

**PORT OF HOOD RIVER
Resolution No. 2013-14-2**

**RESOLUTION ADOPTING STRATEGIC BUSINESS PLAN
FOR THE PORT OF HOOD RIVER**

WHEREAS, the Strategic Business Plan ("Plan") for the Port of Hood River was last updated in March 2006; and

WHEREAS, the Port has sought input on the Plan by holding public Special Meetings, and informed the public through Port newsletter and website updates; and

WHEREAS, the Port of Hood River Commission has reviewed numerous drafts of an updated Plan and received expert review assistance from its attorney and the Oregon Business Development Department on changes to its Plan; and

WHEREAS, it is necessary and advisable to adopt a revised Strategic Business Plan that will serve as a guiding policy document for the Port Commission and staff, as well as for the general public, over the next five-plus years; now, therefore, be it

RESOLVED:

1. That the Strategic Business Plan dated January 14, 2014 and attached to this Resolution shall be the policy of the Port of Hood River.

ADOPTED BY THE BOARD OF COMMISSIONERS this 14th day of January 2014.



Jon Davies



Fred Duckwall



Rich McBride

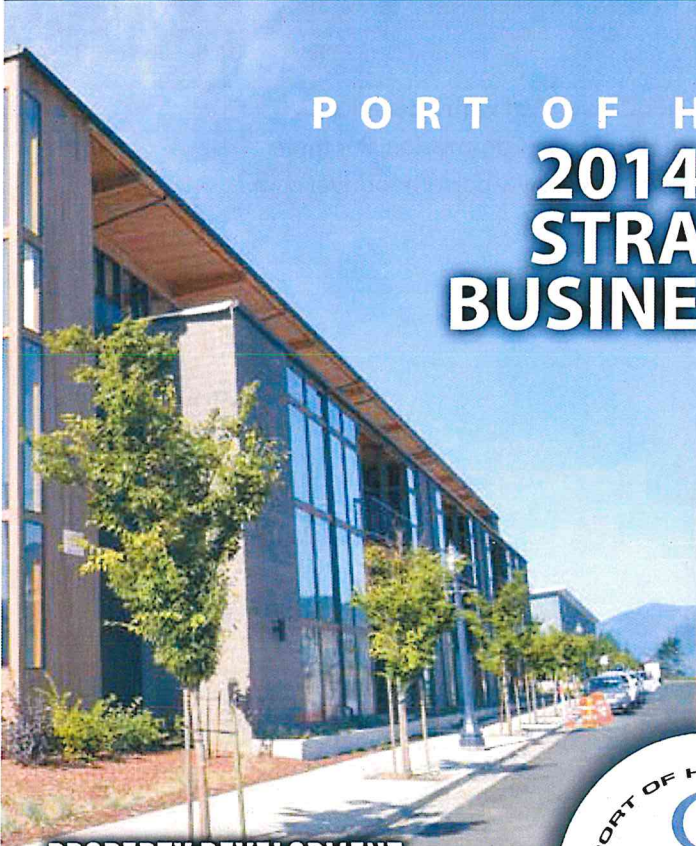


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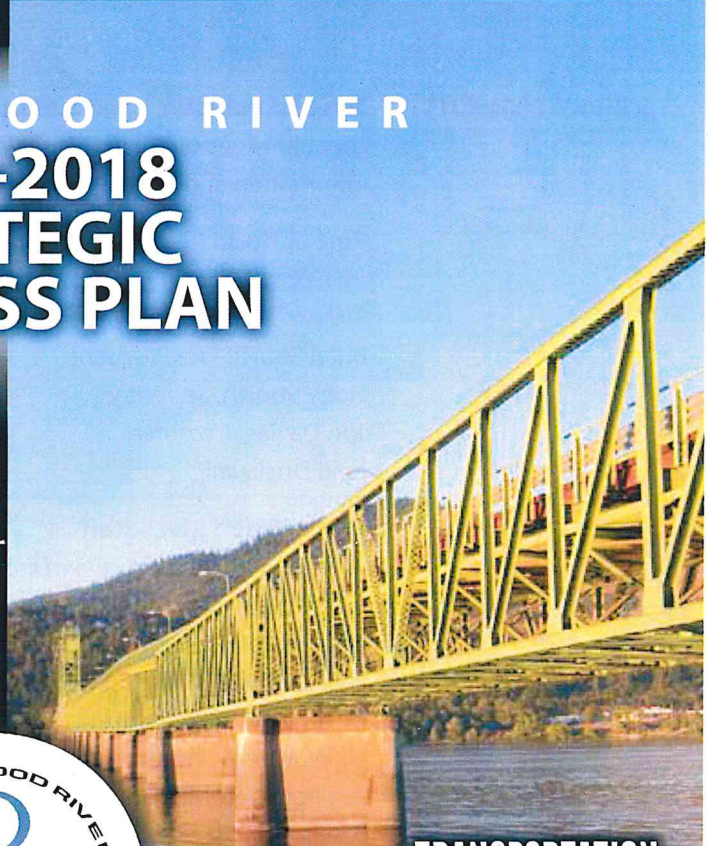


Hobby Streich

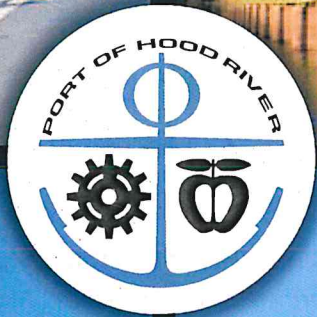
PORT OF HOOD RIVER 2014-2018 STRATEGIC BUSINESS PLAN



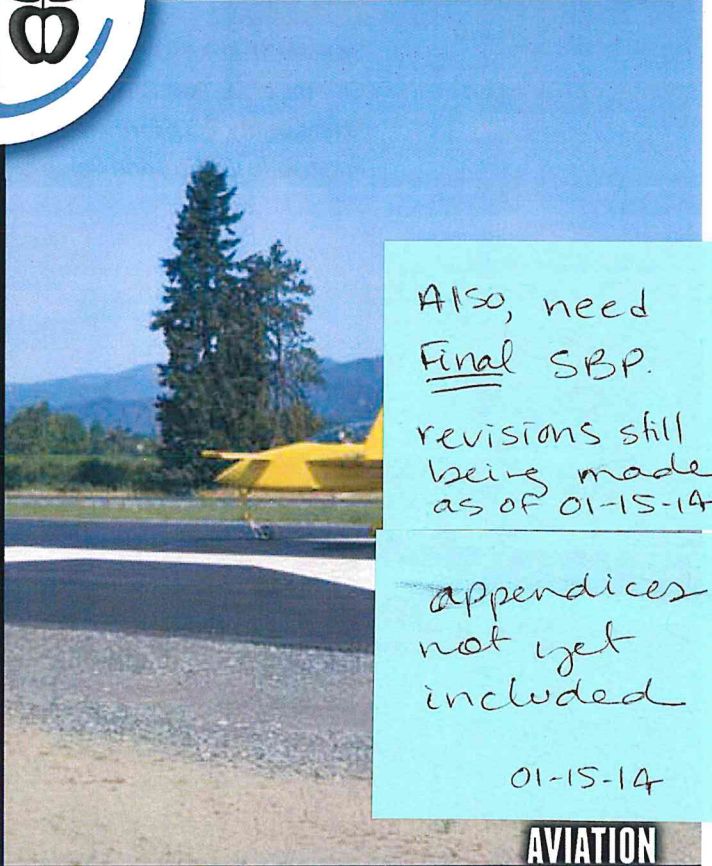
PROPERTY DEVELOPMENT



TRANSPORTATION



RECREATION



AVIATION

Also, need
Final SBP.
revisions still
being made
as of 01-15-14

appendices
not yet
included

01-15-14

ACKNOWLEDGMENTS

This plan was developed by Port of Hood River staff with assistance by consultants as directed by the Port of Hood River Commission. For more information about the Port of Hood River, visit www.portofhoodriver.com.

Port of Hood River

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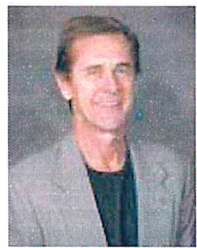
Port Legal Counsel

Jerry Jaques

Special Thanks to

Citizens of the Port District, Port of Hood River employees, City of Hood River, Hood River County, ECONorthwest, HNTB Engineers, Mackenzie, Pageworks Design, and Columbia Planning Northwest.

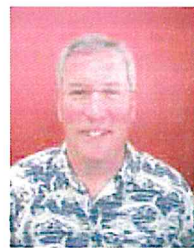
2013-2014 Board of Commissioners



Richard McBride



Jon Davies



Brian Shortt



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Hoby Streich



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I. INTRODUCTION

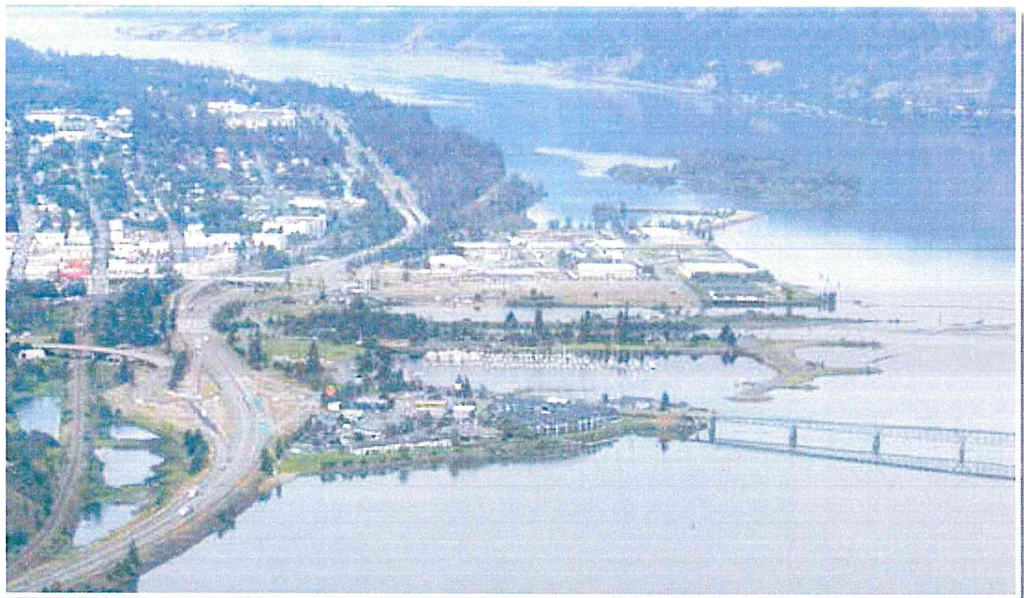
A. Port at a Glance

The Port of Hood River has a long history of successful management, planning and project implementation in the areas of economic development, transportation, and recreation. Model practices, including asset management, financial management, and fiscal protocols, have led to financial stability for the Port of Hood River in serving the district.

The Port District extends from the Columbia River southward through the Hood River Valley and includes the incorporated town of Hood River and unincorporated towns of Odell and Parkdale. The district encompasses about half of Hood River County, with the exception of Cascade Locks. Major area industries have historically been fruit/agriculture and timber, however declines in timber have been offset by increases in tourism, recreation, and technology sectors. See [Appendix A](#) for a map of the Port District.

The Port's major assets include the Hood River Interstate Bridge, the Ken Jernstedt Airfield, the Waterfront Business Park, the Hood River Marina and Port Marina Park. Other assets include waterfront recreation sites, and pieces of previous economic development projects.

The Port has recently experienced significant business and industrial park growth, increased bridge traffic and tolls, major airport improvements, and increases in tenant occupancy rates and lease revenues.



Port of Hood River Waterfront, Hood River, OR, June 2010



INTRODUCTION

B. Purpose of the Plan

The Port of Hood River has been proactive at business planning, and has conducted biannual strategic planning sessions for many years to review and renew its goals and objectives. This Strategic Business Plan (SBP) replaces the last plan adopted in 2006. It is intended to serve as the primary strategy document for the Port Commission, staff, and general public to guide Port operations, projects and practices for the next five years. It seeks to continue the Port's legacy of proactive, informed economic development and well-managed facilities and projects. It is also a component of a "family" of key Port management documents which include policies, ordinances and manuals some of which are referenced herein.

The Strategic Business Plan is intended to serve as the primary strategy document for the Port Commission, staff, and general public to guide Port operations, projects and practices for the next five years.



Port of Hood River Waterfront, Hood River, OR, 1950s



C. Plan Formation and Organization

This Strategic Business Plan is the result of multiple efforts carried out in 2012 and 2013 including significant public outreach and substantial deliberation by Port Commissioners.

