



PUBLIC MEETING: Port Commission Meeting

DATE: Thursday **April 6, 2023, 6 PM**

LOCATION: Cascade Locks City Hall 140 Wa Na Pa St, Cascade Locks, OR 97014

<https://us02web.zoom.us/j/85806615790>

## **AGENDA**

- 1) Commission meeting called to order**
  - a. Pledge of Allegiance
  - b. Roll Call
  - c. Modifications, Additions and Changes to the Agenda
  - d. Declarations of Potential Conflicts of Interest
- 2) Public Comment (Speakers may be limited to three (3) minutes)**
- 3) Presentations**
  - a. Bridge Painting Project – David McCurry
  - b. Legislative Update – Mark Johnson
  - c. Financial Report for July 01, 2022 to February 28, 2023 – Melissa Warren – Page 2
- 4) Consent Agenda (\*\*Consent Agenda may be approved in its entirety in a single motion. Items are considered routine. Any Commissioner may take a motion to remove any items from the Consent Agenda for individual discussion).**
  - a. Approval of minutes for Commission Meeting from March 2, 2023 – Page 7
  - b. Ratification of bills in the amount of \$155,280.51 – Page 21
  - c. Approval of payroll for 03/03/2023 in the amount of \$66,550.80 and for 03/17/2023 in the amount of \$35,901.48
- 5) Commissioner and Sub-Committee Reports**
- 6) Business Action Items**
  - a. Approval of Recommendation for Award of Bridge of Gods Trailhead Parking Project – Darrin Eckman
  - b. Approval Gorge Canoe Club Lease for Incubator Space – Jeremiah Blue – Page 22
  - c. Approval for Conex Storage Containers – Todd Mohr – Page 31
  - d. Approval to remove Olga Kaganova as a bank signer for Columbia River Bank / Umpqua Bank – Melissa Warren
  - e. Approval of Purchase for Marina Pump-Out Station – Jeremiah Blue – Page 33
  - f. Approval Merina+Co Accounting Consultation – Jeremiah Blue – Page 34
  - g. Approval of American Cruise Lines (ACL) Lease Agreement – Jeremiah Blue – Page 38
  - h. Appoint Commissioner and Staff member to City Steering Committee SBP – Jeremiah Blue
  - i. Adopt Resolution 2023-1 for Budget Adjustment for July 01, 2022 to February 28, 2023 – Chuck Mosher – Page 52
- 7) General Manager Report**
- 8) Executive Session under ORS.192.660(2)(h) Legal counsel regarding litigation or likely litigation to be filed**
- 9) Adjournment**

## **PORT COMMISSION REPORT**

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**DATE:** March 22, 2023  
**TO:** Port Commission  
**FROM:** Melissa Warren, Accounting Specialist  
**SUBJECT:** July 2022 through February 2023 Financials

### **SYNOPSIS:**

#### Revenue:

- Property Taxes up \$282.34 at 106.27%
  - Bridge Tolls at 63.77%
  - Lease, Rents, and Fees no Flex Lease at 46.97%
  - Miscellaneous Revenue at 90.98%
- Grant & restricted we did receive \$1,300,000.00 of the ARPA project the other 7,182.00 was for Fireworks but we have not received 2,500.00 of that money yet.

#### Expenditures:

- Insurance is up this year, Bridge is up \$17,676.00, Liability up \$7,189.00 and Docks and Piers is up \$970.00.
- Promotions & Advertising is up due to Loopnet for the Flex buildings.
- Office supplies are up due to more use for the supplies.
- Utilities are up this year due to Flex 6 and Flex 1 water.
- Leases accidentally got left out of the Budget and that is why you don't see any money there. This lease is to Union Pacific for the road to the Marina.

Should you have any questions please feel free to contact me.

Thank you,  
Melissa Warren

**Port of Cascade Locks**  
**Profit & Loss Budget vs. Actual**  
 July 2022 through February 2023

Ordinary Income/Expense	Development Fund			Admin - Other (Admin)			Bridge of the Gods (NEW-GF)			Campground (NEW-GF)		
	Jul '22 - Feb 23	Budget	% of Budget	Jul '22 - Feb 23	Budget	% of Budget	Jul '22 - Feb 23	Budget	% of Budget	Jul '22 - Feb 23	Budget	% of Budget
Income												
Beginning Fund Balance	0.00	990,039.00	0.0%	0.00	1,500,000.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
6010 - Property Taxes	0.00	0.00	0.0%	4,782.34	4,500.00	106.27%	0.00	0.00	0.0%	0.00	0.00	0.0%
6020 - BRIDGE TOLLS	0.00	0.00	0.0%	0.00	0.00	0.0%	2,123,554.69	3,330,000.00	63.77%	0.00	0.00	0.0%
6050 - Leases, Rents, and Fees	0.00	0.00	0.0%	28,457.11	0.00	100.0%	10.00	0.00	100.0%	53,208.00	65,000.00	81.86%
6070 - Miscellaneous Revenue	0.00	35,119.00	0.0%	7,451.46	15,000.00	49.68%	0.00	0.00	0.0%	0.00	0.00	0.0%
6080 - Grants & Restricted	1,300,000.00	4,849,591.00	26.81%	0.00	50,000.00	0.0%	0.00	-700,000.00	0.0%	0.00	0.00	0.0%
<b>Total Income</b>	<b>1,300,000.00</b>	<b>5,874,749.00</b>	<b>22.13%</b>	<b>40,690.91</b>	<b>1,569,500.00</b>	<b>2.59%</b>	<b>2,123,564.69</b>	<b>2,630,000.00</b>	<b>80.74%</b>	<b>53,208.00</b>	<b>65,000.00</b>	<b>81.86%</b>
Expense												
7001 - Salaries and Wages	0.00	0.00	0.0%	240,038.84	414,029.00	57.98%	165,024.59	231,258.00	71.36%	388.10	6,610.00	5.87%
7005 - Payroll Taxes & EE Benefits	0.00	0.00	0.0%	117,508.25	161,011.00	72.98%	46,608.53	89,934.00	51.83%	70.72	2,570.00	2.75%
7010 - Insurance	0.00	0.00	0.0%	38,321.20	58,587.00	65.41%	106,005.52	161,838.00	65.5%	0.00	144.00	0.0%
7015 - Promotion and Advertising	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	450.00	0.0%	0.00	0.00	0.0%
7020 - Office Expenses	0.00	0.00	0.0%	4,612.08	1,000.00	461.21%	2,908.22	2,600.00	111.86%	279.52	1,000.00	27.95%
7030 - IT & Monitoring	0.00	0.00	0.0%	35,953.52	67,539.00	53.23%	650.00	1,400.00	46.43%	0.00	4,800.00	0.0%
7035 - Dues & Subscriptions	0.00	0.00	0.0%	5,145.99	2,640.00	194.92%	0.00	1,200.00	0.0%	520.00	504.00	103.18%
7040 - Repairs & Maintenance	0.00	0.00	0.0%	0.00	1,000.00	0.0%	2,500.00	44,000.00	5.68%	391.67	4,500.00	8.7%
7045 - Supplies and Small Tools	0.00	0.00	0.0%	8,988.83	11,500.00	77.99%	1,877.43	2,600.00	72.21%	391.00	1,000.00	39.1%
7050 - Utilities and Communication	0.00	0.00	0.0%	21,469.34	35,009.00	61.34%	5,600.27	9,044.00	61.92%	5,881.09	9,700.00	58.57%
7054 - Legal Fees	0.00	0.00	0.0%	64,346.57	70,000.00	91.92%	0.00	0.00	0.0%	0.00	0.00	0.0%
7055 - Professional Services	0.00	149,591.00	0.0%	0.00	17,500.00	0.0%	11,320.86	70,000.00	16.17%	0.00	0.00	0.0%
7060 - Contracted Services	0.00	0.00	0.0%	29,987.23	72,300.00	41.45%	56,076.45	148,000.00	38.41%	3,929.43	12,800.00	30.7%
7065 - Licenses & Fees	0.00	0.00	0.0%	2,951.03	13,000.00	22.7%	5,173.83	35,981.00	14.38%	3,192.00	4,669.00	68.37%
7075 - Community Services	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
7080 - Travel and Meetings	0.00	0.00	0.0%	20,681.66	42,800.00	48.28%	1,074.62	10,500.00	10.23%	0.00	0.00	0.0%
7085 - Education	0.00	0.00	0.0%	11,165.00	18,000.00	62.03%	0.00	1,500.00	0.0%	0.00	0.00	0.0%
7090 - Leases and Rents	0.00	0.00	0.0%	8,213.12	0.00	100.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
7095 - Taxes	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%	6,094.05	7,000.00	87.06%
7099 - Debt Service	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
7100 - Miscellaneous	0.00	0.00	0.0%	242.55	5,000.00	4.85%	141.85	0.00	100.0%	0.00	0.00	0.0%
<b>Total Expense</b>	<b>0.00</b>	<b>149,591.00</b>	<b>0.0%</b>	<b>693,565.21</b>	<b>989,906.00</b>	<b>61.58%</b>	<b>402,462.17</b>	<b>764,315.00</b>	<b>52.66%</b>	<b>20,545.91</b>	<b>50,797.00</b>	<b>40.45%</b>
Other Income												
8010 - Interest Income	0.00	0.00	0.0%	85,885.02	0.00	100.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
8030 - Gain (Loss) on Sale of Assets	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
<b>Total Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>85,885.02</b>	<b>0.00</b>	<b>100.0%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>CAPITAL AND GRANTS</b>												
2410 Vessel	91,769.68	0.00	100.0%	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
2210-1 Flex 5	607,264.40	1,400,039.00	43.38%	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
2210-2 Flex 6	45,978.37	1,000,000.00	4.6%	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
2110 ARPA Projects	0.00	1,300,000.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
2310 Bridge	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
2510 Construction Equipment Truck	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
2210-3 Other Buildings	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
2150 Storage for Maint	0.00	0.00	0.0%	4,865.00	45,000.00	10.81%	0.00	0.00	0.0%	0.00	0.00	0.0%
2150 Land Improvements	73,077.93	1,990,000.00	3.67%	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%
<b>Total CAPITAL AND GRANTS</b>	<b>818,090.38</b>	<b>5,690,039.00</b>	<b>14.38%</b>	<b>4,865.00</b>	<b>45,000.00</b>	<b>10.81%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>
60507 - Contingency	0.00	0.00	0.0%	0.00	907,311.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.0%

**Port of Cascade Locks**  
**Profit & Loss Budget vs. Actual**  
 July 2022 through February 2023

	Commercial Properties (NEW-GF)		General/Other (NEW-GF)		Marina (NEW-GF)		Events (Recreational Properties)	
	Jul '22	Feb 23	Jul '22	Feb 23	Jul '22	Feb 23	Jul '22	Feb 23
	Budget	% of Budget	Budget	% of Budget	Budget	% of Budget	Budget	% of Budget
<b>Ordinary Income/Expense</b>								
Income								
Beginning Fund Balance	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
6010 - Property Taxes	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
6020 - BRIDGE TOLLS	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
6050 - Leases, Rents, and Fees	451,338.47	37.59%	1,221.22	100.0%	13,524.14	38.64%	73,964.21	120,000.00
6070 - Miscellaneous Revenue	36,298.95	100.0%	1,500.00	100.0%	25.00	100.0%	0.00	0.0%
6080 - Grants & Restricted	0.00	0.0%	7,182.00	47.88%	0.00	0.0%	0.00	0.0%
<b>Total Income</b>	<b>487,637.42</b>	<b>40.62%</b>	<b>9,903.22</b>	<b>66.02%</b>	<b>13,549.14</b>	<b>35.66%</b>	<b>73,964.21</b>	<b>120,000.00</b>
Expense								
7001 - Salaries and Wages	35,893.36	103.99%	75,453.51	120.66%	62,536.00	3.29%	42,420.34	49,375.00
7005 - Payroll Taxes & EE Benefits	6,949.24	51.77%	40,657.70	167.19%	24,319.00	1.54%	8,475.31	19,202.00
7010 - Insurance	31,409.76	116.33%	0.00	0.0%	10,033.00	0.0%	0.00	1,658.00
7015 - Promotion and Advertising	9,124.00	1,824.8%	70.18	7.02%	1,000.00	0.0%	788.00	3,500.00
7020 - Office Expenses	0.00	0.0%	585.13	117.03%	500.00	3.19%	140.40	250.00
7030 - IT & Monitoring	3,620.00	51.24%	650.00	100.0%	0.00	0.0%	650.00	0.00
7035 - Dues & Subscriptions	316.00	100.0%	16,730.71	86.42%	0.00	0.0%	0.00	0.00
7040 - Repairs & Maintenance	35,156.53	57.63%	7,733.68	773.37%	1,000.00	0.0%	0.00	0.00
7045 - Supplies and Small Tools	4,039.51	32.58%	21,511.31	717.04%	3,000.00	100.0%	0.00	1,000.00
7050 - Utilities and Communication	22,468.62	264.34%	26,381.18	100.0%	5,653.27	113.07%	7,344.70	7,700.00
7054 - Legal Fees	0.00	0.0%	0.00	0.0%	320,000.00	0.0%	0.00	0.00
7055 - Professional Services	3,500.00	100.0%	0.00	0.0%	67,500.00	0.0%	0.00	0.00
7060 - Contracted Services	0.00	0.0%	53,846.84	313.06%	17,200.00	0.0%	5,245.63	0.00
7065 - Licenses & Fees	190.00	3.8%	0.00	0.0%	0.00	0.0%	18,135.51	3,500.00
7075 - Community Services	0.00	0.0%	44,359.18	82.76%	53,600.00	0.0%	646.97	0.00
7080 - Travel and Meetings	0.00	0.0%	1,988.81	100.0%	0.00	0.0%	7.75	2,000.00
7085 - Education	0.00	0.0%	640.00	100.0%	0.00	0.0%	0.00	0.00
7090 - Leases and Rents	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.00
7095 - Taxes	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.00
7099 - Debt Service	13,610.64	1.32%	0.00	0.0%	0.00	0.0%	0.00	0.00
7100 - Miscellaneous	0.00	0.0%	403.95	8.08%	5,000.00	0.0%	0.00	0.00
<b>Total Expense</b>	<b>131,121.13</b>	<b>10.18%</b>	<b>283,278.50</b>	<b>49.35%</b>	<b>574,015.00</b>	<b>31.15%</b>	<b>83,852.61</b>	<b>89,685.00</b>
<b>Other Income</b>								
8010 - Interest Income	4,898.42	100.0%	0.00	0.0%	0.00	0.0%	0.00	0.00
8030 - Gain (Loss) on Sale of Assets	295,220.42	100.0%	0.00	0.0%	0.00	0.0%	0.00	0.00
<b>Total Other Income</b>	<b>300,118.84</b>	<b>100.0%</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>
<b>CAPITAL AND GRANTS</b>								
2410 Vessel	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.00
2210-1 Flex 5	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.00
2210-2 Flex 6	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.00
2110 ARPA Projects	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.00
2310 Bridge	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.00
2510 Construction Equipment Truck	0.00	0.0%	14,476.83	100.0%	0.00	0.0%	0.00	0.00
2210-3 Other Buildings	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.00
2150 Storage for Maint	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.00
2150 Land Improvements	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.00
<b>Total CAPITAL AND GRANTS</b>	<b>0.00</b>	<b>0.0%</b>	<b>14,476.83</b>	<b>100.0%</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>
<b>60507 - Contingency</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>

