaws, if applicable, (3) do not and will not result in the breach of, or constitute a default or require any consent under any other agreement or instrument to which Recipient is a party or by which Recipient or any of its properties may be bound or affected. No authorization, consent, license, approval of, filing or registration with or notification to any governmental body or regulatory or supervisory authority is required for the execution, delivery or performance by Recipient of this Agreement.

- b. Binding Obligation.** This Agreement has been duly executed and delivered by Recipient and constitutes a legal, valid and binding obligation of Recipient, enforceable in accordance with its terms subject to the laws of bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally.
- c. No Solicitation.** Recipient's officers, employees, and agents shall neither solicit nor accept gratuities, favors, or any item of monetary value from contractors, potential contractors, or parties to subagreements. No member or delegate to the Congress of the United States or State of Oregon employee shall be admitted to any share or part of this Agreement or any benefit arising therefrom.
- d. No Debarment.** Neither Recipient nor its principals is presently debarred, suspended, or voluntarily excluded from any federally-assisted transaction, or proposed for debarment, declared ineligible or voluntarily excluded from participating in this Agreement by any state or federal agency. Recipient agrees to notify ODOT immediately if it is debarred, suspended or otherwise excluded from any federally assisted transaction for any reason or if circumstances change that may affect this status, including without limitation upon any relevant indictments or convictions of crimes.
- e. Compliance with Oregon Taxes, Fees and Assessments.** Recipient is, to the best of the undersigned(s) knowledge, and for the useful life of the Project will remain, current on all applicable state and local taxes, fees and assessments.
- f. Representations and Covenants Regarding the Tax-Exempt Status of Bonds.**

 - i. Recipient acknowledges that the Bonds issued to fund this grant have been or are expected to be issued with the interest paid on the Bonds excludable from gross income for federal income tax purposes and that the uses of the Grant proceeds and the Project by Recipient during the term of the Bonds may impact the tax-exempt status of the Bonds. Recipient agrees to comply with all applicable provisions of the Code necessary to protect the exclusion of interest on the Bonds from federal income taxation.
 - ii. Recipient shall not, without prior written consent of ODOT, permit more than five percent (5%) of the Project to be used in a "private use" by a "private person" (as defined in the Code) if such private use could result in the State of Oregon, receiving direct or indirect payments or revenues from the portion of the Project to be privately used.

This paragraph f. shall survive any expiration or termination of this Agreement.
- g.** The warranties set forth in this Section 7 are in addition to, and not in lieu of, any other warranties set forth in this Agreement or implied by law.

8. Records Maintenance and Access; Audit.

ODOT/ Port of Hood River
Agreement No. 31641

- a. Records, Access to Records and Facilities.** Recipient shall make and retain proper and complete books of record and account and maintain all fiscal records related to this Agreement and the Project in accordance with all applicable generally accepted accounting principles, generally accepted governmental auditing standards and state minimum standards for audits of municipal corporations. Recipient shall ensure that each of its subrecipients and subcontractors complies with these requirements. ODOT, the Secretary of State of the State of Oregon (Secretary) and their duly authorized representatives shall have access to the books, documents, papers and records of Recipient that are directly related to this Agreement, the funds provided hereunder, or the Project for the purpose of making audits and examinations. In addition, ODOT, the Secretary and their duly authorized representatives may make and retain excerpts, copies, and transcriptions of the foregoing books, documents, papers, and records. Recipient shall permit authorized representatives of ODOT, and the Secretary to perform site reviews of the Project, and to inspect all vehicles, real property, facilities and equipment purchased by Recipient as part of the Project, and any transportation services rendered by Recipient.
- b. Retention of Records.** Recipient shall retain and keep accessible all books, documents, papers, and records, that are directly related to this Agreement, the funds or the Project until the date that is three (3) years following the later of the final maturity or earlier retirement of all of the Bonds funding the Grant (including the final maturity or redemption date of any obligations issued to refund the Bonds, or such longer period as may be required by other provisions of this Agreement or applicable law, following the Availability Termination Date. State anticipates issuing 20 year Lottery Revenue bonds, therefore, Recipient should anticipate retaining project records until at least June 30, 2040. It is recommended that the Recipient consult with the State before final destruction of Project records. If there are unresolved audit questions at the end of the period described in this Section 8, Recipient shall retain the records until the questions are resolved.
- c. Expenditure Records.** Recipient shall document the expenditure of all Grant Funds disbursed by ODOT under this Agreement. Recipient shall create and maintain all expenditure records in accordance with generally accepted accounting principles and in sufficient detail to permit ODOT to verify how the Grant moneys were expended.

