

Welcome to the 2010 season!

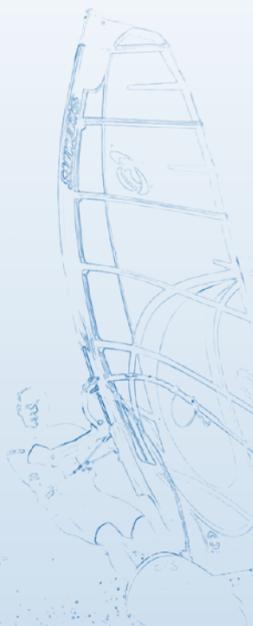
Port parks draw multitudes of diverse users during Hood River's warm weather seasons. In order for all park patrons to respectfully coexist, the Port of Hood River encourages users to follow all posted rules and regulations.

- **No littering**
- **Dogs must be on leash at all times** (except one hour after sunrise and one hour before sunset at the Hook and the Spit)
- **Please pick up after your pet to help keep beaches, grass and walkways clean**
- **No fireworks**
- **Boat launching only in designated areas**
- **No overnight camping**

For complete Port park regulations, visit www.portofhoodriver.com online, and link to Ordinance 22.



The most frequent complaints to the Port concern dogs off-leash and dog waste in Port parks. Please be a responsible pet owner.



2010 Event Site Park Fees

Daily Parking: \$5 Annual Pass: \$50
 Family Pass: \$20 *Purchased only at the Port office, verified by registrations from both vehicles.*
 Overlength Annual Pass \$100 (Event Site Only)
 Overlength Day Pass \$10 (Event Site Only)

Spit Park Fees

Daily Parking: \$2 Annual Pass: \$50
 Family Pass: \$20 *Purchased only at the Port office, verified by registrations from both vehicles.*

Windsurfers, Kiteboarders, Paddlers, Boaters:

Please be alert and respectful of Native American fishing activities along the Columbia River!

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Looking Forward

by Michael McElwee,
 Port Executive Director



Michael McElwee

Each April the Port Commission takes stock of current projects, assesses operational performance and looks ahead to the upcoming

fiscal year. Our planning session this year was held on April 20. The lengthy, in-depth discussion provided staff with direction to prepare the Fiscal Year 2010-11 budget, and evaluated implications to the Port's long-term financial strategy. A number of key themes and priorities were identified. Here's what lies ahead:

Capital Projects —

In FY 09/10 the Port's investment in waterfront infrastructure, light industrial construction (primarily the Halyard Building), Marina expansion and other projects exceeded \$5.5 million. The total financial commitment constituted a significant deployment of Port capital funds in a time of recession. Completion of these projects will require carry over into the next budget year, and continued focus will be necessary to ensure they are completed successfully.

Acquisition — We have completed due diligence tasks associated with the purchase of the Luhr Jensen building. This represents a significant capital investment and a focused effort to upgrade the building and accommodate current and future tenants. While acquisition means an immediate opportunity to

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Port acquires Luhr Jensen building

At its May 4th meeting the Port Commission approved the purchase of the Luhr Jensen building for \$2.75 million. The action follows a 90-day due diligence period. The purchase of the Luhr Jensen building means the final piece of waterfront property north of Portway Avenue, including buildings and improvements, is now under public ownership. This long-term goal was an important factor in the Commission's decision.

Slightly over half the building is currently leased to three companies: Turtle Island Foods, Northwave Sails, and Burnewiin, all based in Hood River.

"These are all excellent local businesses," stated Commission President Hoby Streich. "The building can accommodate new tenants in variety of configurations. It's an excellent light industrial facility in a great location, with good access and parking."

The Port maintained ownership of the land when the Luhr Jensen building was constructed in 1977, and leased it to the company for a 99-year term. Luhr Jensen & Sons, a manufacturer of fishing lures, was sold and relocated in 2006.

