



Hood River Waterfront Development Strategy

September 2007

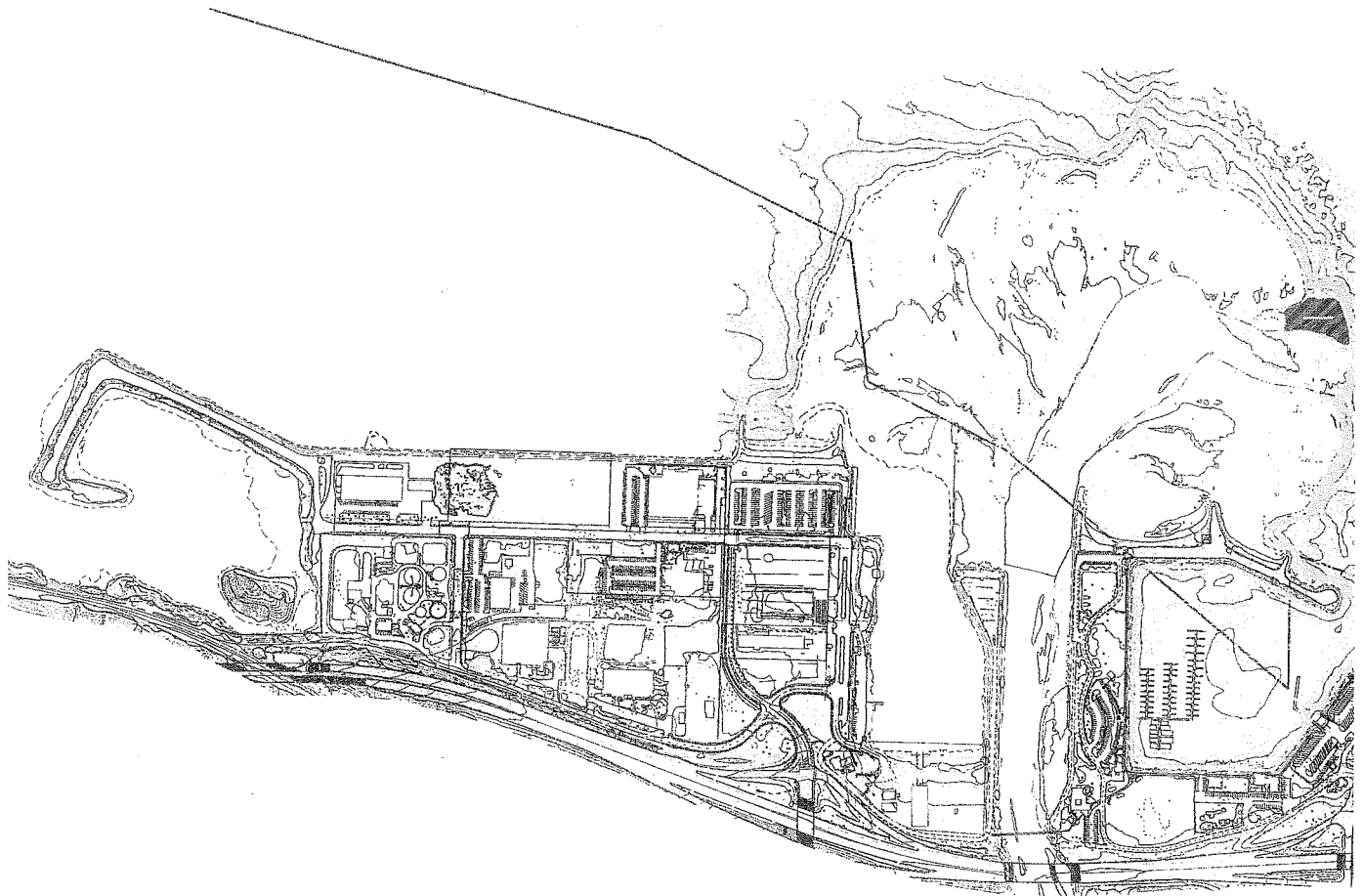


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1. 2006 Covered Employment and Wages Summary Report –
Hood River County

I. INTRODUCTION

The Hood River Waterfront, adjacent to I-84 and on the Columbia River, is a unique public resource, both for economic development and for recreational use. The Port of Hood River, owner of a significant portion of the approximately 65-acre site, seeks to pursue appropriate development that creates jobs and new investment, while meeting public policy objectives. The Port also seeks to balance economic, recreational, development and public access, using a sustainable approach. This Waterfront Development Strategy is intended to:

- Define community objectives
- Identify an overall concept that provides the framework for future waterfront development
- Describe specific actions to guide the Port's investments, marketing and business development over the coming 5-10 years



II. DEVELOPMENT CONCEPT

A. PUBLIC OBJECTIVES

Because of its unique characteristics and developable areas, the Hood River Waterfront can accommodate an unusually diverse mix of uses and activities. To be successful, these uses will need to work together to achieve community objectives. The area currently includes private businesses; world-class recreation sites; innovative, homegrown companies; parks/open space; and vacant land for new development. Any development strategy for the waterfront needs to support this diversity of uses in a way that meets the aspirations of the City of Hood River and constituents of the larger Port District.

Following are key public policy objectives:

1) Support Business Development

- Preserve current industrial uses
- Offer sites for local businesses
- Provide for a mix of employment types and uses
- Promote new private investment

The waterfront area is the current home of Hood River Distillers and other firms. Providing opportunities for these firms to prosper and grow is critically important. In a 2006 study, E.D. Hovee and Company identified a significant need for suitable sites to meet the expansion needs of firms currently in Hood River and the surrounding area. This objective supports both the existing investments and the market demand for employment land, and realizes that private investment will drive new development and provide a variety of desired uses.

2) Promote Job Retention and Creation

- Target quality jobs
- Enhance job opportunities for local residents
- Maintain minimum job density

The Port of Hood River Commission has expressed a focus on new employment growth for the waterfront area. This objective supports that focus and identifies that job quality is an important criteria of new employment. A quality job can be defined by the wages and benefits paid to employees. It is recommended that the Port adopt

- Business Development
- Job Retention and Creation
- Support Quality Recreation
- Protect Riverine Habitat
- Ensure Quality Development
- Utilize Collaborative Process

a guideline requiring firms that locate in the waterfront area to pay at, or above, the county average for their industry. For example, the average wage paid for all manufacturing jobs in Hood River County in 2006 was \$32,710. Appendix 1 has a table of 2006 average wages for Hood River County employment, broken down by the potential industries for the waterfront properties. This information can be used as a guide and would need to be updated on an annual basis. In addition to wages, benefits provided to employees, such as medical coverage, are also elements of job quality and should be considered by the Port as part of the evaluation.

