

AGENDA**REGULAR CITY COUNCIL MEETING****JUNE 24, 2024****5:30 p.m.****CITY HALL COUNCIL CHAMBER****313 COURT STREET****&****LIVE STREAMED****[https://www.thedalles.org/Live Streaming](https://www.thedalles.org/Live_Streaming)**

To speak online, register with the City Clerk no later than noon the day of the council meeting.

Email amell@ci.the-dalles.or.us Phone (541) 296-5481 ext. 1119

When registering include: your first & last name, city of residence, and the topic you will address.

1. CALL TO ORDER
2. ROLL CALL OF COUNCIL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. AUDIENCE PARTICIPATION

During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Up to three minutes per person will be allowed. Citizens are encouraged to ask questions with the understanding that the City can either answer the question tonight or refer that question to the appropriate staff member who will get back to you within a reasonable amount of time. If a response by the City is requested, the speaker will be referred to the City Manager for further action. The issue may appear on a future meeting agenda for City Council consideration.

6. CITY MANAGER REPORT
7. CITY COUNCIL REPORTS
8. CONSENT AGENDA

Items of a routine and non-controversial nature are placed on the Consent Agenda to allow the City Council to spend its time and energy on the important items and issues. Any Councilor may request an item be "pulled" from the Consent Agenda and be considered separately. Items pulled from the Consent Agenda will be placed on the Agenda at the end of the "Action Items" section.

CITY OF THE DALLES

"By working together, we will provide services that enhance the vitality of The Dalles."

- A. Approval of the June 10, 2024 Regular City Council Meeting Minutes
- B. Resolution No. 24-015 Authorizing Staff to Submit Transportation Growth Management Grant Application to Oregon Department of Transportation.

9. CONTRACT REVIEW BOARD ACTIONS

- A. Authorization of Annual Amendment to Wastewater Treatment Plant Operations Contract
- B. Awarding Contract No. 2024-005, The Dalles Municipal Wi-Fi Assessment

10. ACTION ITEMS

- A. Authorizations to Apply for Funding from the Clean Water State Revolving Fund and Business Oregon Water/Wastewater Financing Program to Update the City's Wastewater Facilities Master Plan
- B. Hood Aero Flex Space Lease Renewal

11. EXECUTIVE SESSION

In accordance with ORS 192.660(2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

- A. Recess Open Session
- B. Reconvene Open Session
- C. Decision, if any

12. ADJOURNMENT

This meeting conducted VIA Zoom

Prepared by/
Amie Ell
City Clerk

CITY OF THE DALLES

"By working together, we will provide services that enhance the vitality of The Dalles."



AGENDA STAFF REPORT

AGENDA LOCATION: Item #8 A & B

MEETING DATE: June 24, 2024

TO: Honorable Mayor and City Council

FROM: Amie Ell, City Clerk

ISSUE: Approving items on the Consent Agenda and authorizing City staff to sign contract documents.

- A. **ITEM:** Approval of the June 10, 2024 Regular City Council meeting minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the June 10, 2024 Regular City Council meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the June 10, 2024 Regular City Council meeting minutes.

- B. **ITEM:** Resolution No. 24-015 Authorizing Staff to Submit Transportation Growth Management Grant Application to Oregon Department of Transportation.

BUDGET IMPLICATIONS: Grant request of \$250,000 would, if approved, compensate for requisite staff and consultant time to provide deliverables.

SYNOPSIS: This request would result in West Side master plan. This master plan will help integrate land use and transportation planning across western The Dalles, an historically under-served, under-represented, multi-cultural area within a federal Opportunity Zone and Qualifying Census Tract. Study area is approximately 2,500 acres, characterized by older residential, commercial, industrial and institutional structures; sub-standard housing; inadequate

infrastructure; scarce greenspaces; few sidewalks; poor wayfinding and inefficient development. Goals are to reduce barriers to a broad range of housing types and prices; identify in-fill strategies; increase accessibility through pedestrian and bicycling corridors, public transit and safe routes to school; plan for anticipated educational, recreational, child care, and climate resiliency center initiatives; and improve connectivity between neighborhoods, shopping and public facilities. This master plan is a strategic step toward public investments possibly including a new urban renewal district.

RECOMMENDATION: Approve resolution authorizing staff to submit Transportation Growth Management 2024 grant application to Oregon Department of Transportation.

