

PORT OF HOOD RIVER COMMISSION
Tuesday, January 12, 2016
Marina Center Boardroom
5:00 p.m.

Regular Session Agenda

1. Call to Order
 - a. Modifications, Additions to Agenda
 2. Public Comment (5 minutes per person per subject; 30 minute limit)
 3. Consent Agenda
 - a. Approve Minutes of December 15, 2015 Regular Session (*Laurie – Page 3*)
 - b. Approve Nomination of Hobby Streich to Urban Renewal Agency Board for a Term Expiring December 31, 2017 (*Laurie – Page 9*)
 - c. Accept Oregon Business Development Department Grant for Lower Mill Environmental Remediation in the Amount of \$60,000 (*Anne – Page 11*)
 - d. Approve Lease Amendment No. 2 with Key Development for Expo Building (*Anne – Page 23*)
 - e. Approve Contract Amendment No. 1 with Coles Environmental for Lot 300 Environmental Services Not to Exceed \$680.87 (*Anne – Page 27*)
 4. Reports, Presentations and Discussion Items
 - a. New Website Beta Launch Demo – Dee Holzman, Gorge Web Design (*Genevieve – Page 31*)
 - b. Bridge Lift Span Repair Update (*Michael – Page 33*)
 - c. Marijuana Business Lease Policy (*Anne – Page 35*)
 5. Director’s Report (*Michael – Page 37*)
 6. Commissioner, Committee Reports
 - a. Urban Renewal –Davies (January 11)
 7. Action Items
 - a. Approve Property & Liability Insurance Policy with SDAO in the Amount of \$73,745 (*Fred – Page 45*)
 - b. Authorize Bridge Insurance Policy with Durham & Bates in the Amount of \$235,123 (*Fred – Page 53*)
 - c. Approve Termination of Lease with Real Carbon at the Halyard Building and Approve Lease at the Big 7 Building (*Anne – Page 67*)
 - d. Approve Lease Amendment No. 2 with pFriem Brewing Company at Halyard Building (*Anne – Page 83*)
 - e. Approve Updated Strategic Business Plan Key Projects List (*Michael – Page 87*)
 - f. Approve Payment to Matt Cockrell for Attorney Fees Associated with Airport DEQ Action in the Amount of \$5,651.77 (*Michael – Page 91*)
 8. Commission Call
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9. Executive Session under ORS 192.660(2)(e) Real Estate Negotiations and ORS 192.660(2)(h) Legal Counsel
 10. Possible Action
 11. Adjourn

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

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

**Port of Hood River Commission
 Regular Session Meeting Minutes of December 15, 2015
 Marina Center Boardroom**

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

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

Absent: None

Media: None

- 1. Call to Order:** President Shortt called the Regular Session meeting to order at 5:01 p.m.
- a. Modifications, Additions to Agenda: Staff provided a revised Disposition and Development Agreement (Action Item 7e); and additional quotes are expected for the bridge span guides (Action Item 7b) so approval of the vendor as selected by the Executive Director was requested.

2. Public Comment: None.

3. Consent Agenda:

- a. Approve minutes of the November 17, 2015 fall planning work session and the November 17, 2015 regular session.
- b. Approve lease Amendment with the State of Oregon ODOT at 610 E. Port Marina Drive, Hood River, subject to legal counsel review.
- c. Approve contract Amendment No. 1 with Vista GeoEnvironmental Services, Inc. for site engineering and design services at Lower Mill not to exceed \$6,938.10, subject to legal counsel review.
- d. Approve contract Amendment No. 2 with Vista GeoEnvironmental Services, Inc. for excavation oversight services at Lower Mill not to exceed \$5,200, subject to legal counsel review.
- e. Approve accounts payable to Jaques Sharp Attorneys at Law in the amount of \$5,298.00.
- f. Approve first Addendum to Purchase and Sale Agreement with Irene and Marvin Duniphin for Lot 300, subject to legal counsel review.

Motion: Move to approve Consent Agenda.

Move: Duckwall

Second: McBride

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

MOTION CARRIED

4. Reports, Presentations and Discussion Items

a. **Bridge Lift Span Update – David McCurry and David Moyano, HDR Engineering:** Executive Director Michael McElwee stated the allision has been a complex and time intensive matter. A credible witness has come forward and information has been turned over to the U.S. Coast Guard for further investigation. The Port’s investigation is ongoing and it is anticipated that out-of-pocket costs associated with the insurance investigation will be covered up to November 5 and perhaps beyond. David McCurry then presented a PowerPoint presentation of HDR Engineering’s preliminary summary of work on the lift span assessment. Current observations were used as a baseline, plus past inspections and HDR’s inspections, lifts, surveys and testing done on October 20, 2015. The key findings indicate there is concrete damage, vibrations are severe at a full height lift, the north tower is out of plumb, span guides are rubbing on guide rails, and there is socket slippage. McCurry emphasized there is no danger

for vehicle traffic on the bridge. Short-term actions within the next 30-60-120 days include repair of skew controls, deck seating, expansion joint gap, span guide systems and monitoring tower alignment. Costs for these short-term actions range from \$5,000 to \$80,000. McCurry also identified that rehab of the wire ropes should occur within two to five years and that expense is estimated to be \$800,000 to \$1million.

b. Lot 1 Draft Report: McElwee presented a draft of the Lot 1 Final Development Plan and commented that Walker|Macy is getting very close to finalizing the concept plan which will be the basis for a subdivision plan. Highlights noted by McElwee-- the center swath through Lot 1 serves as a view corridor with access by pedestrians and vegetated storm water runoff treatment; rights-of-way will remain in Port ownership; and lot leasing is assumed, although the Commission will need to determine the lease/sell strategy. Commissioner Streich suggested the building illustrated for Tax Lot C should face to the north rather than to the east as shown on the conceptual "Demonstration Plan." Commissioner Davies said that he would be interested in seeing a financing plan and what the numbers might look like over the next ten years. McElwee requested that the Commissioners contact him if they had more comments or questions prior to Mike Zilis of Walker|Macy attending a January Commission meeting to discuss the plan in more detail.

c. Urban Renewal Agency Board Makeup: A change in the makeup of the Urban Renewal Agency (URA) board is being considered that would affect the two seats represented by Port Commissioners. Staff asked for direction as Commissioner Streich's two-year term would expire December 31, 2015. Streich commented he's not as concerned now with two Port seats on the URA board, which comes under the City's umbrella, because he feels City management is running very well; he would instead suggest that one or two Port Commissioners serve at the URA Advisory Committee level. President Shortt complimented Streich for his chairmanship of the URA Board but said he wasn't sure the Advisory Committee would be as involved with decisions. Shortt also commented that Port representation on the Board keeps dialogue open between the City Council and Port Commission. Commissioner Davies, who also serves on the URA Board, complimented Streich for his ideas and suggestion but respectfully disagreed because the Port has a financial tie to the URA and Davies wasn't sure it would be a good idea to give up votes. Davies suggested that someone other than a Port representative could chair the Board. Streich said that he enjoys serving on the URA and would agree to continue, but not as chair. Streich's nomination to the URA Board for another two-year term will be brought back to the Commission for action in January.

5. Director's Report: Staff recommended a shift in the January meeting schedule (12th and 26th) and a single meeting in February (16th). The Commission was asked to contact staff if they were interested in attending the "Gorge(ous) Night Out" (OneGorge events) in Salem and Olympia in February or the Special Districts Association of Oregon annual conference in February. McElwee reported that Parcel One of the Expo property should close the end of December. Leaks in the Maritime Building roof are continuing and the Port may need to go back on the warranty for resolution. The Port and Oregon Department of Transportation (ODOT) have been discussing a bridge signage plan and talks will continue in January. A spring cruise ship schedule will begin in 2016 with the Queen of the West docking in the Marina Basin. The City's sewer outfall project has caused the Hook road to be closed until mid-March 2016. Commissioners were asked to contact staff if they were interested in visiting the construction site.

6. Commissioner, Committee Reports:

a. Urban Renewal Agency – Streich and Davies: At the December 14 meeting an update on the Naito parcel purchase was provided; and a suggestion regarding the trail connection elevation changes was discussed that would make it more user friendly.

7. Action Items:

a. Approve Purchase Order with Bailey Bridges, Inc. for Lift Span Deck Replacement Panels Not to Exceed \$13,260.00: An inspection of the lift span by HDR Engineering resulted in damage to span guides and two deck panels immediately north of the Lift Span. This damage needs to be repaired before the span can be safely lifted. Upon approval of shop drawings, custom fabrication will take approximately eight weeks. HDR will cover the cost of engineering associated with the panels and reimburse the Port for half of the materials, fabrication and delivery. The Port will pay the balance and take care of installation.

Motion: Move to approve purchase order with Bailey Bridges, Inc. not to exceed \$13,260 for lift span deck replacement panels.

Move: Davies

Second: Streich

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

MOTION CARRIED

b. Approve Purchase Order with Advanced American Construction for Fabrication of Bridge Span Guides Not to Exceed \$53,000: Quotes from five contractors were solicited for the design, fabrication, delivery and installation of two span guides that need to be replaced as a result of damage incurred during a recent Lift Span inspection. Two contractors responded and a solid quote was received from Advanced American Construction, Inc. However, one or two other contractors may be providing quotes and McElwee requested the motion be modified to allow for selection at staff discretion.

Motion: Move to approve contractor selection by Executive Director for fabrication of bridge span guides not to exceed \$53,000.

Move: Duckwall

Second: Streich

Discussion: Legal counsel Jerry Jaques recommended the motion be amended to include verbiage regarding bid solicitation.

Amended Motion: Move to approve solicitation of bids among three contractors with selection approved by the Executive Director in an amount not to exceed \$53,000 for the fabrication and installation of two lift span guides, subject to legal counsel review.

Second: Streich

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

MOTION CARRIED

c. Approve Resolution 2015-16-4 Regarding Sick Leave Policy for Part-time Employees: Fred Kowell, Chief Financial Officer, reviewed Oregon’s new law that will result in the Port extending sick leave to part-time and seasonal employees. These employees will accrue one (1) hour of sick leave for every 30 hours worked; sick leave will not be allowed to be taken for the first ninety (90) calendar days from the date of hire; for existing employees January 1, 2016 will be the start date for the 90-day restriction period; only forty (40) hours may be used in a year; and only forty (40) hours of unused sick

leave will be allowed to carry over to the next year. Kowell estimated the budgetary impact at between \$8,000-10,000 for the Port.

- Motion:** Move to approve Resolution 2015-16-4 modifying the Sick Leave Policy to include part-time and seasonal employees under the law.
 - Move:** Duckwall
 - Second:** Davies
 - Vote:** **Aye:** Davies, Duckwall, McBride, Streich and Shortt
- MOTION CARRIED**

d. Approve Change Order No. 2 with JAL Construction for Services at Lower Mill Not to Exceed \$49,866.50: Work at the Lower Mill ceased in November due to weather. When the excavation was complete the site was surveyed. Due to the increased amount of excavated materials and the increased size of the fill area, the grading plan was redesigned which resulted in a contract increase.

- Motion:** Move to approve Change Order No. 2 with JAL Construction, Inc. for services at Lower Mill not to exceed \$49,866.50 for a total contract amount of \$195,090.00, subject to legal counsel review.
 - Move:** McBride
 - Second:** Duckwall
 - Vote:** **Aye:** Davies, Duckwall, McBride, Streich and Shortt
- MOTION CARRIED**

e. Approve Amendment No. 1 to Disposition and Development Agreement with Sheppard’s for Waterfront Tax Lots 120 and 132 at Riverside and N. 2nd: Sheppard’s has requested a January closing which would allow them to relocate the water line that bisects the site and to carry out site grading prior to commencement of building construction. This would accelerate project completion. A Hood River Juice Co. fence is still on Port property and the DDA amendment addresses the encroachment.

- Motion:** Move to approve Amendment No. 1 to Disposition and Development Agreement with C.M. and W.O. Sheppard for waterfront tax lots 120 and 132 at Riverside and N. 2nd, subject to legal counsel review.
 - Move:** McBride
 - Second:** Streich
 - Vote:** **Aye:** Davies, Duckwall, McBride, Streich and Shortt
- MOTION CARRIED**

f. Approve Amendment to Contract with Summit Strategies for Additional Services Not to Exceed \$15,600.00: The current contract with Summit Strategies does not include funds for state legislative advocacy. By amending the contract, Summit will continue their work to obtain state highway designation for the Interstate Bridge. This effort is important for eligibility in funding under Section 1105 of the FAST Act that was signed into law on December 4, 2015.

- Motion:** Move to approve Amendment No. 1 to contract with Summit Strategies for additional services not to exceed \$15,600.00 plus reasonable reimbursable expenses, subject to legal counsel review.
- Move:** Duckwall

Second: Streich
Vote: **Aye:** Davies, Duckwall, McBride, Streich and Shortt
MOTION CARRIED

8. Commission Call: McBride noted he would be attending a “Go Local” meeting about ways in which Hood River can increase its investment in clean energy and benefit from local energy projects, such as solar installations. McBride also commented on discussion at a December 14 council meeting about the City moving ahead with installation of parking pay stations on the waterfront. Davies reported on a City Council presentation by Hood River County Sheriff Matt English requesting 20% of TRT (transient room tax) funds for search and rescue efforts. English commented that five of six rescues, which include water rescues, are for non-residents. Streich reported he will be paying increased pilot and aircraft registration fees which will benefit search and rescue missions and provide the 10% match for FAA entitlement and capital construction improvement program grants. Shortt noted that he had met with the Port of The Dalles commission president and he would like to hold a joint meeting. Being the last meeting of the calendar year, Shortt thanked the Commission and staff for their support the past six months and he wished everyone a nice Christmas and New Year.

9. Executive Session: Regular Session was recessed at 7:18 p.m. and the Commission was called into Executive Session under ORS 192.660(2)(e) Real Property Transactions and ORS 192.660(2)(h) Legal Counsel Regarding Potential Litigation.

10. Possible Action: The Commission was called back into Regular Session at 8:39 p.m. No action was taken as a result of Executive Session.

11. Adjourn: President Shortt adjourned the meeting at 8:40 p.m.

Respectfully submitted,

Laurie Borton

ATTEST:

Brian Shortt, President, Port Commission

Jon Davies, Secretary, Port Commission

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Commission Memo



Prepared by: Laurie Borton
Date: January 12, 2016
Re: Nomination to Urban Renewal Agency Board

Hoby Streich is one of two Commissioners representing the Port of Hood River on the Urban Renewal Agency Board. Streich's term expired December 31, 2015 and he has indicated his willingness to serve for another two-year term.