In preparation for this plan, the Port thoroughly evaluated its facilities, and commissioned an economic impact analysis including interviews with key local businesses. Market conditions were reviewed using current information sources and recent studies. Finally, the Port Commission and staff took part in a continuous discussion about the current and future role of the Port in achieving both new and long-standing community objectives.

Key assessments utilized for this Strategic Business Plan include:

- *Bridge Long-Term Preservation Modeling, 2011, by HNTB Engineers*
- *Hood River Economic Opportunities Analysis, 2011, by FCS Group*
- *Leased Facility Condition Assessment, 2013, by Port staff*
- *Pavement Management Program Report, 2013, by Capitol Asset & Pavement Services*
- *Assessment of Recreational Sites on the Hood River Waterfront, 2013, by Port staff*
- *Economic Impacts of the Port of Hood River, 2013, by ECONorthwest*

Public outreach efforts were extensive. The Port publicized the Strategic Business Plan process to the community and solicited public input including two public meetings in the fall of 2013, specifically to present and discuss aspects of the Plan. The Commission also held work sessions focused on specific aspects of the Plan at four public meetings in fall 2013.

The Port obtained local media coverage as a result of press releases submitted about the SBP process, public meetings, and methods for submitting input. The Port posted detailed information about the SBP process on its website, with a link to an online open-ended survey and distributed postcard questionnaires that could be returned to the Port office. The Port's fall newsletter issue, mailed to all district constituents, highlighted the strategic plan process and included a clip-and-mail questionnaire. The numerous public outreach efforts resulted in dozens of comments and represented a valued element in the SBP process (*see Appendix H*).



The Hood River Interstate Bridge



II. MISSION, APPROACH and VALUES



Hood River Marina

Values apply to the entire Port organization and serve to guide the agency's activities as well as the conduct of the Commission and staff.

The Port's mission statement sets the over-arching rationale for its activities, practices and projects.

A. Mission Statement

The Port of Hood River works to promote and maintain a healthy economy and strong quality of life in the Port District and throughout the Columbia Gorge.

B. Approach

The following describes the Port's definition of optimal performance.

The Port works with the community to create an environment that promotes to economic growth and vitality for all citizens. The Port establishes and maintains collaborative relationships with all stakeholders and promotes consensus to meet competing needs. It engages in prudent, cost-effective investments that achieve public objectives but maintain its long-term economic self-sufficiency. The Port is a high-performing organization – a model of best practices among special districts in Oregon – providing high quality services. The Port is efficient and careful with public resources to which it has been entrusted. The Port focuses its efforts on its district while collaborating with other entities in the Mid-Columbia region in recognition of the inter-dependence of communities in the area.

C. Values

Values apply to the entire Port organization and serve to guide activities of the agency and the conduct of the Commission and staff. The Port has identified the following six values paramount:

- **Integrity** – maintain a high level of professional standards
- **Responsiveness** – act in a timely way to all reasonable requests
- **Transparency** – ensure business is conducted openly, with public oversight
- **Collaboration** – actively participate with all stakeholders
- **Stewardship** – seek high standards of maintenance of the Port's assets and always consider the long-term public good
- **Innovation** – consider new approaches and best practices
- **Quality** – strive for excellence in all Port activities



III. PORT DESCRIPTION



Marina basin shaping was completed by the late 1960s

A. History

The Port of Hood River was incorporated in 1933 during the depression to facilitate industrial development. In the 1930s and '40s the agency was relatively inactive, before and after World War II until a major investment was made in 1950 with the purchase of the Hood River - White Salmon Interstate Bridge. This asset, a major regional transportation link, served to generate revenues to promote significant economic development projects.

The Port's first major projects focused on developing the Hood River waterfront with three fill projects in the 1960s and '70s, which created industrial, commercial, recreation, and tourism sites, including the Hood River Marina and Port Marina Park and the current location for the Hood River Inn. In 1976, the Port of Hood River acquired the Hood River airport.

In the 1980s, the agency purchased the 21-acre Diamond Fruit Cannery Complex in downtown Hood River and initiated a \$11 million renovation. In 1985, the Port developed the John Weber Business Park in Odell. In the 1990s, the Port purchased and initiated development of Wasco Business Park. Currently, only remnants of these projects remain in Port ownership.

Through the 1990s until the present, much of the Port focus has included projects on the Hood River waterfront, including development of recreation and light industrial sites, and infrastructure projects. In 2010, the Port completed the Halyard Building, the first new building on the waterfront in 25 years. Since 2009, four waterfront parcels have been sold to private developers for new or refurbished industrial or commercial buildings.

The Port continues to assess and improve its facilities, including major recent improvements to the Airport, Marina, and Hood River Interstate Bridge.

For a detailed history of the Port of Hood River, refer to [Appendix B](#).



Hood River's waterfront has changed considerably since this early 1950s panorama was taken



III. PORT DESCRIPTION

By statute, a port district is a local unit of government whose primary responsibilities are to enhance transportation and, promote industrial development, manage recreational facilities, and encourage general economic growth and stability in the district.

B. Organizational Overview

The Port of Hood River (Port) is a Special District that operates under Oregon Revised Statutes Chapter 777, and other state and federal laws. By statute, a port district is a local unit of government whose primary responsibilities are to enhance transportation, promote industrial development, manage recreational facilities, and encourage general economic growth and stability in the district.

The Port of Hood River is governed by an elected Board of five Commissioners (Commission) who carry out the Port's authority and govern the Port by adopting rules, regulations, policies, and procedures consistent with applicable laws. The chief responsibility of the Commission is to make policy and ensure that it is carried out satisfactorily. Commissioners are public officials who must act in the best interest of the public. The Port utilizes standing committees to provide input in three areas: budget, airport and recreation. Ad hoc committees are utilized on other issues as needed.

The Executive Director functions as the chief administrator of the Port and is responsible for implementing policies set by the Commission. The Executive Director manages all operations, hires and provides direction to Port staff, and facilitates the development of goals, objectives, business plans, budgets, and programs.

The Port is organized in three primary functional areas: Administration/Office, Tollbooth, and Facilities.

The Administration/Office staff is comprised of eight full-time and three part-time employees, led by the Executive Director, Finance Manager, and Development Manager.

The Tollbooth is staffed by 12 employees, which include four full-time toll collectors, two of which serve as Lead Toll Collectors, and eight part-time toll collectors.

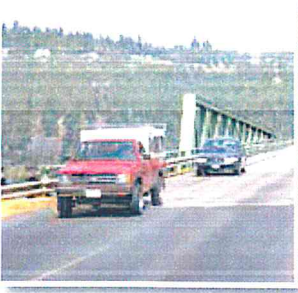
The Facilities Area is staffed by seven full-time employees, which include one facilities supervisor, one lead worker and five support-crew members. During the summer recreation season, an additional six to seven part-time employees are hired to assist in the facilities department.

Governance of the Port of Hood River is outlined in the document "Port of Hood River Governance Manual" a companion piece to this Plan ([Appendix C](#)).





The Hood River Interstate Bridge as seen from the marina green



Vehicles arriving in Oregon on the south side of the Hood River Interstate Bridge

C. Financial Condition

The Port of Hood River's current financial condition is explained by the following summary of the fiscal year ending June 30, 2013.

The Port divides funds into two categories: governmental funds and business-type funds, and adopts an annual budget for all its funds.

Governmental funds – Two governmental funds are maintained by the Port: the General Fund and the Bridge Repair and Replacement Fund. The General Fund records transactions related to policy-making and related planning services, general administration and a portion of support services. The Bridge Repair and Replacement fund is a Special Revenue Fund used to record repair and replacement activity associated with the bridge and any debt and related activities.

Business-type funds – The Port maintains an enterprise fund called the Revenue Fund which charges fees such as bridge tolls, leases (for industrial, commercial and mixed-use tenants), rent (marina boat slips and airport hangars), and fees for recreational events and programs.

Statement of Net Assets

Net assets – Net assets, the difference between assets and liabilities, serve as a useful indicator of the Port's financial position. At the end of FY13, the Port's assets exceeded liabilities by \$36,374,446. This represented a \$3,662,071 increase over the prior fiscal year.



South Dock at the Marina



Kiteboarding at the Event Site



III. PORT DESCRIPTION



FAA mandated runway shift was completed in 2013 at the Ken Jernstedt Airfield

In FY13 the Port experienced a significant increase in net assets (see Table 1). The increase is attributable primarily to capital improvements at the airport of \$3.4 million as well a reduction in the Port's long term debt obligations for the bridge.

The largest portion of the Port's net assets, at 88%, are invested in capital assets (e.g. bridge, land, buildings, and equipment) and reported net of accumulated depreciation. The Port uses these capital assets to provide services to the public; thus, they do not represent resources available for future spending. Restricted net assets total \$715,000, representing cash and investments that are limited to debt service for the bridge bonds. The remaining \$3,251,253 is unrestricted, meaning it is available for meeting the Port's ongoing obligations.

Table 1: Net Assets as of June 30

| | Governmental Activities | | Business-Type Activities | | Total All Funds | |
|--|-------------------------|--------------|--------------------------|--------------|-----------------|--------------|
| | | | Revenue Fund | | | |
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Unrestricted - Current and Other Assets | | | \$4,573,213 | \$3,999,958 | \$5,079,552 | \$4,335,392 |
| General Fund | \$58,316 | \$20,867 | | | | |
| Bridge Repair and Replacement Fund | \$448,023 | \$314,567 | | | | |
| Restricted - Current and Other Assets | | | | | | |
| Bridge Repair and Replacement Fund | \$715,000 | \$700,000 | | | | |
| Capital Assets | | | \$30,013,837 | \$26,539,724 | \$39,229,765 | \$35,526,377 |
| General Fund | \$0 | \$7,000 | | | | |
| Bridge Repair and Replacement Fund | \$9,215,928 | \$8,979,653 | | | | |
| Total Assets | \$10,437,267 | \$10,022,087 | \$34,587,050 | \$30,539,682 | \$44,309,317 | \$39,861,769 |
| Long-Term Debt | | | \$3,162,080 | \$2,443,911 | \$6,857,080 | \$6,673,911 |
| Bridge Repair and Replacement Fund | \$3,695,000 | \$4,230,000 | | | | |
| Other Liabilities | | | \$1,765,982 | \$1,144,188 | \$1,792,791 | \$1,175,483 |
| Bridge Repair and Replacement Fund | \$26,809 | \$31,295 | | | | |
| Total Liabilities | \$3,721,809 | \$4,261,295 | \$4,928,062 | \$3,588,099 | \$8,649,871 | \$7,849,394 |
| Net Assets | | | | | | |
| Invested in Capital Assets | | | \$26,851,757 | \$24,095,813 | \$32,408,193 | \$28,852,466 |
| General Fund | | \$7,000 | | | | |
| Bridge Repair and Replacement Fund | \$5,556,436 | \$4,749,653 | | | | |
| Restricted - Bridge and Replacement Fund | \$715,000 | \$700,000 | | | \$715,000 | \$700,000 |
| Unrestricted | | | \$2,807,231 | \$2,855,770 | \$3,251,254 | \$3,159,909 |
| General Fund | \$58,316 | \$20,867 | | | | |
| Bridge Repair and Replacement Fund | \$385,706 | \$283,272 | | | | |
| Total Net Assets | \$6,715,458 | \$5,760,792 | \$29,658,988 | \$26,951,583 | \$36,374,447 | \$32,712,375 |



Bridge capital improvements such as painting were a major component of governmental fund activities



Statement of Activities

The Port also reports governmental activities by two distinct funds: the General Fund and the Bridge Repair and Replacement Fund. As indicated in Table 2 below, total net assets of the Port increased by \$3,662,071 or 11% more than the prior year net asset balance. Descriptions of significant activities follows in the table below.



