



PORT NEWS

Winter 2007



The growing delta at the mouth of the Hood River, pictured in mid-November, presents numerous issues to many users of the waterfront.

The Changing Waterfront

by Michael McElwee, Port Executive Director



Michael McElwee

The flood event of November 7, 2006 brought a new arrival to the Hood River waterfront. Depending on your point of view, the 30-acre delta at the mouth of the Hood River is a nice addition to the family or the unwelcome relative comes to stay.

Either way the "Delta" will have a significant impact on how the waterfront is used this year and in the future. It has cut off marine access to the Nichols Basin for cruise ships and for float contractor Maritime Services Corp. It has limited access to the Event Site and extends far enough eastward that it may impact the Marina entrance in the future. Its sheer size and the debris on it will have a big impact on recreational activities, including kiteboarding, windsurfing and swimming. It will present new and potentially hazardous conditions for all who use the water this summer.

Here is what the Port is doing to address the new, dynamic addition to the waterfront:

Existing Conditions—The Port's surveyor, Terra Surveying, has set topographic targets and new aerial photographs were taken of the Delta on January 25. This information will provide accurate area and volume calculations of the Delta. Port officials have met with FEMA, and the Corps of Engineers to discuss maritime access to the Nichols Basin and dredging costs and feasibility. We are discussing ownership issues with the State of Oregon Division of State Lands and using historic photographs to assess sedimentation at the mouth of the Hood River over time.

We know that dredging of the entire Delta is important. Even partial dredging is unlikely. Although the federal government has a historic commitment to dredge a channel to the Nichols Basin, it would have limited economic benefits (relative to other Corps projects) and could silt in again in a short timeframe. Dredging would be subject to all the uncertainty of in-water permitting requirements. And it is prohibitively expensive, probably exceeding \$1 million. We also know that most of the Delta is owned by the State of Oregon and will be subject to state regulations and jurisdiction.

Recreation Issues—In anticipation of the coming summer recreation season, the Port's Recreation Committee will convene a public meeting on February 13 to assess potential impacts of the new Delta. Significant issues include wood debris, access, signage, guidelines for separation of sports, changes to the swimming beach, and the needs of kiteboarders and windsurfers. Additional public meetings will be held through June to refine the issues and recommendations.

Long-term Impacts—Years ago, the mouth of the Hood River was characterized by marshy conditions and seasonal flooding. Construction of the the Bonneville Dam and numerous dredge and fill projects have shaped the waterfront, but sedimentation has continued. The current Delta may well represent a return to historic conditions, accelerated by increasing debris flow in the upper Hood River watershed. Therefore, it is likely that the Delta represents a permanent, albeit dynamic, feature on the waterfront. Understanding as much as possible will allow us to anticipate future changes and identify future actions. We are seeking federal assistance to conduct a long-range study of the lower Hood River to assess current and future conditions and evaluate impacts. We are also identifying potential response steps and local partners to carry out the work.

Although the Hood River Delta is changing constantly, and may take a significantly different shape after the spring runoff arrives, it is probably here to stay. Waterfront users will need to be flexible and ready to adjust their activities to ensure safe enjoyment of the Delta this summer.

FEBRUARY MEETINGS

Waterfront Recreation Committee

Special Meeting Feb. 13, 6 p.m.

Hood River Expo Center Conference Room

For more information or minutes,

contact the Port at 541-386-1645 or email:

porthr@gorge.net

Waterfront Development Outreach

Feb. 22, 6 p.m., Hood River Expo Center Conference Room

Toll Plaza Project continues

Progress on the Port's Toll Plaza Improvement project became much more visible in late January as bridge users and onlookers witnessed the disappearance of the old tollbooth and the placement of a temporary toll collection structure.

Roads on new outside lanes are complete, and resurfacing of the old roadways are underway. Before long, new electronic tolling equipment will be installed and ready for testing.

The new tollbooth, unlike any other, will be pre-fabricated in Michigan to custom specifications for the Port. The Port of Hood River tollbooth is unique, according to Linda Shames, Port finance manager. Most toll plazas contain multiple units from which to collect tolls for numerous lanes, with a common service building for breaks and record-keeping. The Port of Hood River tollbooth is one all-inclusive unit that contains a surprisingly long list of amenities and equipment for a small structure. The list of items to accommodate includes a restroom, sink, ship-to-shore radio, computer and printer, police scanner, calculator, coin counter, coffeemaker, microwave, and radio.