This Section 8 shall survive any expiration or termination of this Agreement.

9. Recipient Subagreements and Procurements

- a. Subagreements.** Recipient may enter into agreements with sub-recipients, contractors or subcontractors (collectively, “subagreements”) for performance of the Project.

 - i.** All subagreements must be in writing, executed by Recipient and must incorporate and pass through all of the applicable requirements of this Agreement to the other party or parties to the subagreement(s). Use of a subagreement does not relieve Recipient of its responsibilities under this Agreement.

ODOT/ Port of Hood River
Agreement No. 31641

- ii. Recipient shall require all of its contractors performing work under this Agreement to name ODOT as a third party beneficiary of Recipient's subagreement with the Contractor and to name ODOT as an additional obligee on contractors' bonds.
- iii. Recipient agrees to provide ODOT with a copy of any signed subagreement upon request by ODOT. Any substantial breach of a term or condition of a subagreement relating to funds covered by this Agreement must be reported by Recipient to ODOT within ten (10) days of its being discovered.

b. Subagreement indemnity; insurance.

- i. *Recipient's subagreement(s) shall require the other party to such subagreements(s) that is not a unit of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless ODOT and its officers, employees and agents from and against any and all claims, actions, liabilities, damages, losses, or expenses, including attorneys' fees, arising from a tort, as now or hereafter defined in ORS 30.260, caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the other party to Recipient's subagreement or any of such party's officers, agents, employees or subcontractors ("Claims"). It is the specific intention of the Parties that ODOT shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of ODOT, be indemnified by the other party to Recipient's subagreement(s) from and against any and all Claims.*
- ii. Any such indemnification shall also provide that neither Recipient's subrecipient(s), contractor(s) nor subcontractor(s), nor any attorney engaged by Recipient's subrecipient(s), contractor(s) nor subcontractor(s) shall defend any claim in the name of ODOT or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State may, at any time at its election, assume its own defense and settlement in the event that it determines that Recipient's subrecipient is prohibited from defending the State, or that Recipient's subrecipient is not adequately defending the State's interests, or that an important governmental principle is at issue or that it is in the best interests of the State to do so. The State reserves all rights to pursue claims it may have against Recipient's subrecipient if the State of Oregon elects to assume its own defense.
- iii. Recipient shall require the other party, or parties, to each of its subagreements that are not units of local government as defined in ORS 190.003 to obtain and maintain insurance of the types and in the amounts provided in Exhibit C to this Agreement.

c. Procurements. Recipient shall make purchases of any equipment, materials, or services for the Project under procedures that comply with Oregon law, including all applicable provisions of the Oregon Public Contracting Code and rules, ensuring that:

- i. all applicable clauses required by federal statute, executive orders and their implementing regulations are included in each competitive procurement;

ODOT/ Port of Hood River
Agreement No. 31641

- ii. all procurement transactions are conducted in a manner providing full and open competition;
- iii. procurements exclude the use of statutorily or administratively imposed in-state or geographic preference in the evaluation of bids or proposals (with exception of locally controlled licensing requirements).

10. Termination

- a. **Termination by ODOT.** ODOT may terminate this Agreement effective upon delivery of written notice of termination to Recipient, or at such later date as may be established by ODOT in such written notice, if:
 - i. Recipient fails to perform the Project within the time specified herein or any extension thereof or commencement, continuation or timely completion of the Project by Recipient is, for any reason, rendered improbable, impossible, or illegal; or
 - ii. ODOT fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow ODOT, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement; or
 - iii. Federal or state laws, rules, regulations or guidelines are modified or interpreted in such a way that the Project is no longer allowable or no longer eligible for funding under this Agreement; or
 - iv. The Project would not produce results commensurate with the further expenditure of funds; or
 - v. Recipient takes any action pertaining to this Agreement without the approval of ODOT and which under the provisions of this Agreement would have required the approval of ODOT.
- b. **Termination by Recipient.** Recipient may terminate this Agreement effective upon delivery of written notice of termination to ODOT, or at such later date as may be established by Recipient in such written notice, if:
 - i. The requisite local funding to continue the Project becomes unavailable to Recipient;
 - ii. Federal or state laws, rules, regulations or guidelines are modified or interpreted in such a way that the Project is no longer allowable or no longer eligible for funding under this Agreement.
 - iii. ODOT fails to make payments due in accordance with this Agreement.

