

**PORT OF HOOD RIVER COMMISSION**  
**Tuesday, April 12, 2016**  
**Marina Center Boardroom**  
**5:00 P.M.**

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**Regular Session Agenda**

1. Call to Order
    - a. Modifications, Additions to Agenda
  2. Public Comment (5 minutes per person per subject; 30 minute limit)
  3. Consent Agenda
    - a. Approve Minutes of March 29, 2016 Spring Planning Work Session and March 29, 2016 Regular Session (*Laurie – page 3*)
  4. Reports, Presentations and Discussion Items
    - a. Advanced American, Kyle Izatt, Operations Manager (*John – page 11*)
    - b. Possible Bridge Toll Rates for FY 2016-17 (*Fred – page 13*)
  5. Director’s Report (*Michael – page 15*)
  6. Commissioner, Committee Reports
    - a. Urban Renewal Agency – Commissioners Davies and Streich (*April 11*)
  7. Action Items
    - a. Approve Task Order No. 1 with Century West Engineering for Design of South Taxiway Reconfiguration not to exceed \$173,489.35 (*Anne – page 19*)
    - b. Approve Contract Amendment No. 1 to Schott & Associates for additional wetland delineation services at the Hood River Airport not to exceed \$1,000 (*Anne – page 31*)
    - c. Ratify Contract with FCS Group for Preparation of FASTLANE Application Cost/Benefit Analysis not to exceed \$8,000 (*Michael – page 35*)
    - d. Approve FASTLANE Application Submittal and Commitment of Matching Funds (*Michael – page 45*)
    - e. Approve License to Hood River Electric Co-op for Fiber Installation on the Waterfront (*Anne – page 47*)
  8. Commission Call
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9. Executive Session under ORS 192.660(2)(e) Real Estate Negotiations
  10. Possible Action
  11. Adjourn

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

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

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**Port of Hood River Commission  
Meeting Minutes of March 29, 2016 Spring Planning Work Session  
Marina Center Boardroom 12:00 Noon**

*[Materials and handouts are attached to the bound meeting minutes]*

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

**Present:** Commissioners Jon Davies, Fred Duckwall, Rich McBride, and Brian Shortt; Budget Committee members John Benton, Larry Brown, John Everitt, Judy Newman, and Rich Truax; Attorney Jerry Jaques; from staff, Michael McElwee, Fred Kowell, Anne Medenbach, Genevieve Scholl, John Mann, Liz Whitmore, and Laurie Borton

**Absent:** Commissioner Hoby Streich

**Media:** None

President Brian Shortt called the Spring Planning Work Session to order at 12:02 p.m.

**1. Welcome and Introductions:** President Shortt welcomed everyone to the Work Session, commenting that today's discussion outcomes will be used by staff in preparation of the FY 2016-17 Budget for next month's Budget Committee meeting. Shortt welcomed Judy Newman as a new Budget Committee member. With a full afternoon of discussion planned, Shortt deferred to Executive Director Michael McElwee for his summary comments.

**2. Summary Comments:** McElwee commented that today's focused discussions will provide direction to staff in preparing the annual budget process and updating the 10-Year Financial Model. There are overarching themes or issues that will guide Commission discussion and McElwee commented that Budget Committee comments would be welcome. McElwee said the Port is stable but there will be limited spending capacity in the next two years; however, there are also funding opportunities, such as the *ConnectOregon* and federal FASTLANE grants that may be available if a commitment for matching funds can be obligated.

**3. Financial Policies and Assumptions:** Fred Kowell, Chief Financial Officer, reviewed three key financial policies that drive the level of capital improvements, determine the magnitude of debt the Port can issue, and keeps growth in check. The three policies integral to the 10-Year Financial model are Reserves that strive to keep a 10% level of depreciable assets; Debt Coverage Ratio, which is the net operating cash flow divided by the amount of debt service—maintaining a 2.0 allows an organization to go to the bond market and obtain financing; and the third policy is Return of Investment, which looks at revenues less operating costs (depreciation excluded) to come up with net operating income—the Port hovers between 3.2% to 4%. Kowell then highlighted assumptions that had been made in the Financial Model: CPI is down to 2.12%; PERS will not have an impact until the 2017-19 budgets; Lot 1 development has been pushed out to 2020; debt on the Bridge bonds will be repaid December 2018, but repair and/or replacement of various operating functions will be incurred. Kowell also commented that a toll increase (cash and/or electronic tolling) will be likely if a FASTLANE grant is received in order to cover the Port's match.