"The toll building is the main issue that will affect project timeline," Shames states. Not only must the unit be designed for the Port's specified purposes, it must then be certified by the state of Oregon prior to construction. "The building has the most hurdles and any slip in time will be due to this," Shames adds. The project began in late-October and four lanes should be operational at busy commute times this summer.

please see Toll Plaza continued on page 4



New occupants fill former Homeshield building

Two new tenants, a long-time interest and one brand new to the community, now occupy the former Homeshield building on the west end of Hood River's waterfront. Local company Maritime Services Corp. has leased 11,700 square feet of space for its MSC Floating Structures operation. Boeing the world's leading aerospace company headquartered in Chicago, Illinois, entered into a new lease agreement with the Port for 11,730 square feet of space. Both are short-term leases as the Port Commission deliberates a master plan for the waterfront.

Boeing sets up Hood River support center

Boeing's new Hood River digs on the building's east end will help the company service one of its many products. Jim Mutchler and Dan Sauer, Field Service Representatives for Boeing are overseeing the aeronautics company's Hood River operations. The decision to move to the area is a result of a four-year partnership with Insitu, Inc., on ScanEagle, an Unmanned Aerial Vehicle (UAV) system. "Our employees and customers have been in the area over the course of the partnership. We've been consistently impressed with the community," expresses Peggy Holly, Boeing ScanEagle Program Manager. "Establishing a facility like this one is vitally important to meeting the needs of our Boeing/Insitu customers."

In addition to this building's proximity to Insitu in Bingen, Washington, the former Homeshield building also met the



Mike Doke (left) facilitated Boeing's lease for the Port. Dan Sauer (center) and Jim Mutchler will oversee operations at Hood River's ScanEagle refurbishment and support center.



Peggy Holly, ScanEagle Program Manager

company's criteria for size, security and fire hazard. "It suits our needs locally without major cost factors. This provides an immediate solution to our needs, and we'll hopefully expand operations," explains Mutchler. "The Port of Hood River has been great to work with as this concept developed." Boeing also has locations an hour in each direction in Boardman and Portland.

The ScanEagle is a low cost, long endurance unmanned aircraft designed to provide intelligence, surveillance and reconnaissance (ISR) data or communications relay. UAVs can be remotely controlled from a ground station on a pre-programmed flight plan. The ScanEagle air vehicle, just four feet long with a 10-foot wingspan, carries a high-powered camera that tracks stationary and moving targets, providing real-time intelligence. Capable of flying at low and high altitude, the UAV can remain on station for over 20 hours, with longer endurance variants in the works.

"UAVs in general are such rapidly developing products, and there's lots of fierce competition," explains Mutchler. According to Boeing, though, the ScanEagle's endurance/payload combination is unmatched. Mutchler says the ScanEagle has proven its worth by logging 26,000 combat flight hours over the last three years. "It's small and quiet," Mutchler describes. "You can't see it, can't hear it, it's ideal for covert operations."

Currently Boeing customers for the ScanEagle system are U.S. and Australian

military forces. The U.S. Navy and U.S. Marine Corps use them to gather intelligence in the war in Iraq, as well as other sea and land based missions. However, domestic applications exist, such as border patrol, pipeline patrol, forest fire control or search and rescue missions like Hood River County experienced recently on Mt. Hood. Boeing and Insitu are working together to meet the needs of a variety of customers.

Boeing's Hood River location will be used as a refurbishment and support center for equipment used in land and ship based deployment internationally, according to Mutchler. Currently the FAA restricts unmanned vehicles, however, so don't expect to see any flying around the Hood River area. Flight testing takes place in Boardman.

Mutchler says job postings for the local Boeing plant will depend on a lot of factors, mainly the development of contracts. "There are always contracts in the works, and the possibility of a major one this year." Conservatively, the company plans for four to 12 employees in the near term.

Mike Doke, marketing manager for the Port of Hood River, facilitated the lease agreement. Boeing and the Port worked in an expedited process of just over two months for a tenant agreement that would normally take Boeing six months. "Boeing is a great group to work with, with lots of professionals on their end," Doke comments. "The company is not only a major aerospace player, but it's known to be a good corporate citizen in the community."