Port-owned facilities such as the Halyard Building generate lease income

Table 2: Governmental And Business-Type Activities for the Fiscal Years Ending June 30

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|-----------------------------------|-------------------------|--------------------|--------------------------|--------------------|--------------------------|--------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for services - Tolls | | | \$3,450,147 | \$2,892,600 | \$3,450,147 | \$2,892,600 |
| Leases, rents and fees | | | \$2,151,070 | \$1,999,068 | \$2,151,070 | \$1,999,068 |
| Operating grants | | | \$9,100 | \$6,125 | \$9,100 | \$6,125 |
| Capital grants | | | \$3,022,024 | \$341,762 | \$3,022,024 | \$341,762 |
| General Government Revenues | | | | | | |
| Property taxes | \$58,719 | \$54,917 | | | \$58,719 | \$54,917 |
| Interest earnings | \$3,994 | \$3,711 | \$19,853 | \$29,424 | \$23,847 | \$33,135 |
| Other sources | \$2,702 | \$2,702 | \$189,549 | \$221,413 | \$192,251 | \$224,115 |
| Total Revenues | \$65,415 | \$61,330 | \$8,841,743 | \$5,490,392 | \$8,907,158 | \$5,551,722 |
| Expenses | | | | | | |
| Governmental Activities | | | | | | |
| General government | \$333,838 | \$297,973 | | | \$333,838 | \$297,973 |
| Bridge repair and replacement | \$610,778 | \$632,866 | | | \$610,778 | \$632,866 |
| Interest on long-term debt | \$166,454 | \$187,063 | \$120,256 | \$120,422 | \$286,710 | \$307,485 |
| Business-type Activities | | | | | | |
| Toll bridge | | | \$1,081,843 | \$1,062,831 | \$1,081,843 | \$1,062,831 |
| Industrial | | | \$1,467,420 | \$1,356,730 | \$1,467,420 | \$1,356,730 |
| Commercial | | | \$181,293 | \$178,520 | \$181,293 | \$178,520 |
| Waterfront Industrial | | | \$200,581 | \$158,469 | \$200,581 | \$158,469 |
| Waterfront Recreation | | | \$461,319 | \$419,023 | \$461,319 | \$419,023 |
| Marina | | | \$191,500 | \$159,411 | \$191,500 | \$159,411 |
| Airport | | | \$301,582 | \$279,274 | \$301,582 | \$279,274 |
| Administration | | | \$57,813 | \$49,976 | \$57,813 | \$49,976 |
| Maintenance | | | \$70,410 | \$70,839 | \$70,410 | \$70,839 |
| Total Expenses | \$1,111,070 | \$1,117,902 | \$4,134,017 | \$3,855,495 | \$5,245,087 | \$4,973,397 |
| Transfers | \$2,000,321 | \$2,118,199 | -\$2,000,321 | -\$2,118,199 | | |
| Increase (decrease) in Net Assets | \$954,666 | \$1,061,627 | \$2,707,405 | -\$483,302 | \$3,662,071 | \$578,325 |
| Beginning Net Assets | \$5,760,792 | \$4,699,165 | \$26,951,583 | \$27,434,885 | \$32,712,375 | \$32,134,050 |
| Ending Net Assets | \$6,715,458 | \$5,760,792 | \$29,658,988 | \$26,951,583 | \$36,374,446 | \$32,712,375 |



III. PORT DESCRIPTION



Hood River Interstate Bridge toll booth, Marina boat launch and Port offices

Governmental Activities – The net assets for governmental activities increased \$954,666 from the prior year. This increase arises from cash transfers from the Revenue Fund to the Bridge Repair and Replacement Fund regarding the capital improvements made to the bridge during the year.

Business-type Activities - Business type activities generated a \$2,707,405 increase to the Port's total net assets. This increase is primarily due to the airport runway shift project which recorded \$3.4 million in capital improvements with \$2.9 million being funded from the Federal Aviation Administration (FAA) grant. Bridge traffic continued to rise by 2.87% and with a complete year reflected from the January 2012 toll increase, revenues increased by \$557,547. The overall net increase was offset by Port expenditures which increased by \$278,522 or 7% from the prior year. Included in this increase is \$148,908 of Personnel Services, due to position reclassifications, cost of living/step increases, and a new Waterfront Coordinator position. The rest of the expenditure increase is a mixture of increases in depreciation due to assets placed into service, property taxes increases due to new tax measures approved and additional operating expenses related to maintenance repairs.

Financial Analysis and Outlook:

The Port is involved in a variety of activities that all contribute to the economic health and vitality of our community. The major source of funds for Port operations continues to be the Toll Bridge, accounting for 62% of revenues. Lease revenues continue to rise consistent with occupancy rate, which is nearing 95%. The Port receives property taxes which account for only 1% of total revenues. Capital grants continue to play a vital role in how the Port develops its properties, which includes improving infrastructure along the waterfront and associated light industrial property development. The Port continues to receive an operating grant from the Oregon State Marine Board to assist in operations of the boat launch. The Port continues to develop light industrial properties with respect to bringing in new tenants. The undeveloped parcels at the waterfront represent prime development opportunities which will need more discussion in the next several years to determine the optimum development approach, including who will ultimately control the developed properties.



D. Key Facilities Overview

Port of Hood River owns significant property in the Hood River area, in alignment with its major interests in transportation, airport, property development, and recreation.

The Hood River Interstate Bridge is a significant asset, as is the Ken Jernstedt Airfield, both critical for the region's economic health.

The majority of Port-owned land is located at the 105-acre Hood River waterfront. About 50 acres are developed with light industrial or commercial properties, and a little over 10 acres are currently undeveloped. In recent years, development progress on the waterfront has been fostered by adherence to the 2007 Waterfront Development Strategy (*Appendix E*), and some former Port-owned properties are now in private ownership.

Approximately 45 acres of waterfront land have been dedicated to parks, water access sites, trails, and other open space that create a premier environment for world-class recreation. Port-owned recreation amenities include a marina and neighboring docks for boating, watersports recreation sites, park facilities, restrooms, and trails for pedestrians and non-motorized vehicles. Waterfront banks are primarily comprised of rip-rap, and jetties that are the Port's responsibility to improve and maintain.

Streets, sidewalks and fixtures, parking lots, and landscaped areas provide infrastructure for Port-owned business and recreational property.

Outside the waterfront area, two light industrial / commercial buildings are located in the City of Hood River and one light industrial building is located in Odell.

A Key Facilities Descriptions includes snapshots of Port assets in *Appendix D*. The Port of Hood River Rent Roll for Fiscal Year 2013-14 is included as *Appendix F*. This document includes Port tenants, and calculates approximate number of jobs for each tenant space.



Interstate Bridge



Ken Jernstedt Airfield



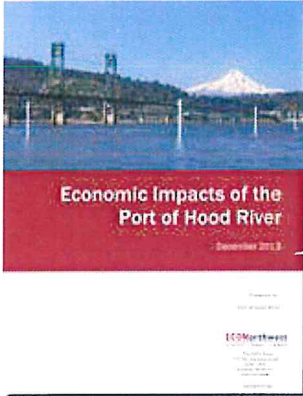
IV. SITUATIONAL ANALYSIS

A. Economic Impacts of the Port

In June 2013 ECONorthwest (“ECO”) prepared an economic impact analysis of the Port’s activities (*Appendix H*). The analysis assessed the extent the Port contributes to the economy of the Hood River region. It provided information to help the Port evaluate its performance and consider its future prospects.

The Port sought to understand how Port actions – now or in the last 20 years, directly or indirectly – created or contributed to the economy of the Port district and the broader Mid-Columbia region. The economic impact analysis measured economic activity in terms of output, income, and jobs that stem from the activities and facilities of the Port.

The analysis looked at primary effects, which result from what the Port does itself, and secondary effects, which result from the use of the Port’s commercial and industrial assets by non-Port entities (primarily businesses). It measured direct expenditures and employment by the Port and by businesses whose operations depend in some significant way on Port assets or activities. These direct impacts lead to two further categories of impacts: indirect impacts, which are supply chain impacts resulting from business-to-business spending; and induced impacts, which are consumption driven impacts resulting from household spending.



2007 Hood River Waterfront



2013 Hood River Waterfront





Pfriem Brewing gets
a start in 2012



Local telecommunications provider
Gorge Networks is a current tenant
in Big 7

Results of the Analysis

Table 1 shows the direct impacts and total impacts (direct plus secondary) of the Port and the 35 businesses that now use its current assets or those assets that were conveyed to the private sector in the last 20 years. Together, the Port and these businesses were directly responsible for about \$200 million in annual output in 2013 (which includes about \$37 million in wages and benefits in the region) and nearly 600 jobs (almost 5% of the non-farm jobs in Hood River County in 2011).¹

Table 1: Direct and Secondary Impacts of the Port and Businesses
on Current and Former Port Properties, 2013

| Activity | Output | Wages & Benefits | Jobs |
|---|----------------------|---------------------|------------|
| Direct Impacts | | | |
| Business on Port Property | \$187,029,000 | \$35,969,000 | 571 |
| Port of Hood River | \$12,478,619 | \$1,504,435 | 24 |
| Total Direct Impacts | \$199,507,619 | \$37,483,435 | 595 |
| Total Impacts (mid-range) | | | |
| Business on Port Property | \$261,840,600 | \$53,953,500 | 913 |
| Port of Hood River | \$18,093,998 | \$2,195,931 | 45 |
| Total Direct and Secondary Impacts | \$279,934,598 | \$56,149,431 | 985 |

Source: ECONorthwest with data from IMPLAN and the Port of Hood River. Note: For the data used by IMPLAN, a job is defined as full- or part-time work over a full year, at the Port (direct) or within Hood River County (indirect).

ECO used economic multipliers to estimate the secondary impacts of the Port and its related businesses.² The bottom section of Table 1 shows the mid-range estimate for total impacts (direct plus secondary): \$280 million in output, \$56 million in wages and benefits, and 985 jobs.

Economic Impact in Hood River County

Table 2 puts the total impacts in Table 1 in context by comparing them to total economic activity in the Hood River region.³ The Port and its related businesses account for about 16% of output, 11% of wages and benefits, and 6% of jobs in Hood River.

Table 2: Share of Economic Activity in Hood River Region
Attributable to the Port and Related Businesses

| Activity | Output | Wages & Benefits | Jobs |
|---|-----------------|------------------|--------|
| Hood River region, Non-Farm Activity (2011) | \$1,729,454,666 | \$521,452,275 | 15,290 |
| Port and Related Businesses (2013) | 279,934,598 | 56,149,431 | 985 |
| Estimated contribution of Port and Related Businesses to regional economic activity | 16% | 11% | 6% |

Source: ECONorthwest. Note: These estimates are approximate and require several assumptions that attempt to make data from different sources and different years comparable. The most recent data for the Hood River region is for 2011; data for the Port and its related businesses are for 2013. Capital expenditures by the Port in 2013 are about 50% greater than the average annual capital expenditures over the last ten years (and those of 2011). Thus, the estimated shares are probably on the high side.

¹Jobs are full year equivalents (FYE), and include both full- and part-time workers.

²For example, new jobs in manufacturing indirectly support other jobs that provide goods and services to manufacturers and to their employees. Thus, the direct jobs are multiplied. The multipliers for output, wages and benefits, and jobs for the Port and businesses on Port properties vary from 1.3 to 2.1, meaning, that they create indirect economic impacts that are on the order of 30% to 110% of their direct impacts.



IV. SITUATIONAL ANALYSIS



Toll Collector at Hood River Interstate Bridge

Economic Impact Categories

Most Port income property is zoned for light industrial development. Some is zoned for commercial development. Businesses operating on these properties represent a variety of industries (e.g., acupuncture, food services, electronic components manufacturing) and vary in size (employing between one and 100 employees).

Overall, businesses on commercial or industrial property owned currently or formerly owned by the Port generated about \$187 million in output, and \$36 million in wages and benefits, supporting 553 jobs. Businesses in the manufacturing sector were the largest contributors. Table 3 summarizes economic activity by business type.

New light industrial development will be constrained by the supply of land. A recent analysis of economic opportunities in the Hood River area found there were 545 acres of industrial land area available in 2011, enough to meet existing and near-term demand. The report concludes that the majority of new businesses in Hood River are likely to be small businesses that can settle in existing commercial or industrial buildings.

Table 3: Economic Activity of Businesses on Current and Former Port Properties, 2013

| Industry Category | Output | Wages & Benefits | Jobs | No. of Entities |
|-------------------|---------------|------------------|------|-----------------|
| Manufacturing | \$148,679,000 | \$22,975,000 | 386 | 17 |
| Services | 33,474,000 | 11,561,000 | 149 | 12 |
| Trade | 2,394,000 | 659,000 | 18 | 2 |
| Government | 651,000 | 214,000 | 3 | 2 |
| TOTAL | \$187,029,000 | \$35,969,000 | 553 | 33 |

Source: Port businesses, ECONorthwest estimates. Excludes airport.

Economic Impact of other Port Assets

The Hood River Interstate Bridge is a critical piece of transportation infrastructure. It connects Hood River with the Washington communities of White Salmon and Bingen, and is the only vehicle crossing along the Columbia for 20 miles in either direction. About 3.6 million vehicles crossed the bridge in FY 2012. Most trips are for personal business or pleasure (67 percent),⁵ and occur during the peak period from May to October, which corresponds with demand from the fruit growing and tourism industries. The Bridge benefits both the Port and the community at large. Prior analysis⁶ estimates that the value of the Bridge to its users is on the order of 10 times greater than the tolls they pay, about \$33 million per year.