MINUTES

CITY COUNCIL MEETING
COUNCIL CHAMBER, CITY HALL
JUNE 10, 2024
5:30 p.m.

LIVE STREAM / IN PERSON

PRESIDING: Mayor Richard Mays

COUNCIL PRESENT: Darcy Long, Tim McGlothlin, Scott Randall, Dan Richardson

COUNCIL ABSENT: Rod Runyon

STAFF PRESENT: City Manager Matthew Klebes, City Attorney Jonathan Kara, City Clerk Amie Ell, Police Chief Tom Worthy, Finance Director Angie Wilson, Community Development Director Joshua Chandler, Human Resources Director Daniel Hunter

CALL TO ORDER

The meeting was called to order by Mayor Mays at 5:30 p.m.

ROLL CALL OF COUNCIL

Roll Call was conducted by City Clerk Ell. McGlothlin, Randall, Richardson present. Long joined at 5:38pm. Runyon absent.

PLEDGE OF ALLEGIANCE

Mayor Mays invited the audience to join in the Pledge of Allegiance.

APPROVAL OF AGENDA

Mayor Mays noted a supplemental agenda added item 11B Special Ordinance No. 24-014.

It was moved by Randall and seconded by Richardson to approve the agenda as amended. The motion carried 3 to 0, Randall, Richardson, McGlothlin voting in favor; none opposed; Long, Runyon absent.

Councilor Long joined at 5:38pm

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PRESENTATIONS PROCLAMATIONS

Mid-Columbia Community Action Council - Gloria Center & The Annex

Kenny LaPoint Executive Direct of Mid-Columbia Community Action Council (MCCAC) presented an update of current projects to Council. He highlighted;

- Gloria Center grand opening was on May 31st
 - It is a multi-agency social service center housing MCCAC, Bridges to Health, Center for Living, Columbia Gorge Health Council, One Community Health, Department of Human Services, Oregon Human Development Corporation, and Nch'i Wana Housing.
 - Pallet shelters were moved to the site to provide 36 non-congregate beds for severe weather emergency shelters. They would not be used for year-round shelter, only for emergencies.
 - The City had committed early funding for the Gloria House project and were the lead applicant for the Community Resiliency Program grant from Oregon Department of Energy which provided the solar array, battery backup system, and electric vehicle charging station. It was a resiliency center that could operate on battery power for a month without needing to be re-charged.

Mayor Mays said the City had given \$500,000 to the project.

McGlothlin asked if there had been any backlash from local neighbors.

LaPoint said it was the nicest building in the neighborhood and there had been no complaints.

- The Annex renovations had been completed.
 - There were 2 different sides, one side was a family shelter the other was for singles and couples.
 - The family shelter was the first on the Oregon side of the Gorge. They had been using hotel vouchers for families before the shelter.
 - Facility included a pantry and 3 laundry rooms.
 - Close to \$2 million of renovations had been done.
 - Renovations included; new roof, new stucco, paint, windows, energy efficiency upgrades, hard surface flooring.
 - Operations and staffing had been going very well.
 - 65 people were currently served, 75 had been served during surge capacity at times of extreme weather events.
 - 24 people had been placed into permanent housing since the opening of the Annex.

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Klebes asked if LaPoint had a sense of how the other 2.0 Project Turnkey projects across the state had gone.

LaPoint said they had gone fairly well. There had been near 30 projects in Project Turnkey. The Dalles Annex had been highlighted in the legislative brochure along with the 11 other 2.0 Project Turnkey sites. LaPoint had been a keynote speaker at the Oregon Community Fund Foundation lunch highlighting the successes at the Annex. People from all over the state had requested and been given tours of the facility.

LaPoint noted the Annex had served 30 children under the age of 18 since the opening in October. They had a partnership with the Youth Empowerment Shelter (YES House) to house young people who age out of their program.

McGlothlin asked if the youth were receiving counseling services.

LaPoint said they received housing counseling through MCCAC and were paired with other services they qualified for such as behavioral health or culturally specific providers.

Richardson thanked LaPoint and his staff for the work they did in the community.

Mayor Mays asked if there was a third round of funding for Project Turnkey.

LaPoint said there had not been a third round yet, but thought there would be a push for it in the next legislative session. The legislature had funded Project Turnkey and then the Oregon Community Foundation had administered the dollars.

