

**Agenda**  
**2021 Fall Planning Work Session**  
December 7, 2021, 1:00 – 5:00 P.M.  
Via Remote Video Conference

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<b>I.</b>	<b>Overview/Objectives</b>	<i>5 min.</i>	<i>Ben Sheppard</i>
<b>II.</b>	<b>Financial Policies &amp; Overview</b> <ul style="list-style-type: none"><li>• Port Financial Policies and Assumptions</li><li>• 10-Year Financial Model<ul style="list-style-type: none"><li>▪ Reserves</li><li>▪ Debt Obligations</li><li>▪ Revenue/Expense Highlights</li><li>▪ 3-5 Yr. Operating History</li></ul></li><li>• Bridge Revenues and Uses</li><li>• Debt Capacity Framework</li></ul>	<i>45 min.</i>	<i>Fred Kowell</i>
<b>III.</b>	<b>Key Issues Discussion</b>		
	<b>A. Long Term Financial Sustainability</b>	<i>30 min.</i>	<i>Michael McElwee</i>
	<b>B. Hood River Bridge - Existing</b> <ul style="list-style-type: none"><li>• Capital Maintenance Plan</li><li>• Key Issues</li></ul>	<i>30 min.</i>	<i>Michael McElwee John Mann</i>
	<b>C. Hood River Bridge Replacement</b> <ul style="list-style-type: none"><li>• Strategic Work Plan</li><li>• Key Issues</li></ul>	<i>30 min.</i>	<i>Kevin Greenwood</i>
	<b>D. Real Estate Development</b> <ul style="list-style-type: none"><li>• Current Efforts</li><li>• Key Issues</li></ul>	<i>30 min.</i>	<i>Greg Hagbery</i>
	<b>E. Ken Jernstedt Airfield</b> <ul style="list-style-type: none"><li>• Current Efforts</li><li>• Key Issues</li><li>• Ground Leasing</li></ul>	<i>30 min.</i>	<i>Greg Hagbery</i>
	<b>F. Ordinance 24</b> <ul style="list-style-type: none"><li>• Key Issues</li></ul>	<i>30 min.</i>	<i>Daryl Stafford</i>
	<b>G. 2021-23 Communications Plan</b>	<i>30 min.</i>	<i>Genevieve Scholl</i>
<b>IV.</b>	<b>Open Discussion, time permitting</b>		
<b>V.</b>	<b>Adjourn</b>		

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December 7, 2021  
Fall Planning Session

Discussion Topic:  
**Financial Policies**

**SBP Reference:**

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*The Financial Administrative Policies and Procedures articulate the policies, goals and major objectives which will guide the Port in its fiscal responsibilities for the foreseeable future.*

*- Appendix D, Attachment 6, Page 145*

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**Overview:**

Financial policies that the Board has approved guide financial decision making regarding the level of capital improvements that the Port incurs from year to year and also determines the magnitude of debt that is issued. The policies also keep expense growth in check while looking at when revenue generation needs to occur. In addition, financial policies are a requirement in the issuance of any debt.

The Port's three key financial policies that are integral to the 10-year financial model are as follows:

- **Reserves** – The Port has a formal policy that strives to keep reserves to a level of 10% of the depreciable assets. By having this policy, the Port will have enough liquidity in difficult times to handle emergencies and the flexibility for policymakers may need when an opportunity arises. It also provides a reserve to either replace or improve existing capital assets. I would like to highlight two significant points to this rule. In most cases, the bond market will require an entity that issues debt to hold in reserve an amount equal to the annual debt service, plus additional reserves to show that prudent financial policies have been implemented. By having a 10% rule, the Port is able to factor the debt service reserve as part of the calculation but can issue debt at a lower risk than an entity that does not have proven reserves. By having adequate reserves, the bond issuer is provided a higher debt rating and can establish a lower cost of capital. Today, the Port has over a year's worth of reserves to use toward operations and capital projects within its budget.
- **Debt Coverage Ratio** – A debt coverage ratio is the ratio of net operating cash flow divided by the amount of debt service an entity can incur or obtain. Maintaining a ratio of 2.0 provides a bookend to the Port in holding down operating expenses in line with revenues. This also allows an organization to go to the bond market and obtain favorable financing. This key financial policy will keep an organization from growing beyond its means with respect to its cost structure (i.e., personnel, materials and services) and the revenues it can generate from its assets.
- **Return of Investment** – The Port uses a term called “Cash-on-Cash Return before Debt Service and Capital Outlay.” This ratio looks at revenues less operating costs (excludes

depreciation) to come to net cash operating income. Net operating income is then divided by the asset (investment) value. This ratio reflects the return on an asset or group of assets and provides a gauge for policymakers in moving forward with an acquisition or capital improvement. The Port hovers between 3.2% to 4% on its Cash-on-Cash Return before Debt Service and Capital Outlay.

The presentation of the financial model will include the summary and major areas (i.e., Bridge, Capital Outlay, Grants and debt).

**Key Assumptions:**

Several key assumptions were included in the forecast as follows:

- Increase to the CPI index due to the inflationary impacts in the past year and due to the federal stimulus that has and may occur in the near future. In previous forecasts, the CPI was 2.5% which has been moved down to 3.5% over the next two years to fall in line with other municipal models.
- The increase in the PERS rates due to the unfunded liability has been taken into consideration starting in FY 2017-18 going forward.
- In consultation with bridge engineer HDR, we have included the replacement of the wire ropes on the bridge starting in early summer 2022 with the majority in fall 2022. Also included is work on the load analysis for the bridge with a \$1 million placeholder in the FY 2022-23.
- In the FY 2021-22 Spring Planning session there was agreement to include a CPI toll increase within the model and for the budget. Whether such a toll increase occurs is a separate decision. A potential increase to fund some of the replacement bridge engineering costs has been discussed and is part of another discussion later in this presentation.

Please Note: The Port has a Master Revenue Bond Declaration that depicts the covenants any bond issuance from the Port must adhere to. It's a complex legal document that assists any underwriter in sponsoring a bond issuance in the bond market, as well as the requirements of an issuer. A review of some of the more important factors of the Master Declaration can be part of the Fall Planning discussion if the Commission feels such a review is helpful.

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Fall Planning Session

Discussion Topic:  
**10-Year Financial Forecast Development**

**Overview:**

The 10-Year financial forecast was developed to provide management and the Board with a way to evaluate how changes in policy will impact the finances and operations of the Port in the future and how to prepare for such changes.

The basic components of the financial model are as follows:

- **Summary** – The summary schedule is derived from all the other schedules in the model and provides decision makers with a financial outlook for the Port over the next 10 years and illustrates needed or potential changes.
- **Capital Projects** – Capital projects are the largest cost driver of the Port and for the model, representing the largest impact to the Port over the 10 year time horizon.
- **Debt** – Debt is used in conjunction with Capital Projects to level cashflow for the Port over the period of the model.
- **Grants/Other Sources** – Grants and other resources assist the Port in reducing the amount of reserves and debt that need to be issued for Capital projects or for large planning endeavors (i.e., replacement bridge).
- **Assumptions** – In any modeling, there are assumptions that have to be made with the best information available. Since those assumptions change as actual events occur, the model is updated for such changes.
- **Asset Centers** – Each asset center (i.e., bridge, industrial properties, airport, marina, recreation, waterfront, etc.) has its own data spreadsheet that is updated based upon changes that have occurred or will occur that are known at the time of preparing the forecast.

The 10-year financial forecast is updated twice a year at Fall and Spring Planning. Due to changes that occur throughout the year, and for future events that are known at the time, the model is updated. During the planning sessions with the Board the model is reviewed. However, whenever Board discussions are formally agreed upon, those decisions are calculated into the model with the best information at the time.

The 10-year financial forecast houses the existing debt that the Port has as well as the known and unknown debt that is contemplated in the future based upon Capital Projects that are forecasted to occur.

The 10-year financial forecast depicts revenues within each asset center datasheet.

- Bridge - Forecasted bridge traffic and the assumptions with regard to the toll rate.

- Industrial/Commercial properties are derived by the price per square foot and any changes in lease rates. Also, any reimbursement of costs like utilities and taxes or additional rent. In addition, street parking is captured in this datasheet.
- Marina and Airport revenues are tied to lease rates and the number of slip and hangars. Grants play an important role in funding capital projects that occur at the Airport. The FAA is one of the few granting agencies that provide grants with only a 10% match. In addition, the Marina has revenues from the guest dock and from cruise ships.
- Waterfront recreation revenues are tied to season/daily passes, concessionaires, events, and picnic rentals.

**Port of Hood River  
Long Range Financial Model  
Updated: December 7, 2021**

Agency-Wide Statistic	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Operating Revenues	\$9,029,052	\$8,397,153	\$8,854,424	\$9,825,415	\$11,428,903	\$11,663,013	\$12,408,072	\$12,905,950	\$13,237,669	\$13,581,740	\$13,825,397	\$14,110,239
Total Direct Operating Expenses	\$3,411,606	\$3,783,387	\$3,522,256	\$3,302,585	\$3,176,197	\$2,869,126	\$2,969,545	\$3,073,479	\$3,181,051	\$3,292,388	\$3,407,622	\$3,526,888
Total Allocated Personnel	\$2,221,716	\$2,375,409	\$2,569,055	\$2,639,700	\$2,710,761	\$2,633,172	\$2,699,002	\$2,766,477	\$2,835,639	\$2,906,530	\$2,979,193	\$3,048,866
Net Operating Income before Debt Service and Capital Outlay	\$3,395,730	\$2,238,358	\$2,763,113	\$3,883,130	\$5,541,944	\$6,160,715	\$6,739,525	\$7,065,994	\$7,220,979	\$7,382,822	\$7,438,583	\$7,534,485
Cash on Cash Return before Debt Service and Capital Outlay	5.3%	3.4%	4.0%	5.3%	6.9%	6.8%	6.8%	6.7%	6.7%	6.8%	6.4%	6.2%
Net Operating Income after Debt Service and Net Capital Outlays (Excl. Grant Funded)	\$419,189	\$2,925,440	\$2,113,116	\$1,484,656	\$1,061,842	\$3,916,600	\$3,620,288	\$4,365,261	\$4,913,371	\$6,018,818	\$5,721,721	\$4,082,999
Cash on Cash Return after Debt Service and Capital Outlays (Excl. Grant Funded)	0.6%	4.4%	3.1%	2.0%	1.3%	4.3%	3.7%	4.1%	4.6%	5.5%	4.9%	3.3%
No. FTE in Port Buildings	303	324	332	326	326	326	326	326	327	327	327	327
Wages of Jobs in Port Buildings	\$13,932,611	\$15,332,461	\$15,964,681	\$16,088,313	\$16,651,404	\$17,234,204	\$17,837,401	\$18,424,445	\$19,069,301	\$19,736,726	\$20,427,512	\$21,142,474
End of Year Reserves	\$9,367,081	\$12,368,379	\$12,512,767	\$13,009,223	\$13,103,843	\$16,105,730	\$18,838,955	\$22,349,610	\$26,456,260	\$31,736,510	\$36,797,970	\$40,275,066
Reserves from Sale of Assets	\$3,106,074	\$3,106,074	\$3,106,074	\$3,840,492	\$4,175,904	\$4,672,488	\$5,289,294	\$5,289,294	\$5,289,294	\$5,289,294	\$5,289,294	\$5,289,294
Reserves Unassigned	\$6,261,007	\$9,262,305	\$9,406,693	\$9,168,732	\$8,927,939	\$11,433,242	\$13,549,662	\$17,060,317	\$21,166,967	\$26,447,217	\$31,508,677	\$34,985,772
10% on Net Depreciable Assets	\$5,630,538	\$5,744,382	\$6,082,599	\$6,923,417	\$8,315,083	\$10,724,867	\$12,760,778	\$14,068,764	\$14,618,264	\$15,492,914	\$17,357,864	\$19,808,014
Excess (Under) 10% Depreciable Assets	\$630,469	\$3,517,923	\$3,324,094	\$2,245,315	\$612,856	\$708,376	\$788,884	\$2,991,553	\$6,548,703	\$10,954,303	\$14,150,813	\$15,177,758
Total Capital Assets - Revenue	\$40,082,971	\$40,733,252	\$41,443,838	\$45,046,988	\$53,959,888	\$72,766,555	\$87,173,222	\$99,447,111	\$103,638,778	\$106,613,778	\$119,141,778	\$131,669,778
Total Capital Assets - Govt	\$14,218,668	\$15,616,038	\$16,080,433	\$16,381,862	\$18,223,862	\$26,398,862	\$33,218,862	\$38,893,862	\$40,738,862	\$41,908,862	\$48,030,362	\$54,151,862
Less: Land Sales	\$-	\$-	\$-	\$734,418	\$335,412	\$496,584	\$616,806	\$-	\$-	\$-	\$-	\$-
Add: Capital Improvements	\$2,003,744	\$1,094,534	\$3,301,721	\$7,070,900	\$10,631,667	\$7,586,667	\$6,598,889	\$2,346,667	\$1,805,000	\$6,406,500	\$6,406,500	\$12,258,500
10%	\$5,630,538	\$5,744,382	\$6,082,599	\$6,923,417	\$8,315,083	\$10,724,867	\$12,760,778	\$14,068,764	\$14,618,264	\$15,492,914	\$17,357,864	\$19,808,014



Capital Projects

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Big 7</b>										
Tenant Improvements	\$9,700	\$20,000	\$20,000	\$20,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Building Upgrades/Roof	\$230,314									
Big 7 Lower Driveway	\$19,000									
HVAC/Site/Landscape/Parking	\$39,000	\$20,000	\$20,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
<b>Total</b>	\$240,014	\$39,000	\$20,000	\$20,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
<b>Maritime Building</b>										
Tenant Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Upgrades/Roof										
Site/Landscape/Parking/Sign	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
<b>Total</b>	\$0	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
<b>Waterfront Infrastructure</b>										
Capital Outlay	\$0									
Portway Ave. Angled Parking										
Portway Avenue Road Project										
Parking / Transit Center										
1st Street Re-Alignment										
Portway 1st and 2nd reconstruction										
E. Anchor Way Extension	\$11,428	\$60,000	\$1,750,000							
West Nichols Basin Ped/Bike Path										
Contingency - Infrastructure		\$330,000								
Various Rehabilitation	\$9,000	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Visitor Center/DMV S. Parking Lot	\$0		\$250,000				\$300,000	\$0	\$0	\$0
E. Port Marina Drive, Portway, Anchor Way	\$11,428	\$399,000	\$2,030,000	\$170,000	\$0	\$0	\$300,000	\$0	\$0	\$0
<b>Total</b>	\$11,428	\$399,000	\$2,030,000	\$170,000	\$0	\$0	\$300,000	\$0	\$0	\$0
<b>Halvard Building</b>										
TI/Placeholder	\$260,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Pfitem TI/HVAC/Roof Work	\$0	\$10,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
<b>Total</b>	\$260,000	\$20,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
<b>Jensen Building</b>										
Site/Landscape/Parking	\$29,785	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Building Upgrades/HVAC/Roof	\$114,400	\$10,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Breeze-Way Upgrades/Entry Doors	\$25,000									
Tenant Improvements	\$0									
<b>Total</b>	\$29,785	\$189,400	\$20,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
<b>State Office Building</b>										
Building Upgrades/Tenant Improvem	\$0	\$25,000	\$30,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Total</b>	\$0	\$25,000	\$30,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Marina Office Building</b>										
Overall Building Upgrades	\$0	\$30,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Total</b>	\$0	\$30,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Port Office Building</b>										
Generator/Charging Station	\$20,000									
Building Upgrades	\$26,744	\$120,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Total</b>	\$26,744	\$140,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>JWP-Timber Building</b>										
Tenant Improvements	\$9,670	\$15,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Building Upgrades	\$15,000	\$15,000	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Total</b>	\$9,670	\$15,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>South Marina Commercial/Retail Complex</b>										
A/E	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0
<b>Wasco - Building</b>										
Electrical Upgrade	\$0	\$35,000	\$15,000	\$15,000	\$15,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Tenant Improvements	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$100,000	\$50,000	\$50,000	\$50,000	\$50,000
<b>Total</b>	\$0	\$50,000	\$15,000	\$15,000	\$15,000	\$100,000	\$50,000	\$50,000	\$50,000	\$50,000
<b>Hanel / New Initiatives</b>										
Light Industrial and Land Acquisition	\$17,087	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	\$17,087	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Sub-Total Commercial/ Industrial Properties</b>	\$594,728	\$952,400	\$2,195,000	\$395,000	\$330,000	\$280,000	\$580,000	\$230,000	\$230,000	\$1,220,000
<b>Airport</b>										