The Ken Jernstedt Airfield, located about 3.5 miles south of the City of Hood River, is open to both commercial and recreational users. In 2010 (the most recent usage data) there were 9,751 itinerant operations, 4,199 local operations, 200 air taxi operations, and 60 military operations at the airport. Operating income to the Port was \$175,034 in FY 2013.



Ken Jernstedt Airfield is an important Port Asset

³ For this comparison, ECO used Hood River County as a proxy for the region.

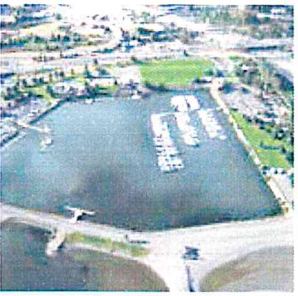
⁴ FCS Group. Hood River Economic Opportunities Analysis. Prepared for the City of Hood River. June 2011

⁵ The Gilmore Research Group. SR-35 Bridge Motorist Intercept and Telephone Survey: Narrative Report of Research Findings. December 2001.





Cars exit the south end of the Bridge



Hood River Marina

The Marina Basin (22 acres) has 154 boat slips and 11 boathouses as of July 2013. It receives 10,500 visitors each year and it is at full capacity with a 62-boat waiting list. The marina provides benefits to both the Port and the community. Boats pay annual moorage fees to dock at the marina and, in FY 2013, these fees generated operating income to the Port of \$171,325. In addition to paying to use marina facilities, visitors also spend money at businesses in Hood River. Of the various recreationalists at the Port, marina visitors probably generate the largest spending impacts. A study of recreationalists at 36 marinas in Oregon found that overnight marina slip users spend three to eight times more than day visitors.⁷

Tourism is a big part of the Hood River economy: businesses in tourism-related sectors account for almost twice as much of the output in Hood River County as they do for output in Oregon overall (8.2% compared to 4.3%). According to a Mid-Columbia Economic Development District report, in 2011 recreation visitors to Hood River County spent over \$75 million, which earned \$20 million and supported 950 jobs.⁸ The Port's recreational properties contribute significantly to tourism and the quality of life in Hood River. The Port operates several recreational facilities along the waterfront, which cover about 64 acres. These facilities offer a multitude of recreation opportunities, including various watersports, classes, boating activities, and sports fields. In FY 2013, the Port estimates that these facilities received about 75,000 total visits. ECO estimated tourist spending attributable to Port facilities to be about \$5 million per year.

A 2009 study by Tetra Tech found that waterfront recreation demand is likely to grow at the Port in the future. The study projected recreation usage and economic impacts over a 20-year period. Under a medium-growth scenario for 2009 through 2029, it estimated that windsports on Port properties would generate \$66.4 million in spending (net present value 2009 dollars) and support six new jobs each year (over 100 jobs over 20 years).⁹

Implications

The Port has a significant impact on the regional economy. The Port provides direct impact through its spending on internal operations, and those expenditures have multiplier effects: Port employees and suppliers in turn spend money they receive from the Port for other goods and services in the local economy. That "downstream" spending adds another 50 to 70% to the direct effects.

The greater leverage, however, comes from the businesses that use Port assets (current and former) and are supported by Port operations. ECO found around 35 businesses operating on current or former Port properties, providing jobs to around 550 people, wages around \$36 million per year, and output close to \$190 million per year. When multiplier effects get added, the numbers increase on the order of 50%.

Interviews of business leaders by ECO support the statement that the Port assets and programs have been important to the location and expansion decisions of some firms.

⁶ ECONorthwest. *SR-35 Hood River Bridge: Economic Effects*. Prepared for The Southwest Washington Regional Transportation Council. Oct. 2010.

⁷ Chang, Wen-Huei and R. Scott Jackson. *Economic Impacts of Recreation Activities at Oregon Coastal and River Ports*. U.S. Army Engineer Research and Development Center. Prepared for U.S. Army Corps of Engineers. Sponsored by U.S. Army Engineer District, Portland. August 2003.

⁸ Mid Columbia Economic Development District (MCEDD). *Mid-Columbia Comprehensive Economic Development Strategy*. March 2013.

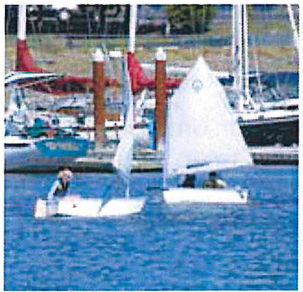
⁹ Tetra Tech, Inc. *Economic Effects of Water Related Recreation at the Port of Hood River*. Prepared for the US Army Corps of Engineers, Portland District. May 2009.



IV. SITUATIONAL ANALYSIS



Kiteboarding and other recreation brings thousands of visitors and locals to Port property



Small boat sailing is popular in and around the Marina Basin

Additionally, historical efforts of the Port over the last 20 years have contributed to the situation today: one in which business activity on current or former Port properties, including multiplier effects, accounts for about 6% of the jobs and about 16% of the output in Hood River County.

That information, supplemented by case studies of specific businesses on Port properties, supports the conclusion that the Port has made progress on one of its key missions: stimulating economic development in the Hood River region.¹⁰

Going beyond the numbers, ECO offered two observations about issues that the Port should address:

Building out the waterfront. The Port owns or has facilitated development of a large proportion of the industrial property in the City of Hood River. But developable industrial property in Hood River County that has necessary services is constrained. There is vacant land near Hood River (e.g., Pine Grove and Odell) where, at least in theory, industrial property is available and industrial development could be encouraged.¹¹ But the waterfront area is a critical portion of the remaining industrial land supply within the City of Hood River.

Many cities provide evidence of a transition from industrial uses to other uses as property values rise. The Port has already accommodated a shift from traditional industrial and warehousing toward light industrial and commercial. The Port should consider furthering this transition and consider the kinds of businesses that are most compatible with waterfront recreational amenities and work towards alleviating the scarcity of readily-developable industrial properties in Hood River County.

The value of Port amenities. Most Port recreation facilities (e.g. Marina Park, recreational trails, etc.) historically have operated at a net loss. But the evidence supports the conclusion that these facilities provide both economic and social benefits to people in the region. Park facilities—and the quality, maintenance, and cleanliness of those facilities—can create an additional attraction not only for visitors, but for businesses and their employees.

B. Local Market Trends: Hood River Economy

The most recent comprehensive analysis of the Hood River economy is the “Hood River Economic Opportunities Analysis,” prepared by the FCS Group for the City of Hood River in June, 2011. This section summarizes the findings of that study (Appendix I).

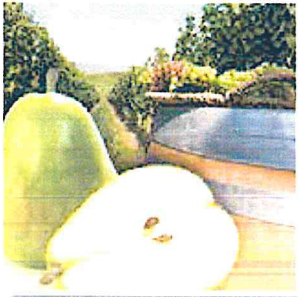
Hood River County includes the cities of Hood River and Cascade Locks, and the Hood River Valley (the areas of Odell and Parkdale). The Port of Hood River operates mainly in the City of Hood River, with one light-industrial property in Odell.

The location and climate of Hood River County provide favorable conditions for business operations. The City is located off Interstate-84, an hour east of the Portland metro area and Interstate-5 corridor.

¹⁰ Based on about 15,000 non-farm jobs and \$1.7 billion in output in Hood River County (2011, IMPLAN).

¹¹ Whether such land could obtain land use entitlements and infrastructure at a reasonable cost, and how well it the location would serve for certain businesses would have to be evaluated.





Hood River's tree fruit industry has been joined in recent years by thriving vineyard businesses



Mountain and road biking are big draws to the county's roads and forests

Hood River is centrally located in the larger Columbia River Gorge region, and is a hub of regional economic activity, particularly with respect to tourism. The area is an internationally known destination for outdoor recreation (windsurfing, kiteboarding, sailing, hiking, biking, kayaking, and snowsports), and attracts visitors from around the country and world.

Hood River County economies consist primarily of forestry, agriculture, wine, technology, sports equipment manufacturing, food and beverage processing, and tourism. In 2011, visitors to Hood River County spent over \$75 million, which supported 950 jobs and \$20 million in earnings.

Natural resources in the area provide timber and recreation opportunities for locals and tourists. Agriculture, including fruit, wine grapes, and lavender, also thrives in the area. Wind energy in the Columbia River Gorge is also an asset that is primarily used for recreation.

Not all conditions, however, are conducive to business growth and land development. Local businesses have cited the cost of doing business as the main disadvantage of operating in Hood River. Contributing to those costs are limited availability of a skilled and qualified labor pool, added costs of materials and time due to the distance from the Interstate-5 corridor, and high housing costs relative to other areas of the Northwest and to local incomes. The median value of owner-occupied housing units from 2007-2011 was around \$327,000, 30% greater than the \$253,000 median value for all of Oregon.

Employment

Hood River County experienced similar cycles of unemployment compared to the State of Oregon over the last ten years, but the County's average annual rate has been uniformly below the state's in the last five years. In the last 10 years the annual average unemployment rate of Hood River County ranged from a low of 4.6% (2007) to a high of 8.7% (2003); it was 7.0% in 2012. Statewide, Oregon's average annual unemployment rate has ranged from 5.2% in 2007 to 11.1% in 2009, and Oregon's 2012 unemployment rate was 8.7%.

Hood River's job growth is often described in respect to the Hood River Urban Growth Boundary (UGB), which includes Hood River's city limits and the city's urbanizing area. The Hood River Economic Opportunities Analysis (EOA) reported that self-employed business entities and entities with two to nine workers per establishment (Stage 1 Business Entities) are the sources of the fastest job growth both in the UGB and the county. The UGB alone added 307 net new entities total between 2003 and 2008, ninety percent of which had less than 10 employees. Of the remaining added entities, 24 had 10-99 employees, and one entity had over 500 workers.

The City of Hood River made three different estimates of net new job growth in the Hood River UGB from 2010 (5,753 jobs) to 2031, ranging from 1,502 net new jobs to 2,959 net new jobs, an average annual growth rate ranging from 1.1% to 2.0%. Retail & Commercial Trades and Services sectors led in growth. Established and emerging clusters include health services, advanced manufacturing, athletic/outdoor gear, clean technologies, food and beverage processing, creative services, and advanced education/training.

According to the Hood River EOA, the fastest growth is expected to occur in the healthcare and social services, government, leisure and hospitality, professional and business services, retail, natural resources, wholesale trade, and durable goods manufacturing sectors. The information and construction sectors are expected to decrease between 2008 and 2018.



IV. SITUATIONAL ANALYSIS



Columbia Gorge Community College is expanding education opportunities in Hood River



Healthcare services are growing along with the rest of the service economy

Population and Demographics

Estimates and forecasts of population since 1990 in Oregon, Hood River County, and the City of Hood River reveal that Hood River County's population grew at a slower rate than the state of Oregon from 2000 to 2010. However, the City of Hood River's rate grew over twice as fast as Hood River County, and almost twice as fast as the population growth rate of the state of Oregon. In 2030, Hood River County's population is estimated to be 28,404, and the City of Hood River's population is expected to be between 9,667 and 11,841. Forecasts of employment for Hood River County assume that the expected continued growth of the Portland region will "spillover" to Hood River County and the City of Hood River.

Per capita median annual income from 2007-2011 in Hood River County was \$25,030, which is less than Oregon's \$26,561. However, Hood River County's median household income from 2007-2011 was \$54,109, which was higher than Oregon's \$49,850. Hood River County had 10.0% of people below the poverty level from 2007-2011, lower than Oregon's 14.8% rate.

In Hood River County, 65.4% of people identified as White/Non-Hispanic, and 29.8% of people identified to have Hispanic/Latino origin, 0.7% identified as Black, 1.0% identified as American/Alaska Native, 1.4% identified as Asian, and 0.3% identified as Native Hawaiian/Other Pacific Islander. Compared to the state of Oregon, Hood River County has less people who identify as White/Non-Hispanic (Oregon 78.1%) and more people who identify as having Hispanic/Latino origin (Oregon 12.0%). Hood River County has less people who identify as Black (Oregon 2.0%), American Indian/Alaska Native (Oregon 1.8%), Asian (Oregon 3.9%), and Native Hawaiian/Other Pacific Islander (Oregon 0.4%).

Land Availability

As of 2011, there were 545 acres of industrial land available in the Columbia River Gorge region, but a "fairly limited supply of competitive vacant commercial and industrial building floor area." Vacant land in the Hood River UGB was 111.7 acres. Twenty-year net industrial/government/other land demand in the Hood River UGB ranged from 11-63, while the current supply was 38. With low or medium growth, there will be a land surplus, but with high growth, there will be an industrial land shortage.