MSC waterfront operations expand

Maritime Services Corp., a local company since 1986, last year entered a five-year lease agreement for Port-owned land in the Nichols boat basin for its MSC Floating Structures division. While the company discussed a short-term lease for covered space with the Port to aid fulfillment of a large contract over the winter, debris floods and shoaling of the boat basin site in early November resulted in a swift operations set up in the former Homeshield building.

Despite that bad news, business at MSC Floating Structures is good. Employment has grown from an initial six workers to 12, according to Charlie Capovilla at MSC.

MSC Floating Structures recently provided the foundation for a floating home in Portland, a market the company is keen on serving. A three-phase project for the Port of Kennewick, however, has jump-started the new division. Twenty-eight floats for phase one are currently under construction, with two more phases to follow over the course of the year.

MSC Floating Structures produces custom-engineered concrete floats for Oregon and Southern Washington as exclusive licensee for International Marine Floatation Systems, Inc. (IMF) of Vancouver, B.C. IMF is MSC's partner in the Port of Kennewick project.

Floating homes, docks and marinas, yacht enclosures, floating roads and pathways are just some of the uses for floats constructed with IMF's proprietary technology.



Marty Bowe is manager at MSC Floating Structures, where employment has grown in the past

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PORT MEETINGS Regular Port Commission meetings are held on the 1st and 3rd Tuesday of each month in the Expo Center Conference Room. The Port welcomes your questions, comments and suggestions.



Two Army National Guard Black Hawks take off Sunday, December 17, while search and rescue personnel load the Chinook helicopter.

In a time of emergency and national attention, the Port of Hood River's Ken Jernstedt Airfield played a major support role. The community's small general aviation airport became the base of operations in the December search effort for three lost Mt. Hood climbers.

The three mountaineers – Kelly James and Brian Hall of Texas, and Jerry Cooke of New York – set out on an overnight ascent December 7, 2006. James was found dead in a snow cave, and Hall and Cooke are presumed deceased.

Ken Jernstedt Airfield an asset in Mt. Hood search



MSC Floating Structures launched its first float at Nichols Boat Basin last summer.

During the two-week search window, much of the nation was riveted by the intense effort led by Hood River County Sheriff Joe Wampler and his deputies, plus members of the Oregon Army National Guard, Nevada Air National Guard, Air Force Reserve, Hood River Crag Rats and Portland Mountain Rescue. The Port's airport had a central part in the effort, too, providing a base camp with excellent Mt. Hood access.

"The airport is a great location," said Col. David Greenwood of the Oregon Army National Guard, who is in charge of Oregon-based military aviation assets.

"If it wasn't for the local airport, the search would have been based at The Dalles Municipal Airport. That would have made communication difficult – we had a direct line-of-sight to the mountain from Hood River. And the sheer distance from The Dalles airport would have made it difficult. Hood River is centrally located," Greenwood explained.

Hood River had a steady search leader in Sheriff Wampler, the colonel continued.

"This is our business – we do it a lot. We work with sheriffs of all 36 Oregon counties. Joe Wampler is absolutely one of the best. He did great things as an incident commander. He was receptive to ideas from everyone, but he was always the decision-maker. He did a great job handling military assets," Greenwood said.

As incident commander, it was Wampler's call to set up base at Ken Jernstedt Airfield. "It was a logical choice, given its proximity to the mountain. It was close enough to the Gorge that we could fly equipment in during bad weather on the mountain," Greenwood said.

Oregon Army National Guard based three helicopters – a CH-47 Chinook and two UH-60 Black Hawks – at the airport. The Chinook was used to ferry searchers to mountain locations, while the Black Hawks provided extraction capabilities and carried medical equipment.

Terrible weather conditions on the mountain kept the craft grounded early in the search, but as soon as storms passed, helicopters were able to reach the mountain quickly, Greenwood continued.

On December 17, the body of Kelly James was found inside a makeshift mountain snow cave. His climbing colleagues have not been found.

"Search conditions were challenging. We had a low cloud ceiling and high winds that made an aerial search unsafe. When it did clear, we hit it hard," Greenwood explained.

Back at Ken Jernstedt Airfield, two unanticipated events were occurring.

First, intense interest in the search effort was demonstrated by the large contingent of national media on hand. Oregon National Guard Capt. Mike Braibish worked with the score of media outlets on the scene. That included CNN, MSNBC, network broadcasters and their Portland affiliates.