Commercial/Industrial Properties

Capital Projects

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Airport</b>										
Replace Lights/Gates	\$27,337	\$62,000								
Taxiway B Ext & South Apron			\$166,667	\$166,667	\$166,667	\$166,667				
Master Plan/FBO Building/Avgas Relocate	\$3,383,529	\$35,000					\$166,667			
North Apron Expansion/E Side Hangar Dev		\$3,450,000								
E Side + Commercial Hangar Dev		\$5,400								
T-Hangars and Doors/Hangar Design	\$0	\$5,400								
Jet Fuel Tank	\$104,444									
AWOS/Crack Seal, Slurry Seal/Tracking System	\$25,599	\$60,000					\$22,222			
<b>Sub-Total Airport</b>	\$3,540,909	\$3,612,400	\$166,667	\$166,667	\$166,667	\$188,889	\$166,667	\$0	\$0	\$0
<b>Bridge</b>										
Replacement Bridge Engr + Permits (BUILD+HB 2017)	\$59,258	\$168,000	\$1,264,000	\$3,736,000	\$2,044,000	\$3,890,000				
Replacement Bridge Engr + Permits (WA or OR CIAC)		\$489,000								
Approach Structures			\$150,000							
Bridge Deck Overlays	\$13,248	\$450,000								
Approach Span Replacement OR (2030)	\$0									\$423,500
Approach Span Replacement WA (2031)										
Foundations										
Pier Underwater Inspections/Eval.	\$0	\$60,000								
Pier 6 & 8 Concrete Repairs (2027/28)								\$750,000		
Pier Cap and Bearing Inspection/Eval	\$20,000									
Pier Cap Rehabilitation			\$89,000	\$300,000						
Misc Steel Repairs	\$24,810	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$100,000
Lift Span Seismic - Phase I (2036)										
WA/OR Deck Truss Spans - Phase I Seismic (2030)										
Paint Systems										
Maintenance Painting			250,000	250,000						
Painting - Lift Span (2030)										
Deck Systems & Railings										
Lift Span Guardrail Replacement	\$0	\$20,000	\$80,000							
Analyze Rubrail replacement	\$15,000									
Bridge Rail Replacement				\$1,365,000						
Open Grid Steel Decking Replacement										
Deck Welding & Rail Repairs	\$46,720	\$120,000	\$60,000	\$120,000	\$60,000	\$60,000	\$120,000	\$60,000	\$5,261,500	\$5,261,500
Lift Span M&E										
Rehab Live Load Supports (North & South)	\$72,393	\$90,000	\$45,000	\$50,000	\$200,000					
Replace Rack/Pinion shafts, Coupling Keys	\$0	\$60,000	\$1,600,000					\$1,000,000		
Replace Counterweight ropes										
Load Posting Analysis & Rehab	\$36,000	\$60,000	\$1,000,000							
Embankment Sloughing at S Abutment	\$0	\$0	\$40,000							
Clean and Reset Bearings			\$20,000							
Counterweight Trunnion/ Biennial M&E Inspec	\$0	\$62,000								
Toll System	\$49,000	\$138,000	150,000							
Signage/Lights/Gates/Cameras	\$0		\$230,000							
Replace Sliding Toll Booth										
Inspections/Repairs Ongoing Maintenance (See "Other Expenses" in Toll Bridge	\$0	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
<b>Sub-Total Bridge</b>	\$301,429	\$1,842,000	\$8,175,000	\$6,820,000	\$5,675,000	\$1,845,000	\$1,170,000	\$6,121,500	\$6,121,500	\$10,983,500

Capital Projects

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Marina</b>										
Capital Maintenance/parking	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Visitor Dock Rehabilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Electrical Upgrade	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Boathouse Dock Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Boat Ramp repair	\$0	\$283,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Floot and Rip Rap Repair	\$0	\$70,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cruise Ship Dock/System Implementation	\$15,290	\$15,290	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Marina Park</b>										
Total	\$15,290	\$353,600	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Frontage Rd Pedestrian Bridge Trail/Restroom	\$5,393	\$65,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Irrigation Pump House/Landscaping/Signage	\$10,429	\$70,500	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Marina Perimeter Path/Power Vault/Fencing	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Yacht Club Restroom Upgrade/Tables/Shelters	\$30,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$15,822	\$175,500	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Landscaping/Signage	\$39,156	\$25,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Restroom Upgrade	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parking/Site Entrance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Jetty Repair	\$8,301	\$45,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Event Site Dock Repairs	\$47,457	\$70,000	\$10,000	\$10,000	\$360,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total	\$47,457	\$70,000	\$10,000	\$10,000	\$360,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Hook/Spit/Nichols</b>										
Grading/Signage/Amenities	\$0	\$35,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Nichols Basin Dock Ramp/Sewer Line	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Launch/Spit/Nichols	\$9,400	\$30,000	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total	\$9,400	\$65,000	\$65,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Sub-Total Recreation	\$72,679	\$310,500	\$80,000	\$190,000	\$390,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
<b>GRAND TOTAL</b>	\$4,525,035	\$7,070,900	\$10,631,667	\$7,586,667	\$6,598,889	\$2,346,667	\$1,805,000	\$6,406,500	\$6,406,500	\$12,258,500



GRANTS, LOAN REPAYMENTS, THIRD PARTY FUNDS

Payment Type	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Big 7		\$24,108								
Loading Dock/Conidor										
Repay TIS										
Annual Total		\$24,108								
KWPB										
Repay TIS										
Annual Total										
UTS Portside Bldg.										
Demolition										
Annual Total										
State Office Building										
Remodel										
Marina Office Building										
Remodel										
Port Office Building										
Remodel										
Port Office Building										
Remodel										
JWPB-Timber Building										
Remodel										
Wasco St. Office Building										
Tenant Improvements										
Repayment										
Maritime Building										
Planning and Design										
Loan										
Jensen Building Improvements										
Remodel										
Hayward Building										
Repayment										
TT/State Grant Def Rent										
Waterfront Industrial										
Repayment of Sewer Plant Loan										
Repayment of Consolidated LRA Loan										
Riverside Reconstruction										
Grant										
1st Street Re-Alignment										
Grant										
E. Portway Ave. Upgrades										
Grant										
E. Anchor Way Extension										
Grant										
West Nicholas Basin Ped/Bike Path										
Grant										
Portway Avenue EDA Grant										
Grant										
Contingency - Land/Bldg										
Defc										
Contingency - Infrastructure										
Defc										
TOTAL										
Handel/New Initiative										
Land Acquisition and Bldg										
Sub-Total Commercial/ Industrial Properties										
Airport										
Relocate Runways	Grant									
North Apron Expansion	Grant									
Master Plan/FBO Building	Grant									
Taxway B Ext & South Apron	Grant									
Grant										
North Apron Expansion	Grant									
E Hangar Development	Grant									
T-Hangers/E Hangar Development	Loan									
Jet Fuel Tank	Loan									
AWOS/Crack Seal, Slurry Seal	Grant									
Sub-Total Airport										
Bridge										
Bridge Improvements	Loan									
Grant										
Sub-Total Bridge										
Marina										
Capital Maintenance										
Visitor Dock Rehabilitation	Grant									
Electrical Upgrade	Loan									
Boathouse Dock Replacement	Loan									
South Dock Upgrade	Loan									
A/B Dock Expansion	Loan									
Total										
Marina										
Marina										
Recreation										
Park										
Frontage Rd Marina Green Path	Grant									
Marina Green Upgrades	Grant									
Event Site										
Total										
Landscaping/Signage/Paving										
Restroom Upgrade										
Dredging										
Jetty Repair										
Total										
Hook and Spit										
Grading/Signage/Amenities										
Sewer Line Bike Path										
Launch Upgrades										
Total										
Sub-Total Recreation										
GRAND TOTAL										



DEBT SERVICE SCHEDULE

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Waterfront Industrial</b>	\$0	\$0	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825
<i>New Initiative Waterfront 2014+</i>	\$0	\$0	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825
<i>Debt Service Waterfront 2014+</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Big 7</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Maritime Building-Existing</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>State Office Building</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Marina Office Building</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Hanel/New Initiative</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Construction Loan</b>	\$140,157	\$1,853,771	\$0	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577
<i>Total</i>	\$140,157	\$1,853,771	\$0	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577
<b>Port Office Building</b>	\$140,157	\$1,853,771	\$0	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577
<i>Total</i>	\$140,157	\$1,853,771	\$0	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577	\$97,577
<b>JWPB-Timber Building</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Wasco St. Office Building</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Maritime Building - New</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Debt Service Maritime 2014+</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Jensen Bldg.</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Phil Jensen Note</b>	\$145,002	\$144,942	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Refinance of 2020 Ballon Payment</i>	\$145,002	\$144,942	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Halvard Bldg.</b>	\$145,002	\$144,942	\$1,860,534	\$151,260	\$159,364	\$155,839	\$152,314	\$148,789	\$145,264	\$141,739	\$138,214	\$134,689	\$131,164
<i>Total</i>	\$145,002	\$144,942	\$1,860,534	\$151,260	\$159,364	\$155,839	\$152,314	\$148,789	\$145,264	\$141,739	\$138,214	\$134,689	\$131,164
<b>Sub-Total Commercial/ Industrial Properties</b>	\$285,159	\$1,998,713	\$1,861,359	\$151,260	\$257,766	\$254,241	\$250,716	\$247,191	\$243,666	\$240,141	\$236,616	\$233,091	\$229,566
<i>Total</i>	\$285,159	\$1,998,713	\$1,861,359	\$151,260	\$257,766	\$254,241	\$250,716	\$247,191	\$243,666	\$240,141	\$236,616	\$233,091	\$229,566
<b>Airport</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Debt Service Airport 2014+</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Bridge</b>	\$675,957	\$485,775	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Series 2013 Bonds +</i>	\$675,957	\$485,775	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$675,957	\$485,775	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Sub-Total Bridge</b>	\$675,957	\$485,775	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$675,957	\$485,775	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Marina</b>	\$27,155	\$26,435	\$25,670	\$24,840	\$28,850	\$27,750	\$26,650	\$25,550	\$24,450	\$23,350	\$22,250	\$21,150	\$20,050
<i>Marina Expansion C Dock (20)</i>	\$27,155	\$26,435	\$25,670	\$24,840	\$28,850	\$27,750	\$26,650	\$25,550	\$24,450	\$23,350	\$22,250	\$21,150	\$20,050
<i>Debt Service Marina 2014+</i>	\$67,918	\$66,624	\$65,206	\$64,725	\$66,725	\$64,625	\$67,262	\$64,787	\$67,580	\$69,648	\$66,593	\$66,593	\$66,593
<i>Total</i>	\$95,073	\$93,059	\$90,876	\$89,560	\$95,575	\$92,375	\$93,912	\$90,337	\$92,030	\$99,998	\$93,143	\$93,143	\$93,143
<b>Sub-Total Marina</b>	\$95,073	\$93,059	\$90,876	\$89,560	\$95,575	\$92,375	\$93,912	\$90,337	\$92,030	\$99,998	\$93,143	\$93,143	\$93,143
<i>Total</i>	\$95,073	\$93,059	\$90,876	\$89,560	\$95,575	\$92,375	\$93,912	\$90,337	\$92,030	\$99,998	\$93,143	\$93,143	\$93,143
<b>Recreation</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Park</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Event Site</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Hook and Spit</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Sub-Total Recreation</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTAL</b>	\$1,056,188	\$2,577,547	\$1,952,235	\$244,688	\$596,161	\$589,436	\$587,448	\$580,348	\$554,066	\$552,608	\$569,004	\$1,321,862	\$2,050,092



**PORT OF HOOD RIVER  
LONG RANGE FINANCIAL MODEL  
BASE ASSUMPTIONS**

Base Assumptions	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>CPI</b>	2.12%	3.93%	2.90%	1.74%	2.50%	3.50%	3.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
<b>CPI Multiplier</b>	1.021	1.039	1.029	1.017	1.025	1.035	1.035	1.025	1.025	1.025	1.025	1.025	1.025
<b>Cumulative CPI</b>	1.113	1.156	1.190	1.211	1.241	1.284	1.329	1.363	1.397	1.432	1.467	1.504	1.542
<b>Expense Differential</b>	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
<b>Expense Multiplier</b>	103.1%	104.9%	103.9%	102.7%	103.5%	104.5%	104.5%	103.5%	103.5%	103.5%	103.5%	103.5%	103.5%
<b>Annual Lease Revenue Growth</b>	2.1%	3.9%	2.9%	1.7%	2.5%	3.5%	3.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Annual Lease Revenue Growth Multiplier</b>	1.021	1.039	1.029	1.017	1.025	1.035	1.035	1.200	1.100	1.050	1.050	1.025	1.025
<b>Increase in Bridge Traffic</b>	1.25%	1.25%	0.00%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.10%
<b>Cumulative Increase in Bridge Traffic</b>	1.013	1.013	1.000	1.013	1.013	1.013	1.013	1.013	1.013	1.013	1.013	1.013	1.011
<b>ETC Toll</b>	\$ 1.05	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.25	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50
<b>ETC Toll Rate Compared Prior Year</b>	1.235	1.143	1.000	1.042	1.200	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
<b>Growth in Average Payroll per FTE</b>	2.1%	3.9%	2.9%	1.7%	2.5%	3.5%	3.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Growth in Payroll</b>	1.021	1.039	1.029	1.017	1.025	1.035	1.035	1.025	1.025	1.025	1.025	1.025	1.025
<b>Cumulative Growth in Average Payroll per FTE</b>	1.113	1.156	1.190	1.211	1.241	1.284	1.329	1.363	1.397	1.432	1.467	1.504	1.542
<b>Growth in Allocated Administration Costs</b>	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
<b>Admin Cost Multiplier</b>	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025
<b>Cumulative Growth in Allocated Admin Cost</b>	1.131	1.160	1.189	1.218	1.249	1.280	1.312	1.345	1.379	1.413	1.448	1.485	1.522
<b>Number of Marina Slips</b>	165	165	165	165	165	165	165	165	165	165	165	165	165
<b>Interest Rate on Reserve Funds</b>	1.5%	2.2%	2.2%	1.0%	1.5%	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Cash Toll</b>	35%	35%	35%	25%	20%	20%	20%	20%	20%	20%	20%	20%	20%
<b>Breezeby</b>	65%	65%	65%	75%	80%	80%	80%	80%	80%	80%	80%	80%	80%



December 7, 2021  
Fall Planning Session

Discussion Topic:  
**Use of Bridge Revenues**

**Overview:**

The attached spreadsheet depicts bridge revenues and the use of such revenues. A review of historical context is important in thinking about how the Port uses its bridge revenues. For several decades, the Port's governing body has determined that the first \$0.50 of a toll is revenue that is discretionary. Meaning, it is revenue that can be used for bridge and non-bridge uses. The tolls above \$0.50 were dedicated for bridge operations, including capital and debt service.