ODOT/ Port of Hood River
Agreement No. 31641

- c. **Termination by Either Party.** Either Party may terminate this Agreement upon at least ten (10) days' notice to the other Party and failure of the other Party to cure within the period provided in the notice, if the other Party fails to comply with any of the terms of this Agreement.
- d. **Rights upon Termination; Remedies.** Any termination of this Agreement shall not prejudice any rights or obligations accrued prior to termination. The remedies set forth in this Agreement are cumulative and are in addition to any other rights or remedies available at law or in equity.

11. GENERAL PROVISIONS

- a. **Contribution.** If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third Party Claim") against ODOT or Recipient with respect to which the other Party may have liability, the notified Party must promptly notify the other Party in writing of the Third Party Claim and deliver to the other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by a Party of the notice and copies required in this paragraph and meaningful opportunity for the Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to that Party's liability with respect to the Third Party Claim.

With respect to a Third Party Claim for which ODOT is jointly liable with Recipient (or would be if joined in the Third Party Claim), ODOT shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Recipient in such proportion as is appropriate to reflect the relative fault of ODOT on the one hand and of the Recipient on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of ODOT on the one hand and of Recipient on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. ODOT's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if ODOT had sole liability in the proceeding.

With respect to a Third Party Claim for which Recipient is jointly liable with ODOT (or would be if joined in the Third Party Claim), Recipient shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by ODOT in such proportion as is appropriate to reflect the relative fault of Recipient on the one hand and of ODOT on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Recipient on the one hand and of ODOT on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to

ODOT/ Port of Hood River
Agreement No. 31641

correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Recipient's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.

- b. Dispute Resolution.** The Parties shall attempt in good faith to resolve any dispute arising out of this Agreement. In addition, the Parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.
- c. Amendments.** This Agreement may be amended or extended only by a written instrument signed by both Parties and approved as required by applicable law.
- d. Duplicate Payment.** Recipient is not entitled to compensation or any other form of duplicate, overlapping or multiple payments for the same work performed under this Agreement from any agency of the State of Oregon or the United States of America or any other party, organization or individual.
- e. No Third Party Beneficiaries.** ODOT and Recipient are the only Parties to this Agreement and are the only Parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly or indirectly, to a third person unless such a third person is individually identified by name herein and expressly described as an intended beneficiary of the terms of this Agreement.
- f. Notices.** Except as otherwise expressly provided in this Agreement, any communications between the Parties hereto or notices to be given hereunder shall be given in writing by personal delivery, facsimile, email or mailing the same, postage prepaid, to Recipient Contact or ODOT Contact at the address or number set forth on the signature page of this Agreement, or to such other addresses or numbers as either Party may hereafter indicate pursuant to this Section 11.f. Any communication or notice personally delivered shall be deemed to be given when actually delivered. Any communication or notice delivered by facsimile shall be deemed to be given when receipt of the transmission is generated by the transmitting machine, and to be effective against ODOT, such facsimile transmission must be confirmed by telephone notice to ODOT Contact. Any communication by email shall be deemed to be given when the recipient of the email acknowledges receipt of the email. Any communication or notice mailed shall be deemed to be given when received.
- g. Governing Law, Consent to Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between ODOT (or any other agency or department of the State of Oregon) and Recipient that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County in the State of Oregon. In no event shall this section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of