National interest was much higher than normal, probably because of the attention devoted to the post-Thanksgiving search for the four-member Kim family in Southern Oregon, Greenwood suggested.

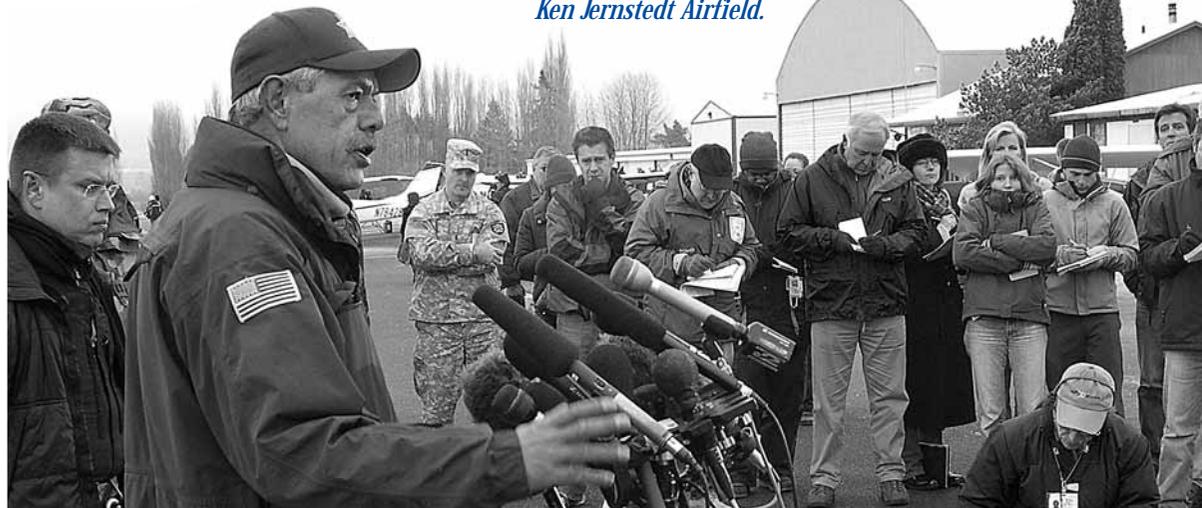
"Last year, we had a similar search effort on Mt. Rainier," Greenwood said. "We eventually saved those three climbers, but there was no national attention at all."

The second unexpected item was the outpouring of local support given to searchers.

"The community really got behind us. It was the little things that really helped: there were apples everywhere, cookies, Christmas cards, even Starbucks donated coffee," Greenwood explained.

"Community members were extremely respectful. As the military officer in charge, that helped me keep my focus on the task at hand. There were a ton of people, but they kept their distance from the main operations. If we didn't approach them, they didn't approach us. They were very respectful," the colonel concluded.

Hood River County Sheriff Joe Wampler briefs the press at the Ken Jernstedt Airfield.



ology.



MSC Floating has doubled six months.

Maritime Services Corp. continues to serve the domestic and international maritime industry with design, engineering, construction and materials for building and refurbishment of cruise ships, work boats, and other vessels. The company is also engaged in other local construction ventures.

Capovilla says that MSC Floating Structures is working on an arrangement with the Port of Hood River for space adjacent to the former Mid-Columbia Marina to build larger floats on a temporary, as-needed basis.

"We want to work on a longer relationship with the Port," Capovilla states. "I think everyone would like to see the operation continue."

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Just how those new lanes operate for early summer crunch times is not yet fully hammered out. HNTB Engineers will oversee installation of the electronic tolling system and tolling software development. Again, the Port of Hood River electronic tolling software will be tailored to local needs, initially set up to accept transponders, tickets and cash. The Port will decide whether to phase out bridge tickets once frequent users become proficient in electronic tolling.

Introducing electronic tolling equipment, identical to what's used on the Tacoma Narrows Bridge in Washington, is a complex undertaking. "There is a huge list of equipment just for the tolling, plus 56 tasks to

complete before training Port employees to use the system," Shames describes. "We need to verify transponders are reading accurately, so before we are satisfied, we'll have to do a lot of testing in unique situations." A group of 100 bridge users will perform testing in July and August. Final Electronic Tolling Certification (ETC) should be completed in September.

Shames says the Port is determined to have four bridge lanes open during busy summer times, nonetheless. "It's possible outside lanes will be used by bridge ticket holders only until final ETC, but this is hypothetical," Shames adds. Once electronic tolling is certified, the two new lanes will become automatic collection toll lanes on the outsides of traditional toll collection lanes.