The spreadsheet depicts bridge revenues stratified by the above policy. The 2018 toll increase took the Breezeby toll from \$0.80 to \$1, and the Cash toll went from \$1 to \$2. Those 2018 toll revenues are reflected in the Bridge Repair & Replacement fund.

I have separated the costs by Revenue Fund and Bridge Repair & Replacement fund. The section below that depicts the non-bridge revenues and expenses.

The objective of the spreadsheet is to depict the uses of the toll revenues including how the discretionary portion was used toward non-bridge activities.

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**PORT OF HOOD RIVER**  
**Schedule of Revenues and Expenditures Depicting Subsidy**  
**For the Four Fiscal Years Ending June 30, 2021**

	Revenue Fund				Bridge Repair & Replacement Fund			
	2021	2020	2019	2018	2021	2020	2019	2018
<b>Revenues</b>								
Toll - 1st \$0.50 Discretionary	\$ 2,225,961	\$ 2,099,907	\$ 2,311,335	\$ 2,330,960				
Toll - Next portion (\$0.50 to \$0.80 Breezeby + \$1 Cash)	1,654,987	1,584,995	1,599,485	1,741,257				
Tolls - 2018 Increase - (\$0.80 to \$1 Breezeby + \$1 to \$2 Cash)					1,774,814	1,591,337	1,981,018	849,112
Other	32,802	61,291	16,475	32,446	1,348,336	1,397,655	1,473,192	265,399
<b>Total Revenues</b>	<b>3,913,750</b>	<b>3,746,193</b>	<b>3,927,295</b>	<b>4,104,663</b>	<b>3,123,150</b>	<b>2,988,992</b>	<b>3,454,210</b>	<b>1,114,511</b>
<b>Operating Costs</b>								
Personnel	1,149,066	1,052,059	935,293	837,710	269,647	268,774	255,689	157,059
Utilities	15,558	16,459	18,188	17,169				
Insurance	310,077	293,859	265,517	265,834	854	793	680	604
Maintenance	19,644	8,790	30,043	41,197	25,823	14,958	2,910	-
Professional Services	219,168	323,340	195,753	162,485	1,226,280	1,225,282	1,308,767	207,616
Transaction Costs (Transponder/Credit Card)	166,455	137,472	166,679	103,445				
Miscellaneous and IT	100,060	169,895	70,677	61,981	15,516	20,352	33,602	27,911
<b>Total Operating Costs w/o Depreciation</b>	<b>1,980,028</b>	<b>2,001,874</b>	<b>1,682,150</b>	<b>1,489,821</b>	<b>1,538,120</b>	<b>1,530,159</b>	<b>1,601,648</b>	<b>393,190</b>
Capital Improvements	49,000	122,229	261,098	197,498	216,428	228,954	775,664	528,244
Debt Service	-	-	-	-			485,776	677,267
<b>Net Revenues after Capital and Debt Service</b>	<b>\$ 1,884,722</b>	<b>\$ 1,622,090</b>	<b>\$ 1,984,047</b>	<b>\$ 2,417,344</b>	<b>\$ 1,368,602</b>	<b>\$ 1,229,879</b>	<b>\$ 591,122</b>	<b>\$ (484,190)</b>
Non-Bridge Revenues	\$ 3,140,056	\$ 3,126,963	\$ 3,232,159	\$ 2,700,347				
Non-Bridge Expenses	(3,386,376)	(3,327,477)	(3,111,388)	(2,818,894)				
Lobbying Costs (included in General Fund)	(202,333)	(153,331)	(172,943)	(127,331)				
<b>Net Operating Revenues</b>	<b>\$ (448,653)</b>	<b>\$ (353,845)</b>	<b>\$ (52,172)</b>	<b>\$ (245,878)</b>				
Income from grants and other sources (taxes)	3,107,187	1,573,662	413,082	1,417,736				
Capital Outlay	(4,303,260)	(1,763,843)	(1,292,940)	(2,892,725)				
Debt Service - Marina & Jensen	(255,641)	(219,305)	(270,531)	(381,331)				
Subsidy from Bridge revenues	\$ (1,900,367)	\$ (763,331)	\$ (1,202,561)	\$ (2,102,198)				
<b>Funds transferred in (out) of Reserve</b>	<b>\$ (15,645)</b>	<b>\$ 858,759</b>	<b>\$ 781,486</b>	<b>\$ 315,146</b>				
<b>Bridge Traffic</b>	<b>4,085,401</b>	<b>4,076,838</b>	<b>4,411,836</b>	<b>4,502,181</b>				
<b>Capital Outlay for Non-Bridge Assets</b>								
Airport North Apron, South Taxiway, Master Plan, etc.	\$ 3,540,909	\$ 1,266,901	\$ 424,343	\$ 1,993,950				
Big 7 Roof	230,313							
Halyard Building TI	260,000							
Jensen Environmental and other improvements	29,785	108,242		265,678				
HR Distillers Storm Line costs			96,727					
Hanel Land Improvements	17,087	114,257	511,887	275,070				
Parking Kiosks and Enforcement Equipment			69,074	76,813				
Wasco TI		84,822						
All Other Capital Projects	\$ 225,166	\$ 189,621	\$ 190,909	\$ 281,214				
<b>Total</b>	<b>\$ 4,303,260</b>	<b>\$ 1,763,843</b>	<b>\$ 1,292,940</b>	<b>\$ 2,892,725</b>				

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December 7, 2021  
Fall Planning Session

Discussion Topic:  
**Debt Capacity regarding Bridge Toll Increases**

**Overview:**

The attached spreadsheet answers the question of what amount of revenues would the Port generate from a small CPI increase versus a larger \$1 increase. This issue relates to having to raise funds above the amount that the Port has attained in grants (\$15 million) for bridge replacement engineering. Although this is one scenario, it gives us an idea of what can reasonably be accomplished in the short term.

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2021 Fall Planning Session  
December 7, 2021

Discussion Topic:

## **Long Term Financial Sustainability**

**SBP Reference:**

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*Establishing financial self-sustainability in all non-bridge arenas of Port operations is an overarching concern. Replacement of the bridge will require that future bridge tolls be used for repayment of construction debt, so they will no longer be available to support other Port facilities and services.*

*- Summary, Page 5*

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### **Overview:**

The Port relies on toll revenues to fund operations and capital projects that keep the Hood River Interstate Bridge safe and operational including bridge replacement activities. Some bridge revenue also supports other Port activities that help achieve other aspects of the Port's public mission. When the bridge is replaced in the next 8-10 years, the Port will need to carry out its public agency responsibilities under a fundamentally different business model. Over the past four years, the Port has discussed this challenge on several occasions, assessed the financial challenge and identified a variety of revenue enhancement options, and initiated several actions to increase revenue over time. As bridge replacement prospects increase, it is more important for the Commission to reconsider our working assumptions and develop more specificity about future actions to achieve future financial sustainability.

### **Background:**

The future financial sustainability of the Port is a complex subject. Crafting a specific, long-term strategy touches on many aspects of the Port's operations. These include the Port's fundamental mission as a public agency, service quality, staffing levels, capital investment, reserves, debt capacity and the financial resources needed to keep the current bridge safe and operational while supporting bridge replacement efforts. The following is intended to be an outline of this complex subject to guide Commission discussion.

- **Challenge**

- Port tax base is minimal-- lowest in the State of Oregon—funding is primarily from enterprise activities.
- Bridge is about 65% of total Port revenue
- Port utilizes about \$1.25 million/yr. to support non-bridge activities, but this amount fluctuates depending on many factors.
- A new bridge will not allow toll revenue to be used for non-bridge purposes
- Port must continue taking steps to increase revenue and decrease expenses to reach fiscal sustainability when a Replacement Bridge is built
- The largest annual “loss” the Port incurs every year is associated with Waterfront Recreation—this is the most challenging deficit to offset

- Revenue enhancement actions will likely not be enough to support the Port's operations as currently configured—the Port will need to be “sized” based on an estimate of future stabilized revenue.
- **The Opportunities**
  - Time period before a Replacement Bridge is built – 8-10 years
  - The Port has significant assets, some of which can be monetized
  - The Port has significant reserve funds that can be used for investments that build long-term revenue— but all involve some degree of risk

**Approach:**

The Commission has taken multiple actions over the past several years to respond to the challenge of long-term fiscal sustainability. On several occasions the Commission has discussed potential actions that could increase revenue or decrease costs.

- **Revenue Enhancement Steps Underway**
  - Paid parking +/- \$100,000/yr. on a stabilized basis
  - Maintenance Fee on new Port development +/- \$30,000/yr. and may increase based on future waterfront development
  - New NNN lease template +/- \$250,000/yr. when fully implemented
  - Eliminated FBO payment +/- \$22,000/yr.
  - Marina lease increases +/- \$40,000/yr. when fully implemented
  - T-Hangar lease increases +/- \$40,000/yr. when fully implemented

\$ 460,000 +/-
- **Revenue Enhancement Steps Being Considered**
  - Commercial Hangar, +/- \$40,000 in Yr. 8
  - Lot #900 Ground Lease +/- \$60,000/yr. in Yr. 8
  - Tolling Operations on Replacement Bridge +/- \$500,000 /yr.

*Note: The BSBA will need a tolling partner including customer service functions and an efficient, state of the art system.*

\$ 600,000 +/-  
**\$1,060,000 +/-**
- **Other Potential Actions**
  - Reduce non-critical capital projects
  - Market Breeze-By to other agencies
  - New industrial property @ Lower Mill
  - Ground lease airport property
  - Ground lease/PPP Lot #1 properties
  - Serial Levy
  - Staff Reductions

**Evaluation/Discussion Items:**

- Assumed date for opening of Replacement bridge

- The Port 's mission and structure when replacement bridge is operational
- Definition of the revenue gap to be filled
- Addressing a primary cost driver - Waterfront Recreation
- Debt/use of reserves now to increase revenue later
- Approaches to preparation of 22/23 Budget

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December 7, 2021  
Fall Planning Session

Discussion Topic:

## **Bridge Capital Maintenance**

SPB Reference:

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*The Bridge is a facility critical to the quality of life and economic prosperity of households and businesses throughout the region. [...] The Port's actions are chosen, as they must be, to keep the Bridge operational and safe, while simultaneously working to accomplish the technical and political work to get a replacement bridge designed, permitted, funded, and built.*

*- Bridge and other highway transportation,  
Pages 18-19*

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### **Overview:**

Staff collaborates annually with HDR Engineering, Wiss/Janey, and Coffman Engineering, to update the Capital Maintenance Plan ("CMP") for the Hood River Bridge. The CMP is intended to provide a tool to plan for key capital and capital maintenance projects over a 30-year timeframe. This effort informs the three-year capital plan which, in turn, dictates the annual budget recommendations. The CMP also helps illuminate the decisions the capital funding decisions facing the Commission to keep the Bridge safe and operational, weighed against Bridge replacement progress. The attached draft CMP underwent a preliminary update this fall. More rigorous work sessions will be held with the engineers in January and February 2022 in preparation for the FY 2022/23 budget.

### **Key Issues:**

There are notable issues related to capital and capital maintenance projects for Commission consideration and discussion:

- Various Lift Span inspections were completed in spring of 2022. This draft CMP includes key near-term recommendations from the inspections to: 1. Re-surface both approach ramps (\$600,000) and; 2. Replace the lift span ropes (\$1.6 million).
  - **The Commission and staff will need to ensure that sufficient funding is available for these critical capital projects likely utilizing reserve funds.**
- The engineering analysis of the weight limit reduction commenced on March 3. Live Load testing occurred in October. When complete, the engineer's analysis and cost estimates will determine if targeted upgrades to restore the prior 80K limit are feasible.
  - **The CMP includes a placeholder of \$1.0 million for structural upgrades to restore the weight limit. The Commission must determine if the expenditures are warranted given the expected benefits.**

- The CMP assumes a rolling four-year window when capital spending on the existing bridge is limited to only necessary projects that affect safety or that are critical to bridge longevity. For the last several years, the Commission has considered whether progress on bridge replacement warrants a continued reduction in capital spending or if capital investment needs to accelerate to maintain the bridge for a much longer timeframe.
  - **The draft CMP lists two major capital projects to be carried out in the next 12 months. Most other major capital projects have been extended for about five years. Annually, the Commission will need to consider whether the postponement of capital projects is warranted and for what timeframe.**
- In the last six months, the Port has just completed comprehensive inspections of most major bridge elements. The recommendations made
  - **Does the Commission feel additional inspections are required to provide greater certainty as to the condition state of the Bridge? This could mean additional non-destructive testing (NDT) inspection, more frequent regular inspections, or additional underwater inspections and engineering analysis of the underwater piers/footings.**
- The CMP was based on a rigorous analysis of the existing bridge in 2012. Its fundamental conclusion was that, barring a seismic event, the current bridge can be safe and operational for another 30 years assuming regular inspections, constant vigilance as to the condition state of all bridge elements, and completion of all recommended capital and capital maintenance projects.
  - **Does the Commission feel comfortable with the current methodology for updating the bridge capital model? Does the Commission seek other steps such as a new bridge condition analysis?**

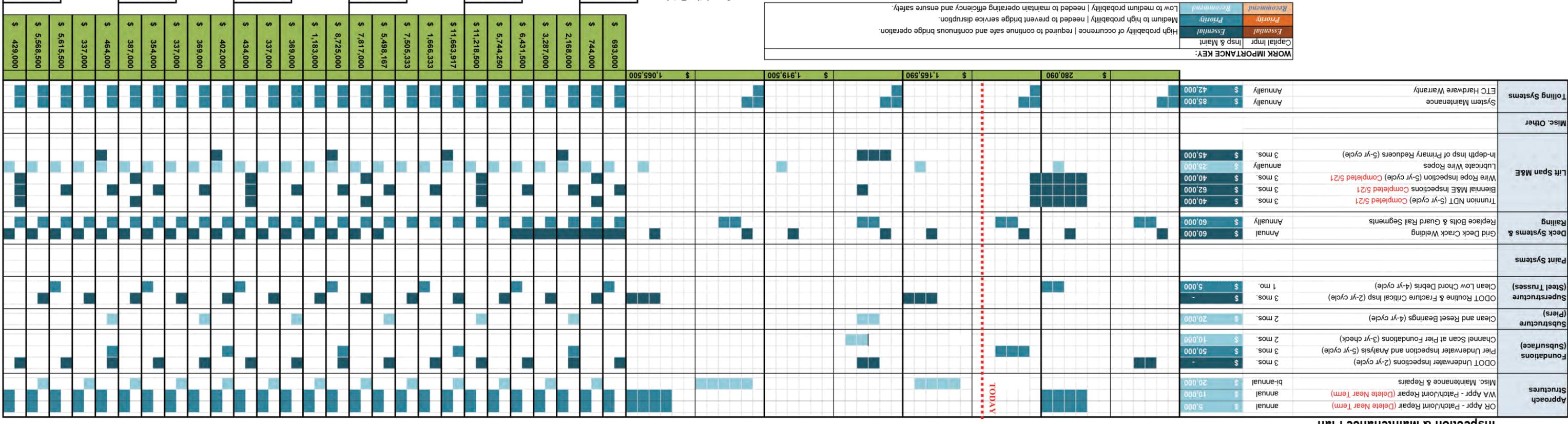
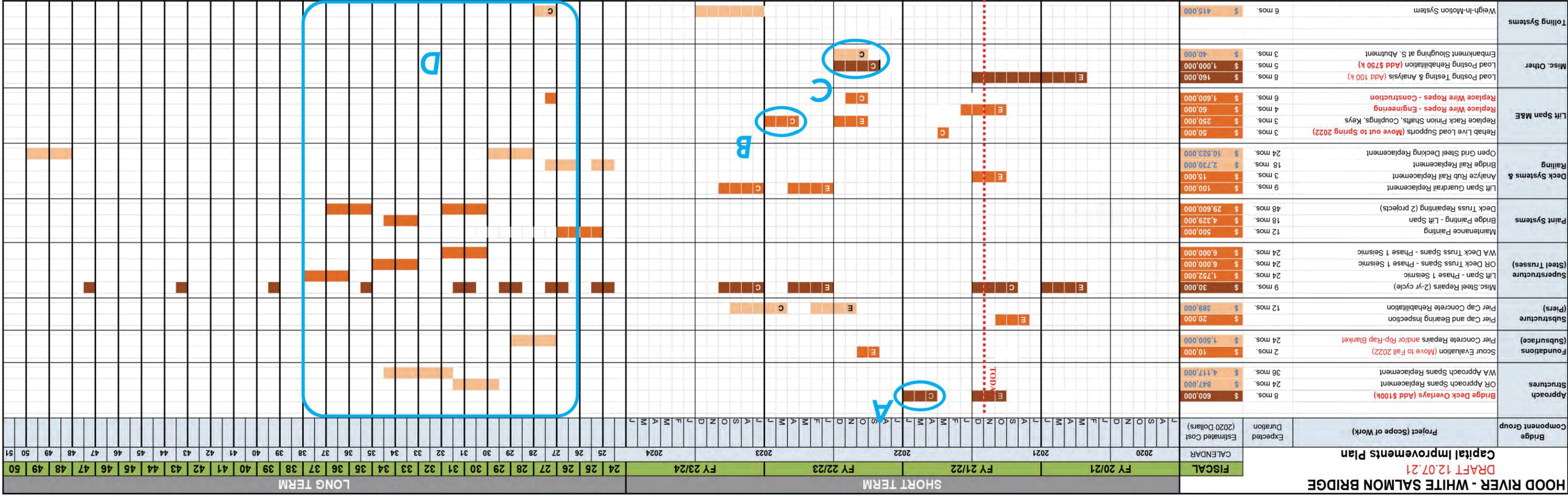
Staff seeks Commission input on these key issues and the general approach and assumptions underlying the draft CMP.