Formal action is required to either reaffirm Streich or nominate another Commissioner for a two-year term ending December 31, 2017. The nomination will then be forwarded to the Hood River City Council requesting that they approve the appointment at their January 25, 2016 meeting.

Commissioner Jon Davies also represents the Port on the URA Board. His term expires December 31, 2016.

Staff recommends approval of Commissioner Streich's nomination to the Urban Renewal Board Agency.

RECOMMENDATION: Approve nomination of Hoby Streich to the Urban Renewal Agency Board for a two-year term ending December 31, 2017.

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Commission Memo



Prepared by: Anne Medenbach
Date: January 12, 2016
Re: Lower Mill - OBDD Grant Acceptance

The Port has received the grant contract for the \$60,000 grant from the Brownfields Redevelopment Fund, administered through the Oregon Business Development Department. This contract has been reviewed by legal counsel and needs to be approved by the board and signed by its president as well as the Executive Director.

RECOMMENDATION: Accept \$60,000 Brownfields Redevelopment Fund Grant for the Lower Hanel Mill Site Clean-up Project, Project Number N16005.

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OREGON BUSINESS DEVELOPMENT DEPARTMENT
BROWNFIELDS REDEVELOPMENT FUND
GRANT CONTRACT

Project Name: Former Hanel Mill Site Cleanup Project

Project Number: N16005

This financing contract (“Contract”), dated as of the date the Contract is fully executed, is made by the State of Oregon, acting by and through its Oregon Business Development Department (“OBDD”), and the Port of Hood River (“Recipient”) for financing of the project referred to above and described in Exhibit B (“Project”). This Contract becomes effective only when fully signed and approved as required by applicable law. Capitalized terms not defined in section 1 and elsewhere in the body of the Contract have the meanings assigned to them by Exhibit A.

This Contract includes the following exhibits, listed in descending order of precedence for purposes of resolving any conflict between two or more of the parts:

- Exhibit A General Definitions
- Exhibit B Project Description
- Exhibit C Project Budget

SECTION 1 - KEY TERMS

The following capitalized terms have the meanings assigned below.

“Estimated Project Cost” means \$85,614.

“Grant Amount” means \$60,000.

“Project Closeout Deadline” means 90 days after the earlier of the actual Project Completion Date or the Project Completion Deadline.

“Project Completion Deadline” means 24 months after the date of this Contract.

SECTION 2 - GRANT AWARD

The OBDD shall provide Recipient, and Recipient shall accept from OBDD, financing for the Project specified as a grant (the “Grant”) in an aggregate amount not to exceed the Grant Amount.

Notwithstanding the above, the aggregate total of the Grant disbursed under this Contract cannot exceed the Costs of the Project.

SECTION 3 - DISBURSEMENTS

- A. Reimbursement Basis. The Grant will be disbursed to Recipient on an expense reimbursement or costs-incurred basis. The Recipient must submit each disbursement request for the Grant on an OBDD-provided or OBDD-approved disbursement request form (“Disbursement Request”).
- B. Financing Availability. The OBDD’s obligation to make, and Recipient’s right to request, disbursements under this Contract terminates on the Project Closeout Deadline.

SECTION 4 - CONDITIONS PRECEDENT

- A. Conditions Precedent to OBDD’s Obligations. The OBDD’s obligations are subject to the receipt of the following items, in form and substance satisfactory to OBDD and its Counsel:
 - (1) This Contract duly signed by an authorized officer of Recipient.
 - (2) Such other certificates, documents, opinions and information as OBDD may reasonably require.

- B. Conditions to Disbursements. As to any disbursement, OBDD has no obligation to disburse funds unless all following conditions are met:
 - (1) There is no Default or Event of Default.
 - (2) The representations and warranties made in this Contract are true and correct on the date of disbursement as if made on such date.
 - (3) The OBDD, in the reasonable exercise of its administrative discretion, has sufficient moneys in the Fund for use in the Project and has sufficient funding, appropriations, limitations, allotments and other expenditure authority to make the disbursement.
 - (4) The OBDD (a) has received a completed Disbursement Request, (b) has received any written evidence of materials and labor furnished to or work performed upon the Project, itemized receipts or invoices for payment, releases, satisfactions or other signed statements or forms as OBDD may require, (c) is satisfied that all items listed in the Disbursement Request are reasonable and that the costs for labor and materials were incurred and are properly included in the Costs of the Project, and (d) has determined that the disbursement is only for costs defined as eligible costs under the Act and any implementing administrative rules and policies.
 - (5) The Recipient shall demonstrate, to the satisfaction of the Department, that it has obtained all other funds that are necessary to complete the Project.
 - (6) The Recipient has delivered documentation satisfactory to OBDD that any requested pre-award expenditures meet all programmatic eligibility requirements, including, but not limited to, the nature of the activity, when the activity took place, and cost.
 - (7) Any conditions to disbursement elsewhere in this Contract or in the other Financing Documents are met.

SECTION 5 - USE OF FINANCIAL ASSISTANCE

- A. Use of Proceeds. The Recipient shall use the Grant only for the activities described in Exhibit B and according to the budget in Exhibit C. The Recipient may not modify line items or amounts in the budget without the prior written consent of OBDD. Recipient will not use the Grant moneys to retire any debt.

- B. Costs of the Project. The Recipient shall apply the Grant to the Costs of the Project in accordance with the Act and Oregon law, as applicable. The Grant cannot be used for costs in excess of one hundred percent (100%) of the total Costs of the Project.

- C. Costs Paid for by Others. The Recipient may not use any of the Grant to cover costs to be paid for by other financing for the Project from another State of Oregon agency or any third party.

SECTION 6 - REPRESENTATIONS AND WARRANTIES OF RECIPIENT

The Recipient represents and warrants to OBDD:

- A. Estimated Project Cost, Funds for Repayment. A reasonable estimate of the Costs of the Project is shown in section 1, and the Project is fully funded.
- B. Organization and Authority.
- (1) The Recipient is a municipality, validly organized and existing under the laws of the State of Oregon.
 - (2) The Recipient has all necessary right, power and authority under Oregon law to (a) execute and deliver this Contract, (b) incur and perform its obligations under this Contract, and (c) receive financing for the Project.
 - (3) This Contract has been duly executed by Recipient, and when executed by OBDD, is legal, valid and binding, and enforceable in accordance with its terms.
- C. Full Disclosure. The Recipient has disclosed in writing to OBDD all facts that materially adversely affect the Project, or the ability of Recipient to make all payments and perform all obligations required by this Contract. The Recipient has made no false statements of fact, nor has it omitted information necessary to prevent any statements from being misleading. The information contained in this Contract is true and accurate in all respects.
- D. Pending Litigation. The Recipient has disclosed in writing to OBDD all proceedings pending (or to the knowledge of Recipient, threatened) against or affecting Recipient, in any court or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would materially adversely affect the Project or the ability of Recipient to perform all obligations required by this Contract.
- E. No Defaults.
- (1) No Defaults or Events of Default exist or occur upon authorization, execution or delivery of this Contract.
 - (2) The Recipient has not violated, and has not received notice of any claimed violation of, any agreement or instrument to which it is a party or by which the Project or its property may be bound, that would materially adversely affect the Project or the ability of Recipient to perform all obligations required by this Contract.
- F. Compliance with Existing Agreements and Applicable Law. The authorization and execution of, and the performance of all obligations required by, this Contract will not: (i) cause a breach of any agreement or other instrument to which Recipient is a party or by which the Project or any of its property or assets may be bound; (ii) violate any provision of the charter or other document pursuant to which Recipient was organized or established; or (iii) violate any laws, regulations, ordinances, resolutions, or court orders related to Recipient, the Project or its properties or operations.
- G. Governmental Consent. The Recipient has obtained or will obtain all permits and approvals, and has made or will make all notifications, declarations, filings or registrations, required for the making and performance of its obligations under this Contract for the financing and undertaking and completion of the Project.

SECTION 7 - COVENANTS OF RECIPIENT

The Recipient covenants as follows:

- A. Notice of Adverse Change. The Recipient shall promptly notify OBDD of any adverse change in the activities, prospects or condition (financial or otherwise) of Recipient or the Project related to the ability of Recipient to perform all obligations required by this Contract.
- B. Compliance with Laws. The Recipient shall comply with all applicable laws, rules, regulations and orders of any court or governmental authority that relate to this Contract, and the Project. In particular, but without limitation, Recipient shall comply with the following, as applicable:
 - (1) State procurement regulations found in the Oregon Public Contracting Code, ORS chapters 279A, 279B and 279C.
 - (2) State labor standards and wage rates found in ORS chapter 279C.
- C. All service providers retained for their professional expertise must be certified, licensed, or registered, as appropriate, in the State of Oregon for their specialty.
- D. The Recipient shall comply with regulatory oversight through the appropriate Oregon Department of Environmental Quality Program.
- E. Notifications. The Recipient shall reasonably acknowledge in some public fashion, such as in promotional materials, on its web site and in public statements, that the Project was funded in part with Oregon State Lottery Funds administered by the Oregon Business Development Department.

These laws, rules, regulations and orders are incorporated by reference in this Contract to the extent required by law.
- F. Project Completion Obligations. The Recipient shall:
 - (1) Complete the Project no later than the Project Completion Deadline, unless otherwise permitted by the OBDD in writing.
 - (2) Within thirty (30) days after completion of the Project, but no later than the Project Closeout Deadline, provide OBDD with a final project completion report on a form provided by OBDD.
- G. Financial Records. The Recipient shall keep accurate books and records and maintain them according to generally accepted accounting principles established by the Government Accounting Standards Board in effect at the time. The Recipient shall have these records audited annually by an independent certified public accountant, which may be part of the annual audit of all records of Recipient.
- H. Inspections; Information. The Recipient shall permit OBDD and any party designated by OBDD: (i) to inspect, at any reasonable time, the property, if any, constituting the Project; and (ii) at any reasonable time, to inspect and make copies of any accounts, books and records, including, without limitation, its records regarding receipts, disbursements, contracts, investments and any other related matters, and financial statements or other documents related to its financial standing. The Recipient shall supply any related reports and information as OBDD may reasonably require.
- I. Records Maintenance. The Recipient shall retain and keep accessible all books, documents, papers, and records that are directly related to this Contract, the Project or the Grant for a minimum of three years, or such longer period as may be required by other provisions of this Contract or applicable law, following the Project Closeout Deadline. If there are unresolved issues at the end of such period, Recipient shall retain the books, documents, papers and records until the issues are resolved.

- J. Economic Benefit Data. The OBDD may require Recipient to submit specific data on the economic development benefits of the Project and other information to evaluate the success and economic impact of the Project, from the date of this Contract until six years after the Project Completion Date. The Recipient shall, at its own expense, prepare and submit the data within the time specified by OBDD.
- K. Minority, Women & Emerging Small Business. ORS 200.090 requires all public agencies to “aggressively pursue a policy of providing opportunities for available contracts to emerging small businesses...” The OBDD encourages Recipient in any contracting activity to follow good faith efforts as described in ORS 200.045. Additional resources are provided by the Governor’s Policy Advisor for Economic and Business Equity. Also, the Office of Minority, Women, and Emerging Small Business at the Oregon Business Development Department maintains a list of certified firms and can answer questions. Search for certified MWESB firms on the web at: <https://oregon4biz.diversitysoftware.com/FrontEnd/VendorSearchPublic.asp>.
- L. Notice of Default. The Recipient shall give OBDD prompt written notice of any Default as soon as any senior administrative or financial officer of Recipient becomes aware of its existence or reasonably believes a Default is likely.
- M. Indemnity. To the extent authorized by law, Recipient shall defend (subject to ORS chapter 180), indemnify, save and hold harmless OBDD and its officers, employees and agents from and against any and all claims, suits, actions, proceedings, losses, damages, liability and court awards including costs, expenses, and attorneys’ fees incurred related to any actual or alleged act or omission by Recipient, or its employees, agents or contractors; however, the provisions of this section are not to be construed as a waiver of any defense or limitation on damages provided for under Chapter 30 of the Oregon Revised Statutes or under the laws of the United States or other laws of the State of Oregon.

SECTION 8 - DEFAULTS

Any of the following constitutes an “Event of Default”:

- A. Any false or misleading representation is made by or on behalf of Recipient, in this Contract or in any document provided by Recipient related to this Grant or the Project.
- B. Recipient fails to perform any obligation required under this Contract, other than those referred to in subsection A of this section 8, and that failure continues for a period of 30 calendar days after written notice specifying such failure is given to Recipient by OBDD. The OBDD may agree in writing to an extension of time if it determines Recipient instituted and has diligently pursued corrective action.

SECTION 9 - REMEDIES

- A. Remedies. Upon any Event of Default, OBDD may pursue any or all remedies in this Contract and any other remedies available at law or in equity to enforce the performance of any obligation of Recipient. Remedies may include, but are not limited to any one or more of the following:
 - (1) Terminating OBDD’s commitment and obligation to make the Grant or disbursements under the Contract.
 - (2) Barring Recipient from applying for future awards.

- (3) Withholding amounts otherwise due to Recipient for application to the payment of amounts due under this Contract, including as provided in ORS 285B.449; however, this provision is not to be construed in a way that Recipient’s obligations would constitute debt that violates Section 10, Article XI of the Oregon Constitution.
- (4) Requiring repayment of the Grant and all interest earned by Recipient on those Grant funds.
- B. Application of Moneys. Any moneys collected by OBDD pursuant to section 9.A will be applied first, to pay any attorneys’ fees and other fees and expenses incurred by OBDD; then, as applicable, to repay any Grant proceeds owed; then, to pay other amounts due and payable under this Contract, if any.
- C. No Remedy Exclusive; Waiver; Notice. No remedy available to OBDD is intended to be exclusive, and every remedy will be in addition to every other remedy. No delay or omission to exercise any right or remedy will impair or is to be construed as a waiver of such right or remedy. No single or partial exercise of any right power or privilege under this Contract will preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. The OBDD is not required to provide any notice in order to exercise any right or remedy, other than notice required in section 8 of this Contract.
- D. Default by OBDD. In the event OBDD defaults on any obligation in this Contract, Recipient’s remedy will be limited to injunction, special action, action for specific performance, or other available equitable remedy for performance of OBDD’s obligations.