**Port of Cascade Locks**  
**Profit & Loss Budget vs. Actual**  
 July 2022 through February 2023

	Parking (Recreational Properties)		Recreational Properties - Other (Recreational Properties)		Sternwheeler (NEW-GF)		Reserve Fund	
	Jul '22 - Feb 23	Budget	Jul '22 - Feb 23	Budget	Jul '22 - Feb 23	Budget	Jul '22 - Feb 23	Budget
		% of Budget		% of Budget		% of Budget		% of Budget
Ordinary Income/Expense								
Income								
Beginning Fund Balance	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
6010 - Property Taxes	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
6020 - BRIDGE TOLLS	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
6050 - Leases, Rents, and Fees	62,051.42	66.72%	0.00	0.0%	78,319.22	71.85%	0.00	0.0%
6070 - Miscellaneous Revenue	0.00	0.0%	0.00	0.0%	225.00	100.0%	0.00	0.0%
6080 - Grants & Restricted	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
<b>Total Income</b>	<b>62,051.42</b>	<b>66.72%</b>	<b>0.00</b>	<b>0.0%</b>	<b>78,544.22</b>	<b>72.05%</b>	<b>0.00</b>	<b>0.0%</b>
Expense								
7001 - Salaries and Wages	3,183.08	7.41%	191,692.00	32.46%	5,354.51	276.29%	0.00	0.0%
7005 - Payroll Taxes & EE Benefits	581.13	3.48%	74,547.00	15.04%	546.14	72.43%	0.00	0.0%
7010 - Insurance	0.00	0.0%	13,333.00	0.0%	0.00	0.0%	0.00	0.0%
7015 - Promotion and Advertising	0.00	0.0%	0.00	0.0%	62.92	100.0%	0.00	0.0%
7020 - Office Expenses	95.52	15.92%	1,000.00	0.0%	18.98	3.8%	0.00	0.0%
7030 - IT & Monitoring	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
7035 - Dues & Subscriptions	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
7040 - Repairs & Maintenance	0.00	0.0%	2,990.00	10.87%	120.00	100.0%	0.00	0.0%
7045 - Supplies and Small Tools	1,656.19	47.8%	1,830.44	3.49%	350.72	100.0%	0.00	0.0%
7050 - Utilities and Communication	420.45	28.03%	22,000.00	0.0%	3,425.18	100.0%	0.00	0.0%
7054 - Legal Fees	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
7055 - Professional Services	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
7060 - Contracted Services	375.00	100.0%	49,489.00	0.0%	1,175.00	100.0%	0.00	0.0%
7065 - Licenses & Fees	6,160.26	460.06%	300.00	100.0%	5,568.02	100.0%	0.00	0.0%
7075 - Community Services	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
7080 - Travel and Meetings	-53.76	100.0%	1,242.05	100.0%	53.76	10.75%	0.00	0.0%
7085 - Education	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
7090 - Leases and Rents	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
7095 - Taxes	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
7099 - Debt Service	0.00	0.0%	2,758.17	27.61%	9,995.00	100.0%	0.00	0.0%
7100 - Miscellaneous	0.00	0.0%	0.00	0.0%	90.00	0.0%	0.00	0.0%
<b>Total Expense</b>	<b>12,417.87</b>	<b>16.95%</b>	<b>79,565.11</b>	<b>19.2%</b>	<b>16,645.23</b>	<b>138.95%</b>	<b>0.00</b>	<b>0.0%</b>
Other Income								
8010 - Interest Income	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
8030 - Gain (Loss) on Sale of Assets	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
<b>Total Other Income</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.0%</b>
<b>CAPITAL AND GRANTS</b>								
2410 Vessel	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
2210-1 Flex 5	0.00	0.0%	0.00	0.0%	0.00	0.0%	290,000.00	0.0%
2210-2 Flex 6	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
2110 ARPA Projects	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
2310 Bridge	0.00	0.0%	0.00	0.0%	0.00	0.0%	500,000.00	0.0%
2510 Construction Equipment Truck	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
2210-3 Other Buildings	0.00	0.0%	0.00	0.0%	0.00	0.0%	505,000.00	0.0%
2150 Storage for Maint	0.00	0.0%	0.00	0.0%	56,867.00	100.0%	0.00	0.0%
2150 Land Improvements	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%
<b>Total CAPITAL AND GRANTS</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.0%</b>	<b>56,867.00</b>	<b>0.0%</b>	<b>1,295,000.00</b>	<b>0.0%</b>
60507 - Contingency	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%

**Port of Cascade Locks**  
**Profit & Loss Budget vs. Actual**  
 July 2022 through February 2023

	TOTAL		
	Jul '22 - Feb 23	Budget	% of Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Beginning Fund Balance	0.00	3,775,450.00	0.0%
6010 - Property Taxes	4,782.34	4,500.00	106.27%
6020 - BRIDGE TOLLS	2,123,554.69	3,330,000.00	63.77%
6050 - Leases, Rents, and Fees	762,093.79	1,622,635.00	46.97%
6070 - Miscellaneous Revenue	45,600.41	50,119.00	90.98%
6080 - Grants & Restricted	1,307,182.00	5,211,091.00	25.09%
<b>Total Income</b>	<b>4,243,213.23</b>	<b>13,993,795.00</b>	<b>30.32%</b>
<b>Expense</b>			
7001 - Salaries and Wages	630,231.98	1,041,152.00	60.53%
7005 - Payroll Taxes & EE Benefits	232,642.01	404,893.00	57.46%
7010 - Insurance	175,736.48	281,177.00	62.5%
7015 - Promotion and Advertising	10,045.10	5,950.00	168.83%
7020 - Office Expenses	8,655.79	8,450.00	102.44%
7030 - IT & Monitoring	41,523.52	84,547.00	49.11%
7035 - Dues & Subscriptions	22,712.70	23,704.00	95.82%
7040 - Repairs & Maintenance	48,891.88	146,700.00	33.33%
7045 - Supplies and Small Tools	42,245.43	87,390.00	48.34%
7050 - Utilities and Communication	98,531.10	98,444.00	100.09%
7054 - Legal Fees	64,346.57	390,000.00	16.5%
7055 - Professional Services	14,820.86	304,591.00	4.87%
7060 - Contracted Services	150,615.58	447,789.00	33.64%
7065 - Licenses & Fees	41,670.65	63,499.00	65.62%
7075 - Community Services	45,006.15	53,600.00	83.97%
7080 - Travel and Meetings	35,514.77	55,800.00	63.65%
7085 - Education	12,705.00	20,200.00	62.9%
7090 - Leases and Rents	8,213.12	0.00	100.0%
7095 - Taxes	6,094.05	7,000.00	87.06%
7099 - Debt Service	16,369.81	1,038,787.00	28.93%
7100 - Miscellaneous	878.35	12,749.00	6.89%
<b>Total Expense</b>	<b>1,707,450.90</b>	<b>4,576,422.00</b>	<b>1,332.45%</b>
<b>Other Income</b>			
8010 - Interest Income	90,783.44	0.00	100.0%
8030 - Gain (Loss) on Sale of Assets	295,220.42	0.00	100.0%
<b>Total Other Income</b>	<b>386,003.86</b>	<b>0.00</b>	<b>100.0%</b>
<b>CAPITAL AND GRANTS</b>			
2410 Vessel	91,769.68	290,000.00	31.65%
2210-1 Flex 5	607,264.40	1,400,039.00	43.38%
2210-2 Flex 6	45,978.37	1,000,000.00	4.6%
2110 ARPA Projects	0.00	1,300,000.00	0.0%
2310 Bridge	0.00	500,000.00	0.0%
2510 Construction Equipment Truck	14,476.83	0.00	100.0%
2210-3 Other Buildings	0.00	561,867.00	0.0%
2150 Storage for Maint	4,865.00	45,000.00	10.81%
2160 Land Improvements	73,077.93	1,990,000.00	3.67%
<b>Total CAPITAL AND GRANTS</b>	<b>837,432.21</b>	<b>7,086,906.00</b>	<b>11.82%</b>
<b>60507 - Contingency</b>	<b>0.00</b>	<b>907,311.00</b>	<b>0.0%</b>



PUBLIC MEETING: Port Commission Meeting

DATE: Thursday **March 02, 2023, 6 PM**

LOCATION: Cascade Locks City Hall 140 Wa Na Pa St, Cascade Locks, OR 97014

<https://us02web.zoom.us/j/85806615790>

## MINUTES

- 1) Commission meeting called to order 6:00 PM
  - a. Pledge of Allegiance
  - b. Roll Call
    - i. President Groves
    - ii. Vice-President Lorang
    - iii. Commissioner Caldwell
    - iv. Commissioner Stipan
    - v. Commissioner Bump
    - vi. Members of the Staff – GM Kaganova, OM Blue, Accountant Specialist Warren, Secretary Stocker, Attorney Tommy Brooks, Government Relations Consultant Mark Johnson.
    - vii. Members of the Public – Lisa Birney (Journalist), Brenda Cramblett, Kelli Richardson, Sean Richardson, Carrie Klute, various others that did not sign in; Zoom Attendees – Brittany Berge, Butch Miller, Dave Lipps, Tracey Tomashpol, Jordon Bennett, Rachel Najjar, Corinne Ignacio, Katelyn Logan, Maui Meyer, Sofia Urrutia-Lopez, Maria Woodall, Chris Matlock, Suzanne Peterson, Hallie Ballou, Kevin Waters, Nathan Gilles (Journalist), the following with no last name given: Maryann, Bronson, Paul, Tyler, Don, Kathy and various others with no name.
  - c. Modifications, Additions and Changes to the Agenda
    - i. GM Kaganova asks to remove Business Action Item 8a regarding the Painting Project Overview as it is not yet ready for review.
    - ii. NOTE: There are numerous mentions that attendees on Zoom cannot hear. Sec. Stocker tries to resolve it.
  - d. Declarations of Potential Conflicts of Interest
- 2) Executive Session under ORS.192.660(2)(f) Consideration of Information or Records that are Exempt from Public Inspection.
  - a. Recess from Regular Session, into Executive Session at 6:05 pm
  - b. Recess out of Executive Session, into Regular Session at 6:45 pm
- 3) Presentations
  - a. GM Kaganova requests that Item 4c be moved up as representatives from Ixtapa are present.
    - i. Carlos and Juan from Ixtapa are present to speak to the Commission and answer any questions; Johnson inputs that there has been long-standing conversations with Ixtapa and they have been working on designing furnishings to fit the café and expending a lot of blood equity into this initiative. Carlos adds that, the business started in the Dalles and also has locations in Hood

River and Hermiston. P Groves asks how many [employees] they expect to have working at this location. Carlos answers about eleven (11). P Groves continues his questions by asking about the hours of operation. Carlos replies that depending on the season, during the slow season it will probably close at 7:00 pm, and during the summer, busier season, probably 9:00 pm. P Groves also inquires about, if the partnership is successful, when they expect to open. Unfortunately, Carlos' reply could not be clearly understood through recording, however there were mentions about obtaining licensing that needs to be done. C Stipan mentions that he would really love to see them here.

**4) Public Comment (Speakers may be limited to three (3) minutes)**

- a.** Kelli Richardson reading a letter on behalf of Rachel Najjar: Letter was provided to the secretary and will be included in final minutes; As a concerned resident of Cascade Locks, Najjar believes that becoming a high-tech town with data centers and cloud innovation with artificial intelligence and cybersecurity will not accomplish our vision of prosperous, cooperative living. The MOU reads like a wishlist and none of it has been proven that it is actually attainable. She suggests seeing job acceptance letters prior to signing a 25-year lease, if jobs are promised. Najjar also argues the upgrade to the power station and questions who will pay for the upgrades and who will control it once done. She questions the lack of information on the investors that were mentioned as none were named nor the amounts they contributed. She challenges the existence of the facility in Duquesne, PA that was introduced in the 02.16.23 meeting, informing the Commission that she had personally called the city of Duquesne and spoke to a City Councilman. The City Councilman did not know of anydata or cloud centers that were coming to [Duquesne] nor heard of the name RoundHouse. Najjar points out that the city of Duquesne is also located on a tributary of the Ohio River and calls into question, "if [RoundHouse] truly does not want to use [the] water, why are they building by riverways?" She continues to question who will hold [RoundHouse] accountable for the MOU and who will hold them accountable during operation. She states that a proper Environmental Load study be done with the honest information of their operations. Najjar asserts that the focus is that it is irresponsible and unethical for the Port to sign a 25-year lease without detailed proof that what [RoundHouse] is proposing in the MOU is possible and how they will be held accountable in the lease agreement. With all the instability that the Port is going through, this lease should not be signed until it has been settled and new staff and Commissioners have been brought in. She ends by emphasizing that there is too much is at stake and stresses that [RoundHouse] has already lied about using our water and the City of Duquesne.
- b.** Carrie Klute: Klute begins by stating that her comment echoes Najjar's letter. In previous meeting minutes, the Port is stated to be moving forward with signing a 25-year lease with RoundHouse who is an unknown startup and is not incorporated. She understands that the Port is wanting to sign the contract by April 1<sup>st</sup> and feels that it is incredibly hasty and irresponsible considering that there is so many unknowns and so little community involvement. Many community members are concerned that there has not been any environmental impact study, electrical load study, and decisions are being made without the [community's] best interest in mind. She requests that [the



- Port] delay moving forward with the decision until a full scope of impact has been reviewed and share with the community. Additionally, she expresses concern about Stephen King and why he is involved in so many of the proposals, what reasons has he given us to trust him, and would like to further investigate his background.
- c. Katelyn Logan (on Zoom): Logan first expresses that she cannot hear [any of the Commissioners] and [the Port] is doing nothing to fix it, which comes off as the Port is trying to hide stuff and feels that it is unacceptable. She questions how [the community] is supposed to understand and believe and trust [the Port] and think that [the Port] has integrity. C Stipan asks if she is referring to the volume. Logan expresses her frustration about not being able to hear anything. C Caldwell and C Stipan state that they were unaware of the issue. Logan strongly suggests putting the Zoom chat up on the [TV] screen so that the Commissioners can see the frustration those online are having due to the audio issue. C Stipan thanks Logan for her comment. Logan argues that she wasn't making a comment but asking a question. C Stipan explains that the Commission is not answering questions during Public Comment and directs her to submit any questions to the Port.
  - d. Caroline Lipps: Lipps comes in person to express that those attending on Zoom still cannot hear. OM Blue explains that the Port purchased a new microphone system to try to improve audio and it is the first night using it. The Commission takes a five-minute break to try to rectify the problem. P Groves also states that the custom for not taking questions is standard procedure in most government meetings, including the City and the school board.
  - e. Sofia Urrutia-Lopez (on Zoom): Urrutia-Lopez states that she lives in Stevenson and is a conservation organizer for Friends of the Columbia Gorge and has lived in Stevenson for nearly a decade. She mentions that she has worked for the City of Cascade Locks for three (3) years and knows the community well. She informs that Friends of the Columbia Gorge does not currently have a position on the data center because, like most of the community members, they do not have enough information. [Friends of the Columbia Gorge] asks that Commissioners slow down the process until the public is adequately informed of what this data center would mean for the community and the Gorge, and by "adequately informed", Friends is asking that [the Port] not tell [the public] but show [the public] the answers to their questions. [The public] was told that it was a scaled down data center compared to Google, can RoundHouse show the public other examples of scaled down data centers in the US and how they fit within small communities. She continues to request that if [RoundHouse]'s data center is a closed-loop system to cool the servers and conserve water, can RoundHouse demonstrate a working example of such a closed-loop data center and share how the community feels about it. If this data center will emit no discernible noise, can RoundHouse provide working examples of other low-noise data centers in the US and facilitate dialogue with these communities and Cascade Locks. If there is no current working data centers within the US that are scaled-down, closed-loop, and low-noise data, let the community know that Cascade Locks is a guinea pig and show [the public] how [the Port] intend to mitigate the risk. Urrutia-Lopez provides a final thought which comes from a commercial real estate attorney who grew up in Stevenson. She informs that [Friends'] executive director shared with this attorney how the Port was

negotiating with RoundHouse, and though their director did not mention the terms of the contract, the attorney stated “that if the contract calls for a percentage of profits to go back to the community, I guarantee you, the community will never see a dime. [I] have never seen a company actually pay out profits because they would rather pay any profits into more lobbying, more marketing, or larger bonuses rather than sending dollars back to the community.” She urges the Commission to think about these points as they negotiate and ensure that RoundHouse provide the community with all the information that it deserves.