# Capital Maintenance Plan

Draft 3/01/2021

## HOOD RIVER - WHITE SALMON BRIDGE

DRAFT 12.07.21



**WORK IMPORTANCE KEY:**  
 Capital Impr Insp & Maint  
 Essential  
 Priority  
 Recommended

High probability of occurrence | required to continue safe and continuous bridge operation.  
 Medium to high probability | needed to prevent bridge service disruption.  
 Low to medium probability | needed to maintain operating efficiency and ensure safety.

Cumulative Totals  
 \$ 693,000  
 \$ 744,000  
 \$ 2,168,000  
 \$ 3,287,000  
 \$ 6,431,500  
 \$ 5,744,250  
 \$ 11,218,500  
 \$ 11,663,917  
 \$ 1,666,333  
 \$ 7,505,333  
 \$ 5,498,167  
 \$ 7,817,000  
 \$ 8,275,000  
 \$ 1,183,000  
 \$ 369,000  
 \$ 337,000  
 \$ 369,000  
 \$ 402,000  
 \$ 434,000  
 \$ 79,915,680  
 \$ 81,764,680  
 \$ 94,176,680

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December 7, 2021  
Fall Planning Session

Discussion Topic:  
**Bridge Replacement Project: Strategic Work Plan**

**SBP Reference:**

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*Bridge replacement is a central concern of all Port service delivery. The bridge is the dominant Port facility; it affects most people in the Port district; it is functionally obsolete and must be replaced; it is the Port's role at this time to manage and find funding to get approval and more funding for a replacement bridge (without Port efforts, replacement is likely to be many years farther out) while anticipating conveying the project to another entity at some point.*

*- Situation Assessment, Page 12*

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**Overview:**

Since Fall of 2020, the bridge replacement project has received \$15 million for post-NEPA tasks, primarily project management and engineering. This infusion of funding allows project engineering to advance, but additional funding will be needed for efforts to continue. In May, both the Bi-State Working Group (BSWG) and the Port Commission agreed to Strategic Action Plan Principals committed to assisting in all reasonable efforts to replace the bridge following the tasks identified in the Memo of Understanding (MOU) by removing barriers to success in all potential pathways moving forward.

Port staff has worked with its consulting team to produce the attached draft concept schedule identifying tasks, durations and milestones to complete the project. The purpose of this discussion topic is for staff to provide an overview of the assumptions underlying the draft schedule and key strategic issues, and for the Commission to discuss potential risks or barriers that may arise in coming months.

**Issues:**

Following are summary descriptions of some key issues reflected in the draft concept schedule:

- ***Tribal Compensatory Agreements*** – Federal Highways (FHWA) is the lead agency in negotiations with the four treaty tribes. The administration has committed to federal compensation for any financial commitments negotiated with the tribes. We learned this year, that FHWA will want the agreements completed before issuing the Final EIS and Record of Decision. The elements of the agreement will include impacts to treaty fishing sites and acknowledgement of easements related to both piers and aerial spans. This development has pushed out the completion date of the ROD and added schedule uncertainty.
- ***Bi-State Bridge Authority (BSBA) Start-up*** – Bills in both Oregon and Washington are being finalized for introduction in the 2022 short session. The Port's consulting teams will be working diligently with both states' legislative staffs next year to ensure that as issues arise they can be dealt with bilaterally. Assuming that the legislation passes, Steve Siegel will be

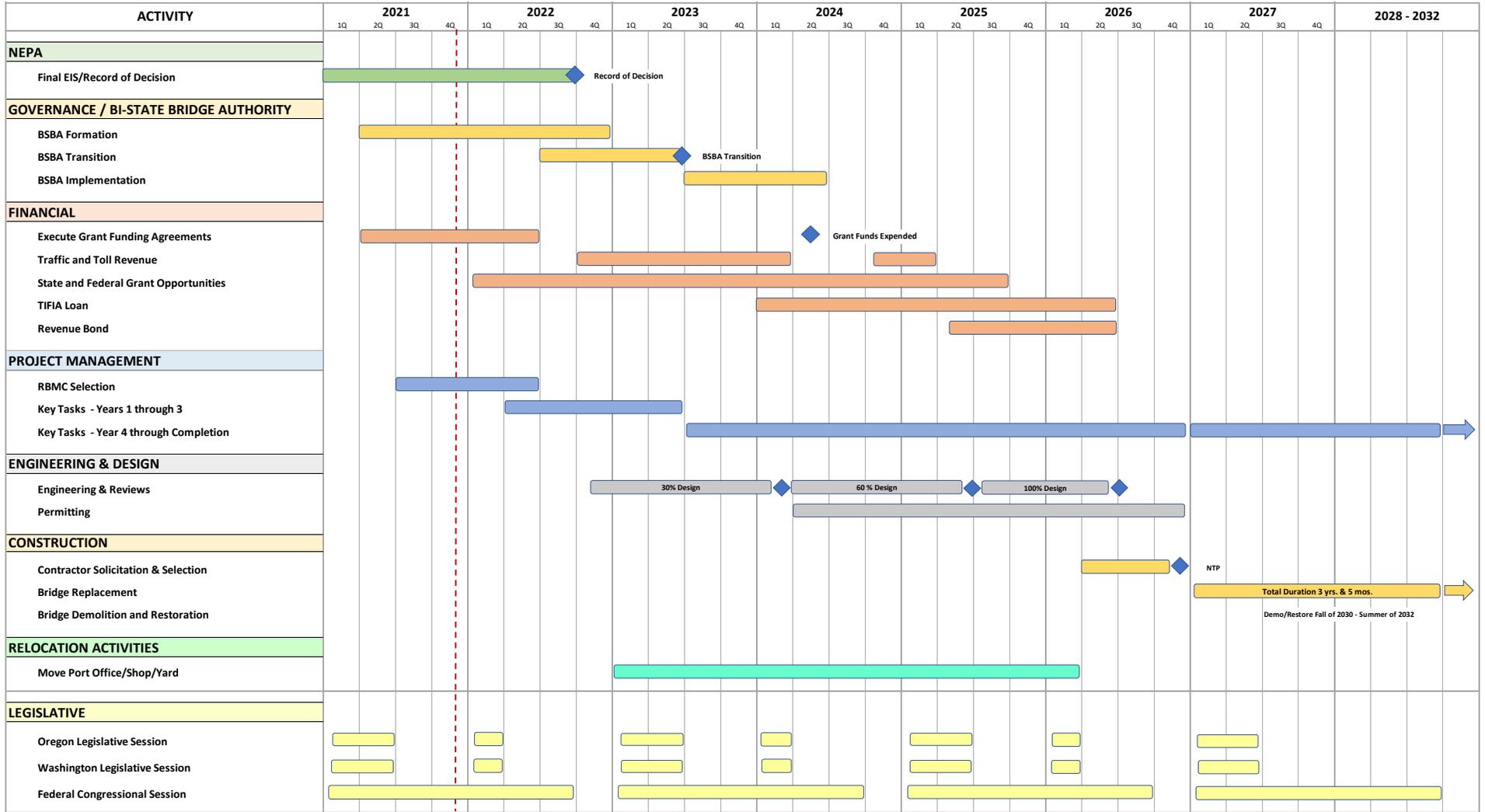
developing formation agreements with the participating local governments starting in mid-2022. The date at which a BSBA will be formally in existence is mid-2023.

- ***Avoiding Lapses in Project Funding*** – Though \$15M is a significant start, much more funding will be needed – through appropriations, grants or bonds – to keep engineering moving past 30%. The Port will be pursuing grants and appropriations, and evaluate the potential for incurring debt, to avoid a lapse in project progress. The \$15 million in existing resources will be fully utilized by early 2024. If additional funding is not available well before that date, project delays could occur.
- ***Selecting a RBMC*** – The first significant contract that will be procured in 2022 is the Replacement Bridge Management Contract (RBMC). The RBMC will provide project management services representing the Port’s interests in developing the myriad of technical tasks necessary to ensure a smooth and efficient flow of work. The RBMC will be with the project longer than any other procured contractor and the evaluation and selection of the right firm will be critical. ODOT recently indicated that the current RFP will need to be modified to conform to the agency’s typical A&E and Related Services RFP template. Staff is currently in the process of converting the document. Selection of the RBMC is now expected to occur at the end of Q2 in 2022.
- ***Meeting the Construction Notice to Proceed date of late 2026*** – Working in the Columbia River is always a challenge. Some elements of bridge replacement construction will be limited to specific periods in which water-based work can be conducted. This In Water Work Window (“IWWW”) ranges from October 1 through March 15 as negotiated with NOAA Fisheries taking into consideration fish reproduction cycles. The construction contract Notice to Proceed (NTP) needs to be issued by December to allow the contractor time to mobilize and work up to in water work activities the following October. Currently the NTP is scheduled for December 2026 allowing for in water work starting October 2027. If the NTP is delayed, it risks pushing the entire project into the next calendar year.
- ***Relocating Port Buildings*** – The location of the current administration and maintenance buildings will be impacted by bridge construction. Though the specific details will not be known until more design has been completed, it is clear that Port operations will be affected certainly during construction and most likely permanently. The current site will also be a key access to the water for the transi-lift and work bridge. With significant impacts of at least three years and a loss of some parking and access, the Port should prepare for the removal and reconstruction of these two buildings.



# Port of Hood River BRIDGE REPLACEMENT CONCEPT TIMELINE

Draft 12.7.21



We are here

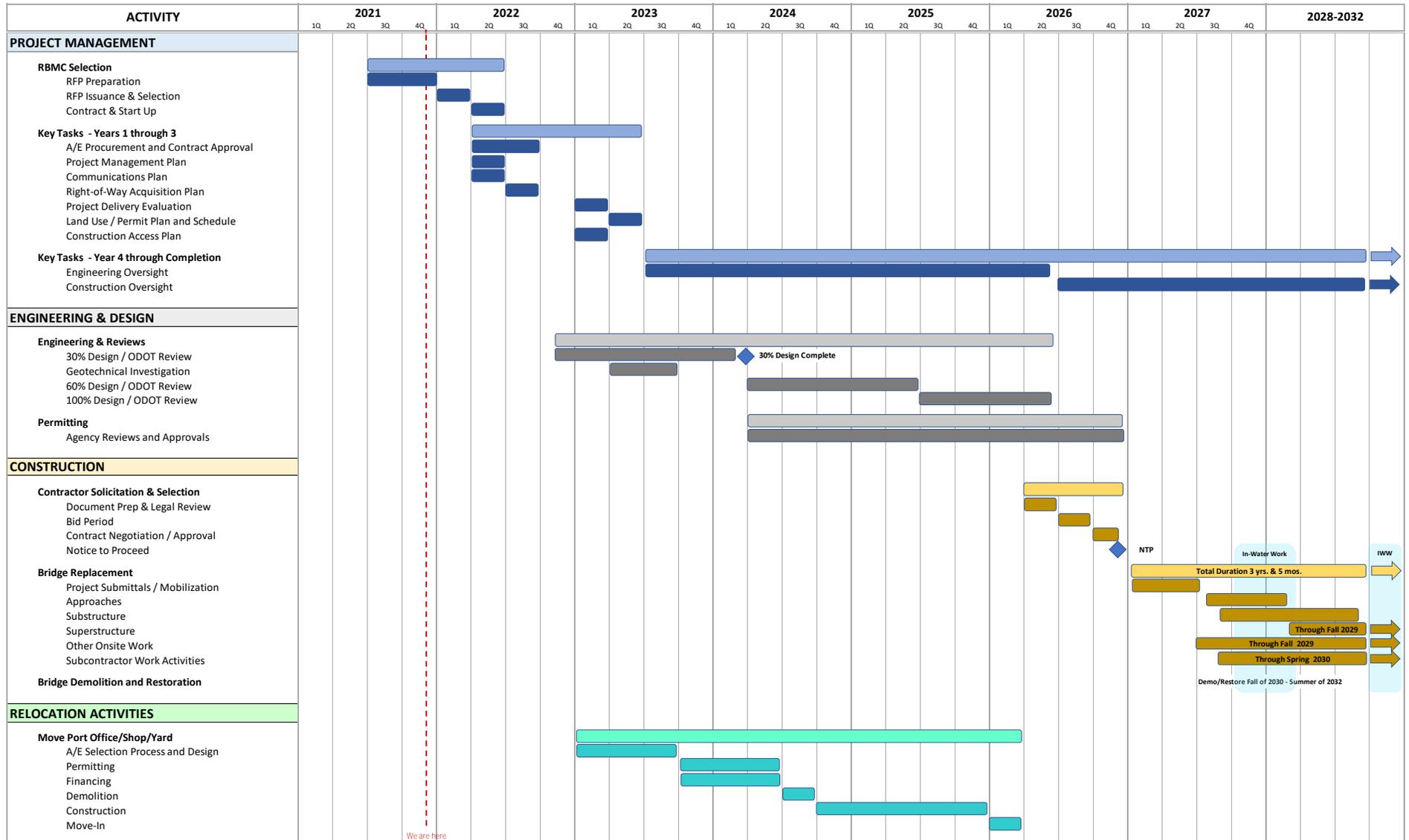
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# Port of Hood River BRIDGE REPLACEMENT CONCEPT TIMELINE

Draft 12.7.21



December 7, 2021

**Discussion Topic:**

**Fall Planning Session – Real Estate Development**

**SBP Reference:**

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*As part of its economic development efforts, the Port prepares industrial sites for new construction, renovates industrial buildings; assesses and responds to market conditions; encourages workforce education and training; and takes other actions to support business communities within the Port District and the Columbia Gorge region.*

*region.*

*- Economic and Real Estate Development and Management, Page 24*

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**Overview:**

In the effort to continue to promote economic development for our community while seeking to establish self-sustainability for existing service areas through non-bridge related revenue, the Port is pursuing several real estate development options and long-term strategies. In 2018, the Port produced a **Real Estate Asset Strategy** (“REAS”) to guide decision making in the near and mid-term. The REAS outlined policy assumptions, analyzed existing building performance, and prioritized development sites/projects. In 2019 the Commission approved a new **Triple-Net Lease (NNN)** structure with the intention of full cost recovery and market rates of return. The Port recently published its **2021-2026 Strategic Business Plan**, which is meant to guide operations, projects, and practices for the next five years.