ODOT/ Port of Hood River
Agreement No. 31641

any court. Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

- h. Compliance with Law.** Recipient shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to the Agreement or to the implementation of the Project, including without limitation as described in Exhibit B. Without limiting the generality of the foregoing, Recipient expressly agrees to comply with (i) Title VI of Civil Rights Act of 1964; (ii) Title V and Section 504 of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 and ORS 659A.142; (iv) all regulations and administrative rules established pursuant to the foregoing laws; and (v) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.
- i. Insurance; Workers' Compensation.** All employers, including Recipient, that employ subject workers who provide services in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126. Employer's liability insurance with coverage limits of not less than \$500,000 must be included. Recipient shall ensure that each of its subrecipient(s), contractor(s), and subcontractor(s) complies with these requirements.
- j. Independent Contractor.** Recipient shall perform the Project as an independent contractor and not as an agent or employee of ODOT. Recipient has no right or authority to incur or create any obligation for or legally bind ODOT in any way. ODOT cannot and will not control the means or manner by which Recipient performs the Project, except as specifically set forth in this Agreement. Recipient is responsible for determining the appropriate means and manner of performing the Project. Recipient acknowledges and agrees that Recipient is not an "officer", "employee", or "agent" of ODOT, as those terms are used in ORS 30.265, and shall not make representations to third parties to the contrary.
- k. Severability.** If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this Agreement did not contain the particular term or provision held to be invalid.
- l. Counterparts.** This Agreement may be executed in two or more counterparts (by facsimile or otherwise), each of which is an original and all of which together are deemed one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart.
- m. Integration and Waiver.** This Agreement, including all Exhibits, constitutes the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. The delay or failure of either party to enforce any provision of this Agreement shall not constitute a waiver by that party of that or any other provision. Recipient, by the signature below of its authorized representative, hereby acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

ODOT/ Port of Hood River
Agreement No. 31641

THE PARTIES, by execution of this Agreement, hereby acknowledge that their signing representatives have read this Agreement, understand it, and agree to be bound by its terms and conditions.

The Oregon Transportation Commission at its August 2016 meeting approved the *ConnectOregon* VI project application list and delegated authority to the Director of the Oregon Department of Transportation to enter into project agreements.

Port of Hood River, by and through its Board of Commissioners

STATE OF OREGON, by and through its Department of Transportation

By _____
(Legally designated representative)

By _____
Director

Name _____
(printed)

Date _____

APPROVAL RECOMMENDED

Date _____

By _____
Freight Planning Program Manager

By _____

Date _____

Name _____
(printed)

By _____
Active Transportation Section Manager

Date _____

Date _____

APPROVED AS TO LEGAL SUFFICIENCY

APPROVED AS TO LEGAL SUFFICIENCY
By **Marvin D. Fjordbeck, Senior Assistant Attorney General** by email 12/22/2016.

(If required in local process)

By _____
Recipient's Legal Counsel

Date _____

ODOT Contact:

Recipient Contact:

Marie Wright, *ConnectOregon* Program Manager
ODOT - Active Transportation Section
555 13th Street NE
Salem, OR 97301
503-986-3327
marie.a.wright@odot.state.or.us

Michael McElwee, Executive Director
1000 E Port Marina Drive
Hood River, OR 97301
(541) 386-1645
porthr@gorge.net

ODOT/ Port of Hood River
 Agreement No. 31641

EXHIBIT A
Project Description, Key Milestones, Schedule and Budget
Agreement No. 31641
Application Number: 1A0398
Project Name: Aviation Technology & Emergency Response Center

A. PROJECT DESCRIPTION

This Project is for the Ken Jernstedt Airfield in Hood River, Oregon. The Project will renovate and expand the north apron for a new staging area, prepare utilities and pad sites, and construct a new av-gas/jet fuel facility.

B. PROJECT KEY MILESTONES AND SCHEDULE

Project has four (4) Key Milestone(s). Key Milestones are used for evaluating performance on Project as described in the Agreement. Key Milestones cannot be changed without an amendment to the Agreement.

If Recipient anticipates Project Key Milestones will be delayed by more than ninety (90) days, Recipient shall submit a Request for Change Order, as described in Section 4(c) of the Agreement, to the ODOT Project Liaison as soon as Recipient becomes aware of any possible delay. The Request for Change Order must be submitted prior to the Key Milestone completion date shown in this Exhibit.