## 5) Presentations

### a. Legislative Update – Mark Johnson

- i. Johnson informs that the Port continues to ask Oregon and Washington for \$6M from each state to fund \$12M seismic upgrades and analysis project for the bridge. He reminds the Commission that, during the last meeting, Washington delegation would like the Port to consider entering into an IGA with Skamania County, and the rationale for this would be to create a framework for which the State of Washington would be able to funnel money to the Port of Cascade Locks for the Bridge of the Gods. Johnson provides a drafted outline for a possible Bridge of the Gods Bi-State Collaborative IGA. In the suggested outline, he emphasizes that the bridge is critical for the regional transport of goods and services and is vital for employees to access places of work. The drafted outline also states that the bridge is a Port-owned asset and will remain so, but the Port values the involvement and partnership with Skamania County in strengthening and maintaining the bridge so that it can continue to serve the region and that the Board will serve as an advisory role. The Board’s purpose would be to meet regularly to receive and review information about bridge operations and maintenance needs, and when the Port has achieved compliance with federal law regarding the use of bridge toll revenue the Board will jointly have oversight over the use of tolling revenue to maintain the bridge. Johnson reminds that once the Port is not reliant on toll revenues for other purposes, this will give Skamania County an equal say on what will happen with toll revenues after Title 23 is met. VP Lorang is concerned about any language that could be construed as giving [Skamania County] any actual control, specifically regarding the phrase “joint oversight” may give the impression that Skamania County will have control over the bridge. It is a Cascade Locks asset, [so the Port would] certainly [appreciate] input but not direct oversight. P Groves agrees with VP Lorang and wants to ensure that both sides are equally represented. VP Lorang points out that in Johnson’s outline, he mentions to the term “post tolls” and recommends removing the phrase, as he does not want people to get the impression that [the Port] foresees tolls going away. Johnson agrees. Johnson requests from the Commission, the guidance to convene the Bridge Committee to start talking through [the proposed agreement]. P Groves comments that he feels the next step would be to meet with the Skamania County Commissioners and get some ideas from them. C Stipan asks if these recommendations could be from (Rep.) Kevin Waters’ new position. Johnson confirms that it is, as [Rep. Waters] is the one

that is trying to help [the Port] and has offered to be the convener for the Skamania County Commission. C Stipan comments that if he was going to do any kind of IGA, I would make sure that (Rep.) Kevin Waters was working on it. Johnson asks Sec. Stocker if (Rep.) Kevin Waters is attending the meeting. Waters states that Skamania County recognizes an avenue where they received funds from an asset that they thought they owned, which was timber. 30+ years ago, timber was taken away from them, and timber has put them in a major deficit. The thing that he wants to say, is that he carries the same concern for [the Cascade Locks] community of the bridge. He understands how much of a lifeline and lifeblood the bridge is. He wants [the public] to know that when he is negotiating on behalf, for [Cascade Locks] and for his county, he is very conscious of making sure that, firstly, toll revenues stay with [the Port] until 2030 which was what the Commission decided was the tentative date, and secondly, that [the Port–Skamania County partnership] really mimics the model that Hood River has which was founded by Senator (Curtis) King. Waters explains that the makeup of that committee consists of three (3) representatives of each side of the river, a Chair is on each side of the river and every other year, the Chair switches and that Chair is a non-voting member, so there are only five (5) voting members every year. Thus, one year, Oregon will chair, and the next, Washington will chair, which creates an equal playing field. He states that Senator King has made it very abundantly clear to him that this a priority for him. Waters also stresses that toll revenue needs to go back into the bridge, the bridge needs the money. Skamania County residents highly depends on the Bridge of the Gods. Waters also reassures that Skamania County (and no one on this side of the river) is making a play for tolls and that [they] want the tolls to go to the Port of Cascade Locks until the bridge is fully funding itself. And secondly, the only play being made is that [Skamania County / Washington] get to be at the table to be a voice. Regarding the \$6M ask, he points out that [Skamania] County has not received \$6M for anything in the last thirty (30) years, so this is a major ask that he is doing, as a freshman [delegate]. He is very gracious to Senator King for leading the way. He emphasizes that he is doing everything he can for the Port of Cascade Locks to ensure that [the Port] maintains ownership and that ultimately it is way to get the money to [the Port] so the bridge can back up in working order and get a bike-ped path. Johnson asks whether Waters will be the convener for the Skamania County Commissioners. Waters confirms that, because of his role in the [Skamania] EDC and the Bridge Task Force, they asked him to be the go-between. He also mentions that this is a non-WSDOT project, which is a good thing as Washington is cutting a lot of WSDOT projects. Waters commends the Commissioners, (GM) Olga (Kaganova) and (OM) Jeremiah (Blue) for putting together the Bridge Task Force and bringing Skamania County to the table. If Skamania County can come up with the \$6M in two-and-a-half years, he will pretty proud of that. He and his family has been looking out their window, at the bridge for over 65 and he absolutely adores the bridge. He wants to preserve it, maintain it and wants it here for a very long time.

- ii. Johnson proceeds to discuss the Harvey Road Parking Lot Project. He informs that [the Port] has received the engineer's cost estimate and the cost is a little bit higher than what [the Port] had anticipated. He reminded the Commission that they had earmarked \$350K from ARPA money for the project. However, engineer's estimates are coming out at \$700–\$750K. Darrin [Eckman]'s estimates also did not include the cost of the restrooms so that will be another \$150K on top. Johnson spent the last week working with Senators Merkley's and Wyden's staff about the possibility of getting in the queue for an earmark or congressionally directed spending. They are looking for ways and places for it to fit in appropriation bills in DC and they just don't see a good clear path. Another option would be to Oregon Parks and Rec. OPRD has a grant called the Community Foundation Program which is funded by lottery fund bonds. Johnson comments that last year the average award was \$518K and the max was \$750K, so asking for \$500K would be a nice, rounded number. He informs that the window for application is currently open and closes on April 1<sup>st</sup>. He has all the information needed to submit a grant application; all the writings and letters of support as well as the engineer's cost estimates. He reached out to Bob (Irvine) at PARC Resources who has helped [the Port] with grant applications in the past and said he would be happy to help. The maximum fees for his assistance would possibly be about \$3,000.00.

**C CALDWELL MOTIONS TO APPROVE TO MOVE FORWARD AN APPLICATION TO OREGON PARKS AND REC FOR A GRANT TO SUBSIDIZE OR FOR PARTIAL FUNDING FOR HARVEY ROAD PARKING LOT PROJECT (WORDING PROVIDED BY JOHNSON); VP LORANG SECOND; Passed Unanimously**

- iii. Johnson states that he will work with staff on the exact number that [the Port] will be asking, which will be determined by how much ARPA money the Port wants to dedicate.
- b. Harvey Road Housing Feasibility and Economic Analysis – Mark Johnson
    - i. Johnson recalls that in October or November, Stephen King had mentioned that he would be happy to help the Port provide some economic analysis for the best way to develop the Harvey Road property in a way that could support workforce housing. Using connections that [King] has with a company in California called Pro Forma Advisors, LLC, he has provided some information for the Commission to review. Johnson emphasizes that it is only an information item. He comments that this project would be related to RoundHouse in some ways, as jobs will be created in Cascade Locks but there is a concern with where the people will live. This would be a way for the Port to show the community that [it] is really serious about using all of its assets to help the community. A real market analysis would be able to show the best way to utilize the 30+ acres that would create the most bang-for-the-buck and the most housing units in a way that the Port could still obtain long-term revenue. VP Lorang questions whether it is a land trust. Johnson answers that it is not. Johnson then walks the Commission through the proposed model of the market assessment. VP Lorang asks whether there was a geological analysis done, explaining that part of the 35-acre property is a geologically sensitive area so part of the property is ideal

for housing and the other part could be considered for non-permanent housing such as tiny homes. Johnson replies that the seismic rating that VP Lorang is referring to is something the county or DOGAMI (Oregon Department of Geology and Mineral Industries) does, and states that what would matter would be what that would mean at the city-level. P Groves adds that it was the lower level of the property, where the parking lot is going to be, that was deemed a possible issue. Johnson states that there is an eight-week turnaround for the assessment, which gives the Port time to receive options as well as community input. VP Lorang comments, to those that may not know, the property under discussion is the 35 acres south of the Bridge of the Gods. It is considered prime residentially-zoned property that the Port has earmarked for potential residential development. The Port is looking into how to best utilize it for the benefit of the community and recurring revenue for the Port of Cascade Locks. C Stipan asks whether the term "workforce" mentioned earlier referred to the RoundHouse workers? Johnson replies that it isn't limited to a particular group of workers, but addresses an opportunity for people to live and work in the same community. He states that eighty percent of the people that live in Cascade Locks work outside of Cascade Locks and that it would be great if there was a way to change that. Johnson also adds another point regarding the Harvey Road parking lot, is that a great part of the cost in putting in the parking lot is the infrastructure, i.e. sewer, stormwater runoff, that will serve the residential population up the hill. P Groves, in addition, mentions that the Port does not live off of taxpayer money and that the Port receives an estimated \$3,000 a year from taxpayers which is probably spent on the first Easter Egg Hunt or community picnic or certainly used towards [Marine Park]. He would like the public to understand that [the Port] makes its own revenue and that's how the Port survives. VP Lorang points out that a third of that money also goes to maintaining the park and facilities which the community is not charged for. He continues on to state that the Port is looking into find alternate revenue that can be generated that does not come out of the Bridge of the Gods to maintain the park and other types of operations that the Port of Cascade Locks currently pays for through bridge tolls. He further explains that a part of moving forward and being able to get federal funding requires [the Port] to get 100% off of bridge toll revenue so that [the Port] can have all the money from the bridge stay for operations and maintenance at the bridge which will open up the avenue for [the Port] to get federal funding for seismic upgrades and the potential Bike-Ped crossing. P Groves advises that the public go to Oregon Revised Statute 777 which is what the Port operates under and what its job responsibilities are. C Stipan requests and explanation from Johnson on page 8 of the Pro Forma proposal, which covers the Professional Fees & Expenses. Johnson explains that it is broken down and adds up to around \$36K. P Groves interjects that the proposal is that King would pay half that. Johnson affirms that RoundHouse is offering to pay half of the market study, not because they have any [relation] to housing. VP Lorang comments that he feels that it is a reasonable offer. Before he concludes, Johnson mentions that he has a meeting

scheduled with the State-Federal Highway people on March 10<sup>th</sup> and will be posing the question of what constitutes “being compliant with Title 23” and will have a presentation for the Commission at the next meeting.

- 6) Consent Agenda (\*\*\*)Consent Agenda may be approved in its entirety in a single motion. Items are considered routine. Any Commissioner may take a motion to remove any items from the Consent Agenda for individual discussion).
  - a. Approval of minutes for Commission Meeting from February 16, 2023
  - b. Ratification of bills in the amount of \$179,148.05
  - c. Approval of payroll for 02/20/2023 in the amount of \$39,805.38

**VP LORANG MAKES A MOTION TO APPROVE THE CONSENT AGENDA AS STATED; C STIPAN SECONDS;** C Caldwell mentions that she spoke to [Sec. Stocker] regarding the minutes that they are approving that needed to be revised; **Passed Unanimously**

7) General Manager Report

- a. GM Kaganova begins by reminding the Commission that she has informed them that she will be leaving the Port and this will be her last Commission meeting. She requests that they instruct her on which projects they would like to get updates on and have her prioritize before she transitions out, as well as that they identify a key person to leave those projects with so they are aware of the progress. VP Lorang brings up the upcoming SBP meeting and suggests things related to that would be great. GM Kaganova says that the consultants are at the interview stage and they are planning a workshop during the planning session on the 10<sup>th</sup> and 11<sup>th</sup>. She mentioned that they have expressed that [the consultants] are having trouble reaching some of the Commissioners. VP Lorang informs that he has not received an email from them. C Caldwell also states she has not. GM Kaganova replies that she has provided them with their cellphone numbers. P Groves comments that he has finished his interview and was impressed by the person giving the interview. He has given [the consultants] what he felt was the Port’s biggest priorities. He explains that the Port does a lot of planning and every year, [the Port] plans for everything it will be doing for the year. He brings up the RoundHouse plan, which addresses their need to lease a building that [the {Port}] has to pay \$53,000/month for. C Caldwell asks whether [the consultants] were given her [personal] email. GM Kaganova replies that she does not know. P Groves asks where the auditors are at. GM Kaganova replies that they have everything they need and are reviewing those entries. P Groves asks if there is an estimated date or timeframe. GM Kaganova points out that the auditors first committed on November 1<sup>st</sup>, then December, then January and “here we are”. She informs that [staff] has learned that the Port is not the only port that is behind in terms of completion, but it certainly does not have any outstanding items. She states that the auditors are apparently very overloaded and had also received a lot of questions from the Commissioners that they needed to take a look at that may have added to the delay. Regarding GM Kaganova’s inquiry of what the Port would like her to do, P Groves asks about the status of the projects that the Port has been working on, where [the Port] are with those, what the completion look like and dates. He points out the Sternwheeler operation is an obvious matter as the start of operation should be coming up soon in April. GM Kaganova states that the Port is currently waiting for the ACL contract to be completed so that

ACL can negotiate with the Port about the Sternwheeler operation but there is not an action item that she can take to speed that up. P Groves raises the topic of the [Harvey Road] parking lot and instructs that something needs to be done about it. GM Kaganova stresses that she only has one week and asks for specific directions. P Groves says he is unsure if there is anything she can do. He proposes that she gets [the project] out for bids. He also mentions that they saw Ixtapa tonight and states that they will need to get "what that looks like" on paper. GM Kaganova states that she has not been part of the Ixtapa negotiations and so is unsure what she can do to get [the Port] to wherever it needs to be with Ixtapa. P Groves responds that he had seen a document that they had agreed to it and knows that it has been talked about in EDSC meetings. GM Kaganova asks whether P Groves is referring to bullet points that Johnson had put together. P Groves concurs. GM Kaganova states that what she is aware of, is that a year ago, [Ixtapa] had come up with a list of items to consider and they currently are still open items to be considered. She suggests that it either gets addressed at the sub-committee level or [the Port] continues with the negotiations and provides those answers for the consideration of the sub-committee but without necessarily discussing those with Ixtapa, she is not sure what else she can do. She adds that she attempted to call a meeting with Ixtapa, which stalled. P Groves states that [Ixtapa] has been out to visit and looked at the building and has gotten ideas of how they want it to look like. He points out that GM Kaganova has been a little bit involved with that. GM Kaganova firmly reiterates that she has not been a part of those conversations. VP Lorang interjects that he would like to see the plans so he can see how they are going to integrate the needs of the Sternwheeler along with the [restaurant], how those two will work together, and how utilities will be divided. C Caldwell vouches that she was sent a map that she requested from (GM) Olga (Kaganova) of the plans that included how Ixtapa and the Sternwheeler could mutually utilize the space. GM Kaganova informs that the map that was provided was originally created for the purposes to be able to carve out a space to reserve when [the Port] was negotiating the AWI contract so that they knew how much space would actually be required for AWI. She emphasizes that the plans are not necessarily representative of any actual plan, the map was developed to come out with a square footage number to be able to pass on to AWI during negotiations. C Caldwell states that, nevertheless, it did show where the Sternwheeler could have its operations. VP Lorang remarks that he finds it interesting that C Caldwell has seen those plans and the rest of the Commission has not seen them. C Caldwell asserts that she requested it during a meeting. GM Kaganova emphasizes again that it was not a plan for specifically where the ticketing booth would go or where the restaurant would go but was specifically a drawing to use to determine whether there was enough space to potentially put in a gift shop and that the highlighted areas merely identified how much space would be required. It did not say "this is where the ticketing booth should go or this is what the rest of the operation will look like". C Caldwell states that her understanding was, after they had all been down there with Ixtapa to visit the building, [Ixtapa] had said that it was the same configuration that they were looking at and also how the Sternwheeler could operate. C Caldwell further adds that "you and I were both there". GM Kaganova replies to C Caldwell's statement with "That's fine." Ultimately, GM Kaganova recommends that if

the Commission is looking for progress with Ixtapa, the Commission should sit down with Ixtapa and work through the bullet points and what a lease would look like. P Groves informs that Ixtapa has that are creating a CAD drawing [of the space]. GM Kaganova asks whether there are any action items concerning Ixtapa that the Commission needs her to get done. P Groves replies that there isn't but stresses the earnest interest that Ixtapa has for the space. VP Lorang states that he was not aware that [the Port] was already at the point where it had made a decision. P Groves corrects him, stating that no decision has been made before it comes before the Commission. C Stipan comments that it was nice to meet the people from Ixtapa. He transitions into the subject of the GM's resignation and addressing what the Commissioners hope to see happen in the future to keep the ongoing operations steady and moving forward. He informs that he just spoke to (OM) Jeremiah (Blue) who is willing to act as Interim General Manager. C Stipan turns to GM Kaganova and states how much he appreciates her and requests that the Commission skip through the Business Action Items and move on. P Groves states that they are still working through the GM Report. C Stipan contests that they have given her all the information that they would like to see in the next week and wants the transition to be smooth and with grace. P Groves comments that they probably feel that everything that they are doing is urgent, but is probably not super urgent. Before concluding the GM Report, GM Kaganova addresses the topic of the SBP meeting. She informs that the packet is being put together but also points out that the 10<sup>th</sup> (first day of the Annual Planning Session) is also her last day and asks whether the Commission would like her present. She asks whether the Commission would like her present. P Groves replies that they will address that later. GM Kaganova also asks who she should be passing down passwords to. P Groves answers that they will just change all the passwords. GM Kaganova states that there are key systems that she will need set up as administrators and will need to put an actual name in. P Groves inquires whether OM Jeremiah Blue has that capability. GM Kaganova replies that there is some but not all. She asks if that is what he is implying, to pass it on to (OM) Jeremiah (Blue). P Groves acknowledges that that is what should be done. VP Lorang asks whether they want to address that now. P Groves replies that there are a couple more things on the agenda.