The 20-year net office/employment land demand ranges from 16-20 acres, while current the supply is 0.7 acres. Thus, office space demand will likely not be met in the future. Twenty-year net commercial/retail land demand ranges from 23-36 acres, while the current supply is 73 acres. With all three growth scenarios, there will be a commercial/retail land surplus in the Hood River UGB.

While there is a relatively large supply of current vacant industrial land in the Columbia River Gorge, there is a limited supply of large vacant development sites within the Hood River UGB. Large industrial users are not likely to be accommodated within the next 20 years.

*(Sources: US Census, Hood River County QuickFacts, E.D. Hovee & Company, 2012, MCEDD, 2013, FCS Group, 2011, ECONorthwest, 2013. Refer to **Appendix H** for complete reports and references.)*



C. SWOT

Strengths

- Attractive quality of life in town and region
- National “brand” of Hood River
- Strength of local economy
- History of sound management
- Solid financial footing
- Good relationships with City, County, Business Community
- Commitment to community engagement
- Proximity to Portland



Beautiful Hood River Valley



Hood River Bridge maintenance



Hood River Expo Center



2006 Hood River Flood

Weaknesses

- Diminishing supply of buildable lands
- Limited tax base
- Heavy reliance on bridge income
- Cost of maintaining existing infrastructure
- Limited engagement on significant local economic issues
- Workforce housing costs
- Education/workforce training limitations
- Lack of access to federal funding

Opportunities

- Growing high tech/entrepreneurial cluster
- Greater involvement in Upper Hood River Valley
- Bicycle tourism associated with Scenic Highway
- Collaboration with local businesses
- Lot 1 / Nichols Basin
- Expo Center Site

Threats

- Bridge accident or failure
- Opposition to waterfront development
- Impact of future debris flow
- Limited land supply
- Cost of new infrastructure
- Accidents on Port property
- Reduction in FAA funding
- Environmental issues (e.g. E-Coli)



IV. SITUATIONAL ANALYSIS



East end of the Hood River waterfront



2013 Parking improvements on Portway Ave



Hood River sewage treatment plant

D. Critical Issues

Waterfront Planning & Infrastructure – The most significant area of focus for the Port is the Waterfront. Port-owned properties include both world-class recreations sites and the largest supply of developable industrial land in the City of Hood River. Over the past five years a transformation of the waterfront has begun with significant investment of public and private resources in the Waterfront Business Park. New projects are being contemplated that would effectively develop all available property on the western Waterfront.

The Port must consider the ways and means to maintain this development momentum and the framework for further development and job creation on the east end of the waterfront. In 2013 the Port engaged in significant planning and public outreach efforts to identify a master plan and development strategy for this area. Although further work is needed the Port has identified a series of infrastructure projects that would be required to create the platform for development. These include new roads, sidewalks and streetlights, utilities, pedestrian/bicycle trail along the edge of the adjacent Nichols Basin and appropriate water access opportunities. Funding of these projects is a paramount challenge for the Port in the next few years.

Other key infrastructure issues that will need to be addressed include the following:

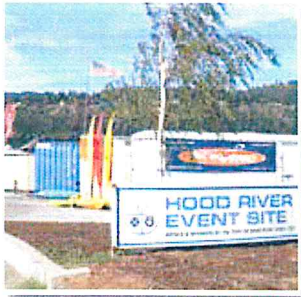
Storm Water Management – Much of the existing waterfront constructed prior to 2005 utilizes a system that transports storm water to the Columbia River. New development must contain on-site pre-treatment facilities and should employ methods to utilize runoff for on-site water needs as much as possible.

Off-Site Transportation Improvements – The 2010 Interchange Area Management Plan (IAMP) prepared by Oregon Department of Transportation (ODOT) identified a series of transportation projects that may be necessary in the years ahead to accommodate increased traffic levels from waterfront development. Such projects ranged from a new signal at 2nd/Oak streets downtown to a widening of the I-84 overpass on 2nd Street. In the future, development on the waterfront may be delayed until some or all of these projects are completed.

Parking – Increasing development and recreational use has led to greater parking demands on the waterfront especially in the summer months. In the future, the waterfront may be unable to accommodate all future demand. The Port and area businesses will need to consider transportation demand management tools and encourage alternative modes of access to help address parking impacts. These tools could also reduce or delay off-site transportation projects listed above.

Sewer Plant Capacity – The existing sewer plant on the waterfront serves all of Hood River and some unincorporated areas. The plant is reaching its capacity and new sewer hook-ups may be limited until plant expansion occurs. The City has initiated a two-year facilities master plan that will determine the timing and cost of future plant expansion. Until then, the City Council will likely need to allocate the remaining capacity, potentially restricting near-term industrial and commercial projects on the waterfront.





Bridge Capital Maintenance – The 90-year old Hood River Interstate Bridge is a critical piece of transportation infrastructure that supports the economy of the Mid-Columbia region. It also represents the most important income producing asset of the Port. The Bridge has significant on-going costs associated with maintenance, capital maintenance and upgrades. It is also a structure that is beyond its useful life and will need to be replaced at some point in the future. The Port’s challenge is to maintain, inspect and operate the Bridge so that it can safely serve the region for many years. To do so, the Port is following a long-term capital plan of improvements that is expected to keep the Bridge operational for 30 years and beyond. The average annual investment is approximately \$1 million with funding primarily derived from toll revenues. Barring a seismic event or barge strike, the Bridge will likely be functional for many years. Over time, the increasing costs associated with Bridge operations will require additional funding partners and likely increasing tolls. While the Port must maintain a strict focus on safe, long-term functionality of the existing Bridge, attention must be given to its replacement. The Port participates in a regional coalition of agencies that are seeking political support and funding to complete the Environmental Impact Statement for a new bridge and begin efforts to identify federal and state funding partners. The specific steps and overall timeline for bridge replacement is highly uncertain but the Port must participate in these efforts including consideration of funding. However, if and when the Bridge is replaced it is unlikely that the Port will maintain its role as owner/manager of the facility and must be prepared for a significant drop in income.

Industrial Land Supply – Suitable industrial land is a critical requirement for future economic growth in the Port district. Within Hood River County there is a limited supply of suitably-zoned industrial land with appropriate services. The Port currently controls about 12 acres of industrial property on the waterfront. This represents over 50% of the developable industrial land supply in the City of Hood River. It will be important for the Port to continue its efforts to acquire other land within the Port District that is suitable for light industry and commence efforts to prepare it for development. Given the general lack of property for development of housing and other necessary uses, the Port must anticipate a competitive environment for acquisition, higher costs and public debate about the use of potentially available lands.

Recreation & Open Space Cost Burden – The Port has a long history of developing recreational assets that contribute to the attractiveness and quality of life of the community. The Port has helped create a waterfront that is experiencing greater use and increasing demand by both visitors and local citizens. There are new demands to create additional waterfront recreational and scenic amenities on Port property. The annual operating cost to the Port continues to increase with minimal offsetting income. The Port must continue to seek ways to both lower its operating costs through greater efficiencies and seek new funding sources to cover these expenses. Creative partnerships with other public agencies or private businesses may help with this ongoing challenge.



IV. SITUATIONAL ANALYSIS

E. District Needs

The Port District encompasses a broad area of the Hood River Valley extending from the Columbia River south toward Mt. Hood. The District contains one city – Hood River – and two small unincorporated towns – Odell and Mt. Hood/Parkdale. Since the John Weber Business Park was developed in the 1980s and 90s, almost all of the Port's activities have occurred within Hood River, particularly the waterfront area. The Port Commission has discussed ways and means to support economic development in other parts of the District, but opportunities have been limited. The following serves as a brief summary of the issues and needs in different areas of the Port District.

Hood River – The City of Hood River is the largest community in the Mid-Columbia between Portland Metro and The Dalles and is a focal point of cultural and economic activity. Some key needs that affect economic development in Hood River are consistent with the broader Mid-Columbia region— affordable workforce housing, education/vocational training, and transportation infrastructure. Other needs are more specific to Hood River—truck access, sewer capacity, the need for warehouse and trucking break bulk facilities, and the existing need for more active playing fields. Many of these relate specifically to the limited supply of developable property and the relative strength of the local economy which has increased property prices.

Mid-Hood River Valley (Odell & Pine Grove) – The Odell area is the focal point for the important fruit industry in the Hood River Valley. It is characterized by EFU-zoned land, a small commercial district, two schools, some housing subdivisions, and Hood River County Fairgrounds. Odell contains the three largest packing houses that provide storage, packing and shipping of Valley fruit, particularly pears. The facilities are adjacent to the Mt. Hood Railroad but almost all fruit shipping occurs via truck. Some large parcels of industrial property exist in the Odell area that may serve as development opportunity sites in the future. However, most of these parcels present development challenges including wetlands, brownfield conditions, and lack of access to a sewer facility that can accommodate industrial waste. Truck access from the Mid-Valley to Interstate-84 is another important need.

Upper Hood River Valley (Mt. Hood/Parkdale & Dee) – The Upper Valley is broadly characterized by agriculture lands, a small commercial district and residential area in Parkdale, the Parkdale Elementary School, Mt. Hood Town Hall, scattered residences, and the district headquarters of the Mt. Hood National Forest. The community of Parkdale contains one packing house and serves as the end terminus of the Mt. Hood Railroad. The Upper Valley is predominantly agricultural



but it is also influenced by the recreational traffic associated with activities in the Mt. Hood National Forest. In particular, skier traffic utilizing Highway 35 is significant in the winter months and supports some commercial businesses. The small community of Dee is the gateway to Lost Lake, a heavily-used resort and campground area. There is a very limited amount of industrial property in the Upper Valley. The area does contain the Upper Hanel Mill which contains an active, successful sawmill, the only one remaining in Hood River County. Near Dee is the old Dee Mill site, a majority of which is unused.

Columbia River Gorge National Scenic Area – Some portions of the Port District lie outside of Hood River City limits but within the Columbia River Gorge National Scenic Area (CRGNSA). These areas are essentially undevelopable but serve as an important scenic and environmental resource for many activities that bring visitors and recreationalists to the area. The Hood River Interstate Bridge extends through the CRGNSA and any future efforts at replacement will need close coordination with the CRGNSA Gorge Commission. The Port is increasing its efforts to collaborate more closely with the Gorge Commission on matters that affect the regional economy.



V. STRATEGIC PLAN ELEMENTS

A. Management Plan

As a public agency, the Port manages and utilizes public assets to achieve public objectives. The Port must adhere to high standards of transparency and accountability in its internal operations to maintain public trust. To meet these objectives, the management plan highlights three main areas: governance, training, and public outreach. These areas dictate the organization and operation of the Port, rules for the Commission, training objectives, and the importance of public outreach in the implementation of Port plans and projects.

1. Governance

Powers and duties of ports are described in ORS Chapter 777 and various other Oregon statutes. The Port of Hood River is governed by an elected board of five Commissioners who carry out the Port's powers and duties, and adopt ordinances, policies, budgets and contracts consistent with applicable laws.

The Port of Hood River has adopted a Governance Manual (Approved: July 10, 2012, see) that describes the Port's organizational structure, board policies and practices and outlines the roles and responsibilities of Commissioners, Executive Director, and committee members acting as public officials. The Commission has also adopted a variety of policies and ordinances that address the operations and management of the Port. Taken together, these various items constitute the "Key Administrative Documents" of the Port of Hood River and provide crucial context for this Strategic Business Plan.

As a matter of policy, the Commission and staff of the Port shall integrate this Strategic Business Plan into its decision-making processes and utilize it as a planning tool to help guide the Port. The Plan shall be updated every five years or sooner if the Commission believes conditions warrant.

2. Training and Development

It is the policy of the Port of Hood River to require an in-house orientation and general board training through SDAO for new Commissioners and key staff members. Thereafter, each Commissioner shall seek to attend at least one Board training refresher course through SDAO each year during their elected term. The Port shall reimburse Commissioners and key staff for expenses incurred for tuition, travel and lodging as a result of training, educational courses, participation with professional organizations, and attendance at state, regional and national conferences associated with the interests of the Port. Details of Education, Training, and Conferences policies are found in the Port's Governance Manual.



3. Public Outreach

The Port of Hood River Commission and staff seek to establish and maintain good working relationships with the public; strong partnerships and good communications with other government agencies; and continuously seek ways to increase community understanding and awareness of Port activities to advance the Port's goals and objectives. The Port shall:

- Continuously communicate with the public about Port activities.
- Provide opportunities for public input on all major projects and issues.
- Ensure that meetings are open to the public with clear agendas published in advance in accordance with Oregon's Public Meeting Law.
- Use press releases, website, forums, newsletters (print and digital), annual reports, email notifications, and other media tools to advise the public of both plans and results.
- Be forthright and open in all interactions.
- Invite citizen involvement through committee participation.
- Be visible in the community and consistently promote a positive image of the Port.