LaPoint said additional updates included;

- The point-in-time count of homeless data would soon be coming out. Unverified numbers showed the number of homeless had stayed flat in the service area.
- Northwest Housing Alternatives owns the site was working with MCCAC on developing the Chenoweth Westgate Market. Northwest Housing Alternative was working on an application for a competitive process to receive taxing credits to help fund development.
- The Gloria Center back lot was being staged for a future affordable housing development.

AUDIENCE PARTICIPATION

Chuck Gomez of the Grenada Theater said he would like to see the City put a grant program in place to help downtown businesses purchase and maintain planters. He suggested \$1000 grants be made available for applicants who would like to beautify downtown businesses with plants.

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Luise Langheinrich owner of Lines of Designs presented her letter updating on her findings of the 2024 tour boat season. (see attached)

Debi Ferrer member of the Beautification and Tree Committee updated council on the committee's most recent work and projects. These included;

- Residential Tree Grant Program had given 28 shade trees to the community. They were planted last fall, and all were doing well. Program would continue in the fall.
- Following and planning for the application of the Green Infrastructure Grant as well as Oregon Department of Forestry & Urban and Community Forestry Program grants.
- Working with Columbia Gorge Community College students to create a second sculpture for the Trevitt Triangle.
- In partnership with The Dalles Art Center Spring Garden event, a walking tour of notable trees in The Dalles was available to help inspire nomination for Heritage Trees.

Erin Wills local resident, said she had an interest in the Google datacenter and the activity happening at the site. She wanted to know what opportunities there were for the community to learn credible information and engage in the process.

Mayor Mays said there would be a second work session meeting on the subject occurring at 5:30 on July 23rd and the Wasco County Building. He said the City Council and County Commission had heard ideas about the process, no individual projects or programs were discussed. Ideas included revenue bonds and an endowment, on July 23rd more information would be given about those ideas.

Willis asked about the data center environmental impacts. She said she wanted to learn more about the tech industry here and wanted to know if there was a committee or group of people she could talk with that would be a credible source.

Klebes said he would be happy to meet with her and discuss what he knew and direct her to the correct people to talk with about her questions.

CITY MANAGER REPORT

City Manager Matthew Klebes reported;

- Strategic Investment Program (SIP) joint work session with Wasco County.
 - A community survey had been developed and posted soliciting input and feedback on the revenues and how they may best serve and position our community for success going forward.
- Successful E 12th Neighborhood Outreach meeting informing of the project and addressing concerns

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- Gloria Center ribbon cutting ceremony.
- Planning Committee for the Oregon City-County Manager's Association conference which would take place June 24th-27th in Hood River
 - On the afternoon of June 26th Economic Development Officer, City Manager, and volunteers from Walldogs would be leading tours of the downtown area for conference attendees.
- KODL radio show appearance.

CITY COUNCIL REPORTS

Councilor Richardson reported;

- For anyone wanting to look more into the discussion of the SIP funds joint work session the Agenda Staff Report was available on the Wasco County Commissioners website in their June 5th agenda packet.

Councilor Randall reported;

- Joint work session with Wasco County.
- QLife board meeting.
 - Approved intergovernmental agreement with Mid-Columbia Economic Development District for broadband technical assistance and grant writing.
 - Adopted fiscal year 2024/25 budget.
 - Results of financial audit.
 - Executive session.

Councilor McGlothlin reported;

- Joint work session.
- Airport board commission meeting was upcoming.

Councilor Long reported;

- Walk about with Planning Department Director and Richard Wolf talked about the 1st & Union Street project downtown for Urban Renewal.
- Joint work session.
- Swearing in ceremony for newest police officer.
- Met 2 separate times with citizens interested in Urban Renewal projects.
- Agenda planning meeting for Urban Renewal.

Mayor Mays reported;

- KODL interview.
- Gloria Center ribbon cutting.
- Joint work session.

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- Police officer swearing in.
- Gave a speech at the Oregon Rural Letter Carriers Association conference.

CONSENT AGENDA

It was moved by Richardson and seconded by Randall to approve the Consent Agenda as presented. The motion carried 4 to 0, Richardson, Randall, McGlothlin, Long voting in favor; none opposed; Runyon absent.

Items approved on the consent agenda were: 1) The minutes of the May 28, 2024 Regular City Council Meeting. 2) Approval of Salary Increases for Municipal Court Judge, City Attorney, and City Manager.

PUBLIC HEARING

Resolution No. 24-013 Declaring the City of The Dalles' Election to Receive State Revenues for Fiscal Year 2024-25

Mayor Mays opened the public hearing and asked for the staff report.