SECTION 10 - MISCELLANEOUS

- A. Time is of the Essence. Recipient agrees that time is of the essence under this Contract.
- B. Relationship of Parties; Successors and Assigns; No Third Party Beneficiaries.
 - (1) The parties agree that their relationship is that of independent contracting parties and that Recipient is not an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265.
 - (2) Nothing in this Contract gives, or is to be construed to give, directly or indirectly, to any third persons any rights and benefits greater than those enjoyed by the general public.
 - (3) This Contract will be binding upon and inure to the benefit of OBDD, Recipient, and their respective successors and permitted assigns.
 - (4) Recipient may not assign or transfer any of its rights or obligations or any interest in this Contract without the prior written consent of OBDD. The OBDD may grant, withhold or impose conditions on such consent in its sole discretion. In the event of an assignment, Recipient shall pay, or cause to be paid to OBDD, any fees or costs incurred because of such assignment, including but not limited to attorneys’ fees of OBDD’s Counsel. Any approved assignment is not to be construed as creating any obligation of OBDD beyond those in this Contract, nor does assignment relieve Recipient of any of its duties or obligations under this Contract.
 - (5) Recipient hereby approves and consents to any assignment, sale or transfer of this Contract that OBDD deems to be necessary.

Notwithstanding the prior paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon’s sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

J. Integration. This Contract (including all exhibits, schedules or attachments) constitutes the entire agreement between the parties on the subject matter. There are no unspecified understandings, agreements or representations, oral or written, regarding this Contract.

K. Execution in Counterparts. This Contract may be signed in several counterparts, each of which is an original and all of which constitute one and the same instrument.

The Recipient, by its signature below, acknowledges that it has read this Contract, understands it, and agrees to be bound by its terms and conditions.



STATE OF OREGON
acting by and through the
Oregon Business Development Department



PORT OF HOOD RIVER

By: _____
Robert Ault, Interim Assistant Director

By: _____
Michael S. McElwee, Executive Director

Date: _____

Date: _____

APPROVED AS TO LEGAL SUFFICIENCY IN ACCORDANCE WITH ORS 291.047:

Not Required per OAR 137-045-0030

- Exhibit A: General Definitions
- Exhibit B: Project Description
- Exhibit C: Project Budget

EXHIBIT A - GENERAL DEFINITIONS

As used in this Contract, the following terms have the meanings below.

“Act” means ORS 285A.185 through 285A.188, as amended.

“Award” means the award of financial assistance to Recipient by OBDD dated 29 Oct 2015.

“Costs of the Project” means Recipient’s actual costs (including any financing costs properly allocable to the Project) that are (a) reasonable, necessary and directly related to the Project, (b) permitted by generally accepted accounting principles to be Costs of the Project, and (c) are eligible or permitted uses of the Grant under applicable state or federal statute and rule.

“Counsel” means an attorney at law or firm of attorneys at law duly admitted to practice law before the highest court of any state, who may be of counsel to, or an employee of, OBDD or Recipient.

“Default” means an event which, with notice or lapse of time or both, would become an Event of Default.

“ORS” means the Oregon Revised Statutes.

“Project Completion Date” means the date on which Recipient completes the Project.

EXHIBIT B - PROJECT DESCRIPTION

Recipient shall contract for completion of the following remedial action activities at the former Hanel Mill Site Property situated at 3289 Neal Mill Creek Road, Hood River in Hood River County and located within Section 25, Township 2 North, Range 10 East of the Willamette Meridian (Tax Lots 902, 1011 and 1015):

- (1) Excavation and Stockpiling for on-site sorting and recycling of former log pond wood debris.
- (2) Sorting and recycling of other debris (i.e. metals) with appropriate off-site disposal.
- (3) Excavation, storage, and reuse of crushed rock fill material.
- (4) Import of rock to complete backfilling of excavated pond area.
- (5) Final grading of area.
- (6) Archeological monitoring of cleanup area during excavation.

Exhibit C: Project Budget

	OBDD Funds	Other / Matching Funds
Activity	Approved Budget	Approved Budget
Hazardous Materials Cleanup	\$40,000	
Environmental Consultant	6,400	1,600
DEQ Regulatory Oversight	2,000	500
Engineering, Survey and Compaction Testing		22,120
Archeological Oversight (SHPO Required)	11,600	1,394
Total	\$60,000	\$25,614

Commission Memo



Prepared by: Anne Medenbach
Date: January 12, 2016
Re: Key Development - Lease Amendment No. 2

Key Development currently leases 9,000 sf in the Expo Building. This space houses three subtenants: Pfreim, Solstice Woodfire Pizza, and DaKine. The building sale to Key Development is set to close in March and the building will be demolished soon after closing. Two of the tenants will be vacating as of February 1st and the third tenant will vacate at the end of February.

Key Development would like to reduce their rented area to coincide with the subtenant need. They are requesting a subtraction of 5,000 sf as of February 1, 2016. This would leave 4,000 sf, subleased to DaKine through February.

RECOMMENDATION: Approve Lease Amendment No. 2 with Key Development and Asset Management Inc., subject to legal counsel review.

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SECOND AMENDMENT TO LEASE

Whereas: On May 11, 2015, Port of Hood River, an Oregon municipal corporation, as Lessor, and Key Development and Asset Management, Inc., an Oregon corporation, as Lessee, entered into a lease of 5,000 square feet in premises known as the Expo Building, located at 405 Portway Avenue, Hood River, Oregon ("Lease") on a month to month basis; and

Whereas, on September 10, 2015, Key Development and the Port executed Lease Amendment No. 1, that increased the leased premises by 4,000 square feet for a total rental area of 9,000 square feet; and

Whereas, Lessee will be closing on the property in March of 2016 and two of the current subtenants will be vacating the property, Lessee would like to reduce the amount of leased space to 4,000sf beginning February 1, 2016.

Therefore, the parties agree to amend the Lease effective February 1, 2016, as follows:

- 1. Section 1, "Description" language is replaced by the following language: In consideration of the covenants of the parties, Lessor leases to Lessee approximately 5,000 square feet of space in Lessor's building commonly known as the Expo Center ("building") located at 405 Portway Ave., Hood River, Oregon ("Leased Premises"). The Leased Premises are identified in the attached "Exhibit A" as Leased area 1 and Leased area 2.
- 2. Section 3, "Rental", amount payable box shall be modified to read as follows:

<u>Space</u>	<u>Square Footage</u>	<u>Rate per s.f. per month</u>	<u>Monthly Base Rate</u>
Warehouse area	4,000	\$0.35	\$1,400

Except as modified by this Second Amendment to Lease, all terms and conditions of the Lease shall remain in full force and effect.

Dated, this _____ day of _____, 2016.

Key Development and

Lessor, Port of Hood River

Asset Management Inc.

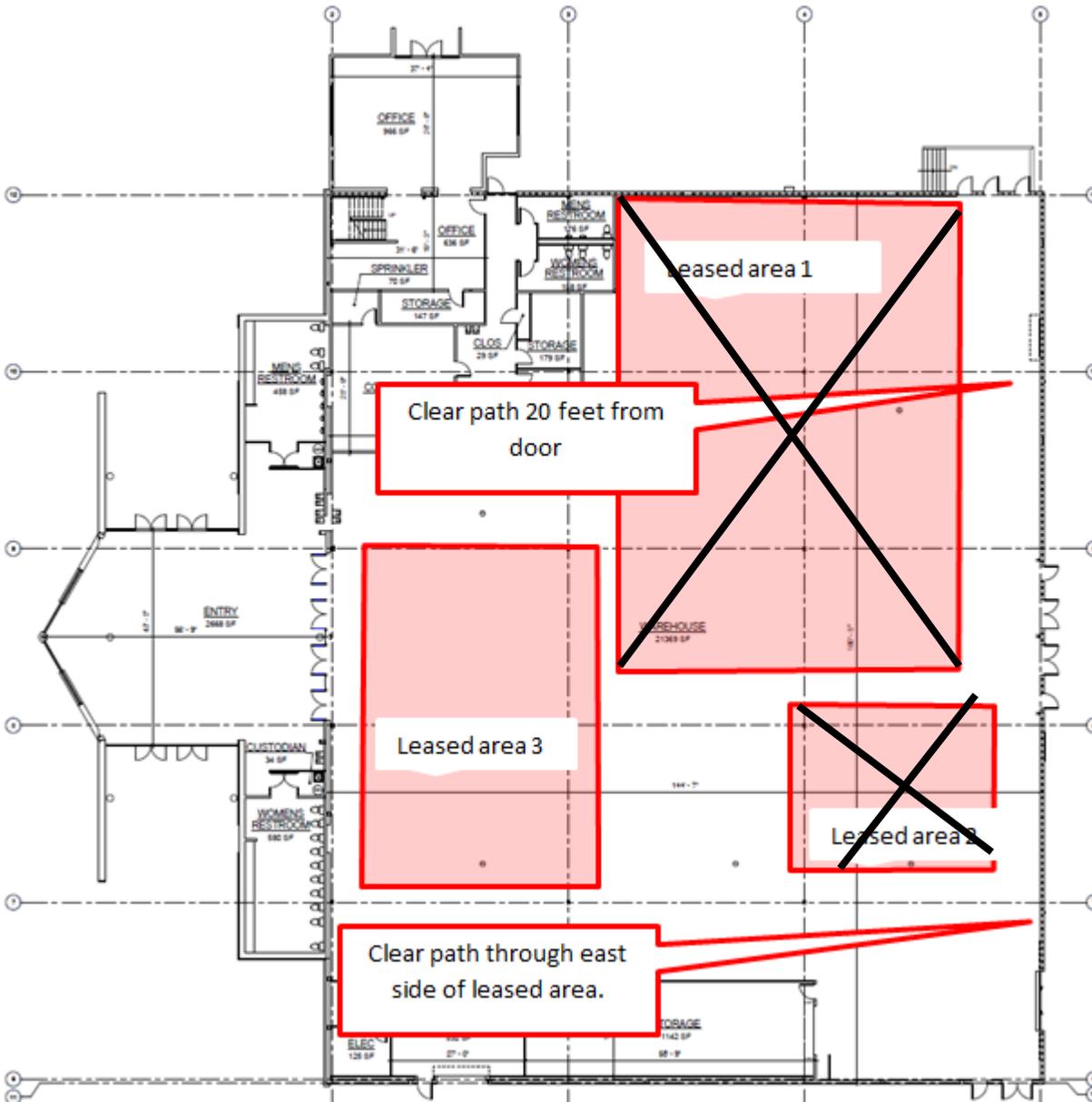
By: _____
Jeff Pickhardt
President

By: _____
Michael S. McElwee
Executive Director

Date _____

Date _____

“EXHIBIT A”



Commission Memo



Prepared by: Anne Medenbach
Date: January 12, 2016
Re: Coles Environmental Consulting, Inc.

Coles Environmental Consulting Inc. (Coles) performed a Phase 1 and Phase 2 on the Lot 300 property. Additional lab tests were needed to determine if there were any residual PCB's on the property. These tests came back negative. This contract amendment includes the amount needed to perform the additional testing, for a new total contract amount of \$5,640.87.

RECOMMENDATION: Approve Contract Amendment No. 1 with Coles Environmental Consulting Inc. in the amount of \$680.87, subject to legal counsel review.

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**AMENDMENT NO. 1
TO PERSONAL SERVICES CONTRACT**

This Amendment No. 1 to the Personal Services Contract for Environmental Services (Contract") is entered into by and between Coles Environmental Consulting, Inc. ("Contractor") and the Port of Hood River ("Port").

RECITALS:

WHEREAS, Contractor and Port entered into a Personal Services Contract dated October 12, 2015 for environmental due diligence services for Lot 300 in Odell, Oregon ("Project") for an amount not to exceed \$4,960.00 ("Original Contract Price"); and

WHEREAS, during investigations, the Contractor and the Port determined that additional lab testing would be necessary to determine if there was PCB residue on the site; and

WHEREAS, Contractor's Scope of Work has increased to include additional testing from Apex Labs, resulting in an addition to the Original Contract Price;

NOW, THEREFORE, Port and Contractor agree that the Contract has remained in effect after the Original Completion Date and will remain in effect through the New Completion Date for Contractor to carry out the work described in Contract Exhibit A for an amount not to exceed **\$4,960.00**, and Contractor shall provide additional testing for PCBs in an amount not to exceed **\$680.87**, resulting in a total Contract amount not to exceed **\$5,640.87** payable for completion of all Contactor's Contract work by November 30, 2015.

Except as changed by this Amendment No. 1, all terms of the Contract remain unchanged and in effect.

Coles Environmental Consulting Inc.

PORT OF HOOD RIVER

Barbara Coles
President
Date: _____
750 South Rosemont Road
West Linn, Or 97068
(503)636-3102/dcolescec@comcast.net

Michael S. McElwee
Executive Director
Date: _____
1000 E. Port Marina Drive
Hood River OR 97031
(541) 386-1645
porthr@gorge.net

cc: Finance Manager

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Commission Memo



Prepared by: Genevieve Scholl
Date: January 12, 2016
Re: New Website Beta Launch Demo

During Spring Planning of last year, the Commission approved a budget for the full redesign of the Port's website, portofhoodriver.com. After an RFP process that resulted in 12 proposals from local firms, a selection committee recommended that Gorge Web Design, Dee Holzman, Principal be awarded the contract. A follow up interview with Dee resulted in a staff echoing that recommendation.

The draft new website is nearly complete, currently under budget and on schedule for launch. The draft site has been through a preliminary review by the entire administrative staff. New ecommerce functionality, as well as a streamlined process for document sharing and a much improved navigation structure are all exciting in that they create new efficiencies in several Port customer service and public information processes.

Genevieve will present a demonstration of the new site during the meeting, and Dee Holzman will be present to answer any questions. The beta site is live now at new.portofhoodriver.com. Staff requests Commission review of the site to provide feedback to staff on the following items:

- General feedback on navigational structure and ease of use
- Corrections to errors or omissions in the site content
- Test various functions (Search, Shopping Cart, Subscriptions) and provide feedback on any "bugs" or other issues
- General feedback on the site's look and feel, especially in terms of how it reflects on the Port, its Mission and Values, as well as current news and historic information
- Please also review the draft Privacy Policy, Legal Statement, and Social Media Terms of Use, Prohibited Content, and Disclaimer (links to all are in the footer section at the lower right-hand column of the home page). These policies will be on the January 26 agenda as an action item and must be adopted before a full launch of the site.