**8) Commissioner and Sub-Committee Reports**

- a.** C Bump: Replies that he has none and is still in sleeping mode.
- b.** C Stipan: States that he has none at this time. He mentions that when he first arrived, Paul Koch was the manager and he will never forget his first Port meeting as a person of the public, where the first fifteen or twenty minutes was determining how the meeting was going to start. He states that he appreciates the people that are present, and the people on Zoom. He remarks that it is the first time that he ever joined on a Zoom while being at a Port meeting. He logged on because he was not aware so many people were having issues hearing the meeting. He hopes that everything can be seen or heard and that everyone has a clear picture of the Port of Cascade Locks, and that they are standing here together. C Stipan asserts that he is not hiding anything. He declares that he is stating that because he heard a comment saying that [the Port] hides stuff. He wanted to let everyone know that everyone from the public is invited to come and if the space becomes too small, [the Port] will find a bigger space. He is



not sure how to integrate questions and comments from Zoom so that the Commission can see them and better serve the community. He refers to some things that he has been studying, touched on being angry and mentions that he has read the [GM's] resignation letter and comments that a part of him felt that he and everyone has right in this community to be angry as long as they are not going to sin in his anger. He refers to an example of when someone from the public comes in and bursts through the door, what could be next? He appreciates what was said and the things he has learned but he also emphasizes that he does not want to have a security guard outside and that he does not want people to be scared to come to a Port meeting. He turns to GM Kaganova and thanks her for all that she has done. He describes it as being an amazing experience to know her and have her at the helm. He gives his appreciation to the attorney, the finance person and maintenance person, present. He says that he has spoken to (OM) Jeremiah (Blue) which will get addressed later. C Stipan also informs that he has an extra packet for the press with all the information, if they need, to keep the public informed and this [meeting] an open session. He reiterates that everyone is invited to be here and ask questions, [the Commission] may not answer the question [immediately] but that doesn't mean that they are not ever going to be answered. C Stipan encourages the public to email him at [jstipan@portofcascadelocks.org](mailto:jstipan@portofcascadelocks.org) and he will be happy to get an answer for them.

- c. C Caldwell: Answers that there isn't anything she can think of.
- d. VP Lorang: Responds that he also would like to thank (GM) Olga (Kaganova) for the time and energy that she has invested, and invested in the community. He also states that, in light of transparency, he would like to have her resignation letter be submitted into the minutes so that it's out there in the public and it is her desire that it not be hidden. Anyone that wants to see the resignation letter and what is involved, can see it in [the] minutes.
- e. P Groves: States that he believes that [the resignation letter] is an exempt document, after the meeting [the Commission] had earlier. He adds that he wants to echo what (C) John (Stipan) said. He states that he wants everyone to know that he has been a Port Commissioner for almost thirty (30) years, since 1974. He's been through seven (7) managers, during that time. And several port employees. He thanks (GM) Olga (Kaganova) for what she has done for the Port and wishes her well with wherever she's moving on to. He continues and states that things happen and people move on. He addresses the attending public members and thanks them for coming and being proactive. P Groves informs that he has been in Cascade Locks since 1961, he graduated from high school here, his wife graduated high school here, his daughters graduated high school here and he has grandchildren. He comments that he has seen the community, about twelve to thirteen years ago, split. And he is seeing it happening again, now. There are factions here that are splitting our community. Lot of false information going around, a lot innuendos, a lot of things being said that is absolutely not true. He admits that he is 73-years-old and has put in thousands and thousands of hours, for free, for the Port and different groups and organizations that he belongs, that have to do with how the community moves forward and moves ahead. At Federal and State levels. He was just appointed to the Bradford Island Clean Up Committee. He was a member for four (4) years for the NOAA fisheries "Save the Salmon" for the

Columbia River Basin. I do care about the community and what this community looks like. I was involved making the Mill Pond a cold water refuge. So when you have a seat like I have, being a chair for quite a while, you are able to get into positions that do those things. Agree with John, I have always had an open-door policy. Anyone who wants to talk to me, my phone number is in the book, my cellphone number is out there, my email address is out there. And if anyone wants to speak about anything that I can tell you, because keep in mind, as we work through some of these businesses that the Port is going to get involved in, there are some things that we have to under closed doors. Because you're protecting people's business and their ideas and how they are moving forward.

- i. C Stipan asks whether if it is possible to print up or save the comments from Zoom and apply them to the minutes of the meeting as it would be nice to be able to review what the comments are. Secretary Stocker will look into it. C Stipan thinks that it would be a great tool to understand the community's input. He asks when does the minutes get uploaded to the website. GM Kaganova replies that, historically, every four to six months, the Port batch uploads all of the minutes at the same time. They are, of course, available at the Port office before then and (Sec.) Keriane (Stocker) is working on a new system so the minutes will be more periodically so they are more available to the public for review. C Stipan advises that it would really be beneficial if [the minutes] could be uploaded before the next meeting. GM Kaganova states that [the Port] has a really good staff and (Sec.) Keriane (Stocker) is very organized, she's doing an incredible job and you're really going to see that she's really on top of the minutes and the things that you need.
- ii. C Caldwell adds that, on a personal basis, she would like to thank (GM) Olga (Kaganova) and her hope is for [GM Kaganova] to be able to have wonderful adventures and really wishes her the very best.

## 9) Business Action Items

### a. Approve Painting Project Overview – David McCurry

### b. Approve to Amend Minutes for 02.02.23 Commission Meeting

- i. GM Kaganova reports that the minutes from the 02.16.23 Commission Meeting were revised at C Caldwell's request. She reminds the Commission that once minutes are approved, it requires Commission action to revise them. C Caldwell quotes a revision that was made in the 02.16.23 meeting minutes. Brooks explains to the Commission, that the highlighted version in front of them is different from the version that they approved last time, and because now that they are being amended, as (GM) Olga (Kaganova) said, [the Port] policy states that once [the minutes] are approved, they are approved and the only way to change them is to bring it back to the Commission. The 02.02.23 document is in front of them, amended, and that is what is being asked [to be approved]. P Groves points out that in the minutes before this [current] one, there were questions about things in the minutes. Brooks states that that is not in front of them, right now. P Groves comments that he's still confused. C Caldwell admits that she caused the confusion because she had quoted the wrong minutes, and explains that prior to approving [the 02.16.23 minutes (to be put in the packet)]

she had talked to (Sec.) Keriane (Stocker) and it was revised before [the Commission] approved them tonight.

**VP LORANG MOVES TO APPROVE THE AMENDED MINUTES; C CALDWELL SECONDS; Passed Unanimously.**

**10) Executive Session under ORS 192.660(2)(e) Real Property Negotiations**

- a. P Groves requests a five (5) minute break before going into Executive Session. GM Kaganova explains that the Commission can do the discussion in open session as well. The item up for deliberation is the lease renewal for Flex 3 and comments that it is more or less the same as the one they had previously approved and is only adding on an additional two (2) years. P Groves still chooses to take a five (5) minute break. The Commission decides not to go into Executive Session for the discussion. GM Kaganova informs again, that there are no major changes to the lease with the exception of adding on an additional two (2) years, it also maintains the rate with only a minor adjustment. Grain will update the address and that is the only outstanding item on it.

**VP LORANG MOVES TO APPROVE THE NEW LEASE AGREEMENT WITH GRAIN INTEGRATIVE HEALTH IN THE GORGE; C STIPAN SECONDS; Passed Unanimously.**

**C STIPAN MAKES A MOTION THAT THE COMMISSION ACCEPT THE GENERAL MANAGER'S RESIGNATION, EFFECTIVE MARCH 10,2023, BUT THAT WE RELIEVE HER OF ANY DUTIES OR OBLIGATIONS BETWEEN NOW AND THAT DATE. I FURTHER MOVE THAT WE AUTHORIZE THE PORT'S ATTORNEY TO WORK WITH THE GENERAL MANAGER REGARDING HER REQUEST FOR A SEVERANCE AND TO BRING ANY SPECIFIC PROPOSALS BACK TO THE COMMISSION FOR REVIEW. VP LORANG SECONDS; Passed Unanimously**

**C STIPAN MAKES ANOTER MOTION, IN LIGHT OF THE GENERAL MANAGER'S RESIGNATION AND OUR NEED TO ENSURE THE PORT CONTINUES TO BE MANAGED ON A DAY-TO-DAY BASIS, I MOVE THAT WE DELEGATE THE AUTHORITY OF THE GENERAL MANAGER TO JEREMIAH BLUE ON AN INTERIM BASIS AND THAT WE BEGIN A SEARCH FOR A NEW GENERAL MANAGER; C CALDWELL SECONDS; Passed Unanimously**

**11) Adjournment 8:47 pm**

Port of Cascade Locks

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Port Commission President  
Jess Groves

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Port Commission Secretary/Treasurer  
Joeinne Caldwell

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Date Signed

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Date Signed

*The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting by contacting the Port of Cascade Locks office at 541-374-8619.*

Port of Cascade Locks  
From 2-24-2023  
To 3-29-2023

A-1	Pump septic at Toll House	550.00
Bio-Med Testing Service	Drug Testing	45.00
Cardinal Bag Supply	Bank Bags - courier bags	1,142.64
Patty Cash	Permit, Postage, Supplies	126.28
Century Link	Phones Services	33.26
Cingular	Phones Services	44.08
Coburn Electric	Light on BOG fell out; Demo the light	930.00
Crescere Marine Engineering	Repower of the Sternwheeler	3,240.00
Durham & Bates Insurance	Boat Insurance	2,000.00
Jeremy Hastings	Refund on BreezeBy	182.00
Jubitz Fleet Services	Boat Fuel	2,457.14
Michael-Alan Mechanical	Repair to HVAC Unit at Pfriem – Flex 5	694.00
ODOT	Fuel	352.81
Olga, Kaganova	Expenses Report	1,328.54
Oregon Department of Revenue	Payroll Taxes	9,027.03
Pacer Propane	Fuel	413.42
PERS	PERS	17,480.52
RADCOMP Technologies	IT Services	4,121.43
Ricoh	Copier Lease	267.23
Solutions YES	DocuWare Support	837.00
Special Dist Ass'n of Oregon	STD - LTD Insurance	547.68
Staples Business Advantage	Office Supplies	202.96
Tenneson Engineering	Engineering Services	74,160.15
The Port of Hood River	BreeseBy	5,917.98
Troutman Marine Services	Zoom Meeting and Review Sternwheeler Solicitations	1,399.90
United States Treasury	Payroll Taxes	27,779.46

**TOTAL**



155,280.51

**LEASE**

**DATE:** April 7, 2023  
**LANDLORD:** PORT OF CASCADE LOCKS, an Oregon Port District  
**LANDLORD'S ADDRESS:** P.O. Box 307, Cascade Locks, Oregon 97014  
**TENANT:** GORGE CANOE CLUB, INC.  
**TENANT'S ADDRESS:** 426 SW Portage Rd., Cascade Locks, Oregon 97014 (PO Box 104)  
**GUARANTOR(S):** N/A  
**GUARANTOR(S) ADDRESS:** N/A

**LEASED PREMISES:**

Name of Building/Space: Port Warehouse Building/Incubator Space  
Approximate Square Feet: 2,000 SF (See Exhibit B)  
Street Address: 515 NW Portage Road  
Cascade Locks, Oregon 97014  
Legal Description: Tax Lot No.: 02N-07E-1200-100  
Further depicted in diagram attached hereto as Exhibit A

**PURPOSE:** The purpose of this Lease is to allow Tenant to use the Leased Premises for the Permitted Use, defined below.

**TERM:**

Duration: The Term of this Lease shall be twenty-four (24) months, unless terminated earlier as allowed by the terms of this Lease, beginning on the Commencement Date.

Commencement Date: The Commencement Date shall be July 1, 2023.

**BASE RENT (monthly):** \$500.00 per month. Beginning on the first anniversary of the Commencement Date, the Base Rent shall be \$525.

**TENANT'S PRO RATA SHARE (percent):** N/A

**SECURITY DEPOSIT:** \$500.00, to be paid on or before the Commencement Date.

**PERMITTED USE:** Tenant shall use the Leased Premises for canoe club activities, a gym, a small café, and bike rental and repair activities.

All special events on site must receive prior approval from the Landlord, which approval will not be unreasonably withheld. For purposes of this Lease, "special events" means events anticipated to attract more people than the permitted occupancy of the Leased Premises or events that are held outside Tenant's normal operating hours. The Tenant shall be liable for all vendors on Port

property during an approved special event. Vendors are required to secure an approved vendor permit from the Port in order to operate on Port property. For the purposes of the Port's vendor policy, the Tenant is considered a "concessionaire." The Leased Premises shall not be used for any other purposes without the prior written consent of Landlord.

**TENANT IMPROVEMENTS:** Tenant shall have the right to make non-structural improvements, modifications, or alterations (collectively, "Alterations") to the Leased Premises costing in total less than Ten Thousand Dollars (\$10,000.00) in any consecutive twelve-month period without first obtaining Landlord's consent; provided, Tenant shall provide Landlord with plans and notify Landlord thirty (30) days prior to commencement of the Alterations. All other Tenant Improvements shall require Landlord's consent, which consent shall be in the reasonable discretion of Landlord, unless such improvements require structural modifications, in which case such consent shall be in the sole discretion of Landlord. Tenant will retain its own licensed and bonded contractors to perform any Alterations or other Tenant Improvements.

**TENANT'S REBUILDING OBLIGATIONS:** If the Leased Premises are damaged by fire or other elements, Tenant will be responsible for repairing, rebuilding or replacing Tenant's stock in trade, personal property, fixtures, furniture, floor coverings, equipment and Tenant's other improvements within the Leased Premises.

## **A. DEFINITIONS**

**A.1.** "Agent" means agents, contractors, employees, licensees, and, to the extent under the control of the principal, invitees.

**A.2.** "Common Areas" means all facilities and areas of the Leased Premises that are intended and designated by Landlord from time to time for the common, general, and nonexclusive use of all tenants of the Building, including parking lots. Landlord has the exclusive control over and right to manage the Common Areas.

**A.3.** "Essential Services" means utility connections reasonably necessary for occupancy of the Leased Premises for the Permitted Use.

**A.4.** "Injury" means (a) harm to or impairment or loss of property or its use, (b) harm to or death of a person, or (c) "personal and advertising injury" as defined in the form of liability insurance Tenant is required to maintain.

**A.5.** "Lienholder" means the holder of a deed of trust covering the Leased Premises.

**A.6.** "Rent" means Base Rent plus any other amounts of money payable by Tenant to Landlord.

## **B. TENANT'S OBLIGATIONS**

### **B.1. Tenant agrees to:**

**B.1.a.** Lease the Leased Premises for the entire Term beginning on the Commencement Date.

**B.1.b.** Accept the Leased Premises in their present condition "AS IS".

**B.1.c.** Obey (i) all laws and regulations relating to Tenant's use, maintenance of the condition, and occupancy of the Leased Premises and Tenant's use of any Common Areas in and around the Building; (ii) any requirements imposed by utility companies serving or insurance

companies covering the Leased Premises or Building; and (iii) any rules and regulations for the Building and Common Areas adopted by Landlord.

**B.1.d.** Pay monthly, in advance, on the first day of the month, the Base Rent to Landlord at Landlord's Address. All such payments must be made by check and Landlord will not accept rental payments by credit card or debit card.

**B.1.e.** Pay a late charge of 5 percent (5%) of any Rent not received by Landlord by the tenth day after it is due.

**B.1.f.** Reimburse Landlord for real or personal property taxes paid on the Leased Premises, if any, to the extent such taxes are the result of Tenant's use of the Leased Premises. Such reimbursement shall be due within thirty (30) days after Landlord has provided notice to Tenant of the amount due under this section.

**B.1.g.** Pay utility providers directly for the cost of all utilities, including water, sewer, electricity, propane, garbage and recycling.

**B.1.h.** Allow Landlord to enter the Leased Premises to perform Landlord's obligations, inspect the Leased Premises, and show the Leased Premises to prospective purchasers or tenants.

**B.1.i.** This section intentionally blank.

**B.1.j.** Repair, replace, and maintain any part of the Leased Premises that Landlord is not obligated to repair, replace, or maintain, reasonable wear excepted. All such repairs, replacements, and maintenance shall be approved by Landlord, which approval will not be unreasonably withheld.

**B.1.k.** Keep the sidewalks, service ways, and loading areas adjacent to the Leased Premises clean and unobstructed.

**B.1.l.** Submit in writing to Landlord any request for repairs, replacement, and maintenance that are the obligations of Landlord.

**B.1.m.** This section intentionally blank.

**B.1.n.** Vacate the Leased Premises and return all keys to the Leased Premises on the last day of the Term.

**B.1.o.** This section intentionally blank.

**B.1.p.** On request, execute an estoppel certificate that states the Commencement Date and termination date of the Lease, identifies any amendments to the Lease, describes any rights to extend the Term or purchase rights, lists defaults by Landlord, and provides any other information reasonably requested.

**B.1.q.** Obtain and maintain any license or permit, including land use approvals, required for Tenant's use and occupancy of the Leased Premises.