The following are prevailing themes within the referenced study efforts and policy updates.

- Non-bridge revenue generation is critical to ensure Port continuity
- Develop and manage each property to maintain its separate financial sustainability
- Seek opportunities to acquire and develop additional industrial property to provide sites for future business growth and expansion

**Current efforts:**

- Lot #900
  - Staff is currently negotiating the Memorandum of Understanding (MOU). Current schedule anticipates an MOU for Commission consideration in January 2022.
- Lot #1
  - Staff is currently pursuing an Economic Development Administration (EDA) grant to help finance infrastructure improvements to Anchor Way and First Street. This infrastructure will allow for a variety of future development options.
- Master Lease Template
  - Staff developed and presented a Triple Net (NNN) Lease template that was approved by the Commission in 2019. Staff has already phased in the new lease

structure with most tenants now leasing under the new structure. The policy will be fully implemented by 2024

- Lower Mill
  - Utility improvements and preliminary site development has been completed on three of the four lots. Staff is working on programming a wetland infill project on the fourth parcel in Spring of 2022. The three improved sites currently have temporary short term ground leases.

**Key issues:**

- Lot #1
  - The current development strategy coincides with the City of Hood River's zoning code requirements, which specifies Light Industrial functions. Recently, alternative programmatic uses other than Light Industrial have been presented to the Commission for consideration.
- Lower Mill
  - Current strategy is to market three of the four parcels for sale and hold one lot for future Port development. Recent discussions indicated that space at the Lower Mill site might be used to accommodate new bridge construction.
- Maritime Site
  - The Maritime Building, built in 1975 provides excellent cash flow but is nearing its useful life. The current tenant has a lease agreement through June 2024. Future development options may include refurbishment of the existing structure and new construction directly East or demolition of the existing structure and a redevelopment of the entire site
- Nichols Basin / Western Edge
  - The Commission has requested guidance on the ability to site food & beverage functions at the Waterfront. The Waterfront Overlay Zone divides waterfront parcels into four sub-areas. Sub-area 1 includes the area just west of Nichols Basin along first Street. Per the *Additional Permitted Uses subject to Site Review* for Sub-area 1, a total Commercial/Retail (non-Light Industrial) floor area of 7,000sf per structure is permitted in this zone.

December 7, 2021

**Discussion Topic:**

**Fall Planning Session – Ken Jernstedt Airport**

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*... the Port Commission’s vision for the Airfield as one that offers safe, efficient, and attractive aviation facilities and services (consistent with FAA designation B-2) to pilots, residents, businesses, and visitors. The vision is for the Airfield to support not only general aviation, and also emergency response, education, and economic development goals balanced with the needs of the surrounding community.*

*- Ken Jernstedt Airfield, Actions, Page 22*

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**Overview:**

In the past eight years, the Port has dedicated extensive staff hours and approximately \$9.6M towards capital projects at the Airport. Substantial projects include: \$3.3M for runway shift in 2013; \$1.5M for South taxiway construction in 2017; \$2.4M for North apron construction in 2020; and \$2.4M for additional North apron improvements through the Connect Oregon grants.

In 2018, with the cooperation of the Federal Aviation Administration (FAA), the Port updated the 10-year Airport Master Plan (AMP). This document provides current, short-term, and long-term needs of the airport through a comprehensive evaluation of facilities, conditions, and FAA airport planning and design standards. To coincide with the AMP the attached Airport Layout Plan (ALP) was updated at the same time. The ALP provides a visual reference to the proposed improvements described in the AMP.

The FAA Airport Improvement Program (AIP) is a dedicated fund with the specific purpose of maintaining and improving the nation’s public use airports. Airports seeking grant funding are required to annually submit a Capital Improvements Program (CIP) list to the FAA. The FAA distributes discretionary funds to projects that best carry out the purpose of the AIP, with highest priority given to safety, security, reconstruction, capacity, and standards. The following CIP list was approved by the FAA in 2021.

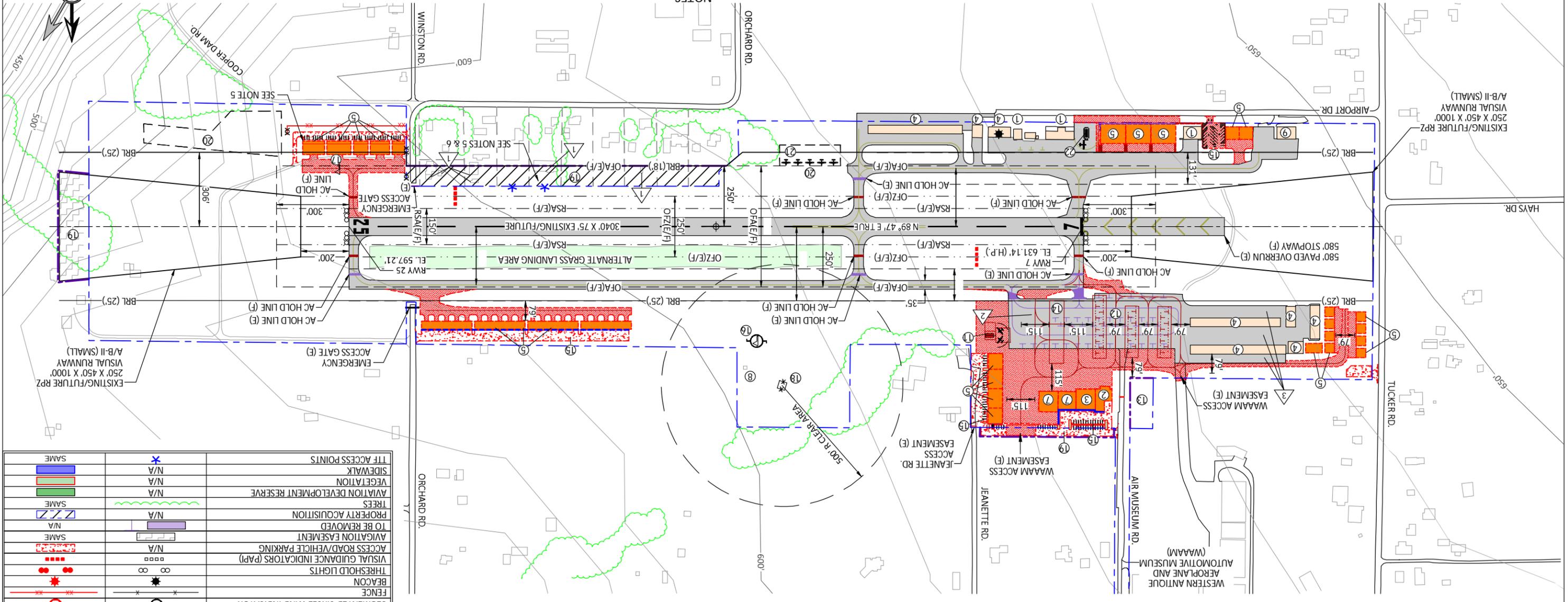
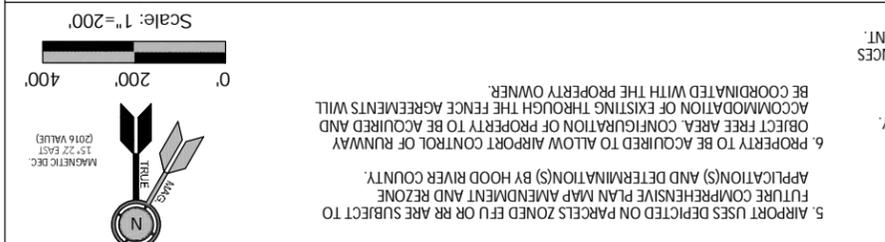
2022	AWOS upgrade / NE Taxilane - Feasibility Study	AWOS upgrade/relocation. Feasibility study for taxilane for future hangar development in this area
2023	NE Taxilane - Design	Survey, Geotechnical, Design and Bidding
2024	NE Taxilane - Construction	Construction and SDC services
2025	NW Taxilane - Rehab Design	Survey, Geotechnical, Design and Bidding
2026	NW Taxilane – Rehab Construction	Construction and SDC services

**Current Efforts:**

- Site improvements for new AV gas tank complete. Gas tank purchased and awaiting delivery from manufacturer.
- The Airport Advisory Committee re-activated and participating in operational advisement, future project assessment and community engagement.
- New FBO contract in place with the removal of subsidization.
- Site improvements have been completed for new Commercial Hangar. A/E drawings in development.
- Precision Approach Engineering has been awarded a five-year contract.
- Compensatory Wetland continues to be monitored with annual reporting provided to Department of State Lands (DSL)
- Airport surveillance systems are being examined to determine adequate scope. Estimated costs will be provided to Commission for review once available.
- Purchase Agreement with WAAAM for SDS Hangar
- 10% increase in T-Hangar lease rates

**Key Issues:**

- Airport Vision Statement
  - Is current Vision Statement as depicted in the 2021-2026 SBP sufficient?
- Self-Sustainability
  - Airport is currently operating at a negative net cash flow and unable to accomplish cash neutral status through current T-Hangar lease revenue alone. While the recent increase in T-Hangar rates by 10% is beneficial, further revenue sources are still needed
- Commercial Hangar
  - Staff will seek construction cost estimates, run proforma and test market once A/E drawings are complete
- T-Hangar construction
  - Staff findings are presented in an additional Fall Planning document titled Ground Leasing
- Community engagement
  - Staff is seeking to engage in public/private partnerships with local organizations, community social clubs and educators
- Airport Aesthetic
  - Are there facility improvements/renovations that would improve visitor attraction/experience?



**LEGEND**

EXISTING	FUTURE	DESCRIPTION
[Symbol]	[Symbol]	BUILDINGS
[Symbol]	[Symbol]	AIRFIELD PAVEMENT
[Symbol]	[Symbol]	BUILDING RESTRICTION LINE (BRL) (E) (F)
[Symbol]	[Symbol]	AIRPORT PROPERTY LINE
[Symbol]	[Symbol]	RUNWAY SAFETY AREA (RSA)
[Symbol]	[Symbol]	OBJECT FREE AREA (OFA)
[Symbol]	[Symbol]	RUNWAY PROTECTION ZONE (RPZ)
[Symbol]	[Symbol]	TAXIWAY OBJECT FREE AREA (TOFA)
[Symbol]	[Symbol]	GROUND CONTOURS
[Symbol]	[Symbol]	AIRPORT REFERENCE POINT (ARP)
[Symbol]	[Symbol]	RUNWAY END IDENTIFIER LIGHTS (REL)
[Symbol]	[Symbol]	WIND INDICATOR
[Symbol]	[Symbol]	SEGMENTED CIRCLE WIND INDICATOR
[Symbol]	[Symbol]	FENCE
[Symbol]	[Symbol]	BEACON
[Symbol]	[Symbol]	THRESHOLD LIGHTS
[Symbol]	[Symbol]	VISUAL GUIDANCE INDICATORS (VGI)
[Symbol]	[Symbol]	ACCESS ROAD/VEHICLE PARKING
[Symbol]	[Symbol]	AVIGATION EASEMENT
[Symbol]	[Symbol]	TO BE REMOVED
[Symbol]	[Symbol]	PROPERTY ACQUISITION
[Symbol]	[Symbol]	TREES
[Symbol]	[Symbol]	AVIATION DEVELOPMENT RESERVE
[Symbol]	[Symbol]	VEGETATION
[Symbol]	[Symbol]	SIDEWALK
[Symbol]	[Symbol]	TTF ACCESS POINTS

**NON STANDARD CONDITIONS**

NO.	ITEM	DESCRIPTION	DISPOSITION
1	ROFA	SOUTHEAST SIDE RESIDENCES	FUTURE PROPERTY ACQUISITION
2	TAXILANE OFA APRON	TAXILANE CLEARANCES TO PARKED AIRCRAFT (ADG I & ADG II)	RECONFIGURE APRON
3	TAXILANE OFA (HANGARS)	LESS THAN STD. ADG I CLEARANCES	MODIFY WHERE FEASIBLE

**BUILDING/FACILITY KEY**

NO.	DESCRIPTION
1	FBO / MAINTENANCE HANGAR (E)
2	FBO BUILDING (F)
3	MAINTENANCE HANGAR (E)
4	HANGARS (E)
5	BOX HANGARS (F)
6	MULTI-UNIT HANGARS (F)
7	COMMERCIAL HANGAR (F)
8	AVOS (E)
9	PROPERTY TO BE ACQUIRED
10	REGULATOR BUILDING
11	GLIDER STORAGE / PARKING AREA (E/F)
12	OVERFLOW PARKING AREA (F)
13	FUEL LOCATION (F)
14	TRANSIENT HELICOPTER PARKING
15	WAAAM OVERFLOW AIRCRAFT PARKING
16	WAAAM APRON
17	TIDOWN APRON
18	WESTERN ANTOUPE AEROPLANE AND AUTOMOTIVE MUSEUM (WAAAM)
19	AIR MUSEUM RD.
20	JEANETTE RD.
21	WAAAM ACCESS EASEMENT (E)
22	JEANETTE RD. ACCESS EASEMENT (E)
23	500' R CLEAR AREA
24	580' PAVED OVERRUN (E)
25	580' STOPWAY (F)
26	EXISTING/FUTURE RPZ 250' X 450' X 1000' A/B-II (SMALL)
27	EXISTING/FUTURE RPZ 250' X 450' X 1000' A/B-II (SMALL)
28	EXISTING/FUTURE RPZ 250' X 450' X 1000' A/B-II (SMALL)
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49	EXISTING/FUTURE RPZ 250' X 450' X 1000' A/B-II (SMALL)
50	EXISTING/FUTURE RPZ 250' X 450' X 1000' A/B-II (SMALL)

NOTES:

1. STOPWAY (F) AT WEST END OF RUNWAY WILL INCREASE FUTURE ACCELERATE - STOP DISTANCE AVAILABLE (ASDA) FOR RUNWAY 25 TO 3,620 FEET.
2. HIGH POINT (SURVEYED) ON RUNWAY IS 631.14 MSL. PUBLISHED AIRPORT ELEVATION (FAA A/FD) TO BE UPDATED FOR CONSISTENCY.
3. AIRPORT IS NOT SUBJECT TO 100-YEAR FLOODING.
4. FUTURE STOPWAY AT RUNWAY 7 END REQUIRES DECLARED DISTANCES AND STOPWAY DESIGNATION PUBLISHED IN FAA CHART SUPPLEMENT.
5. AIRPORT USES DEPICTED ON PARCELS ZONED EFU OR RR ARE SUBJECT TO FUTURE COMPREHENSIVE PLAN MAP AMENDMENT AND REZONE APPLICATION(S) AND DETERMINATION(S) BY HOOD RIVER COUNTY.
6. PROPERTY TO BE ACQUIRED TO ALLOW AIRPORT CONTROL OF RUNWAY OBJECT FREE AREA, CONFIGURATION OF PROPERTY TO BE ACQUIRED AND ACCOMMODATION OF EXISTING THROUGH THE FENCE AGREEMENTS WILL BE COORDINATED WITH THE PROPERTY OWNER.
7. AIRPORT IS NOT SUBJECT TO 100-YEAR FLOODING.
8. FUTURE STOPWAY AT RUNWAY 7 END REQUIRES DECLARED DISTANCES AND STOPWAY DESIGNATION PUBLISHED IN FAA CHART SUPPLEMENT.