In order to foster public involvement, the Port of Hood River implements public outreach programs for issues and projects of importance. For further detail on the Port's Public Outreach Process, including recent examples, see [Appendix J](#).



B. Financial Plan

The Port has adopted a revised Financial Policy on January 14, 2014 (*Appendix K*) that constitutes the detailed Financial Plan for the Port of Hood River. The following are key excerpts:

FIN 2.02: Financial Planning

The Port will prepare and continuously update a 10-year financial plan to guide the Board of Commissioners in adopting the Port budget and to assist the Commission in ensuring the delivery of services through all types of economic cycles. The plan will help the Commission evaluate the impact of delivering all the necessary activities performed by the Port. The plan will also assist in coordinating funding needs among the Revenue, Bridge Repair & Replacement, and General funds.

(FIN 2.03) Budget

The Port shall develop, adopt and implement an annual budget that will make prudent use of public resources, include financial forecast information to ensure that the Port is planning adequately for current and future needs, involve community members, elected officials, employees and other key stakeholders, provide performance and other analytical data to assist in assessing resource effectiveness, and comply with Port laws and State of Oregon Local Budget Law.

(FIN 2.04) Reporting

The Port shall maintain a system of financial monitoring, control and reporting for all operations, and funds to provide effective means of ensuring that overall Port goals and objectives will be met to assure Port's citizens, partners and investors that the Port is well-managed and fiscally sound.

(FIN 2.05) Revenue

The Port shall maximize and diversify the Port's revenue base to raise sufficient revenue to support essential Port services and to maintain services during periods of declining economic activity. Port services providing private benefits should be paid for by fees and charges as much as possible to maximize flexibility in the use of Port revenue sources to meet the cost for services of broader public benefit. The overall revenue structure will be designed to recapture some of the financial benefits resulting from Port economic and community development investments. However, it will also be linked to the overall Port Strategic Business Plan and its future updates. Revenue collection efforts that produce positive net revenues for Port service delivery will be the highest budget priority.

(FIN 2.06) Reserve Funds

The Port shall establish and maintain adequate reserve funds to ensure the continued delivery of Port services, to address emergencies, address a temporary revenue shortfall or provide stability during economic cycles. Sufficient reserve funds will be managed to provide adequate cash flow, stabilize the Port's interest rates and provide continuity in service delivery. The Port shall maintain adequate cash reserves in each fund to maintain a positive cash position at any time during a fiscal year and at year-end.

(FIN 2.07) Cost Allocation

The Port will establish and maintain a consistent methodology for allocating the costs of the Port's Facilities and Administrative functions and activities that benefit or are used by several Port cost centers. The goal is to provide stable, predictable and equitable costs and rates to cost centers or functional areas that pay for these services. The two primary



methods used to allocate administrative and maintenance costs to Port cost centers are the Overhead Rates developed annually by the Finance Department and direct costs allocated directly to cost centers.

(FIN 2.08) Cash Management

The Port will manage its cash assets to ensure accurate records, reduce the chance of loss or theft and allow the Port to maximize interest income. The Finance Manager will ensure the accurate and timely accounting, investment and security of all cash assets, and will develop, maintain and constantly seek to improve cash management systems. (FIN 2.09)

Payment Processing

The Port will ensure that its banking services, systems and procedures, including electronic payment processing, are easy for the public to use, provide a cost-effective service, and maintain security for transactions.

(FIN 2.10) Debt Management

The Port's Debt Management Policy sets forth the responsibilities and authorities of the Port, and the Port's Finance Manager in managing the City's debt program. See full text of the Debt Management Policy.

(FIN 2.11) Investment Policy

The Port shall adopt an Investment Policy that fulfills all State of Oregon and Port code requirements.

Although the full description of the above policies constitute the Port's Financial Plan, there are two key policies that are particularly important to the Port's financial practices:

- **Policy FIN 2.06** requires maintenance of a reserve balance that is equal to 10% of net depreciable assets plus the annual debt service. This mitigates the risk related to unanticipated events and their effect on the operations of the Port and its obligations. Please refer to **Appendix K** for these policies.
- **Policy FIN 2.10** states that the Port will seek to maintain debt coverage at 2.0. This level of coverage allows the Port to forecast the timing and amount of revenue increases that need to take place in conjunction with the level of growth that is allowed to occur with expenses.



V. STRATEGIC PLAN
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C. Facilities Plan

The Port will manage its public assets in a synergistic and integrated manner to accomplish the public purposes described in ORS 280 and 777 and further its mission. The Port's facilities are categorized according to four functional areas: Transportation, Development, Recreation, and Aviation. This section includes the overall goal, strategies, standards, actions and capital projects within each functional area. The Port will maintain and update regularly the following key documents to support its Facilities Plan:

- **10-year capital plan** (*Appendix L*)
- **Building Condition Assessment** (*Appendix M*)
- **Bridge Long-term Operations Plan** (*Appendix N*)
- **Paving Condition Assessment Plan** (*Appendix O*)
- **Waterfront Recreational Site Assessment** (*Appendix G*)

This Facilities Plan should be read in conjunction with these documents.



1. Transportation

a. Hood River Interstate Toll Bridge – The Port shall manage, inspect, maintain and operate the Hood River Interstate Bridge (Bridge) to insure a high degree of safety for motorists, to serve the region for as long as possible and to maintain a reasonable cash flow for Port operations. The Bridge is the first priority for the Port.



Strategies:

- a. Take all reasonable steps to insure that the Bridge remains safe and operational for as long as possible.
- b. Review bridge revenues regularly and allocate them as necessary to insure funding for future Bridge capital projects and operations.
- c. Seek federal and state funding to help the Port finance capital upgrade and maintenance projects.
- d. Support reasonable regional efforts to plan for long-term replacement of the Bridge.
- e. Identify ways to reduce the growth of traffic volumes on the Bridge and improve connectivity for pedestrians and bicyclists.

Standard:

Ensure the Bridge remains safe and functional for a 30-year period.

Actions:

- a. Regularly update the Long Term Operations Plan (LTOP) that identifies the means and methods to ensure safe and functional operations. Utilize the LTOP to update the 10-year capital plan.
- b. Annually consult with the bridge engineer to identify specific engineering and rehabilitation projects for the next two year period. Utilize this assessment in preparing the annual budget.
- c. Identify and carry out a regular program of maintenance and inspections as recommended by the Port’s bridge engineer and ODOT.
- d. Conduct regular inspections of the bridge deck to prevent cracking and deterioration.
- e. Participate with ODOT, WSDOT, the SW Washington Regional Transportation Commission, and local agencies to complete an Environmental Impact Statement and support efforts to replace the Bridge with a new structure that meets modern engineering and safety standards.
- f. Annually consider ways to increase participation in the BreezeBy program.
- g. Assess ways to best monitor and enforce reasonable weight limits.
- h. Collaborate with City and County to include the Bridge on local Transportation Safety Plans (TSPs)



Future Capital Projects

| Project | Estimated Cost | Potential Funding | Target |
|--|----------------|-------------------|---------|
| Inspections: Lift Span & Gusset Plates | \$100,000 | POHR | 2013/14 |
| Seismic/Structural Evaluation | \$30,000 | POHR | 2014/15 |
| North Approach Ramp Rehabilitation | \$325,000 | POHR | 2014/15 |
| Auxiliary Truss Reinforcement | \$400,000 | POHR | 2014/15 |
| Final EIS for Bridge Replacement | \$1,000,000 | POHR/SWRTC/ODOT | 2016/17 |
| Seismic Upgrade | \$1,000,000 | POHR/FEDERAL | 2016/17 |
| Final EIS for Bridge Replacement | \$1,000,000 | POHR/SWRTC/ODOT | 2016/17 |



V. STRATEGIC PLAN
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b. Roadways/Parking Areas – The Port must effectively manage, improve and maintain its private streets and parking areas, as well as support efforts to improve existing roadways and develop new ones throughout the Port District to enhance truck access and economic development efforts.

Strategies:

- a. Regularly inspect Port-owned roadways for damage or degradation and identify needed repairs or upgrades.
- b. Participate in transportation planning efforts with the City of Hood River, Hood River County and other jurisdictions within the Port District.
- c. Advocate for improved freight and transportation access for the region.

Standard:

Maintain Port-owned roadways and parking areas consistent with City of Hood River standards.

Actions:

- a. Monitor implementation of ODOT’s Interchange Area Management Plan (IAMP) to ensure protection of waterfront economic development objectives.
- b. Participate in County/City efforts to update Transportation System Plans (TSPs) and advocate for funding through the ODOT’s Statewide Transportation Improvement Program (STIP) process to enhance area economic development objectives. Emphasize roadway projects along Interstate-84 and access and freight mobility in the unincorporated areas of the County.
- c. Budget annually for assessment, rehabilitation and reconstruction of Port roads and parking areas.

Future Capital Projects

| Project | Estimated Cost | Potential Funding | Target |
|--|----------------|-------------------|---------|
| Re-construction: E. Port Marina Drive | \$134,000 | POHR | 2014/15 |
| Re-construction: E. Port Marina Way | \$150,000 | POHR | 2015/16 |
| Re-construction: Visitor Center Access & Parking | \$162,000 | POHR | 2016/17 |
| Jensen Building Parking Lot | \$200,000 | POHR | 2018/19 |



2. Property Development

a. **Waterfront Business Park** – Complete a high-quality business park that creates and retains quality jobs, is consistent with the communities overall vision for the waterfront, recognizes the needs of light industrial businesses and is compatible with recreational uses.

Strategies:

- a. Conduct market demand, traffic, infrastructure and land planning studies that guide successful development.
- b. Actively seek interest of local businesses for expansion opportunities.
- c. Lead efforts to modify zoning and implement approved design standards.
- d. Participate actively and engage the public in planning and development efforts.

Standard:

Full build-out of Waterfront Business Park consistent with the Waterfront Development Strategy (WDS) with general public acceptance of development plans.

Actions:

- a. Complete Disposition Agreements for Expo Site and Lot 5.
- b. Prepare a traffic analysis that identifies traffic impacts of recent and potential development and its effect on other waterfront sites.
- c. Prepare concept plans and cost estimates for remaining light industrial lot.



Photo caption



Photo caption



V. STRATEGIC PLAN
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Nichols Basin Business Park

b. Nichols Basin Business Park (Lot #1) – Complete a high-quality light industrial/commercial business park that attracts growing local firms and new businesses, creates and retains quality jobs and supports adjacent recreational, scenic and environmental amenities.

Strategies:

- a. Conduct market demand, infrastructure and site planning studies to identify appropriate development plan.
- b. Identify needed policies, land use approvals and financing strategies to facilitate development.
- c. Plan for and seek funding partners to install necessary infrastructure including roads, utilities and public amenities.
- d. Participate actively and engage the public in planning and development efforts.

Standard:

Development plan and implementation strategies that achieves broad public input and support.

Actions:

- a. Complete preparation of an overall conceptual development plan for the property.
- b. Prepare and submit applications for subdivision and zone changes.
- c. Prepare design development-level plans for construction of lower bank pedestrian/bicycle and water access opportunities.
- c. Assess the possibility of making modifications to Nichols Basin to provide recreational and habitat improvements.
- d. Identify potential sources and seek necessary transportation infrastructure funding, and develop a specific infrastructure funding plan.
- e. Submit applications for grant funding for ped/bike trail improvements through Connect V, Local Government Grant Program (LGGP) and other sources.

Future Capital Projects

| Project | Estimated Cost | Potential Funding | Target |
|-----------------------------------|----------------|-----------------------|---------|
| Pathway/Water Access @ Lower Bank | \$500,000 | ODPR/ODOT/LGGP URA | 2014/15 |
| 1st Street Relocation | \$1,238,000 | POHR/IOF/URA | 2015/16 |
| Anchor Way 1st to 2nd | \$1,000,000 | POHR/URA | 2016 |
| Light Watercraft Center | \$250,000 | POHR | 2017 |
| Portway 1st to 2nd | \$550,000 | POHR/URA | 2018 |



c. Industrial Property Management – The Port shall maintain and manage its existing portfolio of industrial properties in a responsible manner for business retention and recruitment that meets or exceeds market standards.

Strategies:

- a. Evaluate Port properties regularly to determine maintenance and capital improvement needs. Identify specific long-term and short-term goals for each Port property.
- b. Work closely with local businesses and seek ways to assist with facility needs.
- c. Ensure that lease terms and conditions minimize subsidies that distort the market unless required for public purposes.

Standard:

Maintain the Port's industrial properties to a standard comparable to similar public or private facilities.