**4. 10-Year Financial Projects:** Key budget assumptions were reviewed as the following project areas were discussed:

A. Key Project/Program Areas.

1-2. Near-term Bridge Repair Needs/Long-term Bridge Replacement: *(It should be noted the discussions on these two topic areas were intermingled.)* McElwee commented there are significant issues the Commission would need to consider and address associated with near-term repairs and assumptions related to the allision insurance claim,

planning costs, and capital projects that have been included in the 10-Year Financial Model. In April the Commission will need to consider whether or not to submit an application by an April 14 deadline for federal FASTLANE funding to be used for a next step in Bridge replacement efforts-- completion of an Environmental Impact Statement (which will have a shelf life). This process will have considerable financial, political and staffing ramifications. A toll increase would be required for the estimated \$3.3 million local match, or money could be borrowed to meet the match with a toll increase repaying the debt. There was a lengthy discussion on future ownership, i.e. how much money do you place into an asset that may be taken away; could control not be relinquished and stay in Port ownership; do you fund a project that another agency(ies) would own. It was agreed that any toll increase, whether a cash and/or electronic tolling customer, would need significant public outreach and transparency.

3. Tolling Technologies: The phase to update the current Windows XP operating system to a new system is underway. The next phase, related mostly to hardware, will replace readers, antennas and transponders with other in-lane equipment such as connectors and cables. The question the Port will need to consider is whether to move forward with the latest technology that will pay for itself over 1-3 years depending on the technology that is implemented, such as Automatic License Plate Readers, which is a system that uses cameras with built-in Optical Character Recognition, and integration of a Weigh-in-Motion system that would have a significant impact on the Port's ability to determine the load of traffic crossing the Bridge. Kowell estimates these decision points will need to be made in spring of 2017.
4. Light Industrial Development Priorities: Anne Medenbach, Development and Property Manager, led this discussion on projects that could occur in the next 1-5 years; however, unknowns including required Bridge investments and required matches associated with grant funding could have an impact in carrying out projects associated with the Lower Mill, Waterfront, and Maritime assets. The question was asked if sale of buildings should be considered in order to fund projects; and if this approach is taken, there was interest in hearing about acquisition potentials. There was also comment on moving ahead with the Lower Mill development and using the monies from property sales to fund the next projects.

*President Shortt recessed the work session for a break at 2:40 p.m. The meeting resumed at 2:45 p.m. with discussions continuing on Key Project/Program Areas.*

5. Airport Investments: Results of the Port's *ConnectOregon* grant application should be known in late summer of 2016. The Port's match would be \$802,000. This grant would fund the project of completing infrastructure and site development on the north ramp. Once in place construction of a new FBO, maintenance and training facilities will be done by the private sector. The FAA is in the process of finalizing the next five years of federally funded CIP projects, which include reconfiguration of the taxiway, fuel tank relocation, and north ramp paving. The match for these projects is approximately \$450,000. The question of whether the private sector would contribute a large percentage of the *ConnectOregon* match, or what a lease would look like are items that cannot be negotiated during this Work Session; however, the question was asked of the Commission if there was a comfort level in moving forward. It was the opinion of Commissioner McBride that he was not in favor of the Lower Mill schedule slipping a year in order to move forward with the airport.
6. Community Support Initiative: What constitutes economic development is changing and McElwee commented that opportunities exist in which the Port could support and enhance community systems (e.g. education, transportation, parks, etc.). Modest but meaningful activities would demonstrate the Port is mindful of other ways to positively impact the District and community. Staff had proposed to engage in direct discussions with local leaders to develop a plan, which would require Commission approval. While there was support, Commissioner Duckwall recommended that the start of any initiative be small given staff capacity and current projects already underway.