Finance Manager Angie Wilson presented the staff report.

Mayor Mays asked for public testimony in favor. There was none.

Mayor Mays asked for public testimony opposed. There was none.

Mayor Mays opened for Council discussion. There was none.

Mayor Mays closed the public hearing at 6:25 pm

It was moved by Randall and seconded by McGlothlin to adopt Resolution No. 24-013 Declaring the City's Election to Receive State Revenues for Fiscal Year 2024/2025. The motion carried 4 to 0, Randall, McGlothlin, Richardson, Long voting in favor; none opposed; Runyon absent.

Resolution No. 24-012 Adopting the Fiscal Year 2024-2025 Budget for the City of The Dalles, Making Appropriations, Authorizing Expenditures, Levying Taxes, And Authorizing the City Manager to Take Such Action as Necessary to Carry Out the Adopted Budget

Mayor Mays opened the public hearing and asked for the staff report.

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Finance Manager Angie Wilson presented the staff report.

Mayor Mays asked for public testimony in favor. There was none.

Mayor Mays asked for public testimony opposed. There was none.

Mayor Mays opened for Council discussion. There was none

Mayor Mays closed the public hearing at 6:29 pm

It was moved by Richardson and seconded by McGlothlin to adopt Resolution No. 24-012 Adopting the Fiscal Year 2024-2025 Budget for the City of The Dalles, making Appropriations, Authorizing Expenditures, Levying Taxes, and Authorizing the City Manager to Take Such Action as Necessary to carry out the Adopted Budget. The motion carried 4 to 0, Richardson, McGlothlin, Randall, Long voting in favor; none opposed; Runyon absent.

ACTION ITEMS

Insurance Renewal

Human Resources Director Daniel Hunter presented the staff report. He introduced Scott Raynier of Columbia River Insurance.

Richardson asked what was covered with cyber insurance.

Hunter said it would cover material or financial losses due to a cyber-attack.

Mayor Mays said it had been anticipated there would be a larger property increase.

Hunter said 13% had been estimated but it had come in at only 3.4%.

It was moved by Randall and seconded by McGlothlin to Direct the City Manager to renew the City's Insurance through CIS for Fiscal Year 2024-2025 for an amount not to exceed \$583,328.45 not including Agent's fee and Renewal of Workers Compensation through SAIF, for an amount not to exceed \$118,496.25. The motion carried 4 to 0, Randall, McGlothlin, Richardson, Long voting in favor; none opposed; Runyon absent.

Special Ordinance No. 24-601 Temporarily Banning the Use of Fireworks as a Result of Extreme Weather Conditions and Declaring an Emergency

Richardson said this would make fireworks use a class A civil infraction which was less than a misdemeanor and a person ticketed would go to municipal court. He asked how the fines would

be determined if it could be up to \$750.

Jonathan Kara City Attorney said it would be brought before the municipal court judge who would make the determination of the fine amount.

Audience participant Carolyn Wood said the fireworks ban was a good idea.

City Clerk Amie Ell read Special Ordinance No. 24-601 by title.

It was moved by Richardson and seconded by McGlothlin to adopt Special Ordinance No. 24-601 Temporarily Banning the Use of Fireworks as a Result of Extreme Weather Conditions and Declaring an Emergency by title only. The motion carried 4 to 0, Richardson, Randall, McGlothlin, Long voting in favor; none opposed; Runyon absent

DISCUSSION ITEMS

Transient Room Tax (TRT) Vision

City Manager Matthew Klebes presented the staff report.

Mayor Mays asked for an example of what TRT money was currently being used for.

Klebes said 55% was used toward tourism promotion through a contract with the Chamber of Commerce and included advertising, marketing, and the Visitor's Center. This was required per State law. An example of use of the other 45%, was funds going to support LINK public transportation. He said the suggestion was to amend the existing ordinance not replace it and keep the 55/45% requirement.

Mayor Mays said it was not required to use a Chamber of Commerce. Some of the TRT money went into the general fund and supported day to day operations including the Police, Community Development, Finance, and other departments. He said about \$367,000 went to Parks and Rec District and the rest was allocated to tourism related expenses or stayed in the general fund.

Klebes said this was correct and the total TRT revenues were approximately \$1.35 million in total.

Finance Director Angie Wilson confirmed \$370,000 was what had been dedicated to Parks and Rec. She said it was a budgeted number and if revenues came in higher, adjustments would have to be made.