The anticipated start date of Project is: 1/5/2017

The estimated completion date of Project is: 8/30/2018

Table 1: Key Milestones

Key Milestone	Description	Estimated Due Date
1	Scoping and planning	NA
2	Right of way and land acquisition	NA
3	Permits	3/31/2018
4	Final plans/bidding engineering documents	9/30/2017
5	Construction contract award	4/30/2018
6	Project completion	8/30/2018

ODOT/ Port of Hood River
Agreement No. 31641

Table 2 – Funding Breakdown

A	Total Project Cost	\$2,166,900
B	Grant Award Amount	\$1,364,900
C	Recipient Match (must be at least 30% of Total Project Cost)	\$802,000

EXHIBIT B

Recipient Requirements

- I.** Recipient shall comply with all applicable requirements of ORS 367.080 to 367.086, OAR chapter 731, Division 35. Failure by Recipient to comply with these requirements will subject Recipient to the sanctions as described in OAR735-035-0080.
- II.** Recipient shall comply with ORS 280.518, which requires any economic development program financed with proceeds from the state lottery to display a sign in a conspicuous location on Project site or specify in the program information that Project is financed with proceeds from the state lottery. ODOT will provide standard signage as appropriate. If Recipient chooses to make a custom sign, Recipient must obtain written approval from ODOT's ConnectOregon Program Manager to use its custom sign and Recipient shall be responsible for the cost of such custom signage. If Project site is remote and a sign would not be visible to the public, Recipient shall provide proof to ODOT's ConnectOregon Program Manager that Recipient has specified in its program information that Project is financed with proceeds from the state lottery.
- III.** Recipient shall comply with all applicable provisions of ORS 279C.800 to 279C.870 pertaining to prevailing wage rates and including, without limitation, that workers on the Project shall be paid not less than rates in accordance with ORS 279C.838 and 279C.840 pertaining to wage rates and ORS 279C.836 pertaining to having a public works bond filed with the Construction Contractors' Board.
- IV.** Recipient acknowledges and agrees that, whenever OAR 839-025-0230(4) requires ODOT as the public agency providing public funds for a project that is a public work under ORS 279C.800(6)(a)(B) to pay the fee required under ORS 279C.825, ODOT will calculate and pay the fee and deduct the amount of the fee from Recipient's Grant Funds under this Agreement.
- V.** Recipient shall notify ODOT's Project Liaison and ODOT's ConnectOregon Program Manager in writing when any contact information changes during the term of this Agreement.
- VI.** Recipient must provide matching funds in an amount equal to thirty (30) percent of the eligible Project Costs. Matching funds must be used for elements necessary for implementation of Project, including land, excavation, permits, engineering, payroll, special equipment purchase, rental or lease. Recipient is responsible for all costs in excess of the Grant Funds.
- VII.** Recipient shall pay back all of the Grant Funds to ODOT if Project is not completed in accordance with, or consistent with Exhibit A and Exhibit E, as each may be amended. Recipient obligations for Recovery of Grant Funds are provided in Section 6.d of this Agreement.
- VIII.** Recipient and ODOT's Project Liaison shall, upon completion of all on-site work for the Project, perform an on-site review. Once review is completed, the ODOT Project Liaison may recommend acceptance of Project by signing the ConnectOregon "Recommendation of

ODOT/ Port of Hood River
Agreement No. 31641

Acceptance” (Form 734-2649), which also must be signed by Recipient. The form is available at: http://www.oregon.gov/ODOT/TD/AT/Pages/Forms_Applications.aspx