**B.1.r.** INDEMNIFY, DEFEND, AND HOLD LANDLORD, AND ITS RESPECTIVE COMMISSIONERS, EMPLOYEES, AND AGENTS, HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN ANY PORTION OF THE LEASED



PREMISES. THE INDEMNITY CONTAINED IN THIS PARAGRAPH (i) IS INDEPENDENT OF TENANT'S INSURANCE, (ii) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (iii) WILL SURVIVE THE END OF THE TERM, AND (iv) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LANDLORD OR LANDLORD'S AGENTS, BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD AND ITS RESPECTIVE COMMISSIONERS, EMPLOYEES, AND AGENTS.

**B.2. Tenant agrees not to:**

**B.2.a.** Use the Leased Premises for any purpose other than the Permitted Use.

**B.2.b.** Create a nuisance.

**B.2.c.** Interfere with any other tenant's normal business operations or Landlord's management of the Leased Premises.

**B.2.d.** Permit any waste.

**B.2.e.** Use the Leased Premises in any way that would increase insurance premiums or void insurance on the Leased Premises.

**B.2.f.** Change Landlord's lock system.

**B.2.g.** Alter the Leased Premises without prior written request and permission from the Landlord, which permission will not be unreasonably withheld.

**B.2.h.** Allow a lien to be placed on the Leased Premises.

**B.2.i.** Assign this Lease or sublease any portion of the Leased Premises without Landlord's written consent.

**B.2.j.** Use the roof on the Leased Premises.

**B.2.k.** Place any signs, flags, lights or advertising media on the Leased Premises, nor window or door lettering or placards visible from outside the Leased Premises or visible from Building common areas without Landlord's written consent, which consent will not be unreasonably withheld.

**B.2.l.** Create, store, use, hold, or dispose of hazardous materials of any kind, unless in strict compliance with environmental laws and regulations.

**C. LANDLORD'S OBLIGATIONS**

**C.1. Landlord agrees to:**

**C.1.a.** Lease to Tenant the Leased Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date.

**C.1.b.** Obey all laws relating to Landlord's operation of the Building.

**C.1.c.** Repair, replace, and maintain the (i) roof, (ii) foundation, (iii) Common Areas, and (iv) structural soundness of the exterior walls, excluding windows, window glass, plate glass, and doors.

**C.1.d.** N/A

**C.1.e.** Maintain exterior common areas and provide ice and snow removal in the parking area outside the Leased Premises.

**C.1.f.** INDEMNIFY, DEFEND, AND HOLD TENANT HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN ANY PORTION OF THE COMMON AREAS. THE INDEMNITY CONTAINED IN THIS PARAGRAPH (i) IS INDEPENDENT OF LANDLORD'S INSURANCE, (ii) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (iii) WILL SURVIVE THE END OF THE TERM, AND (iv) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF TENANT, BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF TENANT.

**C.2. Landlord agrees not to:**

**C.2.a.** Interfere with Tenant's possession of the Leased Premises as long as Tenant is not in default.

**C.2.b.** Unreasonably withhold consent to a proposed assignment or sublease.

## **D. GENERAL PROVISIONS**

**Landlord and Tenant agree to the following:**

**D.1. Alterations.** Any physical additions or improvements to the Leased Premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at the end of the Term and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the Leased Premises to the condition existing at the Commencement Date, normal wear excepted.

**D.2. Abatement.** Tenant's covenant to pay Rent and Landlord's covenants are independent. Except as otherwise provided, Tenant will not be entitled to abate Rent for any reason.

**D.3. Insurance.**

**D.3.a.** Landlord shall, maintain fire and extended coverage insurance on the Leased Premises in the amount of the full replacement value thereof. Tenant shall, at its sole cost and expense, obtain and maintain in full force and effect, at all times during the Term of this Lease and any extension thereof, fire and extended coverage insurance on all of its personal property, including Tenant's stock in trade, furniture, fixtures and other property within the Leased Premises, in an amount equal to the full insurable value thereof. Tenant shall promptly deliver to Landlord copies of any and all such policies of insurance. Tenant covenants that any insurance coverage in this regard shall contain a waiver of the insurer's right of subrogation against Landlord.

**D.3.b.** Tenant shall, at its sole cost and expense, obtain and maintain in full force and effect, at all times during the Term of this Lease and any extension thereof, a policy or policies of comprehensive general liability insurance in effect with respect to the Leased Premises with the premiums thereon fully paid on or before the due date, issued by and binding upon an insurance company approved by Landlord, such insurance to afford minimum protection of not less than one million dollars (\$1 million) combined single limit coverage of bodily injury, property damage or combination thereof. Landlord shall be listed as an additional insured on Tenant's policy or policies of comprehensive general liability insurance, and Tenant shall provide Landlord with current Certificates of Insurance evidencing Tenant's compliance with this Paragraph. Tenant shall obtain the agreement of Tenant's insurers to notify Landlord that a policy is due to expire at least 14 days prior so such expiration.

**D.4. Release of Claims/Subrogation.** LANDLORD AND TENANT RELEASE EACH OTHER FROM ALL CLAIMS OR LIABILITIES FOR DAMAGE TO THE LEASED PREMISES OR BUILDING, DAMAGE TO OR LOSS OF PERSONAL PROPERTY WITHIN THE BUILDING, AND LOSS OF BUSINESS OR REVENUES THAT ARE COVERED BY THE RELEASING PARTY'S PROPERTY INSURANCE OR THAT WOULD HAVE BEEN COVERED BY THE REQUIRED INSURANCE IF THE PARTY FAILS TO MAINTAIN THE PROPERTY COVERAGES REQUIRED BY THIS LEASE. THE PARTY INCURRING THE DAMAGE OR LOSS WILL BE RESPONSIBLE FOR ANY DEDUCTIBLE OR SELF-INSURED RETENTION UNDER ITS PROPERTY INSURANCE. LANDLORD AND TENANT WILL NOTIFY THE ISSUING PROPERTY INSURANCE COMPANIES OF THE RELEASE SET FORTH IN THIS PARAGRAPH AND WILL HAVE THE PROPERTY INSURANCE POLICIES ENDORSED, IF NECESSARY, TO PREVENT INVALIDATION OF COVERAGE. THIS RELEASE WILL NOT APPLY IF IT INVALIDATES THE PROPERTY INSURANCE COVERAGE OF THE RELEASING PARTY. THE RELEASE IN THIS PARAGRAPH WILL APPLY EVEN IF THE DAMAGE OR LOSS IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF THE RELEASED PARTY OR ITS AGENTS BUT WILL NOT APPLY TO THE EXTENT THE DAMAGE OR LOSS IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE RELEASED PARTY OR ITS AGENTS.

**D.5. Casualty/Total or Partial Destruction**

**D.5.a.** If the Leased Premises are damaged by casualty and can be restored within ninety (90) days, Landlord will, at its expense, restore the roof, foundation, Common Areas, and structural soundness of the exterior walls of the Leased Premises and any leasehold improvements within the Leased Premises that are not within Tenant's Rebuilding Obligations to substantially the same condition that existed before the casualty and Tenant will, at its expense, be responsible for replacing any of its damaged furniture, fixtures, and personal property and performing Tenant's Rebuilding Obligations. If Landlord fails to complete the portion of the restoration for which Landlord is responsible within ninety days from the date of written notification by Tenant to Landlord of the casualty, Tenant may terminate this Lease by written notice delivered to Landlord before Landlord completes Landlord's restoration obligations.

**D.5.b.** If the casualty is such that the portion of the restoration for which Landlord is responsible cannot be completed within ninety days, Landlord has an option to restore the Leased Premises. If Landlord chooses not to restore, this Lease will terminate. If Landlord chooses to restore, Landlord will notify Tenant in writing of the estimated time to restore and give Tenant an option to terminate this Lease by notifying Landlord in writing within ten days from receipt of Landlord's estimate. If Tenant does not notify Landlord timely of Tenant's election to terminate this Lease, the Lease will continue and Landlord will restore the Leased Premises as provided in D.5.A., above.

**D.5.c.** To the extent the Leased Premises are untenable after the casualty, the Rent will be adjusted as may be fair and reasonable (“Rent Adjustment”). Tenant agrees that Landlord’s sole liability in this regard shall be the Rent Adjustment, and in no event shall Landlord be responsible for any business interruption, lost income, or cost of Tenant’s relocation. Tenant may, at its sole discretion and cost, obtain business income/business interruption insurance to cover any losses associated with such casualty.

**D.6. Condemnation/Substantial or Partial Taking.**

**D.6.a.** If the Leased Premises cannot be used for the purposes contemplated by this Lease because of condemnation or purchase in lieu of condemnation, this Lease will terminate.

**D.6.b.** If there is a condemnation or purchase in lieu of condemnation and this Lease is not terminated, Landlord will, at Landlord’s expense, restore the Leased Premises, and the Rent payable during the unexpired portion of the Term will be adjusted as may be fair and reasonable.

**D.6.c.** Tenant will have no claim to the condemnation award or proceeds in lieu of condemnation.

**D.7. Uniform Commercial Code.** N/A.

**D.8. Default by Landlord/Events.** Defaults by Landlord are failing to comply with any provision of this Lease within thirty (30) days after written notice and failing to provide Essential Services to Tenant within ten (10) days after written notice.

**D.9. Default by Landlord/Tenant’s Remedies.** Tenant’s remedies for Landlord’s default are to sue for damages and, if Landlord does not provide an Essential Service for thirty (30) days after default, terminate this Lease.

**D.10. Default by Tenant/Events.** Defaults by Tenant are (a) failing to pay Rent within the time period(s) required by this Lease, (b) abandoning or vacating a substantial portion of the Leased Premises, and (c) failing to comply within thirty (30) days after written notice with any provision of this Lease other than the defaults set forth in (a) and (b).

**D.11. Default by Tenant/Landlord’s Remedies.** Landlord’s remedies for Tenant’s default are to (a) enter and take possession of the Leased Premises, after which Landlord may re-let the Leased Premises on behalf of Tenant and receive the Rent directly by reason of the re-letting, and Tenant agrees to reimburse Landlord for any expenditure made in order to re-let, (b) enter the Leased Premises and perform Tenant’s obligations, and (c) terminate this Lease by written notice and sue for damages. Landlord may enter and take possession of the Leased Premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or any other person who may be occupying the Leased Premises, until the default is cured, without being liable for damages.

**D.12. Default/Waiver/Mitigation.** It is not a waiver of default if the non-defaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this Lease does not preclude pursuit of other remedies in this Lease or provided by applicable law. Landlord and Tenant have a duty to mitigate damages.

**D.13. Security Deposit.** If Tenant defaults, Landlord may use any Security Deposit to pay arrears of Rent, to repair any damage or injury, or to pay any expense or liability incurred by Landlord as a result of the default, including but not limited to Tenant’s failure to surrender the Leased Premises in substantially the same condition in which Landlord initially delivered possession of the Leased Premises to Tenant, normal wear and tear excepted.

**D.14. Holdover.** If Tenant does not vacate the Leased Premises following termination of this Lease, Tenant will become a tenant at will and must vacate the Leased Premises on receipt of notice from Landlord. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term. In the event of a holdover, the Base Rent shall be increased to \$1,000.00 per month until Tenant vacates the Leased Premises.

**D.15. Landlord's Access to Premises.** Landlord shall have the right to enter upon the Leased Premises at all reasonable hours after 24 hours written notice (or without notice to protect public health and safety in an emergency) for the purpose of inspecting the Leased Premises, or to make repairs, additions or alterations to the Leased Premises or any property owned or controlled by Landlord. E-mail from Landlord to Tenant (or Tenant's on-site manager) may serve as written notice of inspection of the Leased Premises.

**D.16. Alternative Dispute Resolution.** Landlord and Tenant agree to mediate in good faith before filing a suit for damages.

**D.17. Attorney's Fees/Costs.** If either party retains an attorney to enforce this Lease, the party prevailing in litigation is entitled to recover reasonable attorney's fees, and other fees and court and other costs.

**D.18. Venue.** Exclusive venue is in the county in which the Leased Premises are located.

**D.19. Entire Agreement.** Unless identified by express reference in this Lease, this Lease, its exhibits, addenda, and riders are the entire agreement of the parties concerning the Lease of the Leased Premises by Landlord to Tenant. There are no representations, warranties, agreements, or promises pertaining to the Leased Premises by Landlord to Tenant, and Tenant is not relying on any statements or representation of any agent of Landlord, that are not in this Lease and any exhibits, addenda, and riders.

**D.20. Amendment of Lease.** This Lease may be amended only by an instrument in writing signed by Landlord and Tenant.

**D.21. Limitation of Warranties.** THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.

**D.22. Notices.** Any notice required or permitted under this Lease must be in writing. Any notice required by this Lease will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this Lease. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

**D.23. Use of Common Areas.** Tenant will have the non-exclusive right to use the Common Areas subject to any reasonable rules and regulations that Landlord may prescribe.

**D.24. Abandoned Property.** Landlord may retain, destroy, or dispose of any property left on the Leased Premises at the end of the Term or that remains on the Leased Premises more than thirty (30) days after early termination of this Lease.

**EXECUTED** this \_\_\_\_\_ day of \_\_\_\_\_.

**LANDLORD:**

**PORT OF CASCADE LOCKS, OREGON**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TENANT:**

**GORGE CANOE CLUB, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

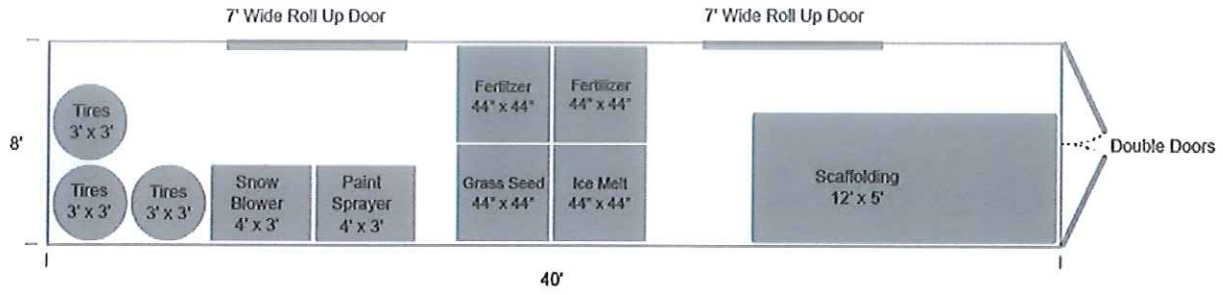
Purchasing Two 40' Containers

2- New 40' Containers - with 1- 7' x 6'8" roll up door  
in each container, Delivered to cascade locks.

Drybox 360-903-7324

Total 18,500.00







## Action Item

### **PORT COMMISSION REPORT**

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**DATE:** March 29<sup>th</sup>, 2023

**TO:** Port Commission - Meeting of April 6<sup>th</sup>, 2023

**FROM:** **Brittany Berge, Special Projects Coordinator**

**SUBJECT: Approve purchase of Pump out Station equipment and materials.**

**SYNOPSIS:** As the commission will recall, the vendor EMP Industries was selected as the preferred vendor for the Pump Out Replacement Project. We are ready for the next phase of the project, which is to get the equipment on order. For all materials and shipping, the cost is \$28,351.13. It's expected to take 4-5 weeks for delivery, at which point Port Staff will work alongside an electrical contractor to install the equipment. We've received a bid from Coburn Electric Inc. for \$1,190.

The Port has received a \$24,801.85 grant from Oregon State Marine Board to assist with the cost of replacement. Per the grant requirements, the project must be completed with all submissions for reimbursement by June 30<sup>th</sup>, 2023.

We feel confident that the project will be completed by the grant deadline and the pump out station will be operational for the sailing season.

**This issue comes to the Port Commission for formal action at this time.**

**PORT COMMISSION OPTIONS:** There are two options for the Port Commission at this time.

- A. Approve action to order equipment materials from EMP Industries.**
- B. Take other action as may be desired by the Commission.**

**Recommended Motion.** A motion to order equipment and materials from EMP Industries for completion of the pump out replacement project for the amount of \$28,351.13.

March 29, 2023

Port of Cascade Locks  
427 SW Portage Rd.  
Cascade Locks, OR 97014

Attn: Jeremiah Blue, Interim General Manager

Dear Mr. Blue,

Thank you for the opportunity to discuss the Port of Cascade Locks' (Port) challenges, wants and needs surrounding its finance and accounting functions. We believe that our experience and skill sets are a solid match with this project and encourage you to let us know if you have any questions about our proposed approach outlined in detail below.

**Scope of Work:**

Merina+Co (MCO) will provide finance and accounting support to the Port as follows:

- + Assist in coordinating and preparing the Port's budget for the 2023-24 fiscal year,
- + Assist in the completion of the Port's audit for the 2020-21 and 2021-22 fiscal years,
- + Perform an initial assessment of operational wants and needs with the General Manager,
- + Based on initial assessment, develop priorities and a detailed work plan for basic finance and accounting functions of the Port in support of day-to-day operations,
- + Assist in the implementation of the detail work plan, and

We anticipate the above scope of work could be performed in a hybrid capacity as a mix of on-site and remote support and assistance.