Phil Jensen of Hood River sold the building to the Port. "Mr. Jensen agreed to this sale because of his belief that property adjacent to the Columbia River

should be in public ownership for the long-term," said Port Executive Director Michael McElwee. The Port of Hood River's policy is to maintain ownership of property north of Portway Avenue, but the agency may consider real estate sales south of Portway to achieve economic development goals.



PORT OF HOOD RIVER

1000 E. Port Marina Drive
 Hood River, OR 97031

Marina adds 20 boat slips

Many boaters on the Hood River Marina's waiting list have a good chance of receiving calls later this spring that a slip is available. The first phase of the Marina expansion is under way, adding 20 slips to C-Dock South, with substantial completion expected in May.

The Port Commission began exploring the possibility of adding new slips in 2007, when demand for boat slips reached an all-time high of 150. It commissioned engineer Andrew Jansky to create a needs assessment of the Marina, and based on results of the study, to create a master plan concept that would address long-term considerations.

The recommended first phase was to expand C-Dock South, east of the boathouses. Other parts of the first phase included a new security gate and system, and electrical improvements, which have been completed.

Adding slips to existing piers in the water was the easiest initial step, permitting-wise. Nonetheless, the permitting process pushed the project into 2010. The Port received approval from the U.S. Army Corps of Engineers in December, and was granted an extension to the March 15 in-water work deadline. The National Oceanic and Atmospheric Administration also approved the project with conditions. One condition is that new docks must have light-permeable grating. The other condition is for the Port to remove any invasive plant species on the inner basin shoreline, and plant 300 willow trees around the riparian area.

To reduce the demand for boat slips a couple of years ago, the Port assessed a \$100 fee to prospective lessees to remain on the list. That action decreased the waiting list to a more realistic number of 35. In December, the

Port contacted those on the waiting list to confirm adequate demand. "We expect the new slips will fill up immediately," predicts Laurie Borton, Port operations manager. "The economy has had an impact on demand. We've lost several tenants, but have had no problem filling open spots from the waiting list. In some cases when we've offered a slip, a prospective tenant opts to go to the bottom of the list, but we're also receiving inquiries regularly and adding names to the waiting list."

Bellingham Marine Industries (BMI) is performing the expansion of C-Dock for approximately \$255,000. A monthly surcharge is being assessed to all moorage tenants to finance the project. The monthly increase for existing tenants will be \$4.25, while tenants of the new slips will pay an \$8.25 monthly surcharge over 2009 rates.

PORT MEETINGS

Regular Port Commission meetings are held on the **1st and 3rd Tuesday** of each month in its **Boardroom at Marina Center Building** (1000 E. Port Marina Drive). The Port welcomes your questions, comments and suggestions.

PORT DIRECTORY

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Waterfront construction underway

A striking change has occurred on the Hood River waterfront with the recent erection of the Halyard Building. As the first new structure on the waterfront in over 25 years, the new building is certain to raise some eyebrows. However, the area's well-documented shortage of industrial lands, and the Port of Hood River's measured approach to economic development have many welcoming the change. As the Port continues to implement its Waterfront Development Strategy there are two key areas of focus: completion of the Halyard Building, and execution of the Waterfront Business Park marketing plan.

Sustainable construction materials, practices, and building features should enable the Halyard Building to attain LEED (Leadership in Energy & Environmental Design) Silver certification. Sustainable development will be encouraged for other future developments on the waterfront.

The building is scheduled for completion in late May, with tenant improvements following.

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Halyard Building

Construction of the Halyard Building began this past winter on Lot #1, across the street from Waterfront Park. The 21,000 square-foot flex-space building is designed for light manufacturing and office use, and the Port has been negotiating with a prospective tenant.

Plans called for the building's core structure to be built initially, and outfitted at a later date with the interior designed to fit specific tenant needs.

Robinson Construction of Hillsboro, Oregon, is the general contractor on the project. Richard Brown Architect designed the building. Many design features support the sustainable objectives the Port is promoting for development on the waterfront.



A progression of Halyard Building construction.