RECOMMENDATION: Discussion.

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Commission Memo

Prepared by: Michael McElwee
Date: January 12, 2016
Re: Bridge Update Presentation



Staff continues to engage in significant efforts related to the recent bridge damage. The following is a brief outline of recent activities. Staff will provide a detailed update to the Commission at the meeting.

Lift Span & Pier Engineering Assessment

- HDR Engineering completed the draft Lift Span Assessment Report.

Allision Investigation

- All information obtained by Haglund & Associates (Haglund), the Port's investigating attorney, was forwarded to USCG Investigator Medina. Mr. Medina has obtained GPS records for the vessel in question and there are no apparent anomalies in the voyage. He will follow-up with interviews with the crew and the witness. We are obtaining additional lock records from the USCG to determine if there are other suspect vessels.
- We have authorized Haglund to retain a forensic engineer to evaluate condition and normal operation of the lift span and evaluate the HDR's damage assessment. Further sampling and lab analysis of the concrete damage at the strike point may then be warranted. This is necessary to determine if a recent barge strike and associated lift span damage can be proven.
- The Port's insurance company, ACE, has retained a subrogation attorney and engineer who is conducting their own evaluation of the lift span's prior condition and damage assessment. Port staff is cooperating with this investigation and additional staff time and effort will be necessary to respond to associated data requests.
- A second tower survey is scheduled for the week of January 11.

Insurance

- Staff has been working closely with Columbia River Insurance to take appropriate steps relative to our existing insurance policy with ACE.
- ACE has determined that they will pay Port out-of-pocket expenses for our investigation only up to November 5, 2015 the supposed date that their subrogation team commenced work. We have attempted to make the case that they should reasonably pay for such work to date, to no avail.
- For the past month ACE has been underwriting a renewal to the Port's bridge insurance policy. A policy renewal has been approved albeit with higher deductibles. The policy will be presented as an action item for Commission approval.

Immediate Repairs

The lift span inspection carried out on November 20 resulted in damage to the bridge deck and span guides. The Port has approved contracts for both areas of repair work. The fabrication of the deck panels is underway. Staff is still working with HDR to prepare final specifications with a contractor to confirm a price for the new span guides.

USCG Communications

Staff continues to update the USCG Northwest Division - Columbia Gorge Sector on the status of the lift span. Our message remains the same: the lift span needs to remain closed until April 15 when the immediate repairs are expected to be complete. We will also likely recommend that the clear height for a full lift will be reduced.

2-Year Bridge Work Plan

As a normal annual process prior to budget preparation, staff works with the bridge engineer to prepare a detailed work plan for the upcoming two-year period. With recent events, this effort is significantly more important. Staff will present a draft Work Plan for Commission review at the meeting.

RECOMMENDATION: Discussion.

Commission Memo



Prepared by: Anne Medenbach
Date: January 12, 2016
Re: Recreational Marijuana

Recreational marijuana is now legal to sell and manufacture in Oregon. Staff has received numerous calls from companies who want to: grow, manufacture, and sell marijuana and marijuana products on our properties. Many companies do all three of these processes, but there are a few who only do one or two of the three.

Process: In order for a company to do any of these things, they have to get a license through the OLCC. To get that license, they first must be in possession (either leased or purchased) of a property in which to operate and have their equipment fully installed.

Growing: To grow they need lots of power to light the lamps; water and chemicals to grow the plants; and staff. The grow operations are done in multiple “stage” rooms where the plants are in different phases of maturity. Plants are set to mature on a cycle that provides continual output of product.

Some water systems recapture and recycle any water or nutrient not taken up by the plants and therefore are efficient systems with little excess. However, it is not clear what kinds of chemicals are being used in the water, nor an exact amount of excess.

Packaging: Products are shipped in and out mostly in box trucks. Finished product is highly regulated and must be shipped direct to the end retail location. Employee numbers vary depending on if harvest is occurring or not. Staff believes an average would be about one employee per 2,000 ft of grow and production space.

Retail: Retail sales must be in a retail location; walk up traffic and parking accommodations are needed.

Staff would like direction as to whether the board would entertain a lease of Port properties to these types of businesses. Staff’s recommendation is that retail locations do not make sense, but grow and packaging operations may if the company is well managed with a good business plan. OLCC regulations are very tight. Staff would need to have a better understanding of the specific physical growing or manufacturing process and how operations would impact our properties, water, or other tenants. A basic assumption would be that there are many types of operations and that the Port would be highly selective.

RECOMMENDATION: Discussion.

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Executive Director's Report

January 12, 2016

Staff & Administrative

- A reminder that January 26 is our next Board meeting and we plan to have only one meeting next month: February 16.
- Summit Strategies has worked with the Oregon Legislative Counsel office to identify language (attached) that could be moved in the upcoming 2016 legislative session. The purpose of this proposed legislation is to align with the FAST Act federal funding eligibility criteria as well as the Washington state SR35 extension designation. Commissioner Shortt, Genevieve and I met with Rep. Mark Johnson on December 22 to discuss next steps. I will meet with Rep. Caddy McKeown, and possibly also Senator Beyer and Senator Betsy Johnson in Salem on the 14th to discuss the legislation.
- At this point it appears that Commissioner Davies, Fred Kowell and I will be attending portions the 2016 SDAO annual conference is in Sunriver February 4-7.
- The OneGorge information/advocacy receptions in Salem and Olympia events are being finalized. The Salem event will take place February 3 and the Olympia event on the 9th. Please let Genevieve know if you plan to attend.
- Genevieve will present an update on OneGorge to the Hood River City Council on January 11 and to the Hood River County Commission on January 19. The last meeting (December 9) was well attended with generally very positive momentum.
- Senator Wyden hosted a Town Hall meeting on January 6 at the high school. Genevieve attended with the intent of passing on the Port's thanks for Senator Wyden's work on the FAST Act.
- Genevieve attended the MCEDD Connect Mid-Columbia meeting January 7. The purpose of the meeting was to "enhance the Mid-Columbia Comprehensive Economic Development Strategy (CEDS) with a more robust conversation around our regional transportation priorities and needs."
- The uncertainty surrounding the magnitude of tasks and associated costs to repair the bridge is significant. The Port will need to identify projects in the current year budget to postpone or potentially cancel to ensure adequate resources and staff time are available.



Recreation

- The Queen of the West has asked to berth at the Overflow Dock 21 times this coming summer. This will be the most since 2005. Replacement of the rub rails and installation of bumpers will be done by Port crews in March to increase the stoutness of the dock. This work is in our FY 15/16 budget.
- 
- Staff work on the Waterfront parking plan continues. A draft City/Port IGA is generally acceptable to City staff and is being reviewed by the City Attorney. Because the purchase of pay stations has not been budgeted by the City or Port, purchase and installation would likely occur in September. A draft plan will be brought to the Commission on January 26.
 - We will install fencing and signage on Marina Green to limit use over the next three months to allow the grass to recover.

Development/Property

- I believe that another discussion of the Lot #1 concept plan is unnecessary and that the plan prepared by Walker | Macy presented at the December 15 meeting is adequate for a subdivision application to the City. Commission feedback on this is appreciated.
- Parcel 300 of the Lower Mill project site closed on December 22. This adds 2.36 acres to the Lower Mill project site for a total site area of 11.36 acres. One issue we are facing is that Crystal Springs Water District (CSWD) and the Wy'East Fire District Chief are now requiring over \$300,000 in off-site water line upgrades to increase fire flows for the entire industrial park. There are also issues with a nearby pond & pump that provide supply to fire hydrants and which the association is required to maintain. Anne and I met with the CSWD manager and a board member to discuss a reimbursement district or SDC relief that could help finance the off-site water upgrade. Further progress will require CSWD Board discussion. Anne attended the CSWD board meeting on the January 7th. This was a position discussion. Their board has more information gathering to do as well as some policy clarifications to consider. They will be hosting a full board work session during their next meeting. Anne will attend the work session.
- Parcel One of the Expo property closed successfully on January 4. Total proceeds to the Port were \$423,270.
- Hood River Juice Company has moved the metal fence that encroaches on Port property. The specific location is being confirmed by Terra Surveying. Closing on the property and transfer to Sheppards is scheduled for January 15.

- We have executed the agreement with Union Pacific (UP) railroad to use Lot 1 for a staging operation in March 2016.
- Port crews have done excellent work over the past two weeks plowing and sanding Port roads, industrial properties, bridge approaches and the Airport.
- Port tenant Pfriem Brewery was named Oregon Brewery of the Year with their Pilsner named Oregon Beer of the Year by northwest brewing and cider industry news outlet New School Beer (see <http://www.newschoolbeer.com/2015/12/best-of-the-year-in-beer-2015.html>)

OREGON BEER OF THE YEAR**PFRIEM FAMILY BREWERS: PILS**

Runner-Up: Oakshire: Sun Made Cucumber Berliner-Weisse

Congratulations to pFriem in Hood River for turning its Pilsner into a silver medal-winning beer at the Great American Beer Festival in 2015, and now winning the even more prestigious New School Oregon Beer of the Year award! I remember trying earlier versions of this beer (aged with dwerf), but that only shows you how far this beer has come.

This category was overall a tight race, with no one beer running away with it. Oakshire's Sun Made Cucumber Berliner-Weisse was only down by one vote. Other numerous vote getters were Krüger Brewing's Bourbon barrel-aged Orange Giant, Busy Beer's Czech Pils, The Commonweal Beer Company, and also pFriem's Dark IPA.



PFRIEM
OREGON BREWERY OF THE YEAR
PFRIEM FAMILY BREWERS

Airport/Marina

- A large vessel – the “Esperanza”— has been stuck in the Marina for several months. Currently it is on a trailer in the parking lot and the owner has stated the boat has been sold. Laurie is working very hard to get the vessel removed as it constitutes a significant safety hazard.
- The contractor carrying out the underwater work associated with the sewer outfall is mooring their tug overnight on the Visitor Dock. This will occur through early March.

Bridge/Transportation

- Staff has been very involved in various efforts related to the recent vessel strike on the Bridge including the ongoing investigation, engineering evaluation, potential insurance claim, engineering and contracting for repairs, and response to the underwriting process. A high level of staff time will need to be committed to these various efforts for the foreseeable future.
- I represented the Port in Small Claims Court hearing on January 8 regarding a motorist who claims the Port was negligent in conducting a Bridge painting operation on October 22. The claim is for \$2,500.

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Proposed Oregon legislative language for 2016 special session

Any extension of SR35 that includes a new interstate bridge across the Columbia River in the vicinity of Hood River, Oregon, along with its connecting approaches, shall be deemed part of SR35 and the National Highway System while it is being studied, designed and constructed, and shall be so declared and designated by the Oregon Transportation Commission.”

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Commission Memo



Prepared by: Fred Kowell
Date: January 12, 2016
Re: 2016 SDAO Property and Liability
Insurance Renewal

The Port uses Special Districts Insurance Services (SDIS) for its property and liability insurance for its assets other than the bridge. The 2016 insurance premium is scheduled to be \$73,745 as compared to \$69,263 for 2015 and \$76,846 for 2014. This is a 6.5% increase over 2015 but over multiple years, it is in line. The increase is largely attributable to an increase in the fleet value (not number of vehicles in the fleet) as well as the increase in our property values to insure against.

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

RECOMMENDATION: Approve the annual SDAO property and liability insurance policy and authorize payment of insurance premium in the amount of \$73,745.

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2015

S | D | I | S
 SPECIAL DISTRICTS
 INSURANCE SERVICES

INVOICE

Date: 02-Dec-14

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

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

Invoice #	Entity ID	Effective Date	Expiration Date	Invoice Date
30P16164-182	16164	01-Jan-15	31-Dec-15	02-Dec-14

2015 Longevity Credit Amount
\$6,957

Coverage	Contribution
General Liability	
General Liability Contribution	\$22,554
Less Best Practices Credit	(\$2,374)
Adjusted Contribution	\$20,180
Auto Liability	
Auto Liability Contribution	\$1,929
Less Best Practices Credit	(\$193)
Adjusted Contribution	\$1,736
Non-owned and Hired Auto Liability	\$150
Auto Physical Damage	\$1,212
Hired Auto Physical Damage	\$0
Excess Liability	\$5,976
Property	
Property Contribution	\$38,909
Less Best Practices Credit	(\$3,891)
Adjusted Contribution	\$35,018
Earthquake	\$4,690
Flood	\$0
Equipment Breakdown / Boiler and Machinery	\$0
Crime	\$301
Total:	\$69,283

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

Payment Instructions are on the following page.



2016

INVOICE

Date: 24-Nov-15

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

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

Invoice #	Entity ID	Effective Date	Expiration Date	Invoice Date
31P16164-182	16164	01-Jan-16	31-Dec-16	24-Nov-15

2016 Longevity Credit Amount**
\$5,684.50

Coverage	Contribution
General Liability	General Liability Contribution \$25,712 Less Best Practices Credit (\$2,571) Less Multi-Line Discount Credit (\$1,028) Adjusted Contribution <u>\$22,112</u>
Auto Liability	Auto Liability Contribution \$3,316 Less Best Practices Credit (\$346) Adjusted Contribution <u>\$2,970</u>
Non-owned and Hired Auto Liability	\$150
Auto Physical Damage	\$1,630
Hired Auto Physical Damage	\$0
Excess Liability	\$6,437
Property	Property Contribution \$39,265 Less Best Practices Credit (\$4,090) Adjusted Contribution \$35,175
Earthquake	\$4,949
Flood	\$0
Equipment Breakdown / Boiler and Machinery	\$0
Crime	\$322

**Eligible districts must sign and return the attached Longevity Credit and Rate Lock Guarantee Agreement to receive the indicated Longevity Credit Amount

Total: \$73,745

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

Payment instructions are on the following page.



Longevity Credit and Rate Lock Agreement

Port of Hood River

By signing this Agreement the Member agrees to remain a participant in the Special Districts Insurance Services (SDIS) Property and Liability Program from January 1, 2016 to December 31, 2017.