Our approach includes the following tasks:

**Task 1: Budget assistance**

1. We will assist the Port in the coordination and compilation of the Port's proposed budget for the 2023-24 fiscal year including:
  - a. Coordination with the Port's various departments on development of budget requests for the 2023-24 fiscal year,
  - b. Develop estimates of beginning fund balances for the 2023-24 fiscal year,
  - c. Assist in the development of revenue budget for the Port for fiscal year 2023-24, and
  - d. Prepare required public notices, resolutions and staff reports related to approval of the 2023-24 budget by the Port Budget Committee.
2. We will assist the Port in the coordination and compilation of the Port's approved budget for the 2023-24 fiscal year including:

- a. Reflecting any changes of the Budget Committee in the 2023-24 fiscal year approved budget, and
  - b. Prepare required public notices, resolutions and staff reports related to adoption of the 2023-24 budget by the Port Board.
3. We will assist in the compilation of the Port adopted budget for the 2023-24 fiscal year including:
  - a. Reflecting any changes of the Port Board in the 2023-24 fiscal year adopted budget,
  - b. Compilation of the adopted budget document, and
  - c. Assist in the filing of the adopted budget with Hood River County.

**Deliverables:** Proposed, approved and adopted budgets for the Port, Resolutions and related staff reports to the Port Board, and public notices required in accordance with Oregon Local Budget Law.

**Task 2: Audit Assistance**

We will work with the Port's staff and auditor to determine what is needed to complete the 2020-2021 audit. Then work with the Port's staff and auditor to prepare for the 2021-2022 audit.

**Task 3: Operational assessment, work plan and implementation**

We will meet with the Port's Accounting staff and Interim General Manager to discuss resources and priorities in the context of day-to-day operations. We will consider the Port's current staffing, budget, and service levels in our assessment. Based on the above we will develop an actionable work plan and recommendations to accomplish the Port's operational priorities with regard to finance and accounting. We will work directly with the Port's staff to implement the work plan in meeting the direct operational needs around finance and accounting.

**Deliverables:** Written work plan addressing operational aspects of the Port's finance and accounting function.

**Our Team:**

Our project team for this proposed engagement includes our most experienced and skilled consultants with respect to local government.

**Rob Moody, CPA, Partner**

Rob is a partner with MCO. He has worked with local government for his entire career – first as a government finance officer with the cities of The Dalles, Sherwood, and Wilsonville and then leading the governmental audit practice for a large, local CPA firm in the Portland area. For the last several years Rob has provided consulting and advisory services to local governments on topics of financial budget, reporting, accounting, operations, organizational effectiveness, and various specific or targeted financial analyses. Rob will have an advisory role on this project.

**Matthew Apken, CPA, Managing Consultant | Project Manager**

Matthew is a CPA and consultant with over 10 years of budget, auditing, and accounting experience involving local government. His experience as a local government finance officer in Oregon provides

him a unique perspective in evaluating financial operations and alternatives to “the way we have always done it”. He questions the status quo with an understanding of government resource management and a respect for the process. He will provide support based on the work plan and assist in the Port’s budget preparation.

Matt will have primary responsibility for our engagement and will coordinate a level of service you should expect from our firm. He will direct staff assignments of our team, review completed staff work, and communicate status and progress to Port.

**Craig Popp, Senior Consultant**

Craig is an experienced consultant with practical experience supporting local governments in operational finance and accounting. He will leverage his attention to detail and significant analysis skills to the direct advantage of the Port. Craig will participate in the implementation of the work plan and the budget preparation process.

**Courtney Seto, Senior Consultant**

Courtney is an experienced consultant with formal training and practical experience in process improvement and organizational assessments in a government environment. She will leverage her background and expertise in value mapping, LEAN, and other relevant approaches and techniques to the direct advantage of the Port.

**Timing and Fees:**

We anticipate beginning this engagement in January 2023 with an anticipated project duration of six months. Specific timelines for each task are anticipated as follows:

- + **Task 1:** beginning April 2023 and completed by June 30, 2023
- + **Task 2:** beginning March 2023 and completed by June 30, 2023
- + **Task 3:** beginning May 2023 and completed by June 30, 2023

To accomplish the above scope of work we propose these fees (excluding any travel expenses) of:

- + **Task 1:** \$15,000 (not-to-exceed)
- + **Task 2:** \$25,000 (not-to-exceed)
- + **Task 3:** \$26,500 (not-to-exceed)

Our standard rates for services in 2023 are:

- + Partner \$300/hour
- + Managing Consultant \$250/hour
- + Sr. Consultant \$200/hour
- + Consultant \$150/hour

Travel expenses will be billed to the Port as incurred and supported by actual receipts/source documents.

As your Project Manager, I am authorized to represent our firm and available to answer any potential questions you may have. I can be reached by phone at (801) 602-3677 or email at [mapken@merina.com](mailto:mapken@merina.com).

Our proposal will remain in effect for thirty (30) days after receipt by the Port.

Sincerely,

A handwritten signature in black ink that reads "Matt Apken" followed by a long horizontal flourish.

Matt Apken, CPA | Managing Consultant  
**Merina+Co**

## **Lease Agreement**

This Lease Agreement ("**Lease**") is made between the Landlord and Tenant hereinafter identified and constitutes a Lease of the Demised Premises on the terms and subject to the agreements set forth in this Lease.

### **1 Certain Basic Lease Provisions, Exhibits.**

#### **1.1 Certain Basic Lease Provisions**

- (a) Date of this Lease: \_\_\_\_\_, 2023
- (b) Landlord: Port of Cascade Locks, Oregon
- (c) Address of the Landlord: 427 SW Portage Rd, Cascade Locks, OR 97014
- (d) Tenant: American Cruise Lines, Inc.
- (e) Address of Tenant: 741 Boston Post Road, Suite 200, Guilford, CT 06437
- (f) Commencement Date: \_\_\_\_\_, 2023
- (g) Lease Term: 20 years with option to extend for two terms of 10 years each.
- (h) Demised Premises: The area shown on Exhibit A attached hereto and made part hereof. The Demised Premises shall also include bus access from the Demised Premises to Wa Na Pa St., a staging area for up to three buses (subject to Section 4 below), and the same rights afforded to the general public on park grounds.
- (i) Management: Tenant shall have the right to manage the docking schedule as set forth in Section 2 below and may charge other vessels a commercially reasonable rate for scheduling services.
- (j) Rent: \$2,500 per month, plus \$1.50 per passenger as set forth in Section 5.2, and subject to the escalation of Base Rent as described in Section 5.
- (k) Permitted Use: Construction and operation of up to two docks, including mooring and docking Tenant's vessels and third-party vessels for loading and unloading passengers and vessel supply and maintenance activities, and related activities for the operation of a river cruise business. Permitted Use shall not include any use by a Tenant, Tenant-Arranged Vessels (defined below), or other parties that involve the sale of food or alcohol at the Demised Premises other than food or alcohol served on Tenant's Vessels or Tenant-Arranged Vessels.
- (l) Access. Landlord shall allow Tenant to have full access to the Demised Premises from public roads suitable for buses capable of accessing the Demised Premises, with the exception of times when the Columbia River is at a river stage that either floods such public access roads or makes docking unsafe.

#### **1.2 Exhibits to Lease**

The following Exhibits are attached to this Lease and incorporated herein by this reference: Exhibit A delineating the Demised Premises as provided in Section 1.1(h).

Exhibit B delineating the Staging Area as provided in Section 4.2.

In the event of any inconsistency between the Exhibits and the terms and provisions of this Lease, the terms and provision of the Exhibits shall control.

## **2 Demise, Term and Landlord's Services.**

### **2.1 Demised Premises**

Subject to the provisions, covenants and agreements herein contained, and in consideration of the keeping, observance and performance by Tenant of such provisions, covenants and agreements and the payment by Tenant of the rents herein reserved, Landlord does hereby demise and lease the Demised Premises to Tenant, and Tenant does hereby accept such demise and lease, to have and to hold for the Lease Term. The Landlord represents and warrants that the Landlord owns fee title to the Demised Premises.

### **2.2 Purpose**

This Lease provides Tenant with a docking area for cruise vessels and related shoreside operations in the areas described in Section 1.1 and as shown in Exhibit A. To promote tourism in Cascade Locks, this Lease also grants other commercial river cruise operators certain rights for dockings as set out below in Section 2.3. Tenant shall have sole right to manage its own vessel operations in the Demised Premises and shall have the right to arrange the operation of other vessels, including, without limitation, docking reservations, the docking schedule, docking fee, and the terms and conditions for dockage. Except as provided in Section 6.2.3 with respect to any dock designated by Tenant for use by the Sternwheeler Columbia Gorge (the "Sternwheeler") and the fee payable by any Operator of the Sternwheeler other than Landlord to Tenant for use of the Sternwheeler Dock, Tenant may charge a reasonable fee to other vessels for use of either dock. Landlord shall have no right or authority to dock or moor any vessel other than the Sternwheeler at either dock. Tenant shall have sole rights to use of the Demised Premises, except as provided in Section 6.2.3. Landlord (and any Operator of the Sternwheeler under a contract with Landlord) shall have the right to use the Sternwheeler Dock as described in Section 6.2.3., and Landlord (and any Operator of the Sternwheeler under a contract with Landlord) shall have no right to use the other Dock (the "ACL Dock"), except as may be agreed between Landlord and Tenant in writing from time to time. For purposes of this Lease, the term "dock", whether or not capitalized, refers to the physical structure of any and all docks located within the Demised Premises.

### **2.3 Priority Rights**

This Lease shall include unlimited priority docking rights for vessels owned and/or operated by Tenant ("Tenant's Vessels"). Tenant will schedule its own dock reservations more than 18 months in advance and then accept reservations from other commercial operators ("Tenant-Arranged Vessels") less than 18 months in advance. Tenant shall not withhold any dock reservation from another river cruise operator unless one of Tenant's Vessels is scheduled to be at the dock, except that Tenant shall have the right to modify scheduled dockings in a force majeure event to prioritize Tenant's Vessels. Force majeure events include acts of God, civil unrest, weather, equipment failure, river flooding, drought, and other events outside Tenant's control that necessitate modification to scheduled dockings. Tenant shall provide reasonable notice to Landlord of any changes to the docking schedule.

## **3 Term**

The initial term of this Lease and any additional terms are together the "**Term**" of this Lease. The initial term of this Lease shall commence on the Commencement Date as set forth in Section 1.1(f) and shall expire twenty (20) years from that date, unless sooner terminated as provided in this Lease. Tenant shall have the option to extend the Term of this Lease for two

additional terms of ten (10) years each (each an “Extension Term”). Tenant shall have the absolute unfettered right to extend this Lease for the first Extension Term. Each of the Extension Terms shall commence on the day following expiration of the preceding term. Tenant's options to extend the Term shall be exercised by written notice (“Extension Notice”) given to Landlord (or Landlord's assignee or designee) no later than two (2) years prior to the end of the preceding term. Any extension of the Term shall be subject to the terms and conditions contained herein, except for Rent, which shall be determined as provided in Section 5 below. Notwithstanding the foregoing, Tenant shall have no option to extend this Lease if, at the time of the extension, Tenant is in breach of any provision of the Lease, or if, with respect to the second Extension Term, Landlord has provided notice to Tenant no less than five (5) years prior to the end of the first Extension Term that it does not wish to extend the Lease for the second Extension Term.

## **4 Permitted Use**

### **4.1 Priority Docking Rights.**

During the Term of this Lease, and except as provided in this Lease, Tenant shall have unlimited priority Docking rights for Tenant's Vessels and Tenant-Arranged Vessels in the Demised Premises for the purpose of mooring and docking for boarding and disembarking passengers, vessel supply and maintenance activities, and related activities for the operation of a river cruise business, as provided in Section 2 and Section 6.2.3. Maintenance shall be generally non-disruptive to public users of Marine Park and Landlord's property and facilities, with reasonable efforts made by Tenant to limit maintenance to quiet, interior work with a minimum number of service vehicles. If major work must be performed Tenant will seek the prior written authorization of Landlord, which shall not be unreasonably withheld, conditioned, or delayed, and shall only be performed because of an emergency or unforeseen situation. Tenant assumes responsibility, and releases Landlord from the acts and conduct of Tenant, and its officers, directors, employees, agents, guests and invitees (including other vessels Tenant schedules) in, on, and around the Demised Premises. Tenant shall be responsible for its activities in, on, and around the Demised Premises, including but not limited to, the orderly boarding and disembarking of passengers and baggage. Tenant may temporarily cordon off the boarding area, place signs and decorations in the loading area, and otherwise use the boarding area so as to provide safe and efficient loading and unloading of passengers and baggage so long as the area is returned to its prior condition after boarding and disembarking is completed. Tenant may also use at all times the Demised Premises for staging, installation of signage and any lawful use related to the Tenant's Permitted Use.

### **4.2 Staging Areas.**

During vessel visits, Tenant shall have access to staging areas in the area adjacent to Sacagawea Circle and the parking lot adjacent to the Demised Premises (each as depicted on Exhibit B) for up to two buses simultaneously. When possible, this will be provided in the area adjacent to Sacagawea Circle but may be restricted at the Port's reasonable discretion. At all times there will be a minimum of one space provided in the parking lot adjacent to the Demised Premises, with additional staging areas within one-quarter mile for additional buses. Buses may then rotate to the position near the Demised Premises for boarding and disembarking activities. The staging area may also be used by delivery vehicles when a bus is not present. Tenant shall not stage buses in the Staging Area in a manner that restricts normal ingress or egress by other vehicles. Tenant, at its sole cost, may make improvements to create or enhance a walking path between the staging area and the Demised Premises, provided that Tenant first obtains Landlord's consent, which consent



will not be unreasonably withheld, conditioned or delayed.

### **4.3 Operations and Treaty Rights.**

Tenant shall at all times operate Tenant's Vessels, and require Tenant-Arranged Vessels, to be operated in a manner consistent with industry standards and appropriate to the conditions of the Columbia River Gorge in general and Cascade Locks specifically. Tenant and Landlord are aware that the U.S. government has treaties with certain Columbia River tribes (the "Treaty Tribes") under which the Treaty Tribes reserved fishing rights in certain areas of the Columbia River Basin (the "Treaty-Reserved Fishing Rights"). In the event that Treaty-Reserved Fishing Rights or other Treaty Tribe claims or actions unreasonably interfere with the Permitted Use of the Demised Premises by Tenant to such an extent that Tenant's operations at the Demised Premises become unsafe or commercially impractical in the reasonable estimation of Tenant, then Tenant shall provide thirty (30) days written notice to Landlord of same. Landlord and Tenant shall engage in good-faith discussions for a period of thirty (30) days about ways to make Tenant's operations at the Demised Premises safe or commercially practical as the case may be under the circumstances. If Tenant is not thereafter reasonably satisfied with respect to the solutions suggested in the discussions, Tenant may terminate this Lease by thirty (30) days written notice to Landlord. Following such termination, Landlord shall promptly reimburse Tenant for all of Tenant's expenditures incurred under Section 6.2 multiplied by a fraction, the numerator of which is the number of full months from the date the Lease terminates under the notice to be provided by Tenant hereunder to the date that is 420 months from the Commencement Date, and the denominator of which is 420, which fraction shall then be multiplied by 50%, provided however, that no reimbursement shall be payable if the Lease termination occurs prior to staging of construction materials or commencement of construction, whichever is earlier. The costs that are reimbursable under this provision shall not include any costs associated with docking facilities Tenant has the right to remove under Section 13.3.

## **5 Rent for Demised Premises.**

### **5.1 Base Rent**

Rent shall be \$2,500 per month, payable on or before the 10th day of each month of the Term. Tenant's obligation to pay Rent shall not commence until all permits and authorizations for construction of two docks as provided in Section 6.2 have been issued and staging of construction materials and equipment at the Demised Premises has commenced ("Rent Commencement Date"). The Rent shall be increased annually by the change in the Consumer Price Index using the CPI formula as set out herein. At the end of each one-year period (beginning with the first anniversary of the Rent Commencement Date), the Rent for the next succeeding one-year period shall be increased by adding a percentage increase equal to the percentage increase in the Consumer Price Index for the most recent 12 month period from figures for all consumers, or, if such index is unavailable, will be taken from a similar index published by the US Bureau of Labor Statistics. However, in no event will the increase in Rent be less than one percent (1%) or more than five percent (5%).