The bottom image shows a concrete wall boisted into place on February 24th. Roof construction is documented in the top photo on March 19th. The sophisticated engineering of the roof is designed to collect

stormwater run off and deposit it in a 10,000 gallon cistern on the west side of the building. Sean Palmieri, a Hood River resident, ran the job for subcontractor Steelwood. Pictured from left are Dan Leone, Tim Leone and Palmieri. Middle two photos show the cavernous "Core" interior and Northwest exterior.

In early April (bottom photo) Robinson Construction focused on underground utility and site work.



Airport runway planning begins

The landscape has not changed, but initial work has begun to shift the Ken Jernstedt Airfield runway to the east in an effort to enhance safety for both ground and air traffic.

Relocating the runway 550 feet east of its present location is a primary objective of the Port's Airport Master Plan, adopted by Hood River County in May 2009. Accomplishing that task means aircraft would take off farther away from State Highway 281/Tucker Road, located on the airport's west side. But it would require abandoning roughly 500 feet of Orchard Road east of the current landing strip.

The runway will not be any longer than its current 3,040 feet, and air traffic – including the types and number of planes that use the airfield – is not expected to change. But motorists and pilots should anticipate a safer coexistence.

To set the stage for the project, the Port has requested Federal Aviation Administration funding in 2012, which puts the earliest construction date late that year. The FAA will pay 95 percent of the project cost.

Before securing the extra FAA dollars needed for the anticipated \$1.3 million project, the Port must resolve a variety of issues. That effort is currently under way. It involves an environmental review that includes archaeological investigation and wetland delineation, plus creation of a conceptual design of a vacated section of Orchard Road where cul-de-sacs will stop ground traffic to the south and north of the future runway location. The Port's airport engineer, Century West Engineering

Corporation, is heading the project, and remains in close contact with the Hood River County engineer. That work should be completed this summer.

The runway shift project's next step would be vacation of Orchard Road east of the airport, and actual road vacation is a separate and public step that could occur this fall.

A key component of Orchard Road vacation is ensuring airport neighbors have proper access to their residences, and the Port is working with affected property owners to incorporate their suggestions into a final cul-de-sac design.

In addition to moving the runway 550 feet to the east, the Airport Master Plan driving the runway shift also calls for rebuilding the present taxiway and moving it 35 feet farther north, and establishing airport services like fueling on the north side of the airfield.

County adoption of the airport master plan was identified as a top priority by the citizen-based Airport Advisory Committee, which works on airport issues with the Port. Last May's County Commission action marked the first time that board adopted an airport master plan.

The county transferred the airport to the Port in 1976. ●



Six kiteboard concessions are authorized to operate on Port property for the 2010-2012 season, with one additional permitted for the 2010 season.

The Port sought to license a maximum of five schools in order to facilitate safe operations and manage congestion at the Sandbar. "The evaluation committee's scored proposals demonstrated a clear distinction among the top six schools," reported Port Operations Manager Laurie Borton. "Since two of the schools' operating plans indicated they would be teaching solely from watercraft west of Wells Island, the Port Commission approved six concessions."

Awarded concessions for the 2010-2012 seasons are **New Wind Kiteboarding, Kite the Gorge, Gorge Gradients, Gorge Kiteboarding School, Cascade Kiteboarding, and Hood River WaterPlay.**

Since that time, the Port Commission extended an agreement to allow **Brian's Windsurfing & Kiteboarding** to operate a concession for the 2010 season, after hearing an appeal. Brian's will follow an on-water teaching plan as well. ●



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Waterfront Marketing

Implementation of the Waterfront Marketing Plan, approved by the Port Commission in April, has begun. The Port Commission's Waterfront Development Strategy, created in 2007, guides the marketing plan.

Port Marketing Manager Mike Doke and Lee Ast, of Port real estate broker Ast Commercial Real Estate LLC, are collaborating on the execution of the plan.