To ensure efficient use of limited land resources for job creation, a job density guideline should be considered. The recommended guideline is a minimum of 1 employee per every 1,000 square feet of building. For reference purposes, an office use averages approximately 1 employee per 350 square feet; a distribution/warehouse use averages approximately 1 employee per 2000 square feet.

3) Support High Quality Recreation

- Sustain existing recreational activities on the water
- Maintain and enhance waterfront recreation sites
- Improve pedestrian access to the river and downtown

The Columbia Gorge is a world-class center for windsurfing and kite boarding. The waterfront property provides an access point to the Columbia River for recreation and also is an outdoor space for families and others to enjoy the river. The Event Site, Hook, Spit and the future city park provide significant public space and water access that should be preserved. Public access, via a path along the water, and connections to the water and downtown, via a Public Access Way (PAW), are also important elements of future development.

4) Protect Riverine Habitat

- Provide for appropriate and adequate landscape plantings along the water's edge
- Protect areas of existing bio-habitat
- Insure upland development that does not degrade habitat conditions in the Columbia River

The Columbia River and adjacent shoreline have important habitat values. Habitat protection should be considered with any waterfront development. The character of the waterfront edge can be a transition between the natural environment and upland development. The boundaries of areas of commercial development

can provide design features that enhance compatibility with adjacent recreation areas.

5) Ensure Quality Development

- Promote sustainable development
- Promote place-based planning principals
- Encourage quality design and construction
- Make strategic infrastructure investments

The waterfront area is a limited and very visible resource for the Port and the community. Ensuring that the development that occurs is of high quality is critically important. Development of the waterfront should support a vision of green development. Sustainable development is not a specific action; rather, it is an approach to development of the area. It includes infrastructure, building design and operation, and can even extend into the types of firms and the relationships between firms located in the waterfront area.

The uses in the waterfront area need to be compatible with one another and support, rather than detract from, other private and public investments. To ensure quality, the Port can seek adherence to certain design principles that promote quality, sustainable development.

The Port, with its infrastructure investments, should also contribute to the overall quality of development and stimulate private investment that meets the public objectives.

6) Utilize a Collaborative Process

- Build consensus for the development concept and strategies
- Respond to market opportunities, while also retaining longer-term potential
- Work with City to ensure appropriate land use regulations that support public objectives

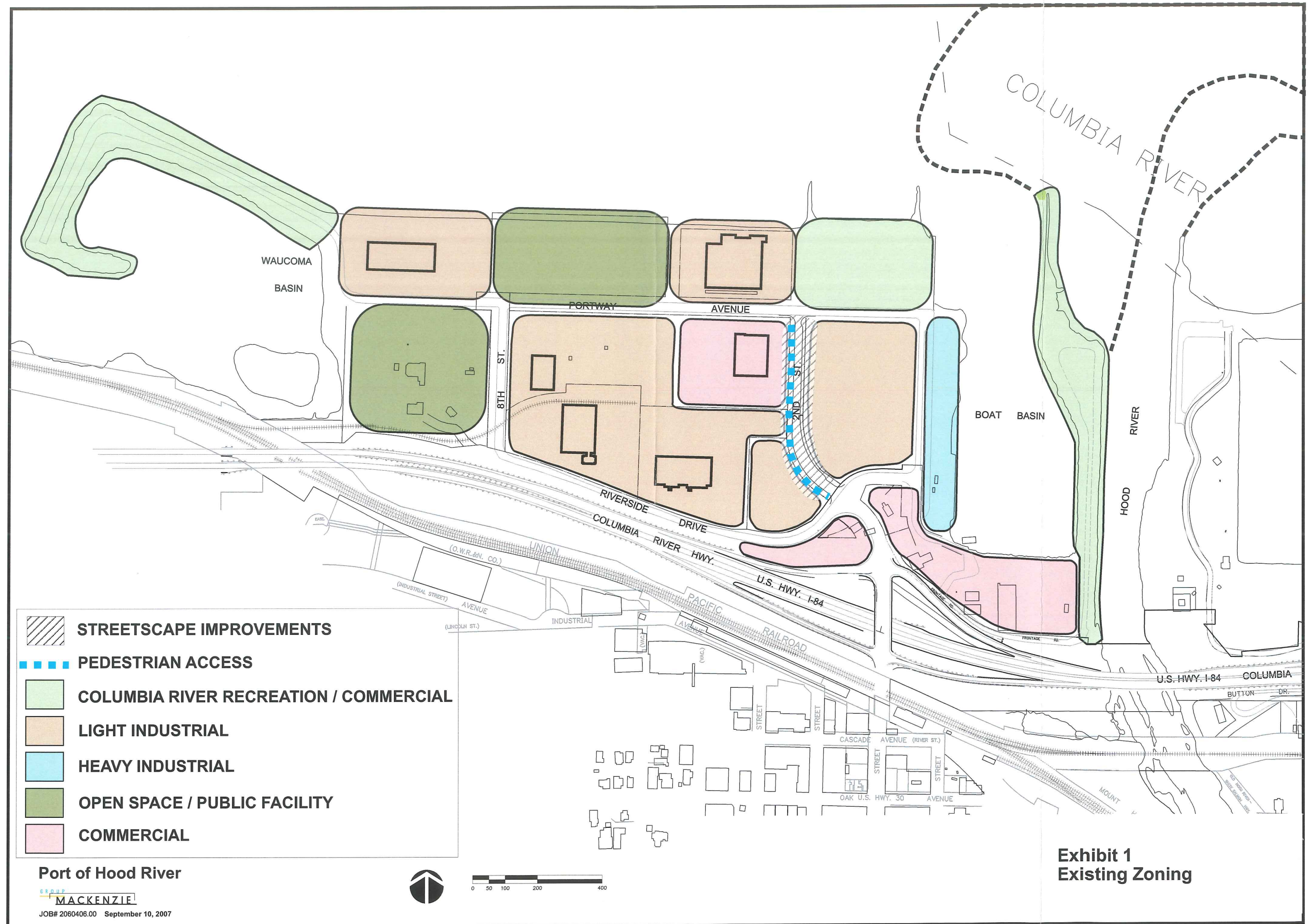
The waterfront area is a public resource. It is important that the process to determine the development strategy be collaborative, responsive to opportunities and supported by public policy.