### **5.2 Additional Rent**

Except for passengers on the Sternwheeler, Tenant shall pay additional rent of \$1.50 per passenger on Tenant's vessels and Tenant-Arranged Vessels that either embarks or disembarks at the Demised Premises. This additional rent shall also grant admission for the passengers to the Port of Cascade Locks Museum.

## **6 Condition of Demised Premises, Improvements.**

By entering into this Lease, Landlord and Tenant agree to certain terms and conditions for current and future repairs and improvements to the Demised Premises and maintenance of the Demised Premises for future normal wear and tear for the Term of this Lease as follows:

### **6.1 Maintenance and Repairs.**

Tenant shall maintain the condition of the Demised Premises for use by Tenant and make necessary repairs to the Demised Premises, provided that if repairs to those areas are necessary by reason of Landlord's or Landlord's other tenants' negligence or breach of this Lease, as applicable, Landlord shall make any necessary repairs at Landlord's expense. Any such repairs and additions shall be made in compliance with all applicable laws and safety standards.

### **6.2 Improvements.**

**6.2.1** Tenant shall be allowed to make capital and non-capital improvements (including alterations, furnishings, and fixtures), at Tenant's sole cost, to the Demised Premises necessary and appropriate for it to operate its business on the Demised Premises and otherwise for purposes of the Permitted Use. Any such improvements installed by Tenant shall be made in accordance with all applicable laws and safety standards. All such improvements to the Demised Premises shall be the property of Landlord at the termination of this Lease, except trade fixtures Tenant elects to remove. Landlord will reasonably cooperate with Tenant to assist Tenant's efforts to obtain all necessary permits and related authorizations for the completion of the improvements installed by Tenant. Notwithstanding the foregoing, Tenant shall not make any improvements to the Demised Premises without first obtaining Landlord's consent, which consent will not be unreasonably withheld, conditioned, or delayed.

**6.2.2.** Tenant shall be allowed, at its sole cost, to develop two new docks in the Demised Premises within a period of 36 months from the Date of this Lease set forth in Section 1.1(a) which may include removing the existing dock in the Demised Premises, constructing new docks, improving utilities at the Demised Premises, docking equipment (bollards), adding park amenities, and cosmetic improvements ("Dock Improvements"). Tenant will use its best efforts to complete construction of the Dock Improvements during the period November through April. Landlord and Tenant acknowledge and agree that during the construction of the Dock Improvements no vessels will be able or permitted to dock in the area where the Dock Improvements are being constructed. Tenant shall not proceed with any Dock Improvements without first obtaining Landlord's consent to the design of the docks and all related facilities, which consent will not be unreasonably withheld, conditioned, or delayed. The Dock Improvements installed by Tenant shall be made in accordance with all applicable laws and safety standards, including any laws relating to historic preservation. The Dock Improvements shall be the property of Landlord at the termination of this Lease, except trade fixtures Tenant elects to remove. Landlord will reasonably cooperate with Tenant in Tenant's efforts to obtain all necessary permits and related authorizations for the completion of the Dock Improvements. Tenant will use reasonable efforts to diligently pursue the design, permitting, and construction of the Dock Improvements. To the extent the new docks require the placement or upgrade of utilities on Landlord's property outside of the Demised Premises, Tenant shall not construct such utilities without first obtaining Landlord's consent, which consent shall be in Landlord's sole discretion.

**6.2.3** Upon completion of construction of both docks described in Section 6.2.2, the Sternwheeler shall have the non-exclusive but priority use of one of the two docks as determined by the parties (the "Sternwheeler Dock"). Tenant retains the right to use the Sternwheeler Dock

for Tenant's Vessels and Tenant-Arranged Vessels whenever the Sternwheeler is not moored at the Sternwheeler Dock. Tenant will provide infrastructure for water and electricity, such as electrical conduit and piping for water, but specifically excluding a sewage lift station, during construction of the Sternwheeler Dock. Tenant will not pay for utility services such as water or power to the Sternwheeler Dock, except where such use is by Tenant or a Tenant-Arranged Vessel. The Sternwheeler shall establish its own utilities accounts and shall pay for all utilities services it uses. The Sternwheeler and any other vessel docking at the Sternwheeler Dock shall be required to make arrangements with Landlord for connection to and use of all utilities, water, and other services. During all times that Landlord operates the Sternwheeler, Landlord shall not be required to pay any docking fee or per passenger fee to Tenant. During all times that Landlord contracts with an Operator to operate the Sternwheeler (an "Operator"), Tenant shall have the right to charge Landlord a reasonable fee for use of the Sternwheeler Dock, which fee Landlord shall have the right to collect from the Operator as provided in Landlord's agreement with the Operator. Landlord shall remit payment to Tenant as required by this Section 6.2.3 not later than the 15<sup>th</sup> day of the month following the month during which the Sternwheeler used the Sternwheeler Dock. Landlord shall have no right or authority to dock or moor any vessel other than the Sternwheeler at either dock. All vessels other than the Sternwheeler will be charged a commercially reasonable fee for use of the Sternwheeler Dock in the manner provided in Section 2.2.

**6.2.3.1** If neither Landlord nor an Operator is operating the Sternwheeler, then Tenant shall have the right to require the Sternwheeler to dock at a location other than the Demised Premises, so as not to interfere with use of the docks while the Sternwheeler is not operating.

(a) For purposes of this Lease, the Sternwheeler is "operating" if it is carrying paying passengers more than 10 days per month for the months of May through October each year.

(b) The Sternwheeler may dock at the Sternwheeler Dock during the months of January through April, November, and December each year, provided Landlord or the Operator provides Tenant written notice of the Landlord or Operator's bona fide intent to operate the Sternwheeler as defined in subsection (a) above. Such notice must be given not later than February 10<sup>th</sup> of the year in which the Landlord or Operator intends to operate the Sternwheeler.

(c) The Sternwheeler shall depart the Demised Premises within 72 hours of Tenant notifying Landlord or the Operator that Tenant is exercising its right to require the Sternwheeler to dock at a location other than the Demised Premises.

**6.2.4** In the event Tenant, in Tenant's reasonable discretion, determines that both of the docks described in Section 6.2.2. cannot be satisfactorily constructed for the successful operation of Tenant's Permitted Use, then Tenant shall have the option to terminate this Lease upon 60 days' notice to Landlord. Further, in the event of (i) delay by the Army Corps of Engineers in conducting reviews, or issuing permits, approvals, or taking any other action required for Tenant's construction or operation of the Dock Improvements, or (ii) delay in acquiring any construction materials, approval, license, permit, or other required authorization of any city, county or state agency or department, not under the control of Tenant, either of which would interfere with Tenant's ability to complete the Dock Improvements within the 36 month period provided as determined by Tenant, Tenant shall have the option to terminate this Lease upon 60 days' notice to Landlord.

**6.3 Water and Utility Service.** Landlord agrees that Landlord shall maintain water and utility service in good working order for Tenant's use at the Demised Premises. Except as otherwise provided in this Lease, Landlord will make any necessary repairs or upgrades to the

utility services to keep them in good working order. Landlord shall also make a suitable space available to Tenant for the offloading of refuse. Tenant shall pay for any utilities consumed while its vessels are in port, including payment for water and disposal of refuse.

**6.4 Sewer Service.** As part of Tenants improvements necessary to accommodate both docks as contemplated by Section 6.2.2, Tenant may construct 4" sewage lines from each dock to the existing sewage lift station operated by Landlord. Vessel operators shall be responsible for providing their own pump and tie-in to such sewage lines at the vessel operator's sole expense. Tenant agrees not to make any discharges to the sewer system, or allow a Tenant-Arranged Vessel to make such discharges, except between the hours of 11 p.m. and 5 a.m.

## **7 Limitation of Liabilities.**

### **7.1 Limitation of Landlord's Liabilities.**

Landlord shall not be liable, responsible, or accountable in any manner whatsoever to Tenant for any damages or business loss, to Tenant's, or Tenant-arranged third parties', vessels, goods, wares, merchandise, equipment, property, or effects in or upon the Demised Premises or any part thereof occasioned directly or indirectly by water, gas fluid, steam, electricity or the elements, or by burglary, robbery theft, vandals, or from any source or cause whatsoever of the same or different nature. Such damage or loss shall exclusively be at the risk and expense of Tenant. Tenant shall indemnify, defend, and save harmless Landlord and Landlord's commissioners, officers, directors, employees, agents and invitees from any and all liability, damage (except consequential damages), expenses, attorneys' fees, causes of actions, suits, claims, or judgments, arising out of or connected with (i) Tenant's use, occupancy, management, maintenance, or control of or improvements to the Demised Premises, including with respect to any use of Tenant-Arranged Vessels, (ii) any failure of Tenant to comply with the terms of this Lease, and (iii) the negligent acts or omissions of Tenant or Tenant-arranged third parties, their agents, officers, directors, employees, or invitees; provided, however, that Tenant shall not be liable for claims to the extent caused by the negligence of Landlord. Landlord will use commercially reasonable efforts and act in good faith with Tenant in resolving any claim for which Landlord will be indemnified by Tenant under the terms of this Agreement.

### **7.2 Limitation of Tenant's Liabilities.**

Except as provided in Section 6 with respect to maintenance and repair of damages directly caused by Tenant, Tenant shall not be liable, responsible, or accountable in any manner whatsoever to Landlord for any damages, injury, death, loss, or business loss, to Landlord, the Demised Premises, or the fixtures, furniture, goods, wares, merchandise, equipment, property, or any part thereof occasioned directly or indirectly by or from any source or cause whatsoever, except as otherwise provided in this Lease or caused by Tenant's negligence or willful misconduct to the extent explicitly assumed and agreed in this Lease. All other damages, injury, death, loss or business loss to Landlord shall be exclusively at the risk and expense of Landlord. To the extent allowed by law, and as limited by Section 7.1 and the provisions of the Oregon Constitution, Landlord shall indemnify, defend, and save harmless Tenant and Tenant's officers, directors, shareholders, agents and invitees from any and all liability, damage (except consequential damages), expenses, attorneys' fees, causes of actions, suits, claims, or judgments, arising out of or connected with (i) Landlord's use, occupancy, management or control of the Demised Premises, including Landlord's activities conducted under this Lease

associated with the use of the Demised Premises, (ii) any failure of Landlord to comply with the terms of this Lease, and (iii) the negligent acts or omissions of Landlord, its commissioners, officers, directors, employees, agents, or invitees; provided, however, that Landlord shall not be liable for claims to the extent caused by the negligence or willful misconduct of Tenant or any operator of a Tenant-Arranged Vessels.

## **8 Force Majeure/Casualty.**

If either party hereto is prevented in the performance of any act required hereunder by reason of act of God, fire, flood, or other natural disaster, casualty, malicious injury, strikes, lock-outs, or other labor troubles, riots, insurrection, war or other reason of like nature not the fault of the party in performing under this Lease, then performance of such act shall be excused for the period of the delay and the period of the performance of any such act shall be extended for a period equivalent to the period of such delay except that if any delay prevents Tenant from using the Demised Premises as referenced hereunder for a period of time which exceeds six (6) months, Tenant shall have the option to terminate this Lease upon written notice to Landlord.

## **9 Business Operation.**

### **9.1 Use of the Landlord Name.**

Tenant agrees that it is not an agent for Landlord and will at no time represent itself to own the Demised Premises or any part thereof.

### **9.2 Advertising.**

Tenant may install one permanent sign, subject to Landlord approval and not to exceed a three-foot-by-three-foot square in the Demised Premises. Tenant may install other temporary signage during its dockings, and may display other signs, placards, or printed material in and about the Demised Premises, provided that no signs, placards, or other advertising matter of any kind shall be displayed in or about the Demised Premises that shall be inconsistent with Tenant's Permitted Use hereunder and detrimental to Landlord's interests. Any Tenant signage not located on the areas described on the Demised Premises must be removed at the conclusion of the scheduled docking. All signage of any other commercial businesses using the Demised Premises must be removed at the conclusion of its scheduled docking.

### **9.3 Compliance with Laws and Ordinances.**

Tenant agrees to fully and faithfully observe and comply with all present and future applicable laws and ordinances of the United States, and the state, county and city in which the Demised Premises is located as they pertain to Tenant's use of the Demised Premises permitted under this Lease (but not the condition of the Demised Premises), including applicable environmental and safety laws (collectively, the "**Laws**"); provided that Landlord shall cause the condition of the Demised Premises itself to comply with all applicable laws. Tenant agrees to pay all fees and costs associated with Tenant's compliance with the Laws and to indemnify Landlord against and hold Landlord harmless from all claims, fines, penalties, damages, costs and expenses arising out of or resulting from violations or claims of violations of the Laws by Tenant or any person for which Tenant is responsible.

### **9.4 Environmental.**

To the extent allowed by law, and as limited by the provisions of the Oregon Constitution, Landlord shall indemnify and hold harmless Tenant from and against any and all damages,

liabilities, claims and costs, including reasonable attorneys' fees, sustained or incurred by Tenant arising out of, or in connection with, the presence of any hazardous waste as defined by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, or as otherwise amended from time to time, or any regulations promulgated thereunder, and/or any hazardous substance as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, or any regulations promulgated thereunder, present in, on, or under the Demised Premises, unless such hazardous waste or hazardous substance was released to or placed in, on, or under the Demised Premises by Tenant or any person using the Demised Premises pursuant to Tenant's rights under this Lease. Further, in the event that any hazardous waste or hazardous substances are found or exist in, on, or under the Demised Premises not caused by Tenant (including without limitation hazardous waste or hazardous substances discovered by Tenant in the course of making improvements to the Demised Premises), and, as a result thereof, Tenant is prevented from operating its business from the Demised Premise as a result thereof, then, Tenant's Rent and all other charges due hereunder, except taxes described in section 6 of this Lease, shall abate one (1) day for each day Tenant is prevented from operating its business from the Demised Premises and shall continue until the date Tenant is able to resume the operation of its business from the Demised Premises. If Rent and other charges are so abated for six (6) months (the "Maximum Abatement Period"), then, at any time within ten (10) days thereafter until such delay or abatement, as the case may be, shall cease, Tenant may terminate this Lease upon fifteen (15) days' prior notice to Landlord, provided such notice shall be null and void and of no force or effect if Landlord shall complete remediation of the hazardous waste or hazardous substances during said fifteen (15) day period. If, after the expiration of the Maximum Abatement Period, Tenant fails to timely give notice terminating this Lease, then the Tenant shall resume paying Rent. Provided, however, that in the event such hazardous waste and/or such hazardous substance as defined above was not present as of the date of this Lease, and the release or other event resulting in the presence of such hazardous waste and/or such hazardous substance was not the fault of Landlord, then Landlord shall have no indemnification obligation under this Section.

## **10 Insurance.**

**10.1 Casualty Insurance.** Tenant shall at its expense maintain the standard Marine Hull and Machinery Insurance to insure the Demised Premises against any damage to the Demised Premises by any Tenant Vessel and agrees to name Landlord as additional insured. At Tenant's expense, Tenant's marine coverage also may insure Tenant's personal property and trade fixtures located at or around the Demised Premises.

**10.2 Workers Compensation.** Tenant is either a subject employer under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires it to provide workers' compensation coverage for all its subject workers or is an employer that is exempt under ORS 656.126.

**10.3 Other Insurance.** Tenant shall maintain at Tenant's expense standard Marine Protection and Indemnity (P&I) liability insurance with respect to Tenant's business and use of Demised Premises by its passengers and crew in the amount of no less than five million dollars (\$5,000,000.00). Such insurance will cover all claims for property damage or injury to persons including death arising out of or related to Tenant's, or its agents', employees', guests' and invitees' use and occupancy of the Demised Premises and any other obligation arising under this

Lease. Such Protection and Indemnity Insurance shall provide coverage at least as broad as Form SP-23 or equivalent. Tenant shall endorse such policy with a so-called "misdirected arrow clause" to afford protection to Landlord as additional insured.

**10.4 Form.** All policies of insurance maintained by Tenant shall be issued by an insurer licensed to do business in the State of Oregon. Tenant shall notify Landlord of any termination or material alteration of such policies. Prior to the use of the Demised Premises, Tenant must provide a Certificate of Insurance, naming Landlord as additional insured, and evidencing the coverage required hereunder.

**10.5 Failure to Obtain.** If Tenant fails to secure or maintain any insurance coverage required hereunder or should the insurance secured fail to be approved by Landlord, acting reasonably, and such failure or approval not be corrected within forty-eight (48) hours after written notice from Landlord, Landlord may, at its sole discretion, purchase such insurance coverage required at Tenant's reasonable expense. Tenant shall reimburse Landlord on demand for any reasonable monies expended to secure such coverage plus interest at the rate of 6% per year from the date of the expenditure.