THE PREPARATION OF THIS DOCUMENT MAY HAVE BEEN SUPPORTED, IN PART THROUGH THE AIRPORT IMPROVEMENT PROGRAM FINANCIAL ASSISTANCE FROM THE FEDERAL AVIATION ADMINISTRATION (PROJECT NUMBER 3-41-0001-012-01) AS PROVIDED UNDER TITLE 49 UNITED STATES CODE, SECTION 4704. THE CONTENTS DO NOT NECESSARILY REFLECT THE OFFICIAL VIEWS OR POLICY OF THE FAA. ACCEPTANCE OF THIS REPORT BY THE FAA DOES NOT IN ANY WAY CONSTITUTE A COMMITMENT ON THE PART OF THE UNITED STATES TO PARTICIPATE IN ANY DEVELOPMENT ON THE PART OF THE REFINER NOR DOES IT INDICATE THAT THE PROPOSED DEVELOPMENT IS ENVIRONMENTALLY ACCEPTABLE IN ACCORDANCE WITH APPROPRIATE PUBLIC LAWS.

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**December 7, 2021**

**Discussion Topic:**

**Fall Planning Session – Airport Ground Leasing**

**SBP Reference:**

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*...the Airfield should be managed and have funding to achieve the following goals and strategies [...] Goal #3 - Financial self-sustainability.*

*- Ken Jernstedt Airfield, Actions, Page 22*

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**Overview:**

When the Ken Jernstedt Airport Layout Plan (ALP) was updated in 2018, the Port recognized a need for additional hangar inventory and identified multiple locations for future hangar construction. The financial feasibility of T-Hangar or Box Hangar project determined that locating an adequate funding source can be a challenge. Though the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) can provide funding for various airport construction projects, hangars are very seldom recipients of AIP grant money.

Development of available airport property can provide an economic opportunity; however, the issues surrounding development on airport land can be complex. The strategies for the development of airport land can vary greatly. In addition, airport development must be in compliance with federal obligations and grant assurances, and it cannot compromise an airport's safety, operational flexibility, or financial self-sustainability.

The Airport Advisory Committee (AAC) regularly discusses limited hangar inventory as a significant issue for the airport. The committee notes that there is a precedence for ground leasing as privately constructed hangars currently exist at the airport and has recommended that the Port pursue ground leases to enable the development of additional hangar inventory.

**Current Efforts:**

During an Airport Work Session in March of 2021, staff presented a financial analysis of a Port financed T-hangar project which concluded that it would not provide a positive cash flow until year sixteen. At the request of the Commission, staff recently performed a second financial analysis (Exhibit A) and found the same unfavorable rate of return. The results of multiple financial analyses indicate that Port financed construction of T-Hangars would not provide a positive rate of return and consequentially, would inhibit the Port's desire for Airport financial self-sustainability.

Ground leases are common practice at General Aviation Airports as a mechanism for Airport Sponsors to serve civil aviation needs by enabling non-FAA or grant fundable improvements while limiting debt capital. AAC members suggested that specific provisions should be included in ground leases to enhance the ability for an Airport Sponsor to maintain management authority over the life of the lease. To maintain control over private hangars constructed through a ground lease,

key subjects should address and manage through terms and conditions embedded in the lease include but not limited to:

- Restrictions on subleasing
- Maintenance requirements and upkeep
- Reversion clauses
- CPI increase to lease rate to ensure market rate
- Restrict nonaeronautical usage
- Limit to lease term

**Possible next steps:**

Draft a Ground Lease template that includes provisions and covenants addressing key issues and provide draft template for Commission review.

Research and establish a proposed lease rate that is in line with current market.

Test market for partnership opportunities to privately construct T-Hangars through ground leasing.

## Exhibit A

T-Hangar Block (6 Units)	50 X 147	7,350 SF		
<b>Income Analysis</b>	<b>Units</b>	<b>Rate/Yr</b>		
Vacancy/Credit loss	6	\$ 3,862.00	\$ 23,172.00	\$23,172.00
			3%	(\$695.16)
<b>Potential Gross income</b>				<b>\$22,476.84</b>
<i>All reimbursibles passed through, assuming NNN lease</i>				
Non-reimbursible salary expense			12%	(\$2,697.22)
Reserves			5%	(\$1,123.84)
Operating expenses				(\$3,821.06)
<b>Net Operating Income</b>				<b>\$18,655.78</b>

Development Costs	\$/sf/lf/%	SF/LF/CY/Proj Cost	total
<b>Soft Costs</b>			
Planning/Design	approx 10%	Total Project Cost	\$ 106,530.00
<b>Hard Costs</b>			
Building Materials	\$ 53.06	7350	\$ 390,000.00
Building Construction	\$ 30.00	7350	\$ 220,500.00
			\$ 717,030.00
<b>Land side site improvements</b>			
4"DU water line	\$ 84.00	900	\$ 75,600.00
JUT	\$ 28.00	900	\$ 25,200.00
Conduit (power)	\$ 7.00	900	\$ 6,300.00
Storm sewer (8-12")	\$ 49.00	900	\$ 44,100.00
Manholes (2)	\$ 7,000.00		\$ 14,000.00
Base	\$ 63.00	2000	\$ 126,000.00
			\$ 291,200.00
<b>Airside improvements</b>			
	FAA grant funded at 90/10		total
Paving	\$300,000 total excavation and paving		\$ 30,000.00
Excavation			
<b>Landside/Airside Improvemets Total</b>			<b>\$ 321,200.00</b>
MGT & Overhead	20% of total infrastructure		\$ 64,240.00
<b>Project total</b>		<b>\$ 150.00</b>	<b>\$ 1,102,470.00</b>

Financing loan at 3.75 %, 15year fixed

Financed 80/20 3.75%	Port investment	Annual payment	20 year ROI	20 yr Ave cash flow
\$ 1,102,470.00	\$ 220,494.00	\$ 77,945.46	-20%	-\$55,729.31

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## 2021 Fall Planning Session

December 7, 2021

Discussion Topic:

### **Ordinance 24**

**SBP Reference:**

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*New and innovative types of recreation activities frequently emerge that may require new management approaches. An assessment of the Port's recreational sites is conducted every year as part of the annual budget process which serves as the basis for near-term decisions about capital and capital maintenance expenditures, as well as policies and changes to Ordinance 24 which governs conduct on Port property. In June 2021, the Port staff updated the goals and strategies and actions for the Waterfront recreation areas.*

*- Appendix W, Page 567*

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#### **Overview:**

Port Ordinance 24 consists of the rules prescribing general, uniform, and permanent regulation of conduct on Port Property. Although Ordinance 24 is detailed, the ability of a Port Authority to impose and enforce rules is limited by State statute and practical considerations. The growing use of the waterfront and several larger societal issues, some induced by the COVID-19 pandemic, has resulted in increasing challenges for the proper management of the Port's recreational properties.

#### **Issues:**

The following are the primary use issues where increasing management/response challenges are occurring:

##### **1. Animal Control**

Port Ordinance and the County Ordinance don't line up. The Port does not have a mechanism for enforcement to regulate violations of the Ordinance. For the Sheriff's Office Animal Control officer to issue tickets to violators, the Port would need to pass a Resolution that accedes to County Ordinance No. 355 and deliver a copy of the Resolution to the County.

##### **2. Overnight Camping on Port Property**

Certain areas have become popular overnight camping spots, primarily around the Marina Basin. These areas are generally not part of the "Pay to Park" parking zones. Therefore, the Port does not have a mechanism to impose "Pay to Park" fines. Enforcement for issuing citations requires different signage, working with our legal team for the correct language for the signage, and collaboration with City Police.

##### **3. Towing Vehicles or trailers on Port Property**

Vehicles and trailers may sometimes be left for days and should get towed. The Port does not have proper signage in many locations regarding towing and its powers to

initiate a towing action are defined narrowly in statute. The Port may need to clarify our internal processes for initiating a tow and should collaborate with the City of Hood River for enforcement of towing.

#### **4. Trespass Violations on Port Property**

When an individual violates a criminal statute on Port property the City Police or County Sheriff are obligated to respond. When an individual violates Ordinance 24, police agencies are not obligated to enforce the Port's Ordinance 24 provisions. The Port, by statute, may appoint Peace Officers but the Port is ill-equipped to conduct its own policing operations. In 2014, an IGA was executed with the City of Hood River whereby the City Police may enforce Ord. 24 violations with hourly compensation from the Port. It is recommended that staff and Legal Counsel review the IGA, clarify internal policies on how enforcement actions are initiated, and meet with the City Police to clarify roles, expectations and process.

#### **5. Regulation of Public Property in a Rise of Homelessness**

The population of people struggling with homelessness and occupying public property has increased throughout the country and in the waterfront area of Hood River. Recent legislation in Oregon (House Bill #3115) prompted the Special Districts Association of Oregon (SDAO) to encourage members to review their policies regarding use of public property to ensure that they apply equally to all, and that any penalties are not unreasonable towards those who may already be in a difficult situation. Port Staff and General Counsel have reviewed Ord. 24 per the SDAO recommendation and do not believe any changes need to be made at this time.

December 7, 2021  
Fall Planning Session

Discussion Topic:

## **Communication Plan & Policies**

### **SBP Reference:**

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*For every local government there is always more that can be done on Public Engagement. Moreover, the combination of (1) past and expected changes in regional demographics, (2) an increasing national awareness of the need to address diversity, equity, and inclusion (DEI) in all policy and investment decisions, and (3) the likely start of a post-COVID period with changes in requirements for social distancing suggests that now would be a good time for the staff to review its public engagement policies and programs and amend them as necessary.*

*- Central Services, Actions, Page 34*

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### **Overview:**

The last time the Commission reviewed and discussed the Port Communications Plan (“Plan”) was in December of 2018. The first part of the attached document provides a brief report on the Port communications and public information activities for the past three years, primarily dominated by response to the public health, economic, and operational changes related to the COVID-19 pandemic. Two major public outreach campaigns also took place during this period – the NEPA-required public comment period for the bridge replacement Environmental Impact Statement, and the Port’s own 2021-26 Strategic Business Plan public input process.

Looking forward, the 2021-23 plan anticipates continued focus on bridge replacement, and the important new working relationship that will follow the award of the Replacement Bridge Management Contract and its public relations team. As the Port works to restructure the individual business models for each of its operational arenas (Bridge, Marina, Airport, Waterfront Recreation, Real Estate & Economic Development, and Central Services), it anticipates significant changes to delivery of public services and facilities to each area’s end users. Clear messaging of policy changes, project planning, and operational changes to all of the Port’s constituencies will be key to the successful, continued fulfillment of the Port’s mission and goals.

### **Future Focus:**

Staff anticipates the following activities to be a focus of public information work in the next year or more:

- Bridge Replacement post-NEPA key messaging on the Port’s position and intent
- Roles and Responsibilities of the BSWG, Port, state and federal partners, potential P3 entities
- Fostering collaborative advocacy from all sectors of the community to increase legislative involvement in bridge replacement funding, consistently emphasizing the human connection to the project and its importance to the entire region

- Airport Commercial Hangar development and workforce development initiatives
- Lot #1 infrastructure development, Lot #900 development
- Waterfront recreational safety, natural hazards, wayfinding, rules and regs for recreational facilities
- Planning for potential impacts to the Marina and other waterfront recreational facilities from replacement bridge construction activities
- Port organizational changes and potential office relocation

**Impacts:**

For the past six years, the financial needs of the public information and communications efforts have been very low, with most campaigns and tasks completed in-house, with low-cost tools and distribution channels. With the award of the RBMC contract and the robust public relations campaign that will be managed primarily by that team, staff anticipates a significant increase in budgetary consideration for contracted staff, materials and services. For those activities in the Plan that are not related to the bridge replacement project, staff anticipates a modest increase in budget for waterfront safety signage, public notifications of policy or operational changes, and other promotions. One area of the Plan that will require a modest budget increase is in language translation services and an audit of the Port's diversity, equity, and inclusion measures in its public information content and delivery methods.

**Key Questions:**

1. Staff seeks Commission input on the attached 2021-23 update to the Plan, specifically on the stated priorities, messages, as well as the chosen media and delivery methods for Port public information and customer communications.
2. What is the appropriate level investment in paid services and advertising to achieve Port goals?
3. How do individual Commissioners want to be involved in the public information and outreach activities of the Port? Should staff seek to schedule speaking engagements on specific topics of Port interest, attendance at conferences, or other panel discussions to help increase awareness, broaden the Port's network, and encourage the sharing of ideas with other experts in the various operational fields of the Port's work?



# Public Information Communications Report & Draft Plan

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DRAFT FOR COMMISSION REVIEW  
FALL PLANNING WORK SESSION • 2021

A landscape photograph of a river with a rainbow and birds in flight. The rainbow is the central focus, arching from the water towards the top right. A flock of birds is flying in a V-shape across the sky. The background shows a forested hillside and a cloudy sky.

# GUIDING PRINCIPLES

In its Mission Statement, the Port of Hood River says that it "works to promote and maintain a healthy economy and strong quality of life in the Port District and throughout the Columbia Gorge." The Port's Values (listed to right) provide guiding principles for the activities of the agency and the conduct of the Commission and staff. This mission and these values inform all internal and external practices and communications, especially in the realm of public information.

In many ways, this year is one of the most pivotal and consequential of the Port's history. As the Port works to complete the NEPA process for bridge replacement and move into the major decision-making phases of design, engineering, finance, ownership, and governance for the new bridge, it is reorganizing the business models of all other areas of Port operations.

This report provides a summary of the past year's public communications activities and a draft plan for Commission consideration for the coming year.

## VALUES

- **INTEGRITY** - maintain a high level of professional standards
- **RESPONSIVENESS** - act in a timely way to all reasonable requests
- **TRANSPARENCY** - ensure business is conducted openly, with public oversight
- **COLLABORATION** - actively participate with stakeholders
- **STEWARDSHIP** - seek high standards of maintenance of the Port's assets and always consider the long-term public good
- **INNOVATION** - consider new approaches and best practices
- **QUALITY** - strive for excellence in all Port activities
- **DIVERSITY** - be proactive, not reactive, in encouraging diversity, equity, and inclusion at all levels of Port activity: Commission, staff, volunteer boards, and public engagement

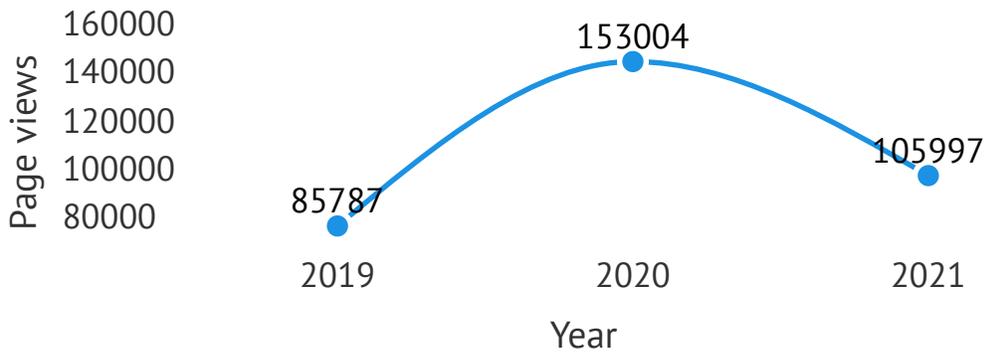
# GUIDING PRINCIPLES FOR PORT COMMUNICATIONS

The Port's 2018 Communications Plan called out a set of guiding principles that inform the tone, voice, delivery method, content and frequency of Port messaging. These remain, in large part, relevant and helpful. With the new, addition of Diversity as a key Port value, staff recommends adding considerations of inclusion and equity to the following list of guiding principles for its Communications Plan:

1. Be proactive in distributing important Port news and information, and well prepared for reactive communications.
2. Maintain a positive voice and focus, versus negative.
3. Be open and transparent, with clear disclosure of the issues.
4. Encourage dialog whenever possible, with preference over one-way communications.
5. Ensure uniformity in themes and key talking points. Always provide background historical context to avoid scattered, disconnected messages.
6. Employ innovative use of new media, adept and informed deployment of all available cost-effective communication technologies.
7. Foster and encourage collaborative messaging and partnership development throughout the Columbia Gorge for the purpose of amplifying and organizing regional voice on needs and priorities.
8. Quality versus quantity – invest in producing the highest quality collateral products, programs, and message channels with an eye to channel fatigue in target audiences.
9. Stewardship and storytelling – cultivate an awareness and recognition of the historic and cultural significance of the Port of Hood River, its assets, and its work. Give care and attention to archiving, preserving, and sharing the stories of the Port.
10. Ensure equitable access to Port information resources to all the diverse communities that make up the Port constituency. Strive to deliver all public messaging in bi-lingual English/Spanish format. Audit Port messaging channels and delivery methods to ensure information is reaching intended audiences in a way that makes sense to them.