Actions:

- a. Implement a property management plan, including a specific strategy for each Port property that anticipates capital and maintenance needs over a 10-year period.
- b. Continuously assess opportunities for the sale or leasing of Port properties.
- c. Evaluate each Port building to identify ways to reduce energy costs.

Note: Refer to Building Assessment [Appendix M](#).

d. Industrial Land Acquisition – Seek opportunities to acquire and develop additional industrial property to provide sites for future business growth and expansion.

Strategies:

- a. Annually provide budget authority that allows the Port to respond to strategic land acquisition opportunities.
- b. Continually maintain contacts with local brokers and landowners to identify property acquisition opportunities.
- b. Work closely with local businesses to understand future facility needs.
- c. Collaborate with local jurisdictions to ensure that planning and policy decisions provide adequate supply of industrial properties.
- d. Ensure that acquisition avoids subsidies that distort the market unless required for public purposes.
- e. Seek acquisition/development opportunities that generally would not be undertaken by the private sector.

Standard:

Maintain a land inventory of buildable industrial property equal to the current year.

Actions:

- a. Evaluate opportunity for brownfield redevelopment of the Lower Mill site.
- b. Consider possibility for joint venture approach to property near I-84, Exit 62.
- c. Track availability of light industrial properties throughout the Port District that may be available for sale.



V. STRATEGIC PLAN ELEMENTS



Photo caption

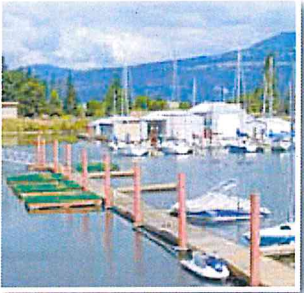


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3. Waterfront Recreation

The Port owns a number of prominent waterfront recreation sites that attract visitors from around the world and contribute to the quality of life in the community. An assessment of these recreation sites has been prepared and will be updated every five years to serve as the basis for decisions about future capital expenditures, policies, use regulations, and upland development. Excerpts from the Waterfront Site Assessment Report are incorporated below. See **Appendix G** for the full report.

a. Marina – The Port shall provide a safe and attractive Marina that meets the recreational needs of boaters while maintaining standards and slip rates equal to similar public marinas.

Strategies:

- a. Continuously consider improvements to the Marina that meet market demand and respond to funding availability.
- b. Increase year-round activity and vitality in the Marina Basin.
- c. Seek ways to ensure the operation of the Marina is self-supporting through cash flow from slip lease income and Oregon State Marine Board (OSMB) funding.

Standards:

- a. Maintain the Marina as a safe and efficient facility equal to similar publically-owned marinas.
- b. Efficiently manage the Marina wait list to ensure slips are leased in a timely manner.
- c. Maintain status as a certified “Clean Marina.”

Actions:

- a. Update the Marina Master Plan to guide future planning and capital projects.
- b. Work with the OSMB to improve and extend boat launch ramp paving.
- c. Collaborate with the Hood River Yacht Club and other user groups to increase public and private events and activities in the Marina.
- d. Seek reasonable opportunities to increase the use of the Marina Basin for sailing and non-motorized watercraft.
- e. Work with the Marina ad-hoc committee to encourage greater input from moorage tenants on management and maintenance practices.

Future Capital Projects

| Project | Estimated Cost | Potential Funding | Target |
|------------------------------|----------------|------------------------|---------|
| Replace Boathouse docks | \$200,000 | POHR/Boathouse Tenants | 2013/14 |
| Update Long-term Master Plan | \$50,000 | POHR | 2014/15 |
| Visitor Dock Rehabilitation | \$650,000 | OSMB/POHR | 2015/16 |
| Expand South Basin Dock | \$250,000 | POHR/Loan | 2017/18 |



b. Port Marina Park – The Port shall maintain and manage the open space and park facilities surrounding the Marina Basin to support the recreational needs of the community.

Strategies:

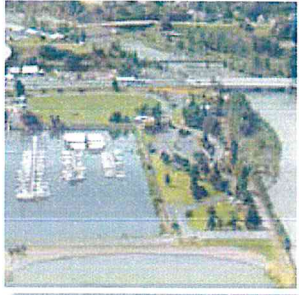
- a. Seek ways to increase revenue from park activities and users, and decrease expenses.
- b. Continuously consider improvements that meet market demand and respond to funding availability.

Standard:

Maintain Port Marina Park as a safe, attractive, and flexible open space for recreational users.

Actions:

- a. Prepare a detailed operations plan and cost summary for the Port Marina Park.
- b. Identify ways to decrease operations and maintenance costs and increase revenue.
- c. Annually review policies, requirements and fees.
- d. Work with Pacific Power to relocate power box at Marina Green.



Port Marina Park and Beach

Future Capital Projects

| Project | Estimated Cost | Potential Funding | Target |
|------------------------------|----------------|-------------------|-----------|
| Relocate electrical facility | \$40,000 | PP&L/POHR | 2015 |
| Improve gravel parking area | \$25,000 | POHR | 2016 |
| Add lighting | \$150,000 | Federal/POHR | 2017-2020 |

c. Event Site – Effectively maintain and manage the Event Site to support intense recreational use of multiple users.

Strategies:

- a. Continuously consider improvements to the Event Site that meet market demand and respond to funding availability.
- b. Seek ways to reasonably increase revenue for Event Site maintenance.
- c. Proactively respond to changing water levels, user needs, and enforcement requirements to decrease user conflicts.
- d. Annually assess modifications to enhance locations of school, food, and other concessionaires.

Standard:

Maintain the Event Site as the premier location for windsports in the Gorge.

Actions:

- a. Prepare an annual review of the high-water action plan and safety requirements for users.
- b. Maintain jetties, beach, and upland park facilities.
- c. Annually review parking, concessionaire, and event fees.
- d. Provide support to concessionaires.
- e. Budget for incremental annual upgrades to improve functionality and appearance.

Future Capital Projects

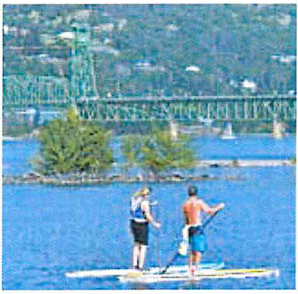
| Project | Estimated Cost | Potential Funding | Target |
|--|----------------|-------------------|--------|
| Landscape upgrades | \$5-10,000 | POHR | annual |
| Restrooms/changing facility/outdoor shower | \$150,000 | POHR | 2016 |
| Reseal parking lot | \$80,000 | POHR | 2017 |
| Beach restoration/Dredging | \$50,000 | POHR | TBD |
| Increase launch area west of Event Site | \$250,000 | POHR | TBD |



V. STRATEGIC PLAN ELEMENTS



Kiteboard event at Marina Beach in July 2011



Stand Up Paddleboarders enjoying Nichols Basin

d. Other Recreational Sites – The Port will maintain and develop high quality recreational sites that promote river access, active recreation and passive open space experiences for community members and visitors. These sites include:

- **Marina Beach:** Multi-purpose swim and kiteboard area with the Port’s focus on safety and attractiveness.
- **Spit:** Limited improvement public access to Columbia River.
- **Nichols Basin:** Scenic amenity with future development opportunities supporting non-motorized boating activity.
- **Hook:** Primitive multi-use area for windsurfing, SUP, kayaking, and fishing.

Strategies:

- a. Maintain existing facilities, including access, parking and amenities within budget.
- b. Consider long-term management costs before developing new or enhanced recreations sites.
- c. Seek funding and partnership opportunities to design, permit and develop additional recreational sites under the Port’s ownership and/or design review control.

Standard:

Identify, improve and maintain recreational sites for a variety of users, subject to adequate funding, to meet appropriate safety, use, design and maintenance standards.

Actions:

- a. Annually assess conditions to ensure maintenance standards are met for waterfront access, ramps, jetties, roadways, and parking areas.
- b. Seek ways to increase revenue for recreation sites and decrease expenses.
- c. Develop a plan for an exterior launch and viewing area at the western end of the Hook.
- d. Monitor sites for invasive plants and take action to eradicate and minimize spreading.

Future Capital Projects

| Project | Estimated Cost | Potential Funding | Target |
|--|----------------|-------------------|---------|
| Hook: west end launch site | \$125,000 | Multiple | 2014/15 |
| Marina Beach: handicap fishing platform | \$40,000 | POHR/ODPR | 2016 |
| Nichols Basin: public launch area for non-motorized boating | \$250,000 | ODPR/Grants | 2016 |
| Hook: clean and improve riparian habitat | \$20,000 | POHR | TBD |
| Spit: habitat improvements along east shore of Nichols Basin | \$50,000 | Grants/POHR | TBD |



e. Recreation Trails – The Port will maintain, manage and improve pedestrian and bicycle trails along the Hood River Waterfront and support efforts to improve such facilities in other areas within the Port District boundaries.

Strategies:

- a. Seek funding opportunities for the design and development of the pedestrian and bicycle trail connections with an emphasis on facilities on or near Port properties.
- b. Support efforts by the Hood River Valley Parks and Recreation District and other entities to plan, design and construct pedestrian and bicycle facilities.

Standard:

Insure Port-owned pedestrian and bicycle pathways contribute to local live/work connectivity and meet design and maintenance standards equal to similar public facilities.

Actions:

- a. Nichols Basin: Prepare a plan to provide continuous pedestrian and bicycle facilities along the west shore.
- b. Hook: Develop plan improvements to the proposed waterfront trail extension from the Maritime building to the western tip of the Hook.
- c. Pedestrian Bridge: Construct a bicycle and pedestrian pathway connection from Frontage Road to the intersection at Button Bridge Road. Plan to include lighting, way finding signage, and informational kiosk.



Crews pave a section of the existing waterfront path just west of the Event Site



Western terminus of current waterfront trail looking east

Future Capital Projects

| Project | Estimated Cost | Potential Funding | Target |
|-------------------------------------|----------------|-------------------|---------|
| Pedestrian Bridge: Bike/Ped Pathway | \$439,000 | ODOT/Federal | 2014 |
| Hook: Waterfront Trail Extension | \$100,000 | City of HR/POHR | 2014/15 |
| Spit: PAW Connection | \$50,000 | Naito/POHR | 2015/16 |



V. STRATEGIC PLAN
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Ken Jernstedt Airfield FBO



A local pilot takes advantage of the newly resurfaced runway

4. Aviation

Ken Jernstedt Airfield – The Port owns the Ken Jernstedt Airfield (“Airport”) to support public safety, transportation, recreation and economic development goals of the community.

Strategies:

- a. Maintain a high level of safety.
- b. Establish a reputation as a welcoming, user-friendly airport.
- c. Seek financial self-sufficiency.
- d. Provide essential services; Fixed Base Operations, Aircraft maintenance, Aircraft fuel
- e. Build and maintain a mutually supportive relationship with WAAAM.
- f. Establish “good neighbor” relations with surrounding property owners.
- g. Adhere to FAA grant covenants to insure continual federal funding.
- h. Seek land acquisition opportunities consistent with the safety missions and the airport master and layout plans.

Standard:

A level of service consistent with its FAA designation (B-2), and the size of the Airport’s service area. Recognition as one of the best airports of its class in Oregon, and small aircraft owner airport of choice in the Gorge.

Actions:

- a. Regularly convene the Airport Advisory Committee to consider airport policies, programs and actions.
- b. Prepare an Airport Business Plan.
- c. Update the 2009 Airport Master Plan and Layout Plan.
- d. Monitor the availability of federal and state funding for airport projects.
- e. Update Ordinance 23 and monitor and enforce this ordinance.
- f. Prepare a feasibility study for new T-Hangars.

Future Capital Projects

| Project | Estimated Cost | Potential Funding | Target |
|-----------------------------|----------------|-------------------|--------|
| Prepare Airport Master Plan | \$350,000 | FAA/POHR | 2014 |
| Update Airport Layout Plan | \$50,000 | FAA/POHR | 2015 |
| Relocate FBO | \$500,000 | POHR/FAA | 2019 |
| New T-Hangar Block | \$375,000 | Loan/POHR | 2016 |
| Taxiway B and Aprons | \$1,500,000 | FAA/POHR | 2019 |



D. Economic Development and Marketing Plan

The Port of Hood River is the real economic development agency in Hood River County and seeks to positively impact the economy within the Port District and the Mid-Columbia region. The Port seeks a thriving, balanced economy, a high quality of life for citizens, support for private businesses that create jobs, and provision of training opportunities.

1. Business Retention

The Port works actively with existing businesses to understand their needs and seeks to accommodate their growth.

Strategies:

- a. Carry out ongoing communication with existing businesses to anticipate their growth needs, and identify value-added opportunities that foster growth in wages and employment.
- b. Work cooperatively with the other economic development agencies in the Mid-Columbia region by participating on boards, commissions and advisory committees to advance economic development efforts.
- c. Coordinate with businesses such as agriculture and forestry and identify ways to enhance the area's traditional economic base.
- d. Support the tourism sector and seek ways to increase tourism activities, particularly in the shoulder seasons.