In return for this commitment the SDIS Trust agrees to the following:

1. Provide the Member with a Longevity Credit equal to: **\$11,369**
 - a. Amount to be mailed to the Member in January 2016: \$5,684.50
 - b. Amount to be mailed to the Member in January 2017: \$5,684.50
2. A maximum annual rate increase of five percent (5%) for policy year January 1, 2017 – December 31, 2017 based on the Member's rates for the January 1, 2016 – December 31, 2016

The Member understands that breach of this agreement will require the Member to return the Longevity Credit plus interest to SDIS and will subject the Member to retroactive rate increases above the five percent (5%) maximum Rate Lock Guarantee.

* *Total contributions assessed may increase more or less than the maximum guaranteed rate for changes in exposures such as the addition of vehicles, purchase of buildings, increase in operating budget or the addition of personnel. The rate guarantee does not apply to Excess Liability, Boiler and Machinery and Crime contributions because these are pass through costs to re-insurance carriers.*

It is so agreed this _____ day of _____, 20____

Special Districts Insurance Services

Port of Hood River

Authorized Representative (Member)

Print Name and Title



**SPECIAL DISTRICTS
INSURANCE SERVICES**

INVOICE

Date: 24-Nov-15

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

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

Invoice #	Entity ID	Effective Date	Expiration Date	Invoice Date
31P16164-182	16164	01-Jan-16	31-Dec-16	24-Nov-15

**2016 Longevity
Credit Amount****

\$5,684.50

Coverage	Contribution
General Liability	General Liability Contribution \$25,712 Less Best Practices Credit (\$2,571) Less Multi-Line Discount Credit (\$1,028) Adjusted Contribution <u>\$22,112</u>
Auto Liability	Auto Liability Contribution \$3,316 Less Best Practices Credit <u>(\$346)</u> Adjusted Contribution <u>\$2,970</u>
Non-owned and Hired Auto Liability	\$150
Auto Physical Damage	\$1,630
Hired Auto Physical Damage	\$0
Excess Liability	\$6,437
Property	Property Contribution \$39,265 Less Best Practices Credit <u>(\$4,090)</u> Adjusted Contribution <u>\$35,175</u>
Earthquake	\$4,949
Flood	\$0
Equipment Breakdown / Boiler and Machinery	\$0
Crime	\$322

**Eligible districts must sign and return the attached Longevity Credit and Rate Lock Guarantee Agreement to receive the indicated Longevity Credit Amount

Total: \$73,745

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

Payment instructions are on the following page.



SPECIAL DISTRICTS
INSURANCE SERVICES

INVOICE

Date: 24-Nov-15

**** Payment Due: 2/1/2016****

Please include the bottom portion of this sheet with you payment.

Make Checks Payable to:

Special Districts Insurance Services
P.O. Box 12613
Salem, OR 97309
Phone: 1-800-285-5461 Fax: 503-371-4781

Port of Hood River

Customer ID: 01-16164

Total Due: \$73,745

Check # _____ Amount \$ _____

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Commission Memo



Prepared by: Fred Kowell
Date: January 12, 2016
Re: Bridge Insurance Renewal

The bridge insurance renewal underwritten by ACE USA and brokered by Durham and Bates (of Portland) is still in the process of being bound but at this point we know the premium is \$235,123 or a 4.7% increase over the last year amount of \$224,652.

The renewal does keep most of the same terms as before with three exceptions. The renewal policy has a new deductible limit of \$1,000,000 with regard to the lift span. This is attributable to the continued assessment of the lift span and the necessary capital improvements that will be needed to keep it functioning into the future. The underwriter is looking to see what gets accomplished with regard to the lift span and will adjust the deductible once the capital improvements are put into place.

The renewal also is for one year versus two years in the past. Although the attached policy has a two year business interruption component, the broker, Durham & Bates will assess what the cost of adding another year of business interruption will be. This is due to the amount of time it will take to address any failure to the infrastructure of the bridge. The property damage limit increased to \$111,251,312 from \$106,555,210 which is directly related to the inflationary cost of time.

RECOMMENDATION: Approve the Bridge Insurance Policy with Durham & Bates and authorize staff to seek another year of business interruption under the policy.

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DURHAM AND BATES
INSURANCE BROKERS & AGENTS

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

Invoice # 6728		Page 1 of 1
Account Number	Date	
PORTOFH-01	1/6/2016	
BALANCE DUE UPON RECEIPT		
AMOUNT PAID	Amount Due	
Customer Service	David Hearn Laura Owens	

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

Inland Marine - Equip Floater	Policy Number: IMCI2071153A010	Effective: 1/1/2016 to 1/1/2017
ACE American Insurance Company		

Item #	Eff Date	Inv Date	Trans	Description	Amount
Participation Policy Number: IMCI2071153A010					
36114	1/1/2016	1/5/2016	RENB	2016-2017 Inland Marine Renewal Premium	\$235,123.00

Total Invoice Balance: \$235,123.00

BALANCE DUE UPON RECEIPT



ACE USA

**ACE Global Underwriting Group
INLAND MARINE - ENGINEERED RISK
RENEWAL PROPERTY BINDER
POLICY NUMBER: IMC I2071153A 010**

Quote Date: December 31, 2015

Company Name: ACE American Insurance Company

Named Insured and Mailing Address:

Port of Hood River
720 Port Marine Drive
Hood River, OR 97301-9730

Producer's Name & Address:

Durham & Bates
720 SW Washington St, Suite 250
Portland, OR 97205-3500

Thank you for the binder order. Please read this binder carefully, as the limits, coverage, exclusions, and any other terms and conditions may vary from those you requested in your submission and/or from the expiring policy.

This binder is valid for 60 days from the date sent. Please contact me with any questions that you may have.

General Policy Information

Policy Period:	One Year
Business Description:	Port Authority (Bridge)
When Coverage Begins:	01/01/2016 12:01a.m. Local Time at Insured's address
When Coverage Ends:	01/01/2017 12:01a.m. Local Time at Insured's address

In return for the payment of the premium and subject to all the terms of this policy, we provide the insurance as stated in the policy.



ACE USA

**ACE Global Underwriting Group
INLAND MARINE - ENGINEERED RISK
RENEWAL PROPERTY BINDER
POLICY NUMBER: IMC I2071153A 010**

Description and location of property insured:

Lift bridge spanning the Columbia River from Hood River, OR to White Salmon, WA abutment to abutment. Also included is the pedestrian bridge abutment to abutment.

Policy Form: ACE Engineered Risk Policy - ACE0447 (11/08)

Territory: This policy covers within the Fifty (50) States comprising the United States of America and the District of Columbia.

Covered Perils: All Risks of Direct Physical Loss or Damage, Earth Movement, Flood, Named Windstorm, Boiler & Machinery, and Loss of Revenue. TRIPRA is EXCLUDED.

Limits of Insurance

Occurrence Limit of Insurance

The most we will pay for all loss resulting from all Covered Causes of Loss in any one Occurrence is:

\$ 118,066,968 being a 100.00 % share of \$118,066,968

The Company will pay no more than the above limit(s) in any one occurrence. In addition, the Company will not be liable for more than its proportionate share (100.00%) of the following sublimits and aggregate limits, which are part of, and not in addition to, the Limit of Liability above:

Sub-Limits of Insurance – Per occurrence except as noted below:

Property Damage	\$111,251,312
Loss of Revenue endorsement	\$6,815,656
Period of Indemnity (days, months, years)	<u>730 DAYS</u>



ACE USA

**ACE Global Underwriting Group
INLAND MARINE - ENGINEERED RISK
RENEWAL PROPERTY BINDER
POLICY NUMBER: IMC I2071153A 010**

Extensions of Coverage

Debris Removal	25% or \$1,000,000Maximum
Fire Department Service Charge	\$25,000/
Loss Adjustment Expenses	\$25,000/
Pollutant Clean Up - Annual Aggregate	\$100,000/
Extra Expense	\$1,000,000 ✓
Expediting Expenses	\$100,000/
Pedestrian Bridge	\$340,403 ✓
Transit	\$100,000 ✓
Off-Site Storage	\$100,000 ✓

When an "x" appears below and limits of insurance are provided, the referenced exclusion is deleted.

<input checked="" type="checkbox"/> Earth Movement	Occurrence Limit	\$50,000,000
	Aggregate Limit	\$50,000,000
<input checked="" type="checkbox"/> Flood - Zone A, AE, A1-A30, AH, AO, AR, A99,AR/A, AR/AH,AR/AO,AR/A1-A30,B-Protected, D, V, VE, V1-V30 and Shaded X- Protected.	Occurrence Limit	\$50,000,000
	Aggregate Limit	\$50,000,000
<input checked="" type="checkbox"/> Flood - All other Flood zones.	Occurrence Limit	\$50,000,000
	Aggregate Limit	\$50,000,000
<input checked="" type="checkbox"/> Named Windstorm	Occurrence Limit	\$118,066,968
	Aggregate Limit	\$118,066,968



ACE USA

**ACE Global Underwriting Group
INLAND MARINE - ENGINEERED RISK
RENEWAL PROPERTY BINDER
POLICY NUMBER: IMC I2071153A 010**

The sub-limits of insurance above are part of, and not in addition to the Occurrence Limit of Insurance shown above.

The aggregate sub-limits of insurance are the most we will pay for the perils of flood, earth movement, or Named Windstorms during the policy period.

Deductible - Per occurrence except as noted below:

All covered loss except as below:	\$250,000
Loss or damage caused by or resulting from earth movement	\$1,900,000—All spans
Loss or damage caused by or resulting from flood	\$950,000
Loss or damage caused by or resulting from water damage	\$250,000
Loss or damage caused by or resulting from named windstorm	\$250,000
Loss or damage to Lift Span — All perils ex Earth Movement	\$1,000,000
Loss of Revenue	15 Days

() Where a percentage deductible is shown above, the deductible shall be the greater of the dollar amount shown, or the stated percentage of the total insured values at the time and date of the loss.*

Rates: \$0.199144

Premium: \$235,123 Term including TRIPRA of \$Nil

Minimum Premium = \$58,781.



**ACE Global Underwriting Group
INLAND MARINE - ENGINEERED RISK
RENEWAL PROPERTY BINDER
POLICY NUMBER: IMC I2071153A 010**

Valuation: Replacement Costs if replaced, otherwise Actual Cash Value.

Coinsurance Amount: None

Cancellation: 60 Days except 10 days for non-payment.

Broker Commission: 15.0%

Taxes, Surcharges, & Fees: Any applicable taxes, surcharges or fees, etc. are in addition to the above stated premium. The actual taxes, surcharges or fees, etc. will be those in effect on the date coverage is bound. The insured is responsible for paying these taxes, surcharges or fees in addition to the premiums stated above.

Total Insured Value: \$111,251,312 - Property Damage
 \$ 6,815,656 - Loss of Revenue - Two Years *T.H. 2/22*
 \$118,066,968 - Total

Mandatory Exclusions & Amendments:

All policy form exclusions including but not limited to Pollution & Contamination, Asbestos, Electronic Data/Cyber Risk, Mold/Fungus, and Nuclear, Biological, Chemical, Radiological Exclusions.

Remarks:

The terms, conditions, limits and exclusions of this binder supersede the submitted information and specifications submitted to us for consideration, and all prior quotations.

Actual coverage will be determined by and in accordance with the policy as issued by the insurer.

The insurer is not bound by any statements made in the submission purporting to bind the insurer unless such statement is in the actual policy.

This binder has been constructed in reliance on the information and specifications provided in the submission. A material change or misrepresentation of the submission information and specifications may void this binder.



ACE USA

**ACE Global Underwriting Group
INLAND MARINE - ENGINEERED RISK
RENEWAL PROPERTY BINDER
POLICY NUMBER: IMC I2071153A 010**

TRIPRA:

Attached please find a Disclosure Notice required by the Terrorism Risk Insurance Program Reauthorization Act of 2015 ("TRIPRA").

FATCA COMPLIANCE: The U.S. Foreign Account Tax Compliance Act, commonly known as "FATCA", became the law in the U.S. in March of 2010 and becomes effective July 1, 2014. Pursuant to FATCA, brokers, producers, agents and/or clients may need to obtain withholding certificates from insurance companies. For information on how to obtain the applicable withholding certificate from ACE U.S. insurance companies, please go to <http://www.acegroup.com/us-en/businesses/foreign-account-tax-compliance-act-fatca.aspx>

Certificates of Insurance:

Please be advised that we do not review Certificates of Insurance or Evidences of Commercial Property Insurance issued by you, or by any party, relating to this policy of insurance either for content or accuracy. Accordingly, we request that you do not provide copies of certificates or evidences to us for review or for our records. Authority is granted to you for the limited purpose of issuing **unmodified ACORD Certificates (ACORD 25-S for Casualty and ACORD 24 for Property and Inland Marine) and unmodified Evidence of Commercial Property Insurance (ACORD 27 and 28) only.** It is your responsibility to see that any Certificate or Evidence provides an accurate representation of the coverage form and endorsements applicable to this policy at the time the Certificates or Evidences is issued. **Any modification of the approved ACORD forms specifically set forth above, or the issuance of a non-approved Certificates of Insurance ACORD or other is prohibited.** Certificates of Insurance or Evidence of Commercial Property Insurance may only be issued as a matter of information. You have no authority by virtue of a Certificate, Evidence, or otherwise, to amend, extend or otherwise alter coverage afforded under this policy. Certificates of Insurance or Evidences of Commercial Property Insurance are never recognized as endorsements or policy change requests. You must submit a separate written request if an endorsement or policy change (including but not limited to adding additional insureds, loss payees and mortgagees and/or alteration of notice requirements for cancellation) is requested. In the event a policy change is requested, the underwriter will advise if the request is acceptable to the Company.



ACE USA

**ACE Global Underwriting Group
INLAND MARINE - ENGINEERED RISK
RENEWAL PROPERTY BINDER
POLICY NUMBER: IMC I2071153A 010**

ATTACHMENTS: Policyholders Disclosure Notice of Terrorism Insurance Coverage;
TRIA24 (01-15), IL 0953 (01-15), ACE0210.

A handwritten signature in black ink, appearing to read 'Michael Giambra', written over a horizontal line.

Michael Giambra, P.E. ARM
Vice President
Inland Marine – Engineered Risk

A handwritten signature in black ink, appearing to read 'Maureen A. Davis', written over a horizontal line.