- IX.** Recipient shall, at its own expense, maintain and operate Project upon completion and throughout the useful life of Project at a minimum level that is consistent with normal depreciation or service demand or both. ODOT and Recipient agree that the useful life of Project is defined as twenty (20) years. Recipient has, by submitting its application for this *ConnectOregon* VI grant, represented and certified to sufficient funds and to its ability to operate and maintain Project. Recipient may not transfer, convey, sell or lease the property and assets of the Project during the useful life of the Project without the prior written approval of ODOT. Such approval shall not be unreasonably withheld. Recipient agrees to require any successor owner of the Project property to comply with this requirement. Failure to comply with this requirement may be remedied by Recipient or its successor in interest by (a) restoring the property to the uses(s) required by this Agreement or (b) repayment of expended funds. In the event repayment of expended funds is required, the amount determined using the Straight Line Depreciation (SLD) method must be repaid to ODOT. The SLD is calculated by taking the grant amount divided by twenty years. ODOT may conduct site reviews of the Project as provided in Section 8.a of this Agreement throughout the useful life of the Project. This paragraph shall survive any expiration or termination of this Agreement.
- X.** Recipient shall provide pre-construction Project photographs within thirty (30) days of the execution of this Agreement. Recipient shall provide Project photographs thirty (30) days after Project is completed. These photographs must be provided to the ODOT Project Liaison and ODOT’s *ConnectOregon* Program Manager.
- XI.** If sidewalk, curb ramp and traffic signal improvements are on or along a state highway, Recipient shall:
- a.** Work with the ODOT contact to obtain a miscellaneous permit to occupy state right of way through the ODOT District Office prior to the commencement of construction.
 - b.** Ensure Project meets current *ODOT Highway Design Manual* design standards for the work that is on or along the state highway.
 - c.** Follow ODOT’s processes in addressing Americans with Disabilities Act of 1990 (ADA) features, including using the *ODOT Highway Design Manual*, Design Exception process, *ODOT Standard Drawings*, State’s Construction Specifications, the *Manual on Uniform Traffic Control*, and current State Traffic Signal Policy and Guidelines, and ODOT’s Curb Ramp Inspection form.
 - d.** At Project completion, send an ADA Ramp Inspection Form 734-5020 to the address on the form as well as to ODOT’s Contact.

State’s fillable ADA Ramp Inspection Form and instructions are available at the following address:

<http://www.oregon.gov/ODOT/HWY/CONSTRUCTION/Pages/HwyConstForms1.aspx>

- e. Work with ODOT's contact when on any traffic signal timing signal improvements are involved. ODOT maintains responsibility, unless an agreement exists with Recipient that specifically allows Recipient to perform that function. As part of those traffic signal responsibilities ODOT shall:
 - i. Ensure its Region Electrical Crew, at Project expense, perform the signal equipment environmental testing and perform the signal field testing and turn on.
 - ii. Retain the right of review of the traffic signal timing for signals on state highways, or those which State maintains, and shall reserve the right to request adjustments when needed.
 - iii. Notify the local jurisdiction whenever timing changes that affect the operation of local street connections to the state highway are scheduled. All modifications shall follow guidelines set forth in the current *Manual on Uniform Traffic Control Devices*, and the current ODOT's *Traffic Signal Policy and Guidelines*.
 - iv. Maintain the pavement surrounding the vehicle detector loops installed in the state highway in such a manner as to provide adequate protection for said detector loops at its own expense upon completion of the project.
 - v. Maintain the pavement markings and signing installed on the state highway in accordance with current ODOT standards.
- XII.** Recipient shall, at its own expense, periodically inspect the Project upon completion and throughout the useful life of the Project to ensure continuing compliance with ADA standards. This provision shall survive termination of the Agreement.

XIII. Additional requirements

a. Prerequisites for Reimbursement of Costs – General

- i. **Prior approvals.** Recipient shall provide documentation of having met all pre-construction requirements, including, but not limited to, meeting all public agency conditions of Project approval and obtaining all Project-specific land entitlements and permits, including Environmental Impact Statement, prior to any construction costs (labor and material) being considered eligible for reimbursement or reimbursed. Project Costs will be reimbursed from Grant Funds only through the design phase of Project until all applicable documentation is received by ODOT. Recipient shall provide this documentation to ODOT's ConnectOregon Program Manager.
- ii. **Matching Funds.** Recipient shall provide documentation of having secured the matching funds prior to any construction costs (labor and material) being considered eligible for reimbursement or reimbursed from Grant Funds. The matching funds must be available and

ODOT/ Port of Hood River
Agreement No. 31641

- committed for the duration of Project. Recipient shall provide this documentation to ODOT's ConnectOregon Program Manager. Required proof of match would be met with the following a) a bank statement or proof of a bank loan for the Project, b) an approved operational budget for the Project, c) minutes of a board meeting authorizing funding for the Project, d) or a resolution authorizing Project funds and the match funds.
- iii. Pre-construction estimate.** Recipient shall provide a pre-construction estimate based on the final design prior to any construction (labor and material) costs being considered eligible for reimbursement or reimbursed from Grant Funds. Project Costs will only be reimbursed through the design phase of Project until all applicable documentation is received. Recipient shall provide this documentation to ODOT's ConnectOregon Program Manager.
- iv. General Standards.** The Project shall be completed within industry standards and best practices to ensure the functionality and serviceability of the Program's investment meets the intent of the application and the Program.