B. DEVELOPMENT CONCEPT

Existing Land Uses/Zoning

The waterfront area is a unique combination of existing industrial users, public open space, municipal treatment facilities, underutilized properties and vacant land. The area is primarily zoned for light industrial uses, but also has some existing sites that are, or have recently been rezoned for, commercial zoning. The land adjacent to the Columbia River is a challenging combination of public use and existing industrial buildings. Most recently, the Nichols Boat Basin has become cut off from the river by sediment from the 2006 storms.

The area has the advantages of its proximity to the river and the recreational and public amenity that this provides. There is direct access from I-84 and to downtown Hood River. Access to the river is available and improvements have been made (or are planned) to ensure this access is preserved. There are undeveloped and underdeveloped sites that provide tremendous opportunity for new development. Exhibit 1 reflects the current land uses and zoning in the waterfront area.



Development Focus Areas

The purpose of the development concept and the strategies that support its implementation is to provide a focus for short- and medium-term Port activities. This strategy will allow the Port to concentrate actions on the most immediate opportunities that will result in the achievement of the public policy objectives.

Group Mackenzie worked with Port staff, the Commission, and current and potential property owners over several months to articulate a development concept for the waterfront area. This development concept was informed by:

- Previous direction and market studies by the Commission
- Public policy objectives identified above
- The existing development pattern in the waterfront area
- Immediate development opportunities emerging on both Port and private property at the industrial core of the waterfront
- The history of debate and discussion over the past 20 years about appropriate uses and the potential of the waterfront

The characteristics of the desired development concept began to emerge through this analysis. The key planning issues that were identified were land uses, the physical character of the area and access, both vehicular and pedestrian. The existing development pattern also had a major influence on the concept.

Exhibit 2 graphically represents the results of this discussion and analysis. The graphic identifies four subareas within the waterfront area that can be the focus of Port actions. Each of these areas is envisioned to respond differently to the planning issues of land use, character and access.

Area A

The area north of Portway Avenue, along the Columbia River, is now and is expected to continue to be a mix of developed sites and public open space. Building improvements and pedestrian enhancements are expected to occur. Access for trucks, autos and pedestrians will all be necessary.

Area B

This area, along with Area C, makes up the central employment area. Area B, with its frontages along Portway and 2nd Street, is envisioned as developing with a higher-level of design standards. Both Portway Avenue and 2nd Street are seen as being pedestrian-oriented streets, with landscape improvements to support

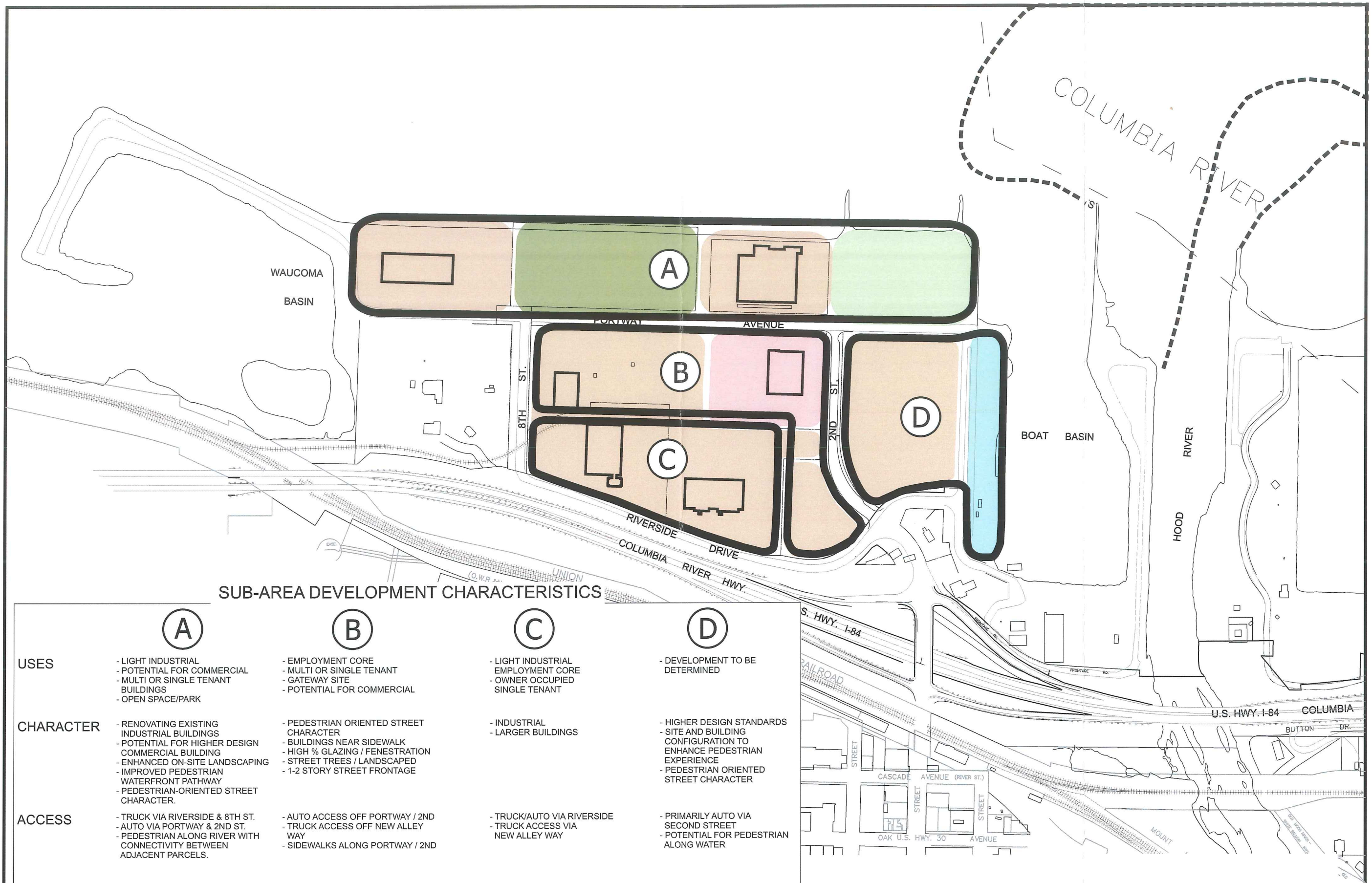
pedestrian use. Multi-story buildings are a possibility in this area. The site at the corner of 2nd Street and Riverside Drive is an important gateway to the entire waterfront area. The frontage streets provide auto and pedestrian access, with truck access being to the backs of the buildings, via a new truck access alley.