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McGlothlin clarified there were two buckets. The first of 55% would be about \$490,000 and included the Chamber contract and visitor's center. The second was the rest which included Parks and Rec and the remaining went into the general city fund.

Mayor Mays said it was important for the public to know where the TRT money went and this should be a part of the future meetings.

Klebes said this was the first of a series of discussions on the topic. The purpose of the first discussion was to provide guidance to staff by clarifying the role tourism has in the community to help determine the changes that may be made to the ordinance and later setting the stage for the conversation around tourism services and the scope of work to accomplish the Council's objectives.

Mayor Mays said people who ran short term rentals (STRs) were doing a good, responsible job running their businesses. There were issues that had come up in many other cities in Oregon. He did not think The Dalles dramatically needed additional TRT revenues from STRs, but believed all the existing licenses should not be taken away. He would like to see tight restrictions on any new STRs. The impact on housing values and prices people were paying for homes was not worth the additional TRT revenue.

McGlothlin said there were initially not sufficient STR controls, but after hearing from citizens who had concerns about Air BNBs controls that had been put into place to respond to those concerns. These were working to find a balance.

Richardson said a conversation about TRT over time made sense and asked for a community survey to allow for more public participation. He leaned toward agreement with a vision statement close to number 3. Tourism is critical to many businesses in town. Communities should have a diversified economy and leaning heavily on tourism was not healthy. Including a cruise ship liaison role in the contract process would be important to include.

Scott Baker Executive Director of North Wasco County Parks and Recreation Department (NWCPR) said it was not uncommon for parks and rec department to receive TRT money in other cities. He explained what had happened to drive 2% going to NWCPR. When the City owned and operated the parks they had not paid a water bill. When the parks district was voted into existence the City had continued to pay the water bill until water meters were put into place and the Park's District became responsible for payment of the water bill. The City then gave the 2% of the TRT money to the Park's to then be used to pay for the water bill. The amount of TRT money now far exceeded the water bill. They would be receiving about \$330,000 in TRT taxes this year and the water bill would be about \$167,000. The gap had been crucial for the Park's district to function. He said the largest thing holding the Park District back was lack of grant

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match money. He said it could be a use of SIP funds. He said an additional 1% of TRT could be given to use only for capital projects and grant matching instead of for staff or any other use.

Mayor Mays said hopefully the additional SIP revenue coming in as well as the community service fees would help.

Baker said the first round of tax abatement had helped greatly.

Dawn Rasmussen, private citizen joined by Lisa Rundell Chamber of Commerce Finance Manager addressed council. She said tourism is an economic driver and having a professional tourism bureau or chamber was important. She urged council to be thoughtful in the process when determining what tourism should look like for the community.

McGlothlin said he recalled the talks of giving the Park's District 2% of the TRT for covering the cost of the water bill. He said the work the Chamber did was invaluable. He had participated in many parades and events and the growth of this year's was unbelievable.

Victor Johnson a local resident asked if it was known the percentage of the economy come from tourism. He said it was a good start to determine how much was wanted to ensure there was a balanced economy. He said tourism is not inherently good and having a vision was an important first step.

Carolyn Wood, a local resident said when the Discover Center was first being built the owner of the aluminum plant, Brett Wilcox had loaned money to get the project off the ground. He had said the investment needed to be made in the Discovery Center to begin developing tourism while not becoming 100% dependent on it. Wood said in 1993 the TRT tax was at 6% and locally 2% had been added to cover expensed incurred for the Sesquicentennial celebration event and later it was used to help pay for the cost of the underpass before going to Parks and Rec.

Randall said he agreed most with the 3rd vision statement in the staff report. He said destination points for tourists included Parks and Rec properties such as Sorosis Park and the Kelly Viewpoint and thought the 2% going to parks was well spent.

McGlothlin said he leaned in the same direction.

Long said she agreed with the council. She was concerned about STRs and the number of investors buying up homes in the area impacting housing. She said she had been thinking about the statement "We don't want to be Hood River" and that it was never defined. Hood River had a lot of water sports on the river and skiing and downtown shopping. She said tourism in The Dalles was different, it had downtown shopping but also a lot of historical sites and more

prominent sporting events that could be increased. She said fishing events had broadened types of tourism and the time of year was also broadening.

Mayor Mays asked the City Manager if there had been enough feedback provided for staff to bring back more specificity to the next meeting.