Maureen Davis
AVP – Inland Marine



 Insurance Company

 Policyholder

 Policy Number

 Broker/Producer

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You were notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury---in consultation with the Secretary of Homeland Security, and the Attorney General of the United States---to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY YOUR POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% FOR YEAR 2015, 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017, 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM THAT WOULD BE CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

You elected **NOT** to purchase terrorism coverage under the Act at the price indicated. ACCORDINGLY, WE WILL **NOT** PROVIDE THIS COVERAGE AND YOU DO NOT OWE THE ADDITIONAL PREMIUM FOR THAT COVERAGE INDICATED BELOW.

Terrorism coverage described by the Act under your policy was made available to you for additional premium in the amount of \$ _____, however you elected to decline such coverage.

POLICY NUMBER:

IL 09 53 01 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- CRIME AND FIDELITY COVERAGE PART
- EQUIPMENT BREAKDOWN COVERAGE PART
- FARM COVERAGE PART
- STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph C) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph B. applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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Commission Memo



Prepared by: Anne Medenbach
Date: January 12, 2016
Re: Real Carbon Inc. – Big 7 Building Lease

Real Carbon Inc. would like to move forward with a lease for Suite 101 at the Big 7 Building. In order to do this, the Port will need to approve a termination of their current lease in Suite 104 of the Halyard Building. pFriem Brewing Company, LLC is asking for lease approval for Suite 104. There will be no vacancy during the transition of Real Carbon Inc. from Halyard to the Big 7 Building.

The rate for Suite 101 at Big 7 will be \$0.69/sf +NNN+ utilities. (see attached). The Port will spend \$8,000 in TI to improve the space to meet the needs of Real Carbon. The term of the lease is 5 years with one (3) year extension option.

RECOMMENDATIONS:

1. Approve Termination of Lease with Real Carbon, Inc. for Suite 104 of the Halyard Building, subject to legal counsel review.
2. Approve Lease with Real Carbon, Inc. for Suite 101 at the Big 7 Building, subject to legal counsel review.

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TERMINATION OF LEASE

WHEREAS, on April 1, 2011, the Port of Hood River (“Port”) entered into a lease of approximately 5,082 square feet in unit 104 (“leased premises”) of the Halyard Building located at 707 Portway Ave, Hood River to Real Carbon Inc. (Lessee). The original term was through May 31, 2012; and

WHEREAS, Lessee committed to an additional three year term through May 31, 2016; and

WHEREAS, on July 11 2014, the original square footage was amended to 4,774 sf; and

WHEREAS, Lessee wishes to terminate the current lease and to move to Suite 101 in the Big 7 Building (another Port property) in order to lower monthly expenses and be off the waterfront,

THEREFORE, IT IS AGREED:

- 1. Lessee and Port will terminate the Lease for Suite 104 in the Halyard Building as of January 1, 2016.
- 2. Lessee is responsible for tax payments, lease payments and utility payments to that date.

Dated this _____ day of _____, 2016

Lessee: **Real Carbon Inc.**

Lessor: **Port of Hood River**

Signed:

Signed:

Michael Graham

Michael McElwee, Executive Director
1000 E. Port Marina Drive, Hood River OR 97031
(541) 386-1645

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LEASE

THIS LEASE is entered into in Hood River, Oregon by and between **PORT OF HOOD RIVER**, an Oregon municipal corporation, hereinafter referred to as “Lessor” and **Real Carbon, Inc.**, an Oregon corporation, hereinafter referred to as “Lessee.”

1. **Description.** In consideration of the covenants of the parties, Lessor leases to Lessee approximately 3,800 square feet of space in Lessor’s building commonly known as the Big 7 (“building”) located at 616 Industrial Street, Hood River, Oregon (“Leased Premises”).

The Leased Premises are identified in the attached “Exhibit A.”

Building Address:	“Big 7” 616 Industrial Way Hood River, OR 97031
Tenant Suites:	101
Approximate Square footage:	3,800

2. Term.

Lease Commencement Date:	February 1, 2016
Lease Expiration Date:	January 31, 2020
Renewal Options:	One (1) three (3) year option
Renewal Notice Requirement:	Ninety (90) days

The lease term shall be for the period commencing on **February 1, 2016** and continuing through **January 31, 2020**. If not in default, and if Lessee pays Lessor all real property taxes Lessee owes or may be responsible to pay under the terms of the lease, Lessee has the option to extend the lease for one extension term of three years, through January 31, 2023, provided Lessee gives Lessor written notice of Lessee's intent to renew the lease for the additional term while the lease is in effect no later than 90 days prior to the lease expiration date.

3. **Rental.** Monthly Rent for the Leased Premises will be the following Monthly Base Rates, plus the applicable Consumer Price Index (CPI) Rate Adjustment, as set forth below:

<u>Space</u>	<u>Square Footage</u>	<u>Rate per s.f. per month</u>	<u>Monthly Base Rate</u>
101	3,800	\$0.69	\$2,622

All rental amounts are payable in advance on the first day of each month, beginning on the date Lessee is entitled to occupy the Leased Premises. However, if the lease

does not begin on the first day of a month, rental for the first month shall be prorated to reflect the actual number of days in that month that the lease is in effect and shall be payable immediately.

Starting on December 1, 2016 and occurring annually thereafter, including any extensions of this lease, monthly rent will be adjusted by adding to the monthly rental amount payable during the previous 12-month period a percentage increase equal to the percentage change in the Consumer Price Index (CPI) for the most recent 12-month period for which a published CPI is available. The CPI figure will be taken from the index entitled CPI-U for Portland, OR – all items and major group figures for all urban consumers, or, if such index is unavailable, will be taken from a similar index published by the United States Bureau of Labor Statistics. However, in no event will the annual increase be less than 1 percent or more than 5 percent.

4. **Use.** Lessee shall use the Leased Premises for manufacturing of carbon products, accessories and sales, and for activity reasonably related thereto. The Leased Premises shall not be used for any other purposes without the written consent of Lessor.
5. **Leased Premises Improvements.** Lessor, at Lessor's expense, agrees to make the following improvements to the Leased Premises ("Lessor's Improvements"):
 - A. Remove carpet tiles from all areas with the exception of the two offices.
 - B. Build a small "clean" area with standard sheet rock, wood framing, one interior window and door. Lessee will be responsible for design, installation and maintenance of any "clean area" ventilation.
 - C. Extend current overhead water line from the kitchen area into the "clean area". Lessee will provide connection apparatus in "clean area".

Lessor will attempt to complete Lessor's Improvements prior to January 1, 2016. However, Lessor does not represent or warrant that the improvements will be completed by January 1, 2016. Lessor's improvements will be described in bid documents which Lessee may review with Lessor, and which may be modified by Lessor in Lessor's discretion prior to or after commencement of Lessor's Improvements. Lessor's Improvements when completed shall be deemed acceptable to Lessee. If Lessee requests Lessor to modify Lessor's Improvements or make other tenant improvements that will increase improvement costs, and Lessor in Lessor's discretion agrees to make changes, before doing so Lessee will promptly execute a written agreement provided by Lessor describing the changes and agree how much of the costs Lessee will pay.

6. **Taxes.** Lessee shall pay all taxes on its personal property located on the Leased Premises. Lessee shall pay all real property taxes of governmental units assessed against the Leased Premises, and all real property taxes assessed against all inside

and outside common areas of the building based on the amount of lease space occupied by Lessee as a percentage of the total lease space in the building. Lessee shall pay all such real property taxes which have been assessed and are payable during Lessee's occupancy. Lessee shall also pay all such taxes which arise during a tax year as a result of Lessee's occupancy, even if the lease term has ended, or if Lessee has vacated the Leased Premises. However, if another tenant occupies the Leased Premises and agrees to pay any portion of the real property taxes otherwise payable by Lessee, Lessee shall not be required to pay those taxes which the new tenant pays. [Note: Under current law, Port real property is exempt from property taxation during an upcoming fiscal tax year (July 1 through June 30) unless a private party occupies such Port property on June 30. If a private party is in possession of Port property on June 30 that Port property is taxed for the entire subsequent fiscal tax year "as a result of Lessee's occupancy."] Although Lessee is responsible to pay real property taxes, Lessor will pay the real property taxes to the taxing authority when due and send a bill to Lessee for the amount of taxes Lessor has paid, which will be payable by Lessee to Lessor within ten days after the date of Lessor's bill.

7. **Utilities.** Lessee shall be solely responsible to pay Lessor for all utilities, including gas, sewer, water, and electricity, used or consumed by Lessee on the Leased Premises, and for garbage service related to Lessee's occupancy. If electricity, water, sewer or gas is provided to Lessee in common with other tenants of Lessor, Lessee shall pay a portion of the total cost of such service based on the amount of lease space occupied by Lessee as a percentage of the total lease space of all tenants using the same utilities in common with Lessee. Or, Lessor may charge Lessee more or less than other tenants if Lessor believes Lessee's gas or electricity use will likely be more or less than other tenants use. In such event, Lessor agrees to provide Lessee with an explanation of how those calculations for utility allocations were made. Lessor agrees to consider a different allocation formula for the Leased Premises. If additional service beyond standard domestic service is needed, Lessee shall notify Lessor, and shall pay Lessor for the additional service charges. Lessee shall pay Lessor for Lessee's utility and garbage services within seven days after Lessor sends Lessee a bill itemizing those charges. Lessee shall be responsible for payment of all utilities and garbage service charges arising during the lease term. In no event shall Lessor be liable for an interruption or failure in the supply of any utilities to the Leased Premises.
8. **Liability Insurance and Hold Harmless Agreement.** Lessee agrees to indemnify and save Lessor, Lessor's Port Commissioners, officers, employees and agents harmless from any claims by any persons, firms, or corporations arising from business conducted on the Leased Premises or from anything done by Lessee at the Leased Premises, and will further indemnify and save Lessor harmless from all claims arising as a result of any breach or default on the part of Lessee under the terms of this lease, or arising from any willful or negligent act or omission of Lessee's agents, contractors, employees, or licensees in or about the Leased Premises, and from all costs, counsel fees, and liabilities incurred in any action or

proceeding brought thereon; and in case any action or proceeding is brought against Lessor by reason of any such claim, Lessee, upon notice from Lessor, covenants to resist and defend such action or proceeding by counsel.

Lessee agrees during the term hereof to keep a policy of general commercial liability insurance in effect with respect to the Leased Premises with minimum coverage of one million dollars (\$1 million) combined single limits. If Lessee renews this lease, at the outset of the renewal term Lessor may, with written notice, raise the minimum insurance requirement to an amount of insurance that is reasonably commercially available. The policy shall name Lessor as additional insured, and expressly include Lessor's Port Commissioners, officers, employees, and agents as additional named insured, and shall contain a clause that the insurer will not cancel or change the insurance without first giving Lessor at least fourteen days prior written notice. The insurance shall be provided by an insurance company registered to do business in the State of Oregon, or by a company approved by Lessor. A copy of the policy or certificate of insurance shall be delivered to Lessor no later than three days after Lessee occupies the Leased Premises.

9. **Fire Insurance and Waiver of Subrogation.** If the Leased Premises or building where the Leased Premises are located are partially or totally destroyed by fire or other casualty, Lessor may decide to repair the Leased Premises or building, or not, in Lessor's sole discretion. Lessor shall notify Lessee in writing of Lessor's intent regarding repair within 30 days after the date of the damage. If Lessor notifies Lessee that Lessor does not intend to repair the damage the lease shall terminate effectively at the date of the damage. If Lessor notifies Lessee that Lessor intends to repair the damage the lease shall continue, and Lessor shall return the Leased Premises or building to as good a condition as existed prior to the damage, in a prompt manner reasonable under the circumstances. If Lessee's use of the Leased Premises is disrupted during Lessor's repairs a reasonable portion of the rent shall be abated during the disruption. In no event shall Lessor be required to repair or replace Lessee's property including Lessee's fixtures, furniture, floor coverings or equipment. In no event shall Lessee be entitled to recover damages from Lessor related to destruction of the Leased Premises or building, or related to repairs undertaken by Lessor. Each party shall provide its own insurance protection at its own expense, and each party shall look to its respective insurance carrier for reimbursement of loss, which may be insured against by a standard form of fire insurance with extended coverage. There shall be no subrogated claim by one party's insurance carrier against the other party arising out of any such loss.
10. **Lessee/Lessor Covenants.** Lessee shall not do anything which may damage the Leased Premises or any systems in the building or other areas surrounding the building. Lessee shall not be a nuisance or a menace to other tenants in the building. Lessee will not create or use hazardous substances, or dispose of hazardous waste of any kind, unless in strict compliance with environmental laws and regulations. Lessee, at Lessee's expense, shall be responsible to provide improvements and equipment, and to obtain any required permits or approvals

necessary for Lessee to engage in activities at the Leased Premises. Lessee promises to comply with all laws, ordinances, and government regulations applicable to the Leased Premises and to Lessee's activities at the Leased Premises, and to comply with reasonable rules adopted by Lessor which apply to all tenants of the building.

Lessee shall not attach any fixtures or make any improvements or alterations to the Leased Premises without describing them in writing and receiving Lessor's prior written consent. Lessee shall not suffer or give cause for the filing of any lien against the Leased Premises.

Lessor shall maintain the building roof, bearing walls, exterior walls, windows and the drainage, plumbing, electrical, and heat and cooling systems installed by Lessor to the point at which they enter the Leased Premises, exterior common areas and landscaping.

11. **Quiet Enjoyment.** From the date the lease commences Lessee will have the right to use the Leased Premises consistent with this lease without hindrance or interruption by Lessor or any other persons claiming by, through or under Lessor, subject, however, to the terms and conditions of this lease. The foregoing notwithstanding, Lessee agrees that Lessor may make improvements to the Leased Premises, building and adjacent areas which may cause noise or otherwise temporarily disrupt Lessee's quiet enjoyment of the Leased Premises, without any abatement of rent or compensation to Lessee.
12. **Care of Leased Premises.** Lessee shall at all times keep the Leased Premises in as good condition as they are in at the outset of this lease, or if improvements are made thereafter in at least as good condition as after such improvements, and shall surrender the Leased Premises to Lessor in such good condition, reasonable wear and tear, or loss by fire or other casualty covered by insurance excepted.
13. **Fixtures and Personal Property.** Unless otherwise agreed in writing, all permanent improvements now located or hereafter placed on the Leased Premises during the term of the lease, other than Lessee's trade fixtures, equipment, and items related to Lessee's equipment, shall be the property of Lessor, and shall remain on the Leased Premises at the expiration or termination of the lease, provided that Lessor reserves the right within 30 days after the lease term ends to require Lessee to promptly remove any improvements which Lessee has placed on the Leased Premises at Lessee's expense, in a way which does not cause damage to the Leased Premises.