EXHIBIT C

Subagreement Insurance Requirements

GENERAL.

Recipient shall require in its first tier subagreements with entities that are not units of local government as defined in ORS 190.003, if any, to: i) obtain insurance specified under TYPES AND AMOUNTS and meeting the requirements under ADDITIONAL INSURED, “TAIL” COVERAGE, NOTICE OF CANCELLATION OR CHANGE, and CERTIFICATES OF INSURANCE before performance under the subagreement commences, and ii) maintain the insurance in full force throughout the duration of the subagreement. The insurance must be provided by insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to ODOT. Recipient shall not authorize work to begin under subagreements until the insurance is in full force. Thereafter, Recipient shall monitor continued compliance with the insurance requirements on an annual or more frequent basis. Recipient shall incorporate appropriate provisions in the subagreement permitting it to enforce compliance with the insurance requirements and shall take all reasonable steps to enforce such compliance. In no event shall Recipient permit work under a subagreement when Recipient is aware that the contractor is not in compliance with the insurance requirements. As used in this section, “first tier” means a subagreement in which the Recipient is a Party.

TYPES AND AMOUNTS.

- i. **WORKERS COMPENSATION.** Insurance in compliance with ORS 656.017, which requires all employers that employ subject workers, as defined in ORS 656.027, to provide workers’ compensation coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Employer’s liability insurance with coverage limits of not less than \$500,000 must be included.
- ii. **COMMERCIAL GENERAL LIABILITY.** Commercial General Liability Insurance covering bodily injury, death, and property damage in a form and with coverages that are satisfactory to ODOT. This insurance shall include personal injury liability, products and completed operations. Coverage shall be written on an occurrence form basis, with not less than the following amounts as determined by ODOT:

Bodily Injury, Death and Property Damage:

\$1,000,000 per occurrence (for all claimants for claims arising out of a single accident or occurrence).

- iii. **AUTOMOBILE Liability Insurance: Automobile Liability.** Automobile Liability Insurance covering all owned, non-owned and hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for “Commercial General Liability” and “Automobile Liability”). Automobile Liability Insurance must be in not less than the following amounts as determined by ODOT:

ODOT/ Port of Hood River
Agreement No. 31641

Bodily Injury, Death and Property Damage:

\$1,000,000 per occurrence (for all claimants for claims arising out of a single accident or occurrence).

- iv. ADDITIONAL INSURED.** The Commercial General Liability Insurance and Automobile Liability insurance must include ODOT, its officers, employees and agents as Additional Insureds but only with respect to the contractor's activities to be performed under the Subcontract. Coverage must be primary and non-contributory with any other insurance and self-insurance.
- v. "TAIL" COVERAGE.** If any of the required insurance policies is on a "claims made" basis, such as professional liability insurance, the contractor shall maintain either "tail" coverage or continuous "claims made" liability coverage, provided the effective date of the continuous "claims made" coverage is on or before the effective date of the Subcontract, for a minimum of twenty-four (24) months following the later of : (i) the contractor's completion and Recipient's acceptance of all Services required under the Subcontract or, (ii) the expiration of all warranty periods provided under the Subcontract. Notwithstanding the foregoing twenty-four (24) month requirement, if the contractor elects to maintain "tail" coverage and if the maximum time period "tail" coverage reasonably available in the marketplace is less than the twenty-four (24) month period described above, then the contractor may request and ODOT may grant approval of the maximum "tail " coverage period reasonably available in the marketplace. If ODOT approval is granted, the contractor shall maintain "tail" coverage for the maximum time period that "tail" coverage is reasonably available in the marketplace.
- vi. NOTICE OF CANCELLATION OR CHANGE.** The contractor or its insurer must provide thirty (30) days' written notice to Recipient before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s).
- vii. CERTIFICATE(S) OF INSURANCE.** Recipient shall obtain from the contractor a certificate(s) of insurance for all required insurance before the contractor performs under the Subcontract. The certificate(s) or an attached endorsement must specify: i) all entities and individuals who are endorsed on the policy as Additional Insured and ii) for insurance on a "claims made" basis, the extended reporting period applicable to "tail" or continuous "claims made" coverage.

The Recipient shall immediately notify ODOT of any change in insurance coverage.