Standard:

Recognition as the lead public economic development agency within the Port District that works to address the needs of local businesses. Be viewed as an active, supportive partner that works with other agencies to facilitate employment and business growth in the Mid-Columbia region.

Actions:

- a. Evaluate the annual Needs and Issues Inventory and identify projects that can address the requirements of existing businesses.
- b. Maintain regular contact with major businesses in Hood River County to understand and anticipate growth needs and success issues.
- c. Participate in various groups and committees in Hood River County that are active in economic development.
- d. Monitor and provide comments on federal and state legislative actions that could impact the growth and success of local businesses.
- e. Participate in the annual MCEDD updates to the Comprehensive Economic Development Strategy (CEDS) for the Region.
- f. Prepare an annual summary of the economic impacts of Port facilities and activities.
- g. Continue active participation in the Economic Development Working Group (EDWOG) and Gorge Innoventure program.



2. Business Recruitment

The Port recognizes the need both to recruit new business to the Port District and assist the work of area partners in efforts to attract new businesses to the Mid-Columbia region.

Strategies:

- a. Identify companies that provide family wage jobs, are compatible with the local community and who may be interested in relocating to the Port District or Mid-Columbia region.
- b. Work with other economic development entities, other ports and local businesses to integrate the Port's business recruitment efforts with recruitment strategies in the area.
- c. Annually prepare a strategy that addresses reasonable recruitment activities and associated costs for Commission consideration.

Standard:

The Port is an active, engaged participant in local and regional efforts to recruit new businesses to the Port District.

Actions:

- a. In partnership with other county and state entities, classify regional industries by their growth characteristics and prioritize these industries and specific businesses for targeted recruitment/retention efforts.
- b. Participate and lead the Economic Development Working Group to bring focused attention and specific action plans for business recruitment.
- c. Act as a sponsor and monitor actions and activities within the Enterprise Zone.
- d. Regularly update information about sites in Hood River County that are available for industrial development.
- e. Maintain an inventory of Port property that is "shovel-ready" for new business recruitment opportunities.

3. Workforce Training and Education

The Port recognizes the importance of training and education to the long-term economic health of the community and seeks ways to support other agencies and businesses working to improve the skill level of the work force in the Port District and Mid-Columbia region.

Strategies:

- a. Support efforts to ensure access to high quality education and training opportunities for area residents and workers, and create opportunities for youth to remain in Hood River County.
- b. Assist MCEDD, CGCC and other providers to assess the educational and skill level of the local workforce. Assist in identifying needed facilities and resources to address identified training needs.
- c. Report to the Commission when training resources may be needed to support the growth of existing businesses or successfully recruit new ones.



Standard:

The Port is seen as an engaged partner in helping to address the educational and training needs of the Port District and Mid-Columbia region.

Actions:

- a. Monitor efforts by CGCC to implement the Advanced Technology Center and seek ways to support this initiative.
- b. Work with educational and training resources to identify:
 - Required skills and likely training needs from existing businesses in the target sectors.
 - Training resources in the community.
 - The match or lack of match between needs and existing programs.
- c. Participate in regional efforts to improve job-training opportunities.
- d. Annually consider allocation of resources for targeted training programs.
- e. Seek ways to support the quality and availability of vocational training in the Port District.

4. Regional Collaboration

The Port works with public and private entities in the Mid-Columbia region to overcome regulatory barriers, address infrastructure deficiencies and promote the economy of the area.

Strategies:

- a. Participate in and support a regional collaboration with other ports and the CRGNSA Gorge Commission in order to address local economic development issues.

Standard:

The Port is a committed partner in regional economic development collaboration efforts and initiatives.

Actions:

- a. Increase communication and collaboration among area ports on economic development conditions and issues.
- b. Obtain and update information about industrial sites in the Mid-Columbia region that are available for industrial or commercial development and promote them when possible.
- c. Support efforts by the regional coalition to replace the Hood River Interstate Bridge.
- d. Collaborate with other regional entities to respond to all common legislative and regulatory issues.



E. Environmental Plan

The Port recognizes the interdependence of environmental quality and business development within its District. Due to the exceptional quality of scenic and riverine resources enjoyed by local residents, the environment helps draw new businesses and recreational users to the Port District. The Port owns and manages most of the land bordering the Columbia River within the City of Hood River, a valuable, long-term community asset. Port operations and development projects will be carried out with careful consideration of environmental impacts and environmental laws.

Strategies:

1. Protect Riverine Habitat:

- Ensure upland development does not degrade habitat conditions in the Columbia River or Hood River.
- Provide for appropriate and adequate landscape plantings along the water's edge to minimize erosion and promote river shade/habitat.
- Protect, improve and enhance areas of existing habitat and seek ways to create new habitat where opportunities exist.
- Ensure Port ordinances identify and disallow actions or activities by members of the public, tenants, or businesses that could negatively affect environmental habitat.

2. Industrial/Commercial Development:

- Encourage a high level of green building, renewable energy and sustainable design practices (e.g. LEED) on all development projects.

3. Marina:

- Develop and adopt best practices for operation and development of the Marina to meet Oregon State Marine Board Clean Marina standards and status.

4. Agency Coordination:

- Work with local, state and federal agencies in the review of proposed developments and policies to ensure environmental compliance is carried out.
- Coordinate with special interest groups such as Columbia Riverkeeper, Native American tribes, watershed management groups and others as appropriate to promote healthy river systems and recreational opportunities.
- Comply with all local, state and federal environmental laws in all Port activities.

Standard:

Meet environmental best practices while complying with local, state and federal environmental laws and permit requirements for the development and maintenance of Port properties. Be considered a leader in environmental best practices among public landowners in Oregon.

Actions:

- a. Ensure all necessary environmental permits and standards are addressed during the design, approval and construction of Port projects.
- b. Annually review adherence to Oregon State Marine Board Clean Marina standards and certification.



- c. Maintain a list of permit requirements and agency contacts for in-house and developer reference.
- d. Provide project information to environmental and special interest groups, and consider their input in completing project design and development.
- e. Ensure that the Port has staff expertise and necessary equipment for immediate response to environmental contamination.
- f. Seek cost-effective ways and partnerships to monitor E-coli levels in the Columbia River adjacent to the Port's recreation sites and communicate issues to the public.
- g. Improve habitat conditions along the waterfront by removing invasives and planting native species.



VI. PLAN IMPLEMENTATION

Plan Implementation

The Port of Hood River Strategic Business Plan is designed to guide the Port's efforts over the next five-year period. It is designed as a working document. The Plan will be evaluated annually during the Fall Planning Work Sessions as the Commission formally considers policy and budget matters that may affect Plan implementation.

A. Project Evaluation Criteria

The Port Commission is guided by a 10-year Financial Model (*Appendix L*) where assumptions about projects and activities are made within the context of expected operational revenues and expenses. The Model serves as a planning tool and assists the Commission and staff in understanding the longer-term implications of near-term policy, management and capital decisions. A key component is the set of assumptions about capital expenditures and associated funding. The 10-year capital list includes required or desired capital projects and makes assumptions about corresponding financing sources to carry them out.

The capital projects in Section B are considered the most important for the Port to carry out in the next five years and vital in achieving the Port's strategic mission. They were identified based on the following factors:

- **Operational Efficiency**
- **Safety**
- **Income Asset Preservation**
- **Readiness to Build**
- **Resource Availability**
- **Amenity Improvement**



B. Key Projects List

Each capital project listed below is also listed in the 10-year Financial Model. The implementation of each project is dependent upon the availability of financial resources, a specific risk assessment prior to implementation and a determination of whether new opportunities or threats exist. Each is expected to be carried out if assumed financing sources are available.

| PROJECT | COST | TIME FRAME | FUNDING SOURCE | PRIORITY CATEGORY |
|--|-----------|--------------|-----------------|-------------------|
| Interstate Bridge | | | | |
| Deck Weld Repairs | 50,000 | 2013-Ongoing | Port | Mandatory |
| Lift Span Assessment | 60,000 | 2014-15 | Port | Mandatory |
| Seismic Vulnerability Study | 30,000 | 2014-15 | Port | Highly Desired |
| Gusset Plate Triage Evaluation | 40,000 | 2014-15 | Port | Highly Desired |
| Repair North Approach Ramp | 325,000 | 2014-15 | Port | Mandatory |
| Repair Auxiliary Brace Connections | 400,000 | 2014-15 | Port | Mandatory |
| Final EIS for Replacement | 1,000,000 | 2015-16 | Port | Highly Desired |
| Seismic Upgrades | 1,000,000 | 2018-19 | Port | Highly Desired |
| Waterfront Industrial - Lot 1 | | | | |
| Nichols Basin Ped / Bike Path | 500,000 | 2014-15 | Port / Grants | Mandatory |
| 1st Street Relocation, including roundabout | 1,238,000 | 2016 | Port / URA | Mandatory |
| New Commercial Building | 2,500,000 | 2017-18 | Port/Loan | Highly Desired |
| Anchor Way 1st to 2nd, including stoplight | 1,000,000 | 2018 | Port /URA | Highly Desired |
| Light Watercraft Center | 250,000 | 2018 | Port /URA | Highly Desired |
| New Industrial Building | 6,000,000 | 2018-19 | Port/Loan | Highly Desired |
| Paving (does not include regular capital maintenance) | | | | |
| E. Port Marina Way | 150,000 | 2014-15 | Port | Highly Desired |
| E. Port Marina Drive | 134,000 | 2017 | Port / OSMB | Highly Desired |
| Visitor Center Access and Parking | 200,000 | 2019-20 | Port | Highly Desired |
| Land Acquisition | | | | |
| Industrial Property | 1,500,000 | 2014-18 | Port/Loan | Highly Desired |
| Site Prep., Entitlements & Marketing | 200,000 | | Port | Highly Desired |
| Ken Jernstedt Airport | | | | |
| Revise Master Plan & Airport Layout Plan | 300,000 | 2014-15 | Port / FAA | Mandatory |
| Develop Additional T-Hangars | 250,000 | 2016 | Port/Loan | Highly Desired |
| Taxiway B Extension and Apron Reconstruction | 1,500,000 | 2017-18 | Port / FAA | Highly Desired |
| Relocate FBO & Av Gas | 500,000 | 2018-19 | Port / FAA | Highly Desired |
| Marina | | | | |
| Boathouse Dock Replacement | 200,000 | 2013-14 | Port/Loan | Highly Desired |
| Master Plan | 50,000 | 2014-15 | Port | Highly Desired |
| Visitor Dock Rehabilitation | 650,000 | 2017 | Port / OSMB | Highly Desired |
| South Dock Upgrade | 250,000 | 2019-20 | Port/Loan | Highly Desired |
| Recreation | | | | |
| Frontage Road Ped/Bike Path | 439,000 | 2014 | Port / ODOT | Highly Desired |
| Hook: West Launch | 125,000 | 2014-15 | CGWA/Parks/Port | Highly Desired |
| Hook: Bike / Ped Trail | 100,000 | 2014-15 | Port / City | Highly Desired |
| Jensen Building | | | | |
| Breezeway, Vendor & Solar Improvements | 350,000 | 2014-16 | Port | Highly Desired |

Mandatory (address life safety or near-term functionality of key asset)
Mission Critical (key impact to the Port's core mission and/or longevity of asset)
Highly Desired (projects that address key community or Port objective)



C. Plan Adoption and Update Process

The Port of Hood River Strategic Business Plan was adopted by the Port of Hood River Commission in January 2014. The Port shall utilize the Plan as a basis for policy and budget decisions and to request state funding for identified projects. The plan may be amended by the Commission based on market conditions and new development opportunities that may arise. The Port expects to formally update and re-adopt the Plan every five years.

List of Appendices

- Appendix AMap of Port District
- Appendix BPort of Hood River History
- Appendix CPort of Hood River Governance Manual
- Appendix D.....Key Facilities Descriptions
- Appendix E.....Waterfront Development Strategy
- Appendix F.....Port of Hood River Rent Roll
- Appendix G.....Assessment of Waterfront Recreation Sites
- Appendix H.....Economic Impact Analysis, ECO NW
- Appendix I.....Hood River Economic Opportunities Analysis
- Appendix J.....Port of Hood River Public Outreach Process
- Appendix KPort of Hood River Financial Policies
- Appendix L.....Port of Hood River 10-Year Capital Plan
- Appendix MBuilding Condition Assessment
- Appendix N.....Bridge Long-Term Operations Plan
- Appendix O.....Paving Condition Assessment