- 7. **Advocacy Coordination and Contracts:** The OneGorge Advocacy Group is now 115-participants strong and has achieved significant success in both state and federal legislative arenas. Summit Strategies lobbying efforts, also on state and federal levels, continues to make significant progress. There was no opposition to continue the current funding level for Summit Strategies and modestly increase OneGorge funding in the FY 16/17 budget.
- 8. **South Basin Dock:** New opportunities and demands for space on the South Basin Dock (formerly the floatplane dock) have resulted in a proposal from the Hood River Yacht Club in leasing all or a portion of the dock. The Marina Ad-hoc Committee has been involved in this discussion over the past several months. There was interest in moving forward with the Yacht Club’s proposal, with the provision that dock spaces remain available to the public. Mann commented the dock is pretty solid but some minor maintenance will be scheduled this spring.
- 9. **Waterfront Maintenance:** Historically recreation expenses exceed revenues. Liz Whitmore, Waterfront Coordinator, commented a decrease should be expected in the differential between maintenance and revenue costs once revenues are booked for waterfront parking fees (proposed for the 2017 season) and open space maintenance fees (with the sale of parcels). She did note, however, that during the FY 15/16 budget there was an increase in maintenance with the Nichols Basin Trail and Hook Upgrade projects.
- B. **Review 10-Year Financial Model:** Kowell reviewed the 2016-2025 Long Range Financial Model that was updated as of March 25, 2016. As various projects, forecasts, and details were discussed, Kowell noted adjustments that would be made prior to the April Budget Committee meeting.

**5. Other:**

Shortt thanked the Commission, Budget Committee, and staff for their time, creative energies, and participation in the Work Session. At 4:30 p.m. President Shortt called for a motion to adjourn the Work Session.

- Motion:** Move to adjourn.
- Move:** Duckwall
- Second:** Davies
- Vote:** **Aye:** Davies, Duckwall, McBride and Shortt  
**Absent:** Streich

**MOTION CARRIED**

The Regular Meeting of the Port Commission immediately followed.

Respectfully Submitted:

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Laurie Borton

ATTEST:

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Brian Shortt, President, Port Commission

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Jon Davies, Secretary, Port Commission

**Actions to be Considered as a Result of Discussion Items**

1. Toll Increase: Public outreach will be critical for transparency, with the increase going into a separate fund. The Commission would like to see some iteration of toll increase options for community ramifications.
2. Outreach: Consider how advertising and education can be improved upon. Relocate Port sign on the administration building that is partially hidden by building eaves (or replace with a nicer sign?). Consider more way-finding signage.
3. OneGorge Advocacy: Reach out to participants during their budget process to request if OneGorge funding can be increased. Order stickers with OneGorge information that can be added to the reverse side of business cards.
4. Community Support: Build K-12 relationships outside of schools.
5. Recreation: Add placeholder to Financial Model for future grass (more drainage needed) and repair of beach erosion.

*Port of Hood River Commission  
 Meeting Minutes of March 29, 2016 Regular Session  
 Marina Center Boardroom  
 4:40 P.M.*

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

**Present:** Commissioners Jon Davies, Fred Duckwall, Rich McBride, and Brian Shortt; Legal Counsel Jerry Jaques; from staff, Michael McElwee, Fred Kowell, Anne Medenbach, Genevieve Scholl, Liz Whitmore, and Laurie Borton

**Absent:** Commissioner Hoby Streich

**Media:** None

**1. CALL TO ORDER:** Upon conclusion of the Spring Planning Work Session, the Regular Session meeting was called to order at 4:40 p.m. by President Brian Shortt.

**a. Modifications, Additions to Agenda: None.**

**2. PUBLIC COMMENT:** None.

**3. Acknowledgment of Retiring Lead Toll Collector Glenn Brittenham:** Brittenham was acknowledged for 28 years of friendly and courteous service as a full-time toll collector with the Port of Hood River. Fred Kowell, Chief Financial Officer and toll staff supervisor, presented gifts to Brittenham and stated he would be missed and that Brittenham was wished the best in his retirement.

**a. Proclamation of Commendation and Appreciation:** Shortt then read a Proclamation of Commendation and Appreciation for Meritorious Service to the Port of Hood River which declared that May 11, 2016 (Brittenham’s hire date in 1988) shall be known as “Glenn Brittenham Day.”

**4. CONSENT AGENDA:**

- a. Approve Minutes of March 10, 2016 Regular Session
- b. Authorize Concession Permits with Susie Dow of the Sandbar Café and Larry Abell of the Local Grind at Event Site for the 2016-20 Seasons, Subject to Legal Counsel Review
- c. Authorize Concession Permit with Bob Stawicki of Bob Stawicki Photography at Event Site for the 2016 Season, Subject to Legal Counsel Review
- d. Authorize Concession Permit with Todd Anderson of the Columbia Gorge Kayak School at Nichols Basin for the 2016-18 Seasons
- e. Authorize Concession Permit with Evan Klein, Owner of Dhaba Dhaba-Indian Tandoori at Nichols Basin for the 2016 Season, Subject to Legal Counsel Review

**Motion:** Move to approve Consent Agenda.

**Move:** Duckwall

**Second:** Davies

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

**Absent:** Streich

**MOTION CARRIED**

**5. DIRECTOR’S REPORT:** McElwee provided a verbal report highlighting the following items: former Port Manager, Jim O’Banion, passed away on March 28 and a Celebration of Life will be held in April in Walla Walla, Washington. The 2016 Spring Newsletter, which includes the 2015 Annual Report, is complete and

will be mailed next week. Construction at the Hook is complete and the road will reopen April 1. Within the next two months the live-front power cabinet on the Marina Green will be relocated by PacificCorp.