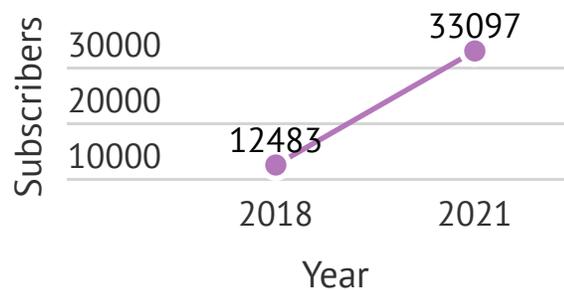
# PUBLIC INFORMATION IN A PANDEMIC

Since the last update to the Port's communications plan in late 2018, the methods, and the media employed to convey Port messaging have kept its constituents and customers informed of Port activities by enabling multi-media, flexible, real-time delivery of key messages. In March of 2020, the Port offices were closed to the public and all customer service activities were provided via telephone, email, and online. This was a highly challenging transfer, but enabled the Port to ensure a safe working environment for front-line personnel while continuing to provide customers with the services they need. The chart below illustrates the large increase in visitor traffic to the Port website during the closure, and the slight drop after reopening, as customers are now able to return to in-person service at the front desk.



## Social Media and Bulk Email

The Port relied heavily on social media and bulk email for information delivery during the pandemic, utilizing each of its digital tools in different ways. The Port's Facebook page and Twitter feeds are used primarily to deliver real-time information on bridge closures, waterfront safety, COVID-related public service messages, and other topics. The feeds have become a reliable tool for commuters during any maintenance, repair, or inspection work on the bridge that are likely to cause traffic backups. The Port's email listserv, utilizing the Constant Contact platform, provides broadcast announcements of upcoming projects, policy changes, and operational announcements to targeted lists including BreezeBy customers, local media, airport stakeholders, marina moorage tenants, building tenants, and other specific interest groups. The charts below illustrate the growth in social media followers and email subscribers since the last update to the communications plan.



● Facebook ● Twitter

● Email Subscribers

# News media, advertising, and print publications

The Port has long enjoyed an excellent working relationship with the local news media, grounded in and guided by the key Port values of Integrity, Transparency, Responsiveness, and Quality. Going forward into the next year, it will be absolutely critical to incorporate the values of Diversity, Equity, and Inclusion into the Port's communications plan to ensure Port messaging is reaching all its constituents in meaningful ways. Since the last update to the communications plan, the Port has issued a total of 52 press releases. Traditionally, advertising is restricted to legal notices required by law, classified ads for job openings, and public service announcements. The "test" for investment in print or digital advertising has always been based on a calculation of cost versus public benefit. With the 2018 toll increase, the Port placed several large graphic advertisements in all regional newspapers promoting the discount provided by the BreezeBy system. In 2020, the Hood River News, White Salmon Enterprise, and The Dalles Chronicle were sold and service consolidated under the banner of the Columbia Gorge News. This has been largely beneficial to Port public messaging, as it has maintained an important connection to, and actually increased the number of, the Port's newspaper reading audience. In 2021, the Port purchased "advertorial" space in the Infrastructure issue of Business Oregon Magazine to promote the Bi-State Working Group and the collaborative effort to replace the bridge (see image below).

**BRAND STORY**  
PRODUCED BY THE OREGON BUSINESS MARKETING DEPARTMENT

## A New Bridge for a Bright Future

John Everett, President, Port of Hood River; Maria Keebler, Mayor, White Salmon, WA; Bob Benton, Hood River County Commissioner; Kate McBride, Mayor, Hood River, OR; Jacob Anderson, Klickitat County Commissioner; Betty Barnes, Mayor, Bingen, WA.

**Washington & Oregon collaborate to secure a coveted BUILD grant & pursue a replacement bridge for the Mid-Columbia River region**

BY NATALIA HURT

For roughly a century the Hood River Bridge has linked Washington and Oregon, unifying the area into the Mid-Columbia River Region. Worn by years of steady economic growth, the old structure's limitations have started to show. To strengthen its pursuit of a new bridge, the Port of Hood River partnered with Klickitat County, Wash., on the other side of the Columbia, forming a powerful partnership that has already proven its worth. After relaunching the replacement bridge project three years ago, the port engaged representatives from Klickitat and Hood River Counties in a joint effort. Both parties equally rely on the four million trips made across the water annually.

"With the development of our regional economy, the port has taken the view that our mission is best served by fostering the growth of our regional identity and brand, and the bridge is the heart of that," explains John Everett, President of the Port of Hood River Commission. "We have growers that grow fruit in Oregon and pack fruit in Bingen [Washington]."

A production powerhouse spanning farming, aeronautics, food processing and beyond, the Mid-Columbia River region's economic activities hinge on the flow of products and people in and out.

"The White Salmon-Hood River Bridge replacement project is the top priority identified in our region's Comprehensive Economic Development Strategy. Its critical role in being a lifeline for not only the quality of life for Gorge Washingtonians but also our regional commerce, tourism, and recreation is hard to overstate," says White Salmon Mayor Maria Keebler. "Ensuring the long-term resiliency of north shore communities, such as White Salmon and Bingen, is directly tied to confidence that we have a bridge to carry us forward for the next 100 years."

According to Jessica Metta, Executive Director of the Mid-Columbia Economic Development District, the existing bridge falls short for many reasons: "The current structure raises concerns over its age, narrow lanes and difficult barge navigation, as well as its lack of safety shoulders, bicycle or pedestrian facilities and seismic resiliency. A new bridge would improve the movement of people and goods in the Columbia Gorge and support livable communities."

Furthermore, the current bridge may soon impede low-cost high-volume business, such as rock, gravel or logging, thanks to load limitations that tend to increase with time.

"We are always faced with load limitations. If further load limits were imposed, it would be a slow to high-point load vehicles like concrete mixers, who would be forced to add 50 miles to each of their trips," says Kevin Greenwood, Bridge Replacement Project Director, Port of Hood River.

For the barges and tow-boats passing beneath, the narrow channel, high winds and growing shoals make for a challenging route. Millions of tons of wheat, barley and other products sit under the bridge each year. The new bridge would increase the horizontal clearance from 246 feet to 450 feet.

"There's a nexus between maritime and vehicular traffic, because every time a tall ship passes through that requires a lift of the span, it stops all vehicle traffic," Greenwood adds. "The new bridge would have a fixed span, eliminating the need for pilotes to wait for lifts."

While the port only receives that request about once a month, they lift the bridge several more times a year for maintenance, an expensive and inconvenient endeavor. Hundreds of thousands of dollars a year go toward ensuring the safety of the century-old structure, for example, in the form of side rail replacements and steel deck welding.

In 2017, the Port, which has owned the bridge since 1950, received \$5 million in funding from the State of Oregon to complete the National Environmental Policy Act process that began in the nineties. It recently published its Supplemental Draft Environmental Impact Statement (SEIS), which completed its public comment period on January 4th. Citizens, agencies, bike and pedestrian interest groups and current bridge users submitted over 150 comments that will inform the final EIS to be released this summer.

Following that initial investment, the project's next big break came in 2020 when it was awarded a coveted \$5-million federal BUILD Grant. The source of the application's success dates back to 2019 when the cities of Bingen, White Salmon and Hood River; Klickitat and Hood River counties; and the Port of Hood River launched a bi-state working group to galvanize a singular voice in the region calling for the bridge replacement. Washington state's Senator Curtis King was instrumental in organizing the collaborative group.

"Everybody has a shared appreciation that it's going to take political will and congruence at the local level to be able to make an impression at the state level. That's what we think we can do with the bi-state working group," Everett says.

The collaboration doubled the project's congressional representation, allowing the team to lobby the US Secretary of Transportation from two states and both sides of the aisle.

"I don't believe we would have made it this far without collaborating as a singular region," Greenwood concludes. "These conversations and relationships transcend the bridge."

"The bi-state collaboration for this project has been sort of a relay race for many years, with the baton passing back and forth across the river," says Port Executive Director Michael McDewee. "Now, all of us working together in tandem, meeting regularly to map a pathway forward and advance critical steps has been key to these successes."

The group's BUILD grant was the only one awarded in Oregon in 2020. This funding allows the team to complete preliminary designs, engineering plans and firm cost estimates.

With this next step, they move closer to securing a bridge that can facilitate the Mid-Columbia River region's economic vitality for years to come, supporting its communities and all they have to offer. ■

**"All of us working together in tandem, meeting regularly to map a pathway forward and advance critical steps has been key to these successes."**  
PORT EXECUTIVE DIRECTOR MICHAEL MCDEWEE

Act process that began in the nineties. It recently published its Supplemental Draft Environmental Impact Statement (SEIS), which completed its public comment period on January 4th. Citizens, agencies, bike and pedestrian interest groups and current bridge users submitted over 150 comments that will inform the final EIS to be released this summer.

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"Everybody has a shared appreciation

With the end of publication of the White Salmon Enterprise, the Port added White Salmon and Bingen residential mail to its bulk mail distribution of print newsletters and annual reports, increasing the direct mail distribution by 4,189 recipients. While it is very uncommon for a Port to distribute its newsletter beyond its district boundaries, residents of White Salmon and Bingen are important stakeholders in the Port's operations and deserve direct communications, especially regarding bridge replacement. This decision was based, again, on the Port's stated value of transparency and collaboration.

# Bridge replacement, Strategic Business Plan public input processes

The Port met federal NEPA requirements for public comment on the draft Environmental Impact Statement, and its own public input requirements for the update to its Strategic Business Plan, through its engagement with WSP subconsultant public relations firm, EnviroIssues. Both efforts were led by Anne Pressentin and her staff, and resulted in better than expected results in engagement from regional stakeholders. Working in concert with Port staff, EnviroIssues deployed print and digital media as well as in-person events to complete the two public input surveys and delivered the results of the survey to the Port Commission for review on time and under budget. This serves as a model of success, as the Port anticipates a similar relationship with the communications team of the Replacement Bridge Management Contract. Shown below are the paper version of the surveys, which was distributed in English and Spanish, and the pop-up events and open houses hosted by EnviroIssues.



# The importance of in-person communications and the people who are the face of the Port

Everywhere in the world, people are feeling the manifest loss that has come from our need to distance from each other physically to mitigate the spread of a deadly virus. Like organizations all over the world, the Port had to change how we interact with our agency and business partners, stakeholders, coworkers, volunteers, legislators, constituency, and our customers and the loss of in-person interactions has been distinctly felt, with myriad negative ripple effects.

As a tolling agency, and a public facility provider that relies primarily on user fees to fund maintenance and capital improvements (versus property taxes, special levies or bonds), the Port has for many years faced significant challenges in public approval ratings. Implementation of any new toll increases, parking fees or fines, increased lease rates for Port owned buildings, marina moorage slips and airport hangars are always accompanied with negative public reaction. As an "off-system" bridge that is paid for by its users, on a per-use basis (a toll), the Port's bridge operation is novel to many and the business model often misunderstood. Mistrust of the Port's motivation to replace the bridge as soon as possible is a direct result of this misunderstanding. Further, when coupled with the formidable task of communicating the replacement project's complexity, probable timelines, funding challenges, permitting process requirements, governance authorities and future ownership issues, that mistrust presents the Port with considerable challenges in the near term. To what degree the Port should invest public funds to, at least, turn that negative perception around, and at most strive to create a positive public opinion of the agency, is a perennial question. More often than not, the Port has concluded that the cost of such a public relations campaign would outweigh the public benefit, and is likely be unsuccessful. By far, the most cost-effective and reliable method of addressing these issues has been the face-to-face work of Port staff, Commissioners, and volunteers and it is important that the Port work as a team with all team members well-informed, have a solid understanding of their responsibilities as public officials, and are fully prepared to interact with Port partners and constituents.

Since joining the Port staff in 2018, Kevin Greenwood has successfully organized the Bridge Replacement Bi-State Working Group, the Environmental Impact Statement Working Group, and has served as the Port staff liaison to state, federal, and tribal agencies important to the success of the bridge replacement project. Michael McElwee and Genevieve Scholl both serve on multiple community councils and boards, and Greg Hagbery and Daryl Stafford provide staff support to the Airport, Marina, and Waterfront Recreation advisory committees. Commissioner Chapman serves on the Urban Renewal Agency, is the ex-officio Port representative on the Visit Hood River (Chamber of Commerce) board, and along with Commissioner Fox serves on the Bi-State Working Group. Commissioner Fox also serves on the Hood River Energy Council. Commissioner Streich has served for many years on the City of Hood River Urban Renewal Agency, a role recently taken up by Commissioner Gehring. The return to in-person customer service with the reopening of the front office was met with relief from our customers that aren't tech-savvy and prefer the efficiency and friendliness of in-person service. In the legislative arena, Port advocates in Salem, Olympia, and DC meet both in-person and remotely with key personnel to maintain a high level of awareness of Port priorities. Personal relationships and face-to-face interactions help to instill and maintain trust, credibility, mutual respect and cooperation, and should remain the Port's key method of outreach, with COVID safety protocols and practices always considered and demonstrated.



*"Personal relationships and face-to-face interactions help to instill and maintain trust, credibility, mutual respect, and cooperation and should remain the Port's key method of outreach, with COVID safety protocols and practices always considered and demonstrated."*



# FY 2021-23 Communications Plan

*Moving forward:*

*Accelerated pace, multiple pathways, and the paramount importance of partnership.*



The FY 2021-23 Communications Plan anticipates public communications activities centered mainly on bridge replacement, changes in the Port organization and "central services," and in the business models of each area of operation (Airport, Marina, Waterfront Recreation, Real Estate and Economic Development, Bridge Operations & Bridge Replacement).

Simultaneous with all the new and accelerating major projects, the plan should ensure that customer and tenants enjoy responsive and clear communications about their business transactions with the Port.

The increased importance of imbuing in all activities a thoughtful and respectful practice of addressing diversity, equity, and inclusion should be top of mind in both the development and deployment of the plan.

This draft is presented for Commission review and feedback during the Fall Planning process in 2021.

## **CENTRAL CONCERNS**

- Accelerate bridge replacement
- Encourage new contracted partnerships with robust work plans
- Coordinated state and federal advocacy will rely on good information delivered through multiple channels
- Foster public involvement in decision-making, especially about the future of Port public assets

## **Key word: partnership**

In 1950, the Oregon/Washington Bridge Company sold the interstate bridge to the Port of Hood River, a municipal corporation independent of Oregon or Washington state governments and transportation systems. The authority for a municipal corp to own and operate a tolled interstate bridge facility was granted by the U.S. Congress and confirmed in the Oregon supreme court. Since its construction in 1924, the operations, maintenance, inspections, repairs, and upgrades to the bridge have been funded mostly by the bridge's users, paid on a per-use basis - a toll. In that nearly 100 years of operation, the cash toll for an automobile has increased only \$1.25, with successive Port Commissions striving to keep the cost burden of the toll-payers as low as possible while ensuring the bridge remains safe and operational.