At the expiration or earlier termination of the lease term Lessee shall remove all furnishings, furniture, equipment, goods of any kind and trade fixtures from the Leased Premises in a way that does not cause damage to the Leased Premises. If Lessee fails to remove any this shall be an abandonment of such property, and Lessor may retain Lessee's abandoned property and all rights of Lessee with

respect to it shall cease; provided however, that Lessor may give Lessee written notice within 30 days after the lease expiration or termination date electing to hold Lessee to its obligation of removal. If Lessor elects to require Lessee to remove personal property and Lessee fails to promptly do so, Lessor may effect a removal and place the property in storage for Lessee's account. Lessee shall be liable to Lessor for the cost of removal, transportation to storage, storage, disposal, and other costs incurred by Lessor with regard to such personal property.

14. **Signs.** Lessee shall not erect or install any signs, flags, lights or advertising media nor window or door lettering or placards visible from outside the Leased Premises or visible from building common areas without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee agrees to maintain in good condition any signs or displays which are allowed.
15. **Common Areas/Parking.** Lessee understands and agrees that other tenants may occupy the building. This lease grants to Lessee and to Lessee's agents, employees, business invitees, customers and suppliers in connection with Lessee's business in the Leased Premises the non-exclusive right to use and enjoy throughout the existence of this lease all of the "common areas" associated with the building. "Common areas" shall be defined as all areas and improvements outside the building provided by Lessor for the joint use or benefit of tenants, their employees, customers and other invitees, including public parking areas, access roads, driveways, entrances and exits, landscaped areas, and sidewalks, excepting those parking spaces that may be designated for use by other building tenants. Use of available common areas shall be subject to like, non-exclusive use on the part of other tenants who occupy space in the building or any addition thereto, as well as their agents, employees, business invitees, customers and suppliers. Lessee agrees that its usage of such common areas shall not interfere with or be inconsistent with the similar rights of other tenants. All common areas shall be subject to the exclusive control and management of Lessor. Lessor shall have the right from time to time to establish, modify and enforce equitable rules with respect to all common areas, which Lessee agrees to abide by.

Lessor shall mark two (2) parking spaces located in the North parking lot on the 1st building level with Lessee's name or Lessee's rented Suite numbers..

16. **Lessor's Access to Premises.** Lessor shall have the right to enter upon the Leased Premises at all reasonable hours after 24 hours oral notice (without notice to protect public health and safety in an emergency) for the purpose of inspecting it, or to make repairs, additions or alterations to the premises or any property owned or controlled by Lessor. E-mail from Lessor to Lessee (or Lessee's on site manager) may serve as notice of inspection of the Leased Premises. If Lessor deems any repairs reasonably required to be made by Lessee to be necessary, Lessor may give notice that Lessee shall make the same within 30 days (immediately in an emergency involving public health and safety), and if Lessee refuses or neglects to commence such repairs and complete the same in a timely manner, Lessor may

make or cause such repairs to be made. If Lessor makes or causes such repairs to be made Lessee agrees that it will, within 30 days, pay to Lessor the cost thereof.

17. **Entire Agreement; Amendments.** This lease contains the entire agreement of the parties with respect to the Leased Premises. No prior agreement, statement, or promise made by any party to the other not contained herein shall be valid or binding. This lease may not be modified, supplemented or amended in any manner except by written instrument signed by both parties.
18. **Waiver.** One or more waivers of any covenants or conditions by either party shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Lessor to any act by Lessee requiring Lessor's consent or approval shall not be construed as consent or approval to any subsequent similar act by Lessee.
19. **Assignment.** Lessee agrees not to assign or in any manner transfer this lease or any estate or interest therein without the previous written consent of Lessor, and not to sublet the premises or part or parts thereof without like consent. This Lease will not be assigned, subleased, or otherwise transferred except with the consent of Lessor, which consent may be granted or denied in Lessor's sole discretion. Any transfer of an ownership interest in Lessee of fifty percent (50%) or more will be deemed an assignment.
20. **Default.** Time is of the essence of performance of all the requirements of this lease. If any rental or other sums payable by Lessee to Lessor shall be and remain unpaid for more than ten (10) days after the same are due and payable, or if Lessee shall fail to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within fourteen (14) days after written notice to Lessee specifying the nature of the default with reasonable particularity, or if Lessee shall declare bankruptcy or be insolvent according to law or if an assignment of Lessee's property shall be made for the benefit of creditors or if Lessee shall abandon the premises, then in any of said events Lessee shall be deemed in default hereunder. In the event of a default the lease may be terminated at the option of Lessor. If the lease is terminated, Lessee's liability to Lessor for rents and damages shall survive such termination and Lessor may re-enter, take possession of the premises, and remove any persons or property by legal action or by self help with the use of reasonable force and without liability for damages. The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Lessor under applicable law.
21. **Holdover.**
If Lessee does not vacate the Leased Premises when the lease term expires, Lessor shall have the option to treat Lessee as a tenant from month to month, subject to all of the provisions of this lease except the provisions for term and renewal, and at a rental rate equal to the rent last payable by Lessee during the lease term. Failure by Lessee to remove fixtures, furnishings, trade fixtures, or other

personal property which Lessee is required to remove under this lease shall constitute a failure to vacate to which this paragraph shall apply. If a month-to-month tenancy results from holdover by Lessee under this paragraph, the tenancy shall be terminable at the end of any monthly rental period on written notice from Lessor given to Lessee not less than 10 days prior to the termination date specified in Lessor's notice. Lessee waives any notice which would otherwise be required by this lease or by law with respect to month-to-month tenancy.

22. **Notices.** Whenever under this lease a provision is made for notice of any kind, it shall be deemed sufficient if such notice to Lessee is in writing delivered personally to Lessee's registered agent, to the person signing the lease, or to Lessee's on site manager who at the date of this lease is Bill Pullum, or sent by certified mail with postage prepaid to the address indicated on the signature page of this lease; and if such notice is to Lessor, delivered personally to the Executive Director, 1000 E. Port Marina Drive, Hood River, OR 97031 or sent by certified mail with postage prepaid to the address indicated on the signature page of this lease. Notice shall be deemed given on the date of personal delivery or if mailed, two business days after the date of mailing.
23. **Dispute Resolution.** Any dispute involving this lease may be resolved by legal action filed by a party or may be resolved by mediation if both parties agree in writing. If the parties agree to use a mediator they will each pay one half the costs of mediation. If agreed-upon mediation does not result in a solution satisfactory to both parties, the dispute shall be resolved by arbitration. Any arbitration shall be in accordance with the rules of the Arbitration Service of Portland then in effect. The parties shall use a single arbitrator mutually agreeable to them. If they are unable to agree on an arbitrator, or a process to select one, either party may apply to the Hood River County Circuit Court to appoint an arbitrator. The award rendered by an arbitrator shall be binding on the parties and may be entered in the Hood River County Circuit Court. The prevailing party in any legal action filed in court or in any arbitration proceeding, including any appeal therefrom or enforcement action, shall be entitled to recover their reasonable attorney's fees and costs and disbursements incurred before or at trial, or in an arbitration proceeding, or in any appeal.
24. **Authority to Execute.** The persons executing this Lease on behalf of Lessee and Lessor warrant that they have the authority to do so.

DATED this _____ day of _____, 2015.

Port of Hood River Property Lease

Real Carbon, Inc.

Lessee: Real Carbon, Inc.

Lessor: Port of Hood River

Signed:

Signed:

Printed
Name/Title

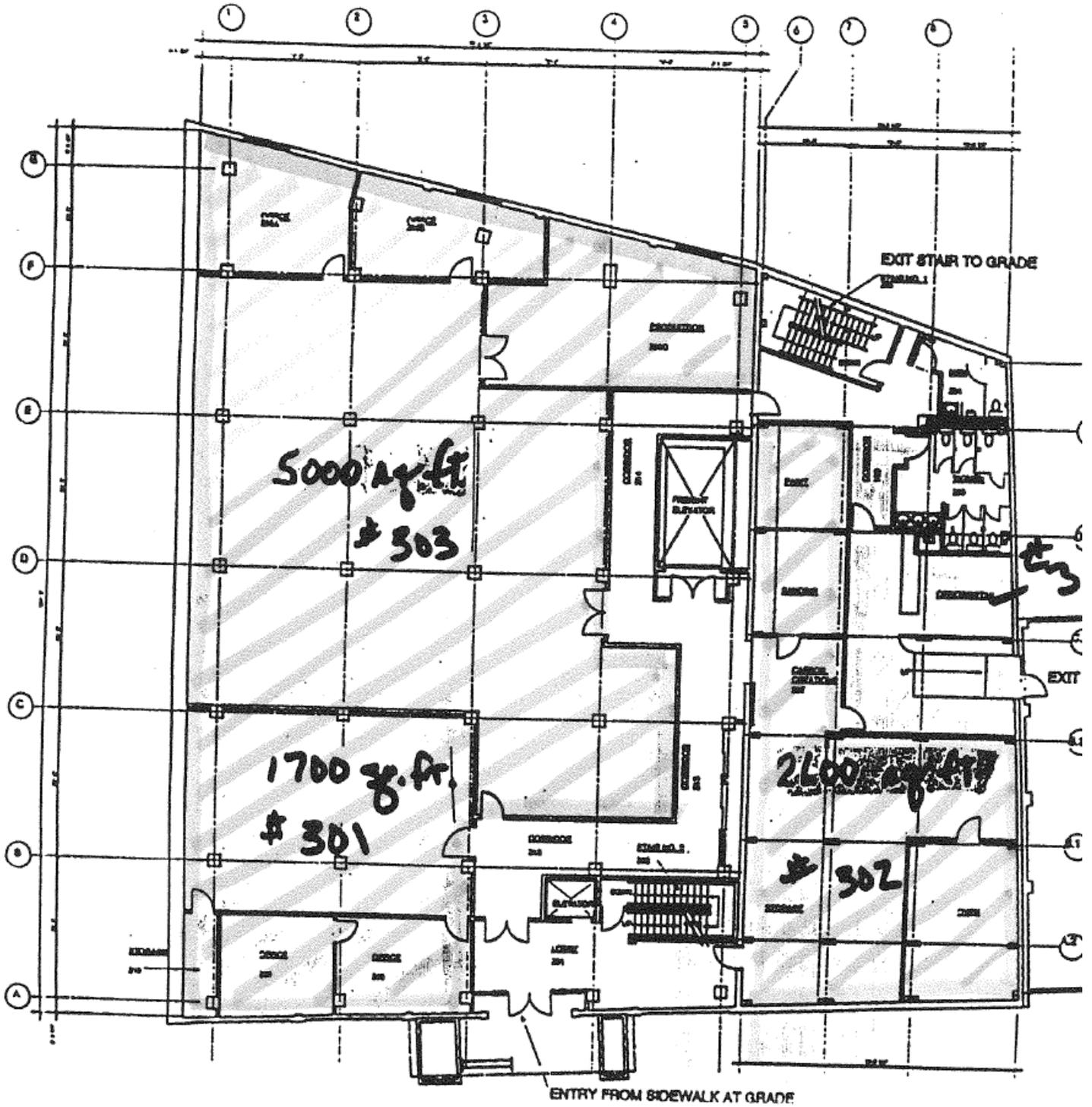
Printed Name/Title Michael McElwee,
Executive Director

Mailing
Address:

Mailing Address: 1000 E. Port Marina Drive
Hood River, OR 97031

DRAFT

Exhibit A



Port of Hood River Property Lease

Real Carbon, Inc.

Kevin
Conley
Architect
204 N. 21st Street
Vancouver, WA 98660
360.775.4100
kconley@kconley.com

BIG 7 BUILDING
616 INDUSTRIAL AVENUE
HOOD RIVER, OR 97031



Port of Hood River
1000 East Port Marina Drive
Hood River, Oregon 97031
(541) 386-1645

Drawn/Presented:
10/13/15

FIRST FLOOR PLAN

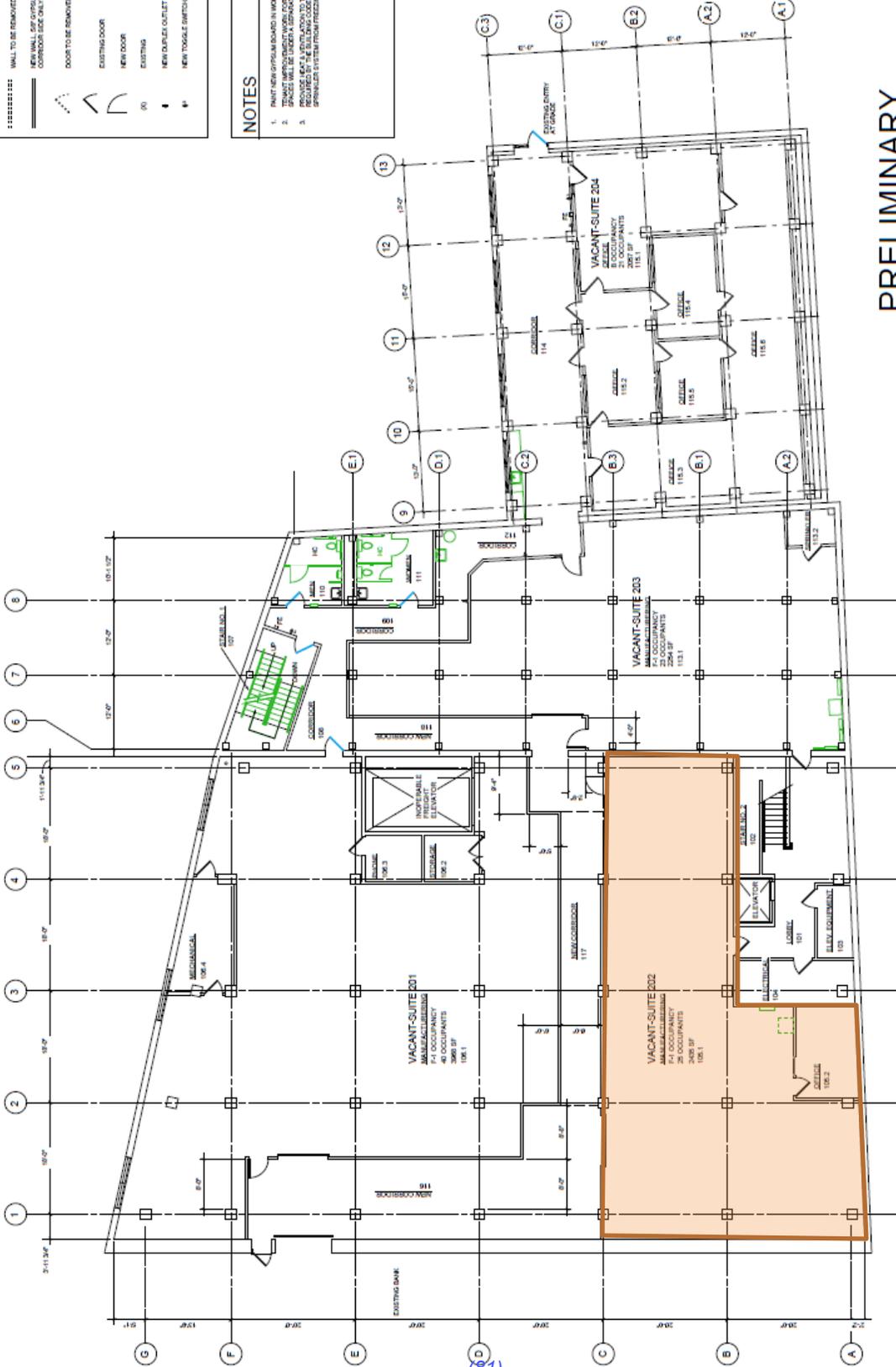
Sheet Number:
A1
100

LEGEND

-----	EXISTING WALL
-----	WALL TO BE REMOVED
-----	NEW WALL, SEE CUSTOMER BOARD ON CORRIDOR, SEE ONLY
-----	DOOR TO BE REMOVED
-----	EXISTING DOOR
-----	NEW DOOR
-----	EXISTING
-----	NEW DUPLEX OUTLET
-----	NEW TOGGLE SWITCH, 3-WAY