Area C

Existing industrial firms are located in this subarea. Their major access is via Riverside Drive, potentially supplemented by the new truck access alley.

Area D

This is a development opportunity area. The area requires more study to determine its highest and best use. The site will be impacted by the resolution of the current uncertainties surrounding the Nichols Boat Basin. Because of its prominent location along 2nd Street and the boat basin, the site has the potential to be a pedestrian-oriented, higher design development.



Port of Hood River

GROUP
MACKENZIE

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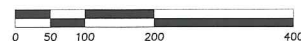


Exhibit 2
Development Focus Areas

Development Concept

The Development Concept for the waterfront area is presented in Exhibit 3. The concept builds upon the existing uses and the subarea analysis. Key elements of the Development Concept include:

- Public access along the waterfront
- A transition of intensity of uses from the Columbia River south to the I-84 freeway
- Industrial uses and public uses at their existing locations, north of Portway Avenue
- The Western Power Building site offers potentially the only opportunity for industrial river access
- A commercial development focal point is possible at the Event Site
- The Central Area, south of Portway Avenue and west of 2nd Street, is a mix of new light industrial and employment uses, existing industrial users and new commercial uses
- Parcelization occurs south of Portway and west of 2nd to create development sites for new users
- A gateway site opportunity exists at 2nd Street and Riverside Drive
- 2nd Street and Portway Avenue have an auto and pedestrian orientation
- Riverside Drive, 8th Street and a new access alley have a truck orientation
- Lot 1, the site east of 2nd Street, is a future development opportunity
- The site at the south end of the Nichols Boat Basin is a potential hotel/condo project
- Potential exists for new vehicle access across the Hood River
- The site west of the waste treatment facility has the potential for a new industrial site

III. DEVELOPMENT STRATEGY

A. MARKET CONTEXT

The Development Strategy serves as the implementation tool for the Development Concept. The Strategy responds to the Public Objectives articulated in section II-A. The market context for the strategy is provided by the July 2006 “Port of Hood River Waterfront Industrial Market Assessment” prepared by E. D. Hovee and Company. Hovee’s work identified industrial market opportunities and key decision choices and made preliminary recommendations for the development of the waterfront. The following table identifies how this Development Strategy responds to the market report.

Hovee Recommendations	Development Strategy
Priority for employment intensive businesses	Zoning remains primarily for light industrial users; zoning modifications are recommended to support expanded employment-oriented uses
Focus on industrial and business uses	Central Area is reserved primarily for industrial users
Provide parcels for support recreation, retail, and office uses	Parcels are maintained for recreation adjacent to the water; office uses that support industrial are allowed and it is recommended that zoning code be modified to allow certain types of additional office uses; limited retail opportunities sites are created
Encourage rapid build-out to meet business needs	Initial implementation phase focuses on Central Area and immediate opportunities
Reserve priority sites for later development	Lot 1 is held for study and future development; Jensen waterfront parcel to be studied for future acquisition and redevelopment
Interior parcels for sale or lease	Interior parcels, south of Portway Avenue could either be for sale or lease; sale of any parcels would need to meet adopted Port policy, which states: <ul style="list-style-type: none"> ■ A development concept has been proposed by the potential purchaser that is clearly identified and described; ■ The proposed development appears realistic and feasible; ■ The proposed developed is compatible with other uses on the waterfront including recreations and industry; ■ Significant public objectives can be achieved by the proposed development which may include business retention, job creation, employment density, quality design, and sustainable design; ■ The proposed project, sales price and financing plan are consistent with the Port’s Strategic Plan and demonstrated a reasonable return consistent with the public policy objectives being achieved.
Waterfront parcels only for lease	Waterfront parcels only for lease
Prepare concept plan, supported by development criteria	Development Plan has supporting implementation strategies and development guidelines have been identified
Conduct a simplified initial RFP process, followed by open process for unsolicited offers	Demand is driving negotiated deals for end-users; DDA process is being used to ensure meeting public and Port goals; key development parcels will be studied and may be offered via RFP process in future
Prioritize sites available for sale	Central area sites are priority for sale to end-users
Other sites open to end-user & developers	Lot 1 and other periphery sites will be held for future disposition

B. DEVELOPMENT GUIDELINES

As the Port pursues implementation of the Development Strategy the following guidelines are recommended.

- Focus on firms that support public objectives
- Give priority to firms that meet wage/benefit and employment density goals
- Seek firms with immediate interest and need for expansion space
- Consider disposition of interior parcels for sale or lease
- Maintain waterfront parcels for lease only
- Use Disposition and Development Agreements to meet Port economic development and business goals
- Hold certain parcels for future development
- Consider a Port-developed commercial condominium to accommodate the needs of smaller businesses

C. IMPLEMENTATION WORK PLAN

The Implementation Work Plan breaks down the Development Concept (Exhibit 3) into two time frames: 1 – 2 Year Implementation Strategy (Exhibit 4) and 3 – 5 Year Implementation Strategy (Exhibit 5). Projects in the 1 – 2 year time frame are ones that are necessary in order to initiate development and set the development direction for future years. Projects in the 3 – 5 time frame are ones that are necessary to move forward or complete the Development Concept.

1-2 YEAR IMPLEMENTATION WORK PLAN

The strategies in this time frame include a reference number; specific action items; a category for each action item; and estimated duration. Estimated costs are provided for the Infrastructure/Improvements Action Items (I-1 through I-5).