Klebes said the next step was for staff to review the TRT Ordinance for legal sufficiency and to propose any alterations to bring it up to date. He said elements of what had been discussed may be more helpful in planning the third discussion which would focus on tourism services and what the scope of work may be.

EXECUTIVE SESSION

In accordance with ORS 192.660(2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

Mayor Mays recessed Open Session at 7:45 pm

Mayor Mays reconvene Open Session at 7:53 pm

ADJOURNMENT

Being no further business, the meeting adjourned at 7:53 pm

Submitted by/
Amie Ell, City Clerk

SIGNED:

Richard A. Mays, Mayor

ATTEST:

Amie Ell, City Clerk

Date: 6/10/2024

To: The Dalles City Council Members, City Manager, Economics Development Officer

From: Luise Langheinrich, owner Lines of Designs, 107 E 2nd Street, Downtown The Dalles

Re: update on 2024 Tour Boat season

The cruise industry is doing very well globally and in the United States. Cruise Lines International Association (CLIA), cruising.org, has several economic reports that explain how money flows into the economy from the cruise industry. The specific report that you may like to read is "Economic Contribution of Cruise Tourism to the United States 2022" a report produced for CLIA by Tourism Economics (part of Oxford University) December 2023. This is the link: https://cruising.org/-/media/clia-media/research/2024/economic-impact-of-cruise-in-united-states-2022_final_high-res.ashx.

My reason for researching this information was to see if the industry had rebounded from the pandemic. In fact, it not only rebounded but is growing. Passenger spending is growing.

Last year's tour boat season was abysmal with respect to the number of American Cruise Lines guests that visited our museums and the shops downtown. They were essentially absent even though the boats were present at our dock. The museums sustained losses as did the downtown merchants.

This tour season to date, we have had at least 20 boats use our dock since April, with additional ACL boats using our dock as re-fueling stops. The guests are visiting the museums, even Maryhill, which is an improvement over last year. But we downtown merchants are seeing very few walking through our downtown and hardly any going into our shops. I believe part of this is due to the lack of a coordinated marketing effort to the cruise ships. The other part is the bus & excursion schedule set up by American Cruise Lines.

A week and a half ago, I walked down to the cruise boat and spoke with the hotel manager. I told him I was there to help create a win-win between our downtown and the tour boats. He was not having the best day and shared why. He was frustrated in trying to find any marketing material on our community for his guests. The boat has a table in the lobby where information is displayed for the next day's stop. He told me he finally walked to the Chamber to obtain something. I have contacted American Cruise Lines corporate office to obtain permission to place a downtown marketing sheet on all of their boats, which we are in process of developing.

Where is the marketing & customer service liaison between the cruise boats and our downtown? What an embarrassing failure! From 2017 to the pandemic, we had the highly successful position of tour boat coordinator which facilitated tens of thousands of dollars coming into our economy each season. We know the cruise industry is growing and we know the tourists are spending money at their stops. This is simple economic development!

To salvage this tour season for the downtown, I suggest a part time tour boat coordinator is placed in the Economic Development Office. You can find the list of responsibilities for that position in the 2017 contract between the City & Main Street.

Communication is key in creating win-win situations. We downtown merchants need some wins, especially after last year. So besides helping a private corporation make money on our public resource, the dock, how about you also help your downtown merchants.

Our walking tour begins at The Dalles Art Center, on the SW corner of E 4th St and Washington St.

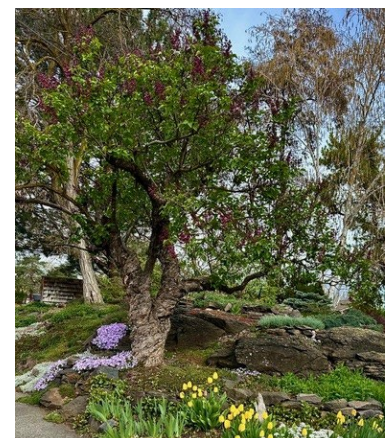
The full loop is approximately 1.75 miles long, but it can be broken into two smaller loops. Enjoy the beauty and diversity of trees as you stroll through our community!