NOTES

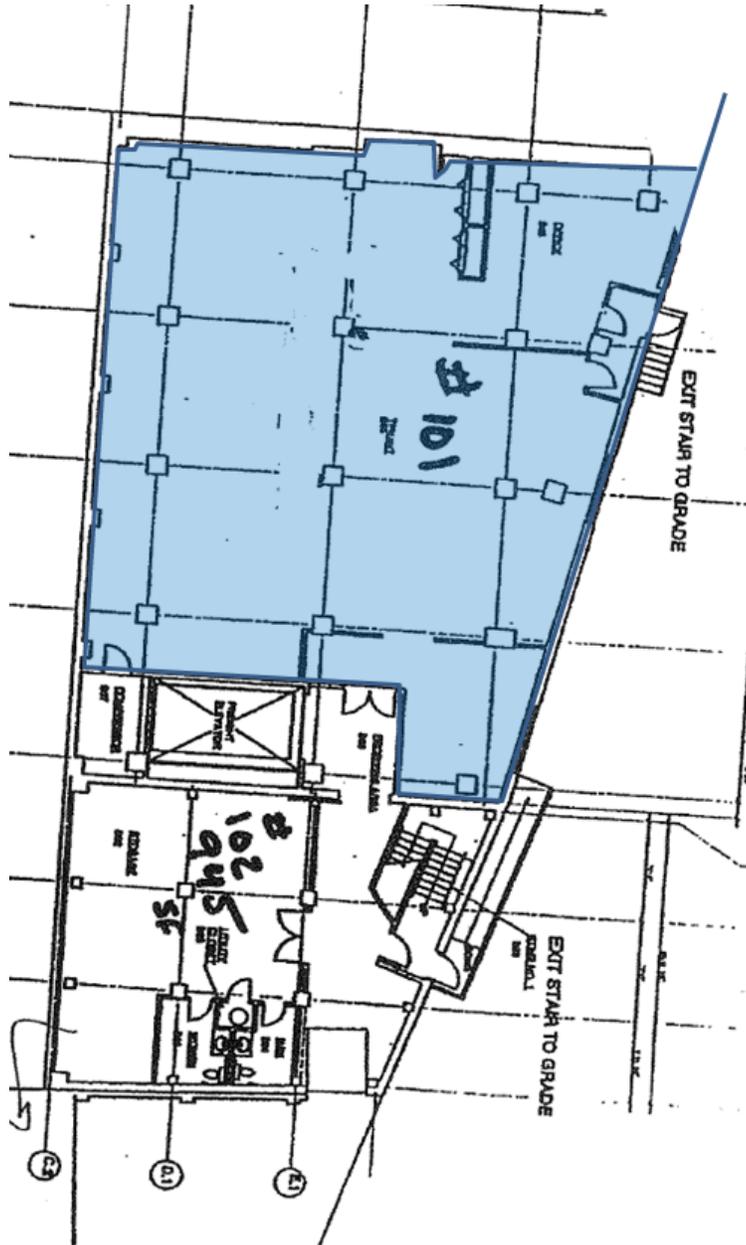
1. PAINT HALLS AND DOORS IN WORK AREA.
2. TRIM AND IMPROVEMENTS WORK FOR THE LEASABLE SPACES WILL BE UNDER A SEPARATE BUILDING PERMIT REQUIRED BY THE BUILDING CODE AND NOT PROTECTED BY SPRINKLER SYSTEM FROM FREEZING.



PRELIMINARY

1 FIRST FLOOR PLAN/DEMOLITION PLAN
18'-0" x 0"

Exhibit A



Commission Memo



Prepared by: Anne Medenbach
Date: January 12, 2016
Re: pFriem Brewing Company - Halyard Suite 104 Lease

pFriem Brewing Company, LLC would like to move forward with a lease for Suite 104 at the Halyard Building, currently occupied by Real Carbon Inc. This can be accomplished through Lease Amendment No. 2 to the current lease (attached).

The rate for Suite 104 will be \$0.98/sf plus NNN and utility fees. The Port is obligated to connect the current HVAC system in the suite to the main roof top unit. The engineer's estimate for this is will also be provided at the meeting.

RECOMMENDATION: Approve Lease Amendment No. 2 with pFriem Brewing Company at the Halyard Building, subject to legal counsel review.

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SECOND AMENDMENT TO LEASE

Whereas: On February 2, 2015, Port of Hood River, (Lessor) an Oregon municipal corporation, as Lessor, and pFriem Brewing Company, LLC, an Oregon limited liability company, as Lessee, entered a Lease of premises known as Tenant Space 101, 102 and 103 in the Halyard Building and an adjacent patio located at 707 Portway Avenue, Hood River, Oregon (“Lease”); and

Whereas, on January 12, 2016 the Port of Hood River Board of Commissioners approved to add Suite 104, totaling 4,774 sf, to the lease at a rate of \$0.98 per square foot with the CPI increase as applied to Suites 101,102, and 103.

Therefore, the parties agree as follows:

Lessee may take occupancy of Suite 104 as of February 1, 2016. All lease obligations will begin as of that date.

Lessor will provide the connection to the existing HVAC building system and verify that it is functioning correctly. This connection and verification will take up to 3 months from the execution of this amendment. Lessee will be responsible for any additional HVAC modifications that are required for business operations. Lessor will not provide HVAC enhancements, but will maintain the system that is provided in this amendment.

Except as modified by Amendment No. 1 and this Amendment No. 2 to Lease, all terms and conditions of the Lease shall remain in full force and effect.

Lessee, pFriem Brewing Company,
LLC

Lessor, Port of Hood River

By: _____ Kenneth
Stephen Whiteman General Manager
Date _____

By: _____
Michael S. McElwee
Executive Director
Date _____

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Commission Memo



Prepared by: Michael McElwee
Date: January 12, 2016
Re: Key Projects List Update to Strategic
Business Plan

Commission input is sought to the attached update to the 2014-18 Strategic Business Plan (SBP) Key Projects List. Updates are required as part of the IGA with Oregon Business Development Department approved by the Commission in August 2015.

Each capital project listed in the SBP was 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.

Staff recommends the capital projects listed in the update be included the 10-year Financial Model and listed as an update to the Port's Strategic Business Plan.

RECOMMENDATION: Approve updated Strategic Business Plan Key Projects List.

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Key Projects List - January 2016

PROJECT	COST	TIME FRAME	FUNDING SOURCE	PRIORITY CATEGORY
Interstate Bridge				
Tolling System Upgrade	250,000	2016	Port	
Lift Span Repairs - Immediate	60,000	2015/16	Port	
Auxiliary Truss Repairs	400,000	2016-17	Port	
Rope Replacement	100,000	2015/16	Port	
Painting Lift Span	2,750,000	2018/19	Port	
Truck / Overweight Vehicle Signage	75,000	2016/17	Port	
Guard Rail Replacement	300,000	2017	Port	
Final EIS	2,000,000	2019/20	Port	
Seismic Upgrades	1,000,000	2020/21	Port	
Industrial Development				
Lot #1				
- 1st Street Relocation	1,500,000	2019/20	Port / URA	
- Anchor Way Extension	750,000	2019/20	Port /URA	
- IAMP Projects	1,500,000	2019/20	Port /URA	
- New Industrial Building	3,000,000	2021/22	Port /Loan	
Lower Mill				
- Utilities (Including Crystal Springs Water)	350,000	2016/17	Port	
- New Industrial Building	1,750,000	2018/19	Port	
New Industrial Property Acquisition / Building	2,000,000	2019/20	Port	
Jensen Breeze-way Building	1,500,000	2020/21	Port	
Ken Jernstedt Airport				
North Ramp Upgrade	2,500,000	2016/17	Port	
FBO Relocation	5,000,000	2018/19	Port	
Taxiway B	3,500,000	2020/21	Port	
New Commercial Hangar	1,000,000	2018/19	Port	
New T-Hangar Block	1,000,000	2017/18	Port	
New T-Hangar Block	1,000,000	2017/18	Port	
Marina				
South Dock Upgrade	250,000	2016/17	Port	
New Visitor Dock	650,000	2020/21	Port	
Dinghy Storage Yard	250,000	2016/17	Port	
Perimeter Path & Fence	100,000	2020/21	Port	
Recreation				
Parking Plan	80,000	2016/17	Port	
Beach Restoration	150,000	2017/18	Port	
H/C Fishing Platform	300,000	2018/19	Port	
Event Site Restroom Upgrade & Addition	200,000	2018	Port	
Relocate Electrical Facility at Marina Green	500,000	2016/17	Port	
Facilities				
Shop Solar Installation	200,000	2020	Port	
Jensen Building Roof Replacement	150,000	2016	Port	
Wasco Building Lighting Upgrades	15,000	2016	Port	
Paving (does not include regular capital maintenance)				
Jensen Building Parking	150,000	2017	Port	

Key Projects List

Current Status Fall 2015

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 / STATUS
Interstate Bridge				
Deck Weld Repairs	50,000	2013-Ongoing	Port	Complete
Lift Span Assessment	60,000	2014-15	Port	Complete
Seismic Vulnerability Study	30,000	2014-15	Port	
Gusset Plate Triage Evaluation	40,000	2014-15	Port	Complete
Repair North Approach Ramp	325,000	2014-15	Port	Complete
Repair Auxiliary Brace Connections	400,000	2014-15	Port	
Final EIS for Replacement	2,000,000	2015-16	Port	
Seismic Upgrades	1,000,000	2018-19	Port	
Waterfront Industrial-- Lot 1				
Nichols Basin Ped / Bike Path	500,000	2014-15	Port / Grants	Complete
1st Street Relocation	1,238,000	2016	Port / URA	
New Commercial Building	2,500,000	2017-18	Port / Loan	
Anchor Way 1st to 2nd, including stoplight	1,000,000	2018	Port / URA	
Light Watercraft Center	250,000	2018	Port / URA	
New Industrial Building	6,000,000	2018-19	Port / Loan	
Paving (does not include regular capital maintenance)				
E. Port Marina Way	23,590	2014-15	Port	Complete
E. Port Marina Drive	47,120	2015	Port / OSMB	Complete
Vistor Center Access and Parking	30,429	2015	Port	Complete
Land Acquisition				
Industrial Property	916,000	2015	Port/Loan	Complete
Clean-up, Entitlements & Marketing	150,000	2016	Port	Complete
Ken Jernstedt Airport				
Revise Master Plan & Airport Layout Plan	204,000	2014-16	Port / FAA	Awaiting FAA
Develop Additional T-Hangars	250,000	2016	Port/Loan	
Taxiway B Extension and Apron Reconstruction	1,500,000	2017-18	Port / FAA	
Relocate FBO & Av Gas	500,000	2018-19	Port / FAA	
Marina				
Boathouse Dock Replacement	200,000	2013-14	Port/Loan	Complete
Master Plan	50,000	2014-15	Port	Complete
Visitor Dock Rehabilitation	650,000	2017	Port / OSMB	
South Dock Upgrade	250,000	2019-20	Port/Loan	
Recreation				
Frontage Road Ped/Bike Path	439,000	2014	Port / ODOT	Complete
Hook: West Launch	125,000	2014-15	CGWA/Parks/Port	Complete
Hook: Bike / Ped Trail	100,000	2016	Port / City	

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)
Complete (projects that have been completed)
Near Complete (projects are underway with expected completion by the end of the fiscal year)

Complete

Commission Memo



Prepared by: Michael McElwee
Date: January 12, 2016
Re: Payment to Attorney Matt Cockrell

In the 1980's the Port installed a state-of-the-art drain field system to accommodate spray operations at the White Hangar at the Airport. In 2009 the drain field site was identified by the state of Oregon as a candidate for remediation. Lengthy environmental investigation was then conducted by the Port under the direction and approval of the State of Oregon Department of Environmental Quality.

In background research the Port determined that prior insurance policies remained in effect and could be utilized for reimbursement of site investigation and remediation costs. Matt Cockrell, a midwest based attorney was retained to represent the Port in resolving the Port's claim with four separate insurance companies. Mr. Cockrell represented the Port on a contingent fee basis.

The environmental matter is now fully resolved. Some small payments have been made to Mr. Cockrell over the past several years based on insurance company payments made to the Port. This invoice represents the final payment to Mr. Cockrell.

RECOMMENDATION: Authorize Payment to Matt Cockrell for Attorney Fees Associated with the Airport Insurance Claim not to exceed \$5,651.77.

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