The Waterfront Marketing Plan is intended for business recruitment, yet a top priority of the Port is to preserve and support current local light industrial businesses. The Waterfront Development Strategy specifically emphasizes critical local industries that support Hood River County's base economy – technology, renewable energy, recreational gear and value-added agriculture.

Prospective firms must meet a number of criteria as employers. One critical requirement is that companies create quality jobs that pay at or above the County's average wage for their industry, and include reasonable benefits. Hood River County's overall average industrial wage in 2008 was \$32,780.

Also, minimum job density for potential tenants is set at one job per 1,000 square feet of building area, with higher density preferred, to ensure responsible use of limited land for job creation.

A mix of employment types and uses will be sought, and the Port may promote private investment by selling parcels of land south of Portway Avenue.

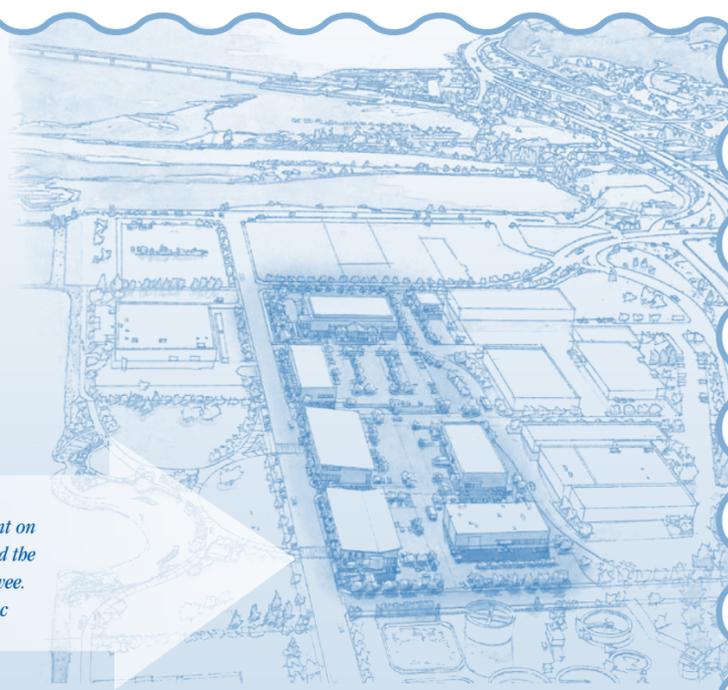
High standards for building design and construction are also reflected in the Port's Design Guidelines. Sustainable development in infrastructure, building design and operation are all valued objectives. Additionally, the Port seeks compatibility among employers, and with nearby recreational uses on the waterfront.

Marketing properties will occur via on-site signage, listings with media, advertising, events, and networking with established local businesses that may have industry connections. ●

The future Waterfront Business Park?

An artist rendering of Waterfront Business Park depicts potential future development on the industrial subdivision. "We are just opening the door to marketing property, and the ultimate plan is subject to change," conveys Port Executive Director Michael McElwee.

"A business could combine two lots, or other variations. Our strategy has specific objectives, and flexibility." ●



Heart of Hospice, a growing local company, is a new tenant at Wasco Business Building. The organization leased nearly 2,000 square feet of space that will be used primarily for administration.

To facilitate the lease, the Port filed and the City approved a conditional use permit to allow the public health organization to perform office work in the light industrial space.

Heart of Hospice was founded in 2007, and in three short years has grown significantly. The organization doubled its square footage when it moved, and now enjoys a conference room and four private offices, in addition to general office space.

"It helps tremendously to have more privacy when discussing patient matters," explains Executive Director **Jodi Goatcher**. "We no longer have to take confidential phone calls in our cars!" The company looked at other buildings, but found the Wasco Building fit its needs perfectly. "It's contemporary, and didn't require any tenant improvements," Goatcher adds. "Both our neighbor, Renaissance Learning, and Port staff and maintenance team have been so supportive and awesome to work with."