Action Items are divided into three types: planning, infrastructure/improvements and studies. Each of the Action Items is in one of three categories. The categories are defined as follows:

- A: Must be completed as condition of development
- B: Contingent on an A item occurring, and must occur prior to development
- C: Independent development activity, not conditioned on either A or B

What follows is a brief synopsis of the 1 – 2 year Implementation Work Plan. Site specific impacts of the work plan can be found in Exhibit 4. Table 1 then provides greater detail of the work plan.

Planning Action Items

P-1 Create Subdivision for the Waterfront Area — Category A

The ability to create lots for either sale or lease is the major issue related to development in the waterfront area. While there are lots identified for tax purposes, the entire area is still currently a single legal tax lot. This action item identifies the steps necessary to complete a subdivision in the City of Hood River. This will allow lots to be legally transferred to firms. A subdivision strategy will include the creation of multiple lots, necessitating only lot line adjustments to meet specific company needs. During this process, a minimum of five new lots will be created south of Portway Avenue and two new lots west of 2nd Street. It is estimated that this process will require approximately one year. To meet immediate opportunities, it may be necessary to slightly modify this approach to create a transferable lot to a specific user in a shorter period of time, if possible.

P-2 Make Zoning Adjustments to Support Overall Development Strategy — Category B

The current Light Industrial (LI) zoning in the waterfront area may not meet the needs of potential tenants or achieve identified public policy objectives. In addition to “hard” manufactured products, the new economy is moving towards the production of “soft” or knowledge-based products. These types of companies are ones that meet the community’s employment objectives and could be a good fit in the waterfront area. These companies require a higher percentage of office than is currently allowed in the LI zone. There are three options to meet this market need:

- outright use – amend the current LI zone to allow a greater percentage of office, which would require a text amendment to the current LI zone;
- conditional use – allow additional office square footage as a conditional use, which would also require a text amendment (these would apply city-wide);
- waterfront subarea – create of a subarea within the LI zone, which would allow for a greater proportion of office use, solely in the waterfront area.

Discussions with the City would determine which of these options to pursue.

This action item also includes a rezone of a portion of the Expo Center site to LI as part of the partition strategy along the south side of Portway Avenue.

P-3 Follow Design Principles to Ensure Quality Development — Category B

Design guidelines or principles are a tool the Port can use to ensure that future development is of a standard that meets the public objective of “ensuring quality development.”

Infrastructure/Improvements Action Items

I-1 Portway Avenue — Category A

For development to occur along Portway Avenue, street improvements are required to meet city standards. Slca Consulting has prepared a report, dated May 18, 2007, which details the requirements and costs of the project.

I-2 Riverside Drive — Category A

The Development Strategy calls out that Riverside Drive should be the primary truck access street for the waterfront area. This street will likely require improvements to meet an expanded level of truck traffic.

I-3 Central Truck Alley — Category A

The Development Strategy identifies a new truck alley that will serve the industrial parcels in the central waterfront area. This new alley would be on a dedicated right-of-way that goes north from Riverside Drive. The alley would provide truck access to parcels that front on Riverside and on Portway Avenue, reducing their need to access loading areas from either Portway or 2nd Street.

I-4 Riverside/2nd Street Intersection — Category B

Improvements to the intersection island may be necessary to allow trucks improved turning access to Riverside Drive. This will support truck access to Riverside, and the industrial Alley, and reduce truck traffic on adjacent streets.

I-5 Western Power Building Landscape Upgrades — Category C

The Port should consider construction of landscape improvements around the building and a top-of-bank waterfront pathway.

Study Action Items

All of these action items require further analysis by the Port. Each could have long-term impact on the development of the waterfront area, and it is recommended that in the 1-2 year strategy each of them be carefully evaluated in the near term.

S-1 Industrial Site – Category C

Hood River Juice Company has tentative plans to build a new processing facility on land surrounding the Jantzen Building. This action item calls for the Port and HRJ to continue to collaborate on development of the parcel, which may include land sales, dedications, design and other related issues.

S-2 Hood River Distillers – Category C

Hood River Distillers has expressed plans to continue to expand current operations on the site in the waterfront area. The Port should collaborate with the company to assist in meeting their expansion needs.

S-3 Gateway Site at 2nd Street and Riverside – Category C

The parcel on the west side of 2nd, north of Riverside, is a key gateway site to the waterfront area. Development on this parcel will be important to set the tone and design for development throughout the area. The Port should continue to explore opportunities with unique public, private or non-profit users to ensure that the gateway potential for the site is realized. The Port currently owns a portion of the development parcel and should consider potential acquisition in order to control the entire development site. It also may be necessary to seek a zone change from its current LI designation to attain the desired uses.

S-4 East/West Frontage Road – Category C

The Port is studying the feasibility of a new vehicular bridge across the Hood River, north of the freeway. This access would connect the Port's two waterfront parcels and may reduce the traffic on the freeway. If feasible, this project would create access improvements and impact development potential at the south end of the Nichols Boat Basin.

S-5 I-84 Interchange – Category C

ODOT is currently engaged in an Interchange Management Plan for the three Hood River I-84 interchanges. The Port should work closely with ODOT to ensure that future development in the waterfront area is supported by changes or improvements to the interchanges.

S-6 Boat Basin – Category C

The Nichols Boat Basin was heavily impacted by the November 2007 runoff that created significant new sedimentation at the mouth of the Hood River. The result is that direct access from the

boat basin to the Columbia River has been, at least temporarily, eliminated. The basin, in its previous condition, supported industrial development on the surrounding land. That has been significantly reduced, if not eliminated. It is necessary to study the current condition of the basin, its impact and viability on future development.

S-7 Lot 1 – Category C

This parcel, east of 2nd Street to the boat basin, is a prime development parcel. Its location at the gateway to the waterfront area and its adjacency to 2nd Street, the water and the Event Site make it a key parcel in the Port's portfolio. In the 1 – 2 year time frame, it is recommended that the site be studied for future development to include identifying the highest and best uses for the land. After completing a market study, a development strategy for this specific parcel should be completed.