**10.6 Injury, Loss, Indemnity by Tenant.** Tenant assumes all risk of injury, loss, or damage to Tenant and to Tenant's employees, customers, goods, materials, or other property occurring in or around the Demised Premises including improvements, caused by negligence or willful misconduct of Tenant, excluding those claims arising out of Landlord's gross negligence or willful misconduct. Tenant shall indemnify, defend, and hold harmless Landlord, Landlord's commissioners, subsidiaries, affiliates, agents, employees, members, and managers from all loss, claim, demand, damage, liability, or expense, including attorney's fees (collectively "**Claims**"), arising out of or in any way related to Tenant's negligence or willful misconduct in connection with Tenant's use of the Demised Premises excluding those Claims arising solely out of Landlord's gross negligence or willful misconduct. Tenant's agreement to indemnify and hold harmless Landlord shall extend to all Claims by reason of improper or negligent erection or construction of facilities, trade fixtures, or equipment installed on or in the Demised Premises by Tenant.

**10.7 Injury, Loss, Indemnity by Landlord.** Except as otherwise provided in this Lease, and to the extent allowed by law, including any limits of the Oregon Constitution and the Oregon Tort Claims Act, Landlord shall indemnify, defend, and hold harmless Tenant, Tenant's officers, directors, parents, subsidiaries, affiliates, agents, employees, members, and managers from all Claims arising out of the entry onto the Demised Premises by the general public or by Landlord, or Landlord's use of the Demised Premises, to the extent caused by the intentional misconduct or negligent acts or omissions of Landlord.

**10.8 Landlord's Insurance.** Landlord shall maintain (i) general liability insurance in its usual and customary amounts to protect against personal injuries, property damage, or death arising out of use of the Demised Premises by the public and others besides Tenant's passengers, or Tenant's sublessees or assignees and (ii) property insurance insuring all improvements and fixtures located on or adjacent to the Demised Premises and Demised Premises and surrounding property for full replacement value (such policy to cover all risks covered under an All Risk or Special Causes of Loss policy) and Landlord releases Tenant (notwithstanding anything herein to the contrary) from all liability for loss or damage to such improvements and fixtures and

cause its insurance carrier to waive all rights of subrogation.

## **11 Assignment and Sublease.**

Tenant may assign, sublease, or transfer its rights hereunder only with the written consent of the Landlord, which shall be in Landlord's reasonable discretion. Any assignee, subleasee, or transferee must be an operator or arranger of vessels and must agree in writing to be bound by all the terms of this Lease. Notwithstanding the foregoing, no assignee, subleasee, or transferee shall be allowed to make improvements to the Demised Premises or any other Landlord property without first obtaining consent from Landlord, which consent shall be in Landlord's sole discretion. Further, in the event of any early termination of this Lease by an assignee or transferee under Section 4.3, Landlord shall not be required to make any reimbursement under that section.

## **12 Termination**

**12.1 Termination for Breach.** In the event either party breaches any of the covenants and conditions of this Lease, and such breach continues for or is not cured within sixty (60) days after the non-breaching party has notified the breaching party in writing of such breach (or such longer period of time as is reasonably necessary to cure such breach), the non-breaching party may, without further notice or demand, declare this Lease terminated and revoked, without prejudice to or waiver of any other rights the non-breaching party may have under this Lease or applicable law.

**12.2 Permitted Termination.** This Lease may not be terminated by either party except as expressly allowed herein.

**12.3 Regulations.** Landlord shall not impose new regulations that would be financially onerous on Tenant or materially interfere with the Permitted Use or Tenant's use and enjoyment of the Demised Premises.

## **13 Surrender at Expiration**

**13.1 Condition of Property.** Upon expiration of this Lease or earlier termination, Tenant shall surrender the Demised Premises and the Dock Improvements in their then current condition free of damage caused by Tenant and, subject to the terms and conditions of this Lease as to all other allowed improvements installed by Tenant. Any repairs for which Tenant is responsible shall be complete to the latest practical date prior to such surrender.

**13.2 Fixtures.** Upon expiration of this Lease or earlier termination, Tenant shall remove all of its furnishings, furniture, and trade fixtures that remain the property of Tenant and restore all damage caused by such removal. If Tenant fails to do so for more than 20 days after written notice thereof, this shall be an abandonment of the property and Landlord may retain the property and all rights of Tenant with respect to it shall cease or, by notice in writing given to Tenant within 20 days after removal was required, Landlord may elect to hold Tenant to its obligation of removal. If Landlord elects to require Tenant to remove and Tenant fails to do so within twenty (20) days after receiving notice from Landlord, then, Landlord may effect a removal and place the property in a public storage for Tenant's account. Tenant shall be liable to Landlord for the reasonable cost of removal, restoration, transportation to storage, and storage, with interest on all such expenses. Any dolphins or docking apparatus fixed directly to the earth



shall not be removed by Tenant and shall become the property of Landlord at the termination of this Lease.

**13.3 Docking Equipment.** Upon expiration or termination of this Lease, Tenant will have the right to remove the docking equipment not fixed directly to the earth and installed by Tenant. In the event Tenant elects not to remove such equipment within thirty (30) days of written notice from Landlord after the expiration or termination of this Lease, then it shall remain at the Demised Premises and become the property of the Landlord. Any and all expense of removal shall be borne by Tenant. For purposes of this Lease, the “docking equipment” that Tenant is allowed to remove shall not include any portion of the ACL Dock or the Sternwheeler Dock as depicted on Exhibit A

**14 General Provisions.**

**14.1 Time of Essence.** Time is of the essence of the performance of each of the parties' obligations under this Lease.

**14.2 Estoppel Certificates.** Within 30 days after Landlord's written request, Tenant shall deliver a written statement stating the date to which the Rent and other charges have been paid, whether this Lease is unmodified and in full force and effect, and any other matter that may be reasonably requested by Landlord.

**14.3 Notices.** Any notices or communication required or permitted hereunder shall be in writing and shall be deemed given and made on the date of actual delivery in person or on the date of mailing if deposited in the United States mail, postage prepaid, certified or registered mail receipt requested, addressed as follows:

If to Tenant:	American Cruise Lines, Inc. Vice President 741 Boston Post Road, Suite 200 Guilford, CT 06437
If to Landlord:	Port of Cascade Locks 427 SW Portage Rd P.O. Box 307 Cascade Locks, OR 97014

Or at such other address as either party may from time to time designate in writing in the manner set forth herein for the giving of notice.

**14.4 Attorney's Fees.** In the event suit or action is instituted to enforce any of the terms of this Lease, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorney's fees at trial or upon appeal of such suit or action, in addition to all other sums provided by law.

**14.5 Subordination.** Landlord represents and warrants that, other than encumbrances of record and the Treaty-Reserved Fishing Rights, it is not aware of

any other deed of trust or mortgage financing, or any other lien that could be executed upon, that encumbers the Demised Premises. Landlord further represents and warrants that to the best of its knowledge after due inquiry, no lien or encumbrance upon the Demised Premises would inhibit, restrict, or prevent Tenant from development of or construction upon the Demised Premises or that would inhibit, restrict, or prevent Tenant from engaging in the Permitted Use. For purposes of this section, "knowledge" means actual knowledge of a Commissioner that is a member of Landlord's governing body and shall not include any knowledge that may be imputed to Landlord or such individual by law or constructive notice. Upon the request of Landlord, Tenant shall subordinate its rights hereunder to the lien of any deed or deeds of trust or mortgage or mortgages to any bank, insurance company or other lending institution now or hereafter in force against the land and building of which the Demised Premises is a part, and to all advances made or hereafter to be made upon the security thereof, provided the trustee or trustees or the mortgagee or mortgagees named in said deed of trust or mortgage shall agree in writing to recognize this Lease and Tenant's rights hereunder in the event of foreclosure by judicial proceeding or otherwise, if Tenant is not then in default. Tenant, upon the request of any party in interest shall execute such instrument or instruments to carry out the intent of this section as shall be required by Landlord.

**14.6 Liens.** Tenant shall not suffer or permit any mechanics' lien to be filed against the land or portions of the Demised Premises by reason of work, labor, services or materials supplied or claimed to have been supplied to Tenant. Landlord does not consent to any contractor, subcontractor, laborer or materialman for any specific improvement, alteration, or repair of or to the Demised Premises of any part thereof, nor as giving Tenant any right, power, or authority to contract for or permit the filing of any mechanics' lien against the Demised Premises. If any such mechanic's lien caused by Tenant shall at any time be filed against the Demised Premises or Landlord, then Landlord shall give Tenant written notice of the same and, Tenant shall cause the same to be discharged of record within thirty (30) days after the date of notice of the filing of the same.

**14.7 Applicable Law.** This agreement shall be construed in accordance with and governed by the laws of the State of Oregon.

**14.8 Entire Lease.** This Lease, together with the Exhibit and other writings signed by the parties expressly stated to be supplemental hereto and together with any instruments to be executed and delivered pursuant to this Lease, constitutes the entire agreement between the parties and supersedes all prior understandings and writings, and may be changed only by a writing signed by the parties hereto.

**14.9 Severability.** If any provision of this Lease or the application thereof to any persons or circumstances is invalid or unenforceable in any respect for any reason, the validity and enforceability of the other provisions of this Lease as a whole shall not be affected thereby and shall be enforced to the fullest extent permitted by law, and the parties agree upon request of either party, to reasonably amend this Lease as necessary to make it enforceable to the fullest extent possible.

**14.10 Waiver.** The parties agree that any failure by either party at any time to require

performance by the other party of any provision of this Lease shall in no way affect such party's right hereunder to enforce the same, nor shall any waiver by either party of any breach by the other party of any provision hereof be held to be a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself.

**14.11 Joint and Several Liability.** In the event Tenant now or hereafter consists of more than one person, firm, or corporation, then all such persons, firms or corporations shall be jointly and severally liable under this Lease.

**14.12 Memorandum of Lease.** Upon Tenant's request, Landlord shall sign and cause to be notarized a memorandum of this Lease in the form reasonably requested by Tenant in recordable form which Tenant may record in the public records.

**14.13 Authority.** Landlord represents and warrants that Landlord has full right and authority to enter into this Lease, perform all obligations hereunder and grant Tenant all rights hereunder and that this Lease and such rights are not in conflict with any applicable law.

**14.14 State and Federal Grants.** Landlord shall cooperate with and support Tenant in researching and applying for state and federal grants that may be available to fund, offset, or supplement certain costs of the Tenant's improvements (e.g. shorepower connections or dock construction), including Landlord being the applicant for such grants and Tenant being the private investor to the application.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this Lease, in duplicate, as of the day and year first written above, under Seal and intending it to be a specialty, each party by its officer thereunto duly authorized.


LANDLORD

PORT OF CASCADE LOCKS

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

TENANT

AMERICAN CRUISE LINES, INC.

By:   
Name: Charles B. Robertson  
Its: President & CEO  
Date: April 3, 2023

**THE PORT OF CASCADE LOCKS**  
**BOARD OF PORT COMMISSIONERS**  
**CASCADE LOCKS, OREGON**

**RESOLUTION 2023-1**

**A RESOLUTION TRANSFERRING ALLOCATIONS WITHIN THE 2022-2023  
BUDGET**

**WHEREAS** it is necessary to make budget adjustments in the 2022-23 budget to make sure that Port expenditures do not go over in any categories and:

**WHEREAS** budget adjustments are necessary due to much new and unanticipated expenditure and:

**THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of the Port of Cascade Locks does hereby authorize the following transfers for the 2022-2023 Budget year:

1. Transfers in revenue from Contingency for non-Budget expenses:
  - Marina pump at \$28,354.13, Going to Capital.
  - Financial services for audit items at \$5,000.00, Going to Materials and Services.
  - Tenneson design Harvey Road parking at \$99,950.00, Going to Capital from ARPA funds.
  - Union Pacific Property lease at \$13,000.00, Going to Materials and Services.
  - Merina + Co for services to consulting on Audit 20-21, Audit 21-22, Budget 23-24, and work plan at \$66,500.00.

TOTAL: \$212,804.13.

2. Transfers for the Sternwheeler from ARPA Funds:
  - Engine keels coolers at \$262,199.06, Going to Capital.
  - Consultant at \$16,000.00, Going to Materials and Services .
  - Insurance at \$35,000.00, Going to Materials and Services .
  - PVA Membership at \$1,651.00, , Going to Materials and Services .
  - Sternwheeler Property Taxes at \$16,000.00.

- Cleaning service at \$14,500.00, , Going to Materials and Services .

TOTAL: \$345,350.06.

3. Transfers within Materials and Services:

- Building Innovations Contract and expenses for Mark Johnson at \$36,000.00.
- Recruitment Services for Accountant at \$24,000.00.
- SDAO Consultant at \$5,000.00.
- SBP with Moss Adams at \$65,000.00.
- SDAO Consultant at \$2,500.00.
- Sternwheeler wages at \$5,354.51.
- Sternwheeler wage taxes at \$546.14

TOTAL: \$138,400.65

4. Transfers for new Budget adjustments from Contingency, Going to Materials and Services.

- Advertising, Loopnet for Flex Buildings at \$9,500.00.
- Office Supplies, we are using more at \$3,300.00.
- Utilities, Flex Buildings at \$132,000.00.
- Merchant fees and more taxes at \$10,000.00.

TOTAL: \$154,800.00

5. The Port has taken out a loan this year for a new Truck at \$78,007.64. This year there will be payments totaling \$29,000.00. This expense is not in the Budget, but you do have \$39,000.00 in Vehicle Reserves for this expense. Would you like to move the money from Vehicle Reserves or from Contingency?

**This Resolution is \$345,350.06 from ARPA funds, \$432,604.13 from Contingency, and \$138,400.65 moving in Materials & Services. This will leave in the ARPA fund balance of \$954,649.94, The Contingency fund will be at \$474,706.87.**

ADOPTED, this.

BY: \_\_\_\_\_

**Jess Groves, Commission President**

BY: \_\_\_\_\_

**Joeinne Caldwell, Sec. Treas.**



2022-2023 Budget Adjustments  
By Motion

July 2022 through February 2023

Motion Date	Adjustment	Materials & Services	Coming From	Going To
9/1/2022	36,000.00	Building Innovations non Budget expenses	Contingency	Expenses
9/1/2022	28,354.13	Marina pump	Contingency	Capital
11/17/2022	5,000.00	Financial Services Audit item	Contingency	Contracted Services
1/19/2023	99,950.00	Tennessee design Harvey road parking	Contingency	Capital
7090	13,000.00	Property Lease	Contingency	Leases
	<u>\$ 182,304.13</u>			

Motion Date	Adjustment	Strenwheeler	Coming From	Going To
11/17/2022	262,199.06	Engine keel coolers	ARPA	Capital
11/17/2022	16,000.00	Sternwheeler Consultant	ARPA	Contracted Services
1/5/2023	35,000.00	Sternwheeler Insurance	ARPA	Insurance
1/5/2023	1,651.00	PVA Membership	ARPA	Dues
1/19/2023	16,000.00	Sternwheeler property taxes	ARPA	Taxes
2/16/2023	14,500.00	Sternwheeler cleaning	ARPA	Contracted Services
	<u>\$ 345,350.06</u>	<b>This money will be coming from the ARPA Projects Funds.</b>		

By Motion Minute Date	Adjustment	Materials & Services	Coming From	Going To
7/21/2022	36,000.00	Building Innovations Contract, Mark Johnson	Professional Services	Moving within Budget
8/18/2022	24,000.00	Recruitment Services	Professional Services	Moving within Budget
8/18/2022	5,000.00	SDAO Consultant	Contracted Services	Moving within Budget
11/17/2022	65,000.00	Moss Adams SBP	Contracted Services	Moving within Budget
1/5/2023	2,500.00	SDAO Consultant	Contracted Services	Moving within Budget
7001	5,354.51	Sternwheeler wages	Salaries & Wages	Moving within Budget
7005	546.14	Sternwheeler wage taxes	Payroll Taxes	Moving within Budget
	<u>\$ 138,400.65</u>			

Professional Services	60,000.00
Contracted Services	72,500.00
Salaries & Taxes	5,900.65
	<u>\$ 138,400.65</u>

w Budget Adjustments 22-23

7060-Contracted Services	66,500.00	Merina + Co Audits 20-21 & 21-22, Budget 23-24 & Work Plan	Contingency
7015-Advertising	9,500.00	Loopnet for Flex Buildings not in Budget	Contingency
7020-Office Supplies	3,300.00	Using more then Budget for	Contingency
7050-Utilities	132,000.00	Flex Building not Budgeted	Contingency
7065-Licenses	10,000.00	Merchant fees, Sternwheeler Taxes	Contingency
2510- Capital New Truck	<u>29,000.00</u>	<u>New Truck not in Budget but \$39,00 in Reserves</u>	
	<u>\$ 250,300.00</u>		

Contingency	
From	\$907,311.00
To	\$474,706.87

ARPA Funds	
From	\$1,300,000.00
To	\$9545,649.94