Although the company employs 25 people full and part time, nurses and other Hospice team members work in the field and from their homes with web-based electronic charting. There are generally six employees at the office at a given time. "We offer a very flexible schedule for nurses, and an employee-friendly system," Goatcher relays.

Heart of Hospice serves Hood River, Wasco, Skamania, Moro and Gilliam counties. ●

Port Commissioner **Hoby Streich** and Port Executive Director **Michael McElwee** traveled to Washington DC to attend the Pacific Northwest Waterways Association's "Mission to Washington" February 28 through March 4.

Streich and McElwee met with staff members of Oregon Senators Wyden and Merkley, and met with Congressman

Greg Walden over dinner. The meetings focused on the progress of projects and how additional appropriations would further benefit the area's economic development. "The message we heard over and over was the high demand for funding, and how the substantial federal deficit would make obtaining funding difficult," recalled Commissioner Hoby Streich. ●

Hanel Development Group, LLC performed upgrades to **The Spit** in April. Poor drainage and high traffic speeds had degraded the road and caused potholes. Hanel Development scarified the existing road bed, pulled gravel back from the shoulders, created a crown to the road, compacted the entire length of the road and created two gravel speed bumps. Total project cost was \$10,337. ●

In mid-April, to prepare for its Spring Planning Session, the Port of Hood River Commission and staff members toured Port properties including: Luhr Jensen, Halyard Building, UTS Portsite, Western Power Products, the Expo Center, Big 7, and Wasco Business Building.

A highlight of the tour was a visit to Robichaud Batten Systems (RBS) *right*, a tenant at UTS Portsite. Plans are to demolish the building later in 2010, and the Port is working hard to relocate the company to a suitable location. ●



Heart of Hospice staff members, pictured in front of Wasco Business Building. Left to right are: Deb Lambo MS LMHC, Counselor; Cathy Carter, Executive Director Heart of Hospice Foundation; Pam Chandler RN, Director of Clinical Services; Jodi Goatcher RN, Executive Director Heart of Hospice; Becki Fischer CNA, Hospice Aide.



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the expansion needs of local businesses, it also secures public ownership of all waterfront properties north of Portway Avenue — important for the long-term future.

Marketing — The infrastructure work for the Waterfront Business Park is nearly complete. We have initiated active marketing of these sites with a commercial broker and this effort will continue well beyond next fiscal year.

Bridge — We will plan for and begin funding the remaining major capital maintenance project — painting the lower spans of the Hood River Bridge. This is expected to cost \$6 million over a 5-7 year period. We will evaluate the longevity of the bridge — a focused effort to anticipate long-term expenses and revenues — to guide decisions about future maintenance, capital investment and operations. We will also continue our participation in bi-state efforts to find state and federal funding for bridge replacement.

Airport — Efforts will continue to secure necessary approvals and funding to vacate Orchard Road and shift the main runway. Construction of this project is contingent upon obtaining FAA funds, so the timing is uncertain, but it is critical for the long-term operations and safety of the airport.

Delta and Recreation Sites — Explosive growth

of kiteboarding and the continued popularity of windsurfing has meant increasing pressures on the waterfront recreation sites. Congestion and safety are key concerns. While most of the Delta is owned by the State, the Port controls access, facilitates use by schools, and helps in overall management. We will work closely with local recreation organizations to update the Delta Management Plan and explore mechanisms for enforcement. We will provide reasonable upgrades to the Event Site, Hook and Spit to maximize enjoyment by all users.

Economic Development — Frequently, the Port's focus has been its existing light industrial properties and select acquisitions to facilitate business growth. We will consider assuming some additional economic development tasks — primarily related to district-wide business recruitment and retention — in the future. The economic downturn has impacted many residents and we look to ways large and small to make a difference.

The Port works hard to run a lean, responsible and responsive operation. We set specific project and operational goals each year and work hard to achieve them. The most important factor in success is leadership and staff is fortunate to have an active and dedicated board. They are instrumental in setting a clear path forward. ●