S-8 Western Power Building – Category C

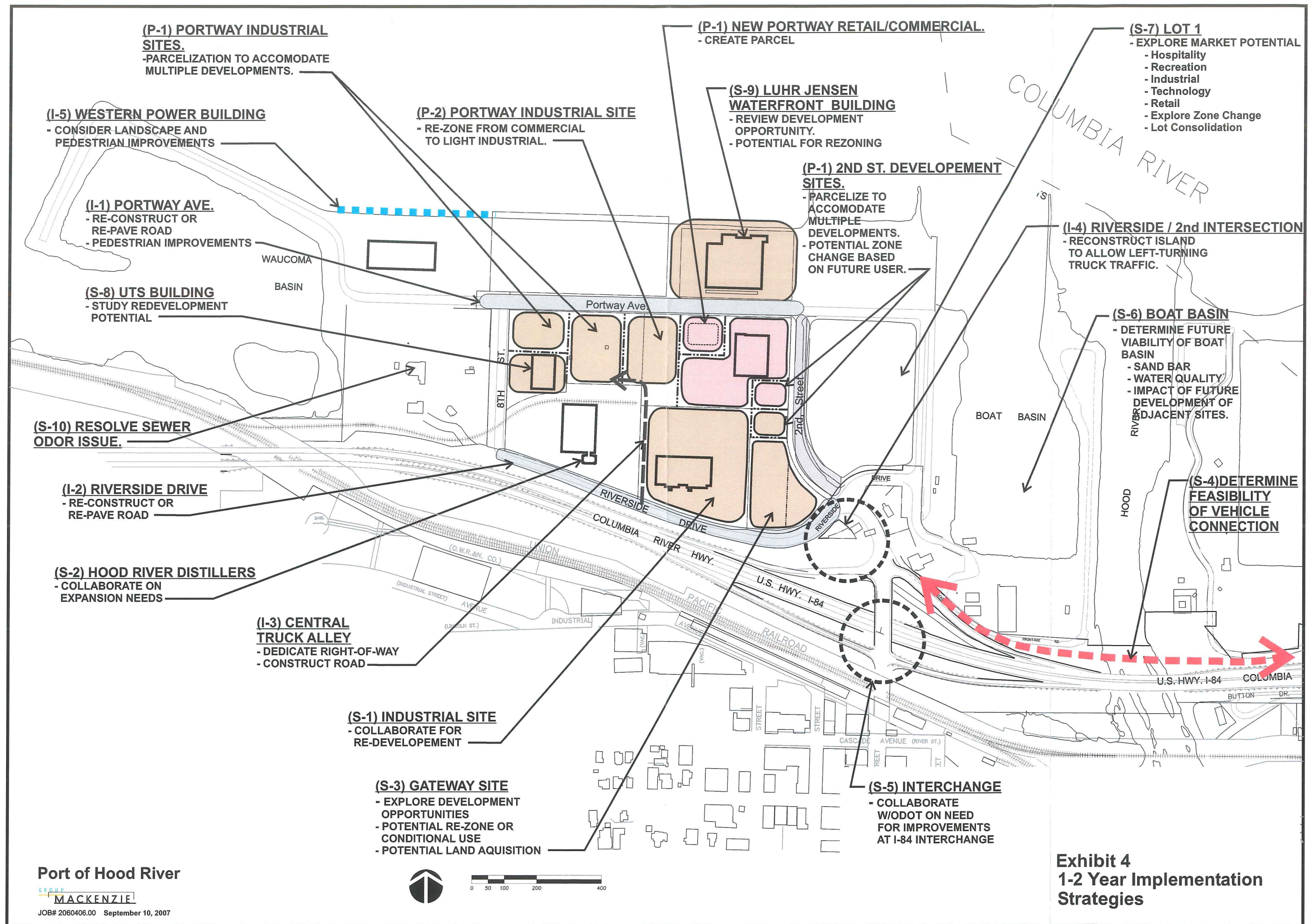
This parcel, at 8th and Portway Avenue, currently has the Port-owned UTS Building on it. The parcel presents a redevelopment opportunity, either for a multi-tenant or user building, which would be in addition to the existing building, or as a replacement to the existing building. The Port should study the redevelopment potential of the building and site.

S-9 Luhr Jensen Waterfront Building – Category C

This building is on a prime waterfront site, between the Event Site and the new city waterfront park. The building has a long-term ground lease; however, the site affords a valuable redevelopment opportunity. The key question will be whether re-zoning of this site is warranted and desirable as there are significant trade-offs between its industrial employment potential and alternative commercial uses that are more compatible with its waterfront location.

S-10 Sewage Treatment Facility – Category C

Odor from the treatment facility is an issue that will affect future development in the waterfront area. The city-owned facility is currently identifying measures that could be taken to reduce the impact of the odor. The Port should work with the city to resolve these issues.



Implementation Work Plan 1 - 2 Year Implementation Strategies

Table 1

Reference Number	Action Item	Category*	Estimated Duration	Estimated Cost
Planning				
P-1	Create Subdivision for the Waterfront Area	A	8 - 12 months	
	<i>Complete survey</i>			
	<i>Prepare preliminary subdivision plan that includes creation of lots on south side of Portway</i>			
	<i>Reduce Expo site lot size by moving west property line</i>			
	<i>Create three new LI lots west of Expo Center</i>			
	<i>Create new parcel for retail/commercial user from remaining Expo Site parking</i>			
	<i>Preliminary subdivision plan approval by the city</i>			
	<i>Prepare final plat</i>			
	<i>Final plat approval by the city/recorded by county</i>			
	<i>Lot line adjustments as necessary to accommodate future specific users</i>			
P-2	Make Zoning Adjustments to Support Overall Development Strategy	B	12 - 16 months	
	<i>Modify LI code to allow for office-oriented users</i>			
	Alternative 1: Outright use			
	Text amendment to code			
	Alternative 2: Conditional use			
	Text amendment to code			
	Alternative 3: Create waterfront subarea			
	Map and code change			
	<i>Modify Zoning Map to Support Development along Portway Avenue</i>			
	<i>Re-zone western portion of Expo Center site from commercial to light industrial</i>			
	<i>Relocate existing commercial zone to another location within waterfront area</i>			
P-3	Follow Design Principles to Ensure Quality Development	B	6 - 8 months	
Infrastructure/Improvements				
I-1	Portway Avenue (N. 2nd St. to N. 8th St.)	A	10 - 14 months	\$300,000 - \$400,000
	<i>Design and obtain permits</i>			
	<i>Repave road, pedestrian improvements</i>			
I-2	Riverside Drive	A	16 - 14 months	\$700,000 - \$900,000
	<i>Design and obtain permits</i>			
	<i>Reconstruct road</i>			
I-3	Central Truck Alley	A	8 - 12 months	\$400,000 - \$500,000
	<i>Dedicate additional right-of-way</i>			
	<i>Design and obtain permits</i>			
	<i>Construct road</i>			
I-4	Riverside/2nd Street Intersection	B	8 - 12 months	\$100,000 - \$130,000
	<i>Design and obtain permits</i>			
	<i>Reconstruct island to allow left-turning truck traffic</i>			
I-5	Western Power Building Landscape Upgrades	C	3 - 6 months	\$140,000 - \$170,000
	<i>Consider top of bank pathway improvements, as an element of future pedestrian-way along riverfront</i>			