No bridge closures should occur over the next few months due to the Toll Plaza Improvement project, however the Port is planning some unrelated night closures to repair a span lock on a lift span.

BRIDGE CONSTRUCTION NOTIFICATION LIST & CALL LINE

To subscribe to the Port's Email Notification List for updates on bridge construction and possible delays, log on to the Port's web site:

www.portofhoodriver.com

Bridge construction information is also available by phoning

541-386-1645

Bridge closures and delays are posted on the Port's web site. Click on the "Bridge Update" link at www.portofhoodriver.com.

Bridge notifications will be sent or posted whenever schedule changes occur.

PORT OF HOOD RIVER

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Port explores Expo Center change of use

A new direction for the Hood River Expo Center, for years a growing concern for the Port, became clear after extensive evaluation of facts and findings.

The Port conducted wide-ranging user and stakeholder outreach, plus three assessments by specialists. Five options for the Expo Center's future use were narrowed to two most viable: implement a new business model to promote a successful convention center, or adapt the building for commercial use. The Port Commission passed a resolution in December directing staff to pursue adaptive commercial re-use of the Expo Center building. A new business model would have required costly improvements to the Expo Center, with significant uncertainty of achieving cash flow increases.

The option to return the building to its original use means it might become a home for growing local businesses. This direction was justified by a case of hard economic facts. Eric Hovee of E.D. Hovee & Associates estimated that the impact of 100 direct jobs at an average wage of \$39,100 could result in a total economic impact of over \$6 million. In addition, local jurisdictions could gain up to \$150,000 in property taxes per year. These estimates indicate the magnitude of potential benefits if the Expo Center were adapted for business purposes.

The Port has incurred cash operating losses of about \$550,000 over the past 10 years to operate the Expo Center. Including depreciation, the Port's deficits amount to nearly \$1.5 million on paper.

These losses have concerned Port officials and citizen budget committee members over the past several years. Nevertheless, a change of use decision proved difficult in light of the Expo Center's value as the community's only such venue for large-scale events, as well as the home of the Hood River County Chamber of Commerce and Visitors Center.

"The studies we commissioned and community outreach pointed out the positive role the Expo Center has played but also its operating challenges," Port Executive Director Michael McElwee notes. "The Expo Center's annual loss is limiting development of the waterfront. It may also be hurting the community by not taking advantage of promising economic benefits of more good jobs in our area."

E.D. Hovee & Associates' utilization and economic impact analysis found the Expo Center does not make a substantive contribution to the local economy. While incurring annual losses of \$175,000, it represents a significant "opportunity cost" to the Port and the community. The Port covers losses with general operating revenue which could potentially be used elsewhere.

In addition to these findings, A/E Associates' building condition report found the Expo Center to be a very functional, structurally sound building, though it may require seismic improvements.

The third study, by Hennebery Eddy Architects examined the building's re-use potential. That report found the facility has potential to be a catalyst for area re-development and has a high potential for commercial or light industrial purposes, while the current building structure limits conversion to a quality conference or convention center. The Expo Center building was initially constructed as a door manufacturing plant, and

is easily adaptable to office or manufacturing space.

In addition to adaptive re-use, future Expo Center alternatives presented to the Port Commission included continuing with the building's current use and approach, implementing new management and marketing to enhance Expo Center use, adapting the facility for conference/convention use, or closing the facility.

As part of its resolution to move forward with adaptive re-use, the Port Commission agreed to a number of conditions:

- take six months to determine feasibility of commercial use
- keep the Expo Center open through 2007
- confirm the feasibility of relocating the Harvest Fest to another waterfront location
- work with existing users to determine alternative locations for events
- take immediate steps to reduce the operating loss including greater financial participation from users, tenants and stakeholders

In the first half of 2007, as the Port explores the feasibility and potential of the building for commercial or light industrial purposes, the Commission will define minimum acceptable standards that meet its objectives and conduct outreach to interested businesses.

The Port has already begun collecting data on potential tenants. In December, the Port requested letters from companies interested in locating to the Expo Center site. Preliminary criteria for tenants includes a minimum of 40 living wage jobs, growth potential, and compatibility with the long-term future of the Hood River waterfront. A total of five responses were received and the Port has started discussion with each respondent.