**6. COMMISSIONER, COMMITTEE REPORTS:**

**a. Mission to Washington, D.C.:** Genevieve Scholl, Communications and Special Projects Manager, and Shortt reported on their participation in the Pacific Northwest Waterways Association Mission to D.C. March 13-17. Scholl also provided a PowerPoint presentation with photos and commentary on meetings and activities.

**b. Urban Renewal:** Commissioner Davies reported on the March 14 meeting which focused on the Hood River Heights Business District.

**c. Marina Ad-hoc Committee:** Shortt reported on the March 24 meeting with discussions on the partnership proposed by the Hood River Yacht Club to manage some of the slips for small watercraft storage and seasonal moorage.

**7. ACTION ITEMS:**

**a. Ratify Contract with Tim Clackum Diving for Marina Basin Commercial Dock Work Not to Exceed \$8,000:** McElwee commented this action was for ratification as the Port needed to move forward to take advantage of Clackum’s availability.

**Motion:** Move to ratify contract with Tim Clackum Diving for repairs to Commercial Dock not to exceed \$8,000.

**Move:** McBride

**Second:** Duckwall

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

**Absent:** Streich

**MOTION CARRIED**

**b. Approve Payment to Naito Development, LLC for Concrete Pedestrian Path Not to Exceed \$7,627.96:** Liz Whitmore, Waterfront Coordinator, reported the Emergency Access Easement Agreement with NBW Hood River, LLC states that Naito is required to construct a 10-foot wide concrete *or* asphalt paved bicycle and pedestrian path on the east side of the hotel connecting the hotel’s front concrete sidewalk to the Pedestrian Bridge concrete sidewalk. Plans provided by Naito for approval show the section paved in asphalt. The staff recommendation is for approval of a Change Order and additional cost that will result in a continuous concrete path.

**Motion:** Move to approve pathway design plan submitted for NWB Hood River, LLC hotel project.

**Move:** Duckwall

**Second:** Davies

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

**Absent:** Streich

**MOTION CARRIED**

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**Motion:** Move to Change Order and authorize payment of \$7,627.96 to NBW Hood River, LLC for upgrade to concrete for the pedestrian and bicycle path connection east of the hotel to the Pedestrian Bridge.

**Move:** Davies

**Second:** Duckwall

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

**MOTION CARRIED**

**8. COMMISSION CALL:** Davies provided a reminder about the Special Districts Association of Oregon Board of Directors and Management Staff Training in Hood River the afternoon of April 4. Davies also commended Kowell on his retirement comments for Glenn Brittenham. Shortt thanked staff for the Spring Planning Work Session preparations and also thanked Kowell for a job well done on the financial information.

**9. EXECUTIVE SESSION:** Regular Session was recessed at 5:18 p.m. to call the Commission into Executive Session under ORS 192.660(2)(e) Real Estate and ORS 192.660(2)(h) Legal Counsel Regarding Current Litigation or Litigation Likely to be Filed. The Commission was called back into Regular Session at 5:33 p.m.

**10. POSSIBLE ACTION:** The following action was taken as a result of Executive Session.

**Motion:**   Move to authorize Amendment No. 5 to the Amended and Restated Disposition and Development Agreement with Key Development, Inc.  
**Move:**     Duckwall  
**Second:**   McBride  
**Vote:**     **Aye:**    Davies, Duckwall, McBride, and Shortt  
              **Absent:**  Streich

**MOTION CARRIED**

**11. ADJOURN:** At 5:34 p.m. President Shortt entertained a motion to adjourn the meeting.

**Motion:**   Move to adjourn.  
**Move:**     McBride  
**Second:**   Davies  
**Vote:**     **Aye:**    Davies, Duckwall, McBride, and Shortt  
              **Absent:**  Streich

**MOTION CARRIED**

Respectfully submitted,

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Laurie Borton

ATTEST:

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Brian Shortt, President, Port Commission

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Jon Davies, Secretary, Port Commission