- * A. Must be completed as condition of development
 B. Contingent on an A item occurring, and must occur prior to development
 C. Independent development activity, not conditioned on either A or B

Implementation Work Plan 1 - 2 Year Implementation Strategies

Table 1

Reference Number	Action Item	Category*	Estimated Duration	Estimated Cost
Studies				
S-1	Industrial Site	C	---	
	<i>Collaborate for redevelopment</i>			
S-2	Hood River Distillers			
	<i>Collaborate for redevelopment</i>			
S-3	Gateway Site at 2nd Street and Riverside	C	8-12 months	
	<i>Explore development opportunities</i>			
	<i>Conduct discussions with possible users</i>			
	<i>Investigate potential re-zone or conditional use</i>			
S-4	East/West Vehicle Connector	C	2 years	
	<i>Determine feasibility of vehicle connection across Hood River</i>			
S-5	I-84 Interchange	C	2 years	
	<i>Collaborate with ODOT study</i>			
S-6	Boat Basin	C	2 years	
	<i>Determine future viability, including:</i>			
	<i>Sand bar</i>			
	<i>Water quality</i>			
	<i>Impact of future development of adjacent sites</i>			
S-7	Lot 1	C	2 years	
	<i>Explore market potential:</i>			
	<i>Hospitality</i>			
	<i>Recreation</i>			
	<i>Industrial</i>			
	<i>Technology</i>			
	<i>Retail</i>			
	<i>Identify development strategy</i>			
	<i>Explore Zone Change</i>			
	<i>Explore Lot Consolidation</i>			
S-8	UTS Building	C	4-6 months	
	<i>Study redevelopment potential</i>			
S-9	Luhr Jensen Waterfront Building	C	4-6 months	
	<i>Investigate potential redevelopment</i>			
	<i>Consider acquisition by Port</i>			
S-10	Sewage Treatment Facility	C	16-24 months	
	<i>Resolve sewer odor issue</i>			

- * A. Must be completed as condition of development
 B. Contingent on an A item occurring, and must occur prior to development
 C. Independent development activity, not conditioned on either A or B

3 – 5 YEAR IMPLEMENTATION STRATEGIES

Projects in the 1 – 2 year time frame are ones that are necessary in order to initiate development and set the development direction for future years. Projects in the 3 – 5 time frame are ones that are necessary to move forward, or complete, the Development Plan. Many of these action items are dependent on actions occurring in the 1 – 2 year time frame. These are noted. Action Items in this work plan are divided into two types: Site Development or Infrastructure Development.

A brief synopsis of the 3 – 5 Year Implementation Work Plan follows. Site specific impacts of the work plan can be found in Exhibit 5. The full 3 – 5 Year Implementation Work Plan can be found in Table 2, following Exhibit 5.

Site Development Action Items

SD-1 Portway Industrial Area

Following creation of legal lots (Item P-1 in the 1 – 2 Year Strategy), the Port is able to market these parcels for sale or lease and enter into Disposition and Development Agreements with desirable companies.

SD-2 New Portway Retail/Commercial Site

This lot was created as part of Action Item P-1 in the 1 – 2 Year Strategy. The Port can now develop this parcel for commercial/retail use and seek tenants or, alternatively, market the site to developers or users who will develop such a use.

SD-3 Luhr Jensen Waterfront Building

This building is on a prime waterfront site, between the Event Center and the new city waterfront park. In Action Item S-9, the site and building were studied for redevelopment potential. Implementation of this redevelopment plan can occur in this 3 – 5 year time frame. If necessary, zone change would occur.

SD-4 Lot 1

This parcel, east of 2nd Street to the Nichols Boat Basin, is a prime development parcel. In the 1 – 2 year time frame, the site was studied in Action Item S-8 for future development to include identifying the highest and best uses for the land and preparing a development strategy. Implementation of the development strategy would occur in this 3 – 5 year time frame.

SD-5 Potential Hotel/Condo Project

Naito Properties is determining the feasibility of a hotel/condo project on Nichols Boat Basin. The Port should continue to collaborate with the developer on this project.

SD-6 2nd Street Development Sites

Legal lots were created in Action Item P-1 in the 1 – 2 Year Strategy. Following this action, the Port is able to market these parcels for sale and enter into Disposition and Development Agreements with desirable companies. Zone changes may be required based on specific user needs.

SD-7 Gateway Site at 2nd Street and Riverside Drive

The parcel on the west side of 2nd, north of Riverside, is a key gateway site to the waterfront area. The development strategy developed in partnership with a potential user of the site should be implemented in the 3 – 5 year time frame.

SD-8 UTS Building Site

This parcel, at 8th Street and Portway Avenue, currently has the Port owned UTS Building on it. The redevelopment potential of the site was studied in Action Item S-8 in the 1-2 Year Strategy. If deemed feasible, the Port should implement the findings.

SD-9 Potential Industrial Site

This site may have development potential as an industrial site. The Port would need to acquire excess land from the treatment facility in order to have an appropriate sized development site. Access issues also need to be addressed. The Port should investigate the potential of the site for industrial development and consider moving forward on offering the site, if deemed feasible.

SD-10 Western Power Building – Category C

The site, being adjacent to the river and on Portway Avenue, affords a potential long-term redevelopment opportunity for the Port that meets public policy objectives. The site may offer an opportunity for direct water access for an industrial user. The site could be redeveloped for a single user or a new multi-tenant building that meets higher design standards than the current building. The parcel also could be subdivided for two uses.