But the bridge is now well beyond its design life and functionally obsolete. As engineering estimates for bridge preservation show accelerating costs in the range of \$52 million over the next 25 years, the community demands delivery of a replacement bridge - with preliminary cost estimates above \$350 million. It is clear the Port and its toll customers cannot provide sufficient funding for the full cost of the replacement bridge, and ensuring the existing bridge remains safe and optimally operational until the new bridge is built is the primary concern. The bridge is a critical link in the region's transportation system that simply must remain unbroken. As the Port works to restructure and redevelop the individual business models for each of its operational arenas, and anticipates significant changes to delivery of public services and facilities to its end-users, developing and sustaining new partnerships will be of paramount importance.

The diverse communities served by each of the Port's main operational categories - bridge, marina, airport, waterfront recreation, real estate and economic development, and central services, must be actively engaged in the decision making, information distribution, and coordinated advocacy that will be required to secure each group's most favorable outcome for their facility or service of interest. The work of the Port, now, will be to foster open, organized, effective collaboration with each of these user groups, and cultivate an ecology of partnership and ensure that ecology is as rich and diverse, and active as possible.

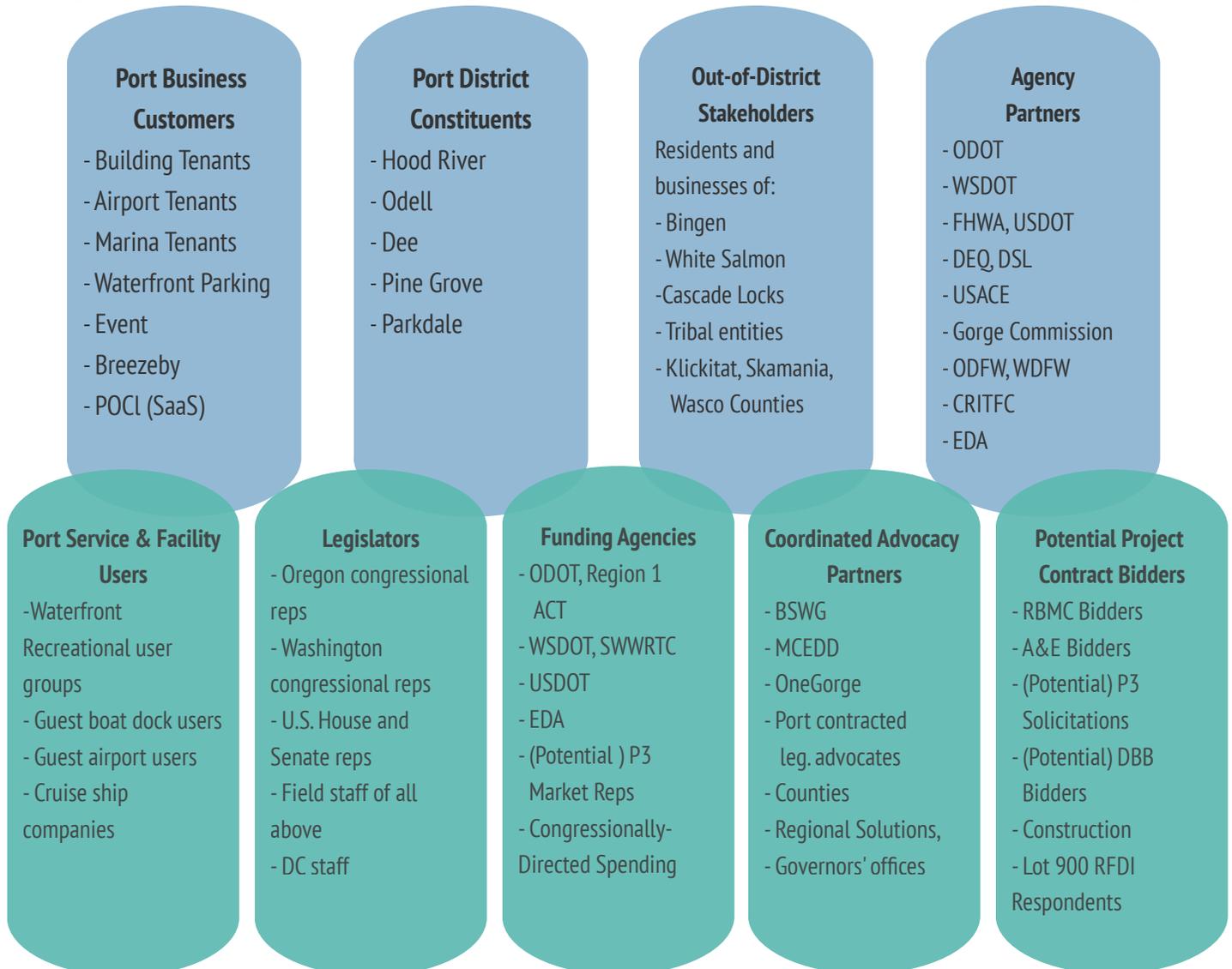
Port staff should provide organizational support and work as the liaison to each user group, encourage and record public participation and ensure accurate, timely conveyance of public input received, and recommendations of advisory committees to the Commission.

## Focus areas

This plan incorporates the goals of the Port's 2021-26 Strategic Business Plan, the Strategic Action Plan Principles adopted by the Bi-State Working Group in March of 2021, and the work plan directives outlined for the Replacement Bridge Management Contract by Port Commissioner Mike Fox in November of 2021. A common thread of public and inter-agency partnership, attunement to and emphasis of the human connection to the Port's work, and increased awareness of the regional and national significance of the work ahead run through each of these documents, and forms the basis of the plan goal setting.

## Primary audiences

In general terms, the Port's main target audiences are listed below, with some overlap in category:



# Media

The Port's myriad audiences each benefit from message delivery via communication channels they are already "tuned" to and in the design format, language, and material form that makes the most sense within any given context. This requires the Port to prepare outbound communications in both traditional and new media. Public information video production will hold an increasingly important role, as it provides the richest, most compact delivery of complex messaging that is heavily reliant on visual cues and context. In all Port outbound messaging, the human connection is the key, and the personal voices of project advocates, stakeholders, and community members will be the Port's most valuable communication tool. With the new inclusion of Diversity in the list of the Port's core values, the Port should audit all elements of the plan to ensure optimal messaging delivery and access to opportunities to provide input to all communities of the Gorge, regardless of economic or educational status or first language.

## 1. Print and Broadcast News Media

Newspapers and magazines - feature articles, paid display advertising, public notices and legal ads. Radio and TV feature articles, paid PSAs and promotional campaigns.

## 2. Online News Media

News and special interest websites and aggregators, social media feeds.

## 3. Printed promotional materials

Port and Bridge Replacement Project newsletters and bulk mailings, posters, flyers, handouts.

## 4. Websites and Social Media Feeds

Port and Bridge Replacement Project websites, blogs, and social media feeds. These tools should anticipate survey and feedback functionality to encourage public engagement and access to decision-makers.

## 5. Email listserv

Port and Bridge Replacement Project targeted email, recipient lists organized by interest. Currently, the Port utilizes the Constant Contact platform for this function.

## 6. Presentations & White Papers

The Port should seek every opportunity to share the complex, contextual information about the bridge replacement project, current bridge maintenance and repair projects, and real estate and economic development projects before agency, community interest, and affiliated industrial groups and boards through in-person presentation and white papers. The bridge replacement project, especially, is profoundly complex and requires such comprehensive, detailed, treatment to foster collaboration, leverage available expertise, and accelerate project completion.

## 7. Signage

The bridge and waterfront recreational areas are especially dependent on both fixed and variable message signage for traffic control, safety alerts and hazard mitigation, wayfinding, and interpretation.

# RBMC Work Plan

In the context of public communications, the most important contractor/staff relationship anticipated for the next three years is the Replacement Bridge Management Contractor (RBMC). Port staff will work in partnership with the RBMC to develop and deploy public information about all aspects of the bridge replacement project, including calls to advocacy action, metrics report delivery, project milestone and timeline description, as well as formal bid processes.

In November of 2021, the Bi-State Working Group submitted a request to the Port Commission to incorporate the following list of RBMC work plan tasks into the Port communications plan. These tasks are aligned with the Port plan and staff anticipates a complimentary relationship to achieve the shared goal of bridge replacement.

- Emphasize human connection to and critical nature of the project via an established digital and print media campaign that includes a project webpage, social toolkit for use by affiliated BSWG government agencies, white paper and presentation templates, as well as video and audio deliverables for distribution via digital and radio channels.
- Implement stakeholder engagement series that connects with and informs the impacted communities; special emphasis on BIPOC community organizations and focused outreach
- Establish and maintain an asset library of historical, current, and in-construction images and media components for the length of the project, that is also disseminated to all vested project partners
- Support presentation needs of BSWG and associated government entities for any bridge-specific speaking engagements or opportunities
- Seek out speaking and presentation opportunities for BSWG members that could result in expanded stakeholder support or increased public awareness



# Key Messages by Operational Arena

## 1. Bridge & Bridge Replacement

- Originally constructed in 1924, the Hood River-White Salmon Interstate Bridge is beyond its design life, structurally deficient, functionally obsolete, presents both an environmental and navigational hazard on the Columbia River federal waterway, and must be replaced.
- The potential failure or closure of the bridge would have severe social and economic impacts on the interdependent, bi-state communities of the Columbia River Gorge National Scenic Area.
- The bridge is a Critical Rural Freight route facility that in 2021 had new load limits imposed for Specialized Hauling Vehicles, creating serious logistics challenges for local and regional freight haulers including fruit, timber, rock and cement, and other important commodity shippers.
- The Port of Hood River is committed to assisting in all reasonable efforts to replace the bridge and remove barriers to success in all potential pathways forward.
- The Port of Hood River has in place a 30-year Capital Maintenance Plan for the current bridge to ensure this critical link in the region's transportation system will remain unbroken until the new bridge is complete and open.
- The Port of Hood River is preparing to transition project leadership to another entity. The Port is leading the project now because it is the current owner of the facility, has statutory authority to own and operate a toll facility in Oregon, has obtained significant financial commitment from the States of Oregon and Washington and the federal government, and has project administration experience.

The Port's 2021-26 Strategic Business Plan calls out the following communications tasks related to bridge replacement.

- 1. B-3 - Increase understanding of alternative project delivery models including P3
- 1. B-5 - Advocate for continued project funding at the state and federal level
- 2. B-6 - Post-NEPA phase public information campaign
- 2. B-7 - Phase II public involvement strategy

## 2. Airport

- The Ken Jernstedt Airfield is a small, general aviation airport that supports wildfire and emergency response, aviation technology research and development, and Port education and economic development goals.
- The Port is working to implement a business model at the Airport that will achieve operational financial self-sustainability while providing a high level of services commensurate with the airport size and market.
- The educational and recreational experiences available through the WAAAM museum and events are a welcome community benefit, and the Port seeks to leverage that amenity with educational opportunities and facilities.

# Key Messages by Operational Arena

## 2. Airport (continued)

- Planning and policy-making for the airport are informed by an active, engaged Airport Advisory Committee and a stakeholder group informally known as the AAC Friends.
- The Port is continually working to understand and respond to airport noise-related impacts to neighboring residential areas.

The Port's 2021-26 Strategic Business Plan calls out the following communications tasks related to the airport:

- 5 - Foster a mutually supportive relationship with WAAAM
- 9. A-11 - Prepare and implement an outreach strategy to enhance communication and address concerns from area residents about airport operations, particularly noise impacts.

## 3. Economic and Real Estate Development

- As part of its economic development efforts, the Port prepares industrial sites for new construction, renovates industrial buildings, assesses and responds to market conditions, encourages workforce education and training, and takes other actions to support business communities within the Port District and the greater Columbia Gorge region.
- Lot 1, the last, largest, and most visible undeveloped industrial parcel on the waterfront, is the Port's highest development priority. The construction of E. Anchor Way, and the subsequent relocation of N. 1st Street and associated storm, sewer, water, electrical and telecom utilities is the next critical step toward development for any future use.
- The redeveloped Lower Mill industrial site is already providing much needed ground and utility service for local industrial users on short-term leases, but the Port anticipates a thriving industrial district built out on the site in the coming years.
- Lot 900 is a commercially zoned property at the entrance to the waterfront. The Port issued a Request for Developer Interest in 2021 and received multiple proposals - all for hotel development. The Port is currently negotiating with two of the proposers.

The Port's 2021-26 Strategic Business Plan calls out the following communications tasks related to development:

- 2 - Market existing vacant property to generate revenue and create and retain quality jobs.
- 2. E-1 - For Lot 1: Explore grant opportunities
- 2. E- 3 - For Lot 900 - Issue RFDI (complete)
- 4. Participate actively and engage the public in planning and development efforts
- 5. Support workforce development efforts by other agencies and businesses in the Mid-Columbia.

# Key Messages by Operational Arena

## 4. Marina

- The Hood River Marina is an active, vibrant boating facility with 173 boat slips and a long waiting list. The Marina features a free boat launch, limited paid overnight service at the guest dock, and moorage facilities for cruise ships and large vessels on a reservation-only basis.
- The Marina is a safe and efficient facility that is an OSMB certified "Clean Marina."
- The bridge replacement project is likely to impact the Marina Complex in a number of significant ways, at least during construction and possibly permanently. The Port will endeavor to properly characterize and mitigate these impacts to be able to continue to provide boating access and moorage facilities to the boating community.

The Port's 2021-26 Strategic Business Plan calls out the following communications tasks related to the Marina:

- 2 - Efficiently manage the Marina wait list to ensure slips are leased in a timely manner.
- 4. M-9 - Work with the Marina Committee to encourage greater input from moorage tenants on management and maintenance practices.
- 5. M-11 - Collaborate with the Hood River Yacht Club and other user groups to increase public and private events and activities in the Marina, especially youth education and sailing programs.

## 5. Waterfront Recreation

- The Hood River waterfront recreational areas are very popular, diverse parks and beaches with visitors from all over the world year-round. But, it is a dynamic and constantly changing environment and serious natural hazards exist. The waters of the Columbia and the Hood rivers can be very cold and there are strong currents and steep underwater drop offs at multiple locations. These locations can change throughout the year depending on weather events and water levels.
- Serious drowning dangers exist. Children should be directly supervised by a parent or caregiver at all times and lifejackets are very strongly recommended. Loaner life jacket stations are located at the Marina Swim Beach, Frog Beach in Nichols Basin, and at the Event Site. There are NO lifeguards on any beaches in Hood River.
- Dogs must be on leash, attached to their humans at all times and dog owners must clean up after their pets for everyone's safety.
- Kiteboarding is a sport that requires lots of clearance to enjoy safely. Spectators and other users are urged to stay far away from kiteboarding areas.
- Waterfront Safety Zone Map graphic
- Port park and beach facilities are not funded by taxpayer dollars. Paid parking, grants, and Port of Hood River general revenue provide the funding for maintenance and upgrades to park facilities.

# Key Messages by Operational Arena

## 5. Waterfront Recreation (continued)

The Port's 2021-26 Strategic Business Plan calls out the following communications tasks related to Waterfront Recreation:

- 8 - Event Site - Proactively respond to changing water levels, user needs, and enforcement requirements to decrease user conflicts.
- 9 - Event Site - Increase communication with users to obtain feedback and communicate site activities and user rules.