Infrastructure Development Action Items

ID-1 Waterfront Pedestrian Access

Pedestrian access along the waterfront is a key public amenity. As parcels are developed, sections of the accessway should be completed.

ID-2 Event Site

The Event Site affords public access and use to the water. In order to take full advantage of the site, the Port should improve the pedestrian accessway and investigate the development of a structure or small commercial use that can serve as a focal point for expanded public access, views and activity on the site at the Cruise Ship Dock.

ID-3 Boat Basin

The impacts to the Nichols Boat Basin from the 2007 winter storm runoff were studied in Action Item S-6 in the 1 – 2 Year strategy. Implementation of the study findings would be done during this time frame.

ID-4 East/West Vehicle Connector

The feasibility study for a new vehicular bridge across the Hood River to improve connectivity in the waterfront area was done in Action Item S-4 in the 1 – 2 Year strategy. If deemed feasible, construction of improvements could be initiated during this time frame.

ID-5 I-84 Interchange

Collaboration with ODOT on interchange improvements would continue in this time frame.

Implementation Work Plan

3 - 5 Year Implementation Strategies

Table 2

Reference #	Action Item	1-2 Year Predecessor
Site Development		
SD-1	Portway Industrial Area	P-1
	<i>Market parcels for sale or lease</i>	
	<i>Enter into DDAs with users</i>	
SD-2	New Portway Retail/Commercial Site	P-1
	<i>Port may develop commercial building</i>	
	<i>Market to developers or users</i>	
	<i>Enter into lease agreements</i>	
SD-3	Luhr Jensen Waterfront Building	S-9
	<i>Implement redevelopment of site</i>	
SD-4	Lot 1	S-8
	<i>Implement development strategy</i>	
	<i>Issue RFP for site</i>	
SD-5	Potential Hotel/Condo Project	N/A
	<i>Collaborate for redevelopment</i>	
SD-6	2nd Street Development Sites	P-1
	<i>Market parcels for sale or lease</i>	
	<i>Enter into DDAs with users</i>	
SD-7	Gateway Site at Second and Riverside	S-3
	<i>Implement development strategy</i>	
SD-8	UTS Building Site	S-8
	<i>Redevelop existing building and/or</i>	
	<i>Develop multi-tenant building at Portway</i>	
SD-9	Potential Industrial Site	N/A
	<i>Investigate site for possible industrial use</i>	
SD-10	Western Power Building	N/A
	<i>Investigate potential redevelopment</i>	
	<i>Potential subdivision for multiple users</i>	

Implementation Work Plan

3 - 5 Year Implementation Strategies

Table 2

Reference #	Action Item	1-2 Year Predecessor
Infrastructure Development		
ID-1	Waterfront Pedestrian Access	N/A
	<i>Extend pedestrian access adjacent to waterfront as site development occurs</i>	
ID-2	Event Site	N/A
	<i>Improve pedestrian access</i>	
	<i>Investigate development of commercial focal point</i>	
ID-3	Boat Basin	S-6
	<i>Implement boat basin improvements</i>	
ID-4	East/West Vehicle Connector	S-4
	<i>Construct new frontage road to accommodate local traffic, if feasible</i>	
ID-5	I-84 Interchange	S-5
	<i>Collaborate with ODOT on improvements</i>	

IV. CENTRAL AREA BUILD-OUT SCENARIO

The Development Strategy for the Port's waterfront property builds upon the Development Concept and then identifies an Implementation Work Plan based on achieving public objectives and the Port's policy goals. Much of the focus of the Development Strategy is on the Central Area, defined as the area between Portway Avenue and Riverside Drive and 2nd Street and 8th Street. This area provides the most immediate opportunities for new employment development within the 5-year time frame of the Work Plans.

Exhibit 6 provides a conceptual diagram of a build-out plan that reflects the Development Strategy for the Central Area. This diagram is meant only to be representative of a build-out scenario. The actual development that occurs will be refined to reflect technical, legal and aesthetic considerations.



Exhibit 6
Central Area Build-Out
Scenario

V. CONCLUSION

The waterfront area provides a unique development opportunity for the Port of Hood River to meet public objectives and its own policy goals. The ability to plan and implement a sustainable development strategy that integrates employment, recreation, open space and support amenities is an attainable goal. This Development Strategy sets the framework for creating a place that provides the greater Hood River community with an outstanding location for work and play.

Appendix
OLMIS Covered Employment and Wages
Summary Report - Hood River County - 2006

NAICS	Industry	Average Pay
	Manufacturing	\$32,710
311	Food manufacturing	\$25,847
312	Beverage and tobacco product manufacturing	\$41,608
321	Wood product manufacturing	\$30,672
323	Printing and related support activities	\$18,322
332	Fabricated metal product manufacturing	\$27,250
335	Electrical equipment and appliance mfg.	\$27,682
339	Miscellaneous manufacturing	\$37,339
	Trade, Transportation. & Utilities	\$24,500
	Wholesale	\$27,473
423	Merchant wholesalers, durable goods	\$37,500
424	Merchant wholesalers, nondurable goods	\$24,117
425	Electronic markets and agents and broker	\$64,735
	Transportation, Warehousing & Utilities	\$38,407
221	Utilities	\$62,323
484	Truck transportation	\$27,195
	Information	\$47,251
511	Publishing industries, except Internet	\$30,473
	Financial Activities	\$29,315
	Finance & Insurance	\$35,662
522	Credit intermediation and related activities	\$32,887
523	Securities, commodity contracts, investm	\$76,671
524	Insurance carriers and related activitie	\$26,222
	Real Estate Rental & Leasing	\$21,986
531	Real estate	\$22,302
	Professional & Business Services	\$36,004
	Professional, Scientific & Technical Svcs	\$41,629
	Management of Companies	(c)
	Admin. & Support, Waste Mgmt & Remediation Svcs	(c)
	Education & Health Services	\$26,905
	Education	\$18,553
	Health & Social Assistance	\$27,369
621	Ambulatory health care services	\$33,036
624	Social assistance	\$13,519
	Leisure & Hospitality	\$13,696
	Total Federal Government	\$51,200
	Total State Government	\$29,226
	Total Local Government	\$35,005

Source: Oregon Employment Department