- **Loop A – 0.75 miles long**
- **Loop B – 1.25 miles long**



Loop A

1. On the east side of The Dalles Art Center along Washington Street are two lovely **Japanese Flowering Cherry Trees** and an elegant and hardy native **Vine Maple**. They were planted around 2000; the cherry trees were grown from cuttings of original trees on the property that dated to the early 1900s, a wonderful legacy.
2. Head east on E 4th St, across Washington Street, and walk under the shade of some giant **Sycamore Trees**, planted in the early 1900s. These giants line several streets in our historic neighborhoods.
3. Continue east to Federal Street and turn right, passing two more **Sycamores** with circular planters around each tree.
4. Continue south on Federal up the hill toward an alleyway. Turn left at the alleyway toward Adam's Construction. Before you get to Adam's, look up at the hillside to see multiple examples of native **White Oak Trees**.
5. Turn around and head back west along the alleyway toward Washington Street. As you approach Washington St, notice the two large **Beech Trees** between the parking area and the office buildings.
6. At Washington Street, turn left and begin walking up the hill. Notice the mix of **locust, maple, and oak trees** on the sweep of the curve, next to the Christian Science Church.
7. Continue around the corner and up along E 7th Pl to Case St. Notice the large **Boxelder Maple** near the old stone driveway on the left (north) side of E 7th Pl.
8. Cross E 7th Pl and head up Case St. On your left, you'll see a tall grove of **Douglas Fir Trees**, probably at least 50 years old.
9. Continue up the hill on Case St to E 8th St. Look to your left (east) on 8th St to see a lovely shaded neighborhood on the block between Federal and Laughlin. These are more of the 120-year-old **Sycamore Trees**.
10. Turn around and head back down Case St. Turn left at E 7th Place head toward the library. As you pass 311 E 7th Pl, notice the bonsai-like **Lilac Tree** in the rock garden.



HISTORIC & NOTABLE TREES – A WALKING TOUR IN THE DALLES HISTORIC DISTRICT

11. Continue west on E 7th Pl. In the driveway between 300 and 218 E 7th Pl., across from the library parking lot is a large **Walnut Tree**.
12. At 214 E 7th St is a large and graceful **Weeping Birch Tree**.
13. Along the sidewalk above the library parking lot are five large **linden trees**, the only ones on our tour. The trees' flowers are attractive to bees and contribute to excellent honey.
14. No list of noteworthy trees would be complete without the gigantic, graceful **Sycamore** in the library courtyard, the most majestic of these historic trees that particularly thrived in the large backyard of a grand Victorian house that was deeded to the city upon the owner's death. The house stood vacant for many years, but was eventually torn down, and our current library was built around the grand sycamore. Enjoy the wood bear sculptures, too!
15. Turn right and head north, down the hill, on Court St. Pause at E 7th St to look west, past Union St to a lovely specimen of **Weeping Willow**.
16. Continue down the hill to the grand "English cottage style" house (700 Court St) just below the library. Lining the parking strip is a row of **maple trees** which demonstrate the beneficial shade, privacy and beauty that street trees can provide.
17. Now, turn around and look back toward the library. On the hillside below the library, notice the **Native White Oaks**. These are part of the same hillside formation you saw at #4.

Continue to E 5th St. This is the end of Loop A. If you want to stop here, continue north to E 4th St, turn right and head back to The Dalles Art Center. If you want to continue to Loop B, continue reading at #18.

Loop B

If you are starting at The Dalles Art Center, head west on E 4th St, turn left on Court St and walk to E 5th St. If you are continuing from Loop A, continue north to E 5th St.

18. Head west across Court St. Note another beautiful **Sycamore** on the SW corner where George Vause lived in the early 1900s. The Vause home and other early settlement houses in this area eventually gave way to the state office building and parking lot on the south side of E 5th St.
19. Walk west along 5th St toward Union St. Notice the row of **Norway Maples** on the south side of the street, between the sidewalk and the parking lot. Imagine how barren this street would look without these trees. And now imagine how much better the area would look (and feel in the summer) if the large parking lot were broken up by islands of large shady trees. Many old trees were cut down in the construction of this parking lot.
20. At the corner of 5th St and Union, turn left and cross Union St to walk through City Park with its shady mix of **Old Elm and Locust Trees, plus a few younger maples**.

Need a break? Enjoy the shady City Park, official end of the Oregon Trail, for a few minutes. Restrooms are available here from 8 AM – 8 PM during the summer.

21. Walk through the park and continue west on W 6th St. Pass Liberty St, and look for the basalt column on the north side of the W 6th St. Just beyond the basalt column is a very old and stately **White Oak Tree**.



HISTORIC & NOTABLE TREES – A WALKING TOUR IN THE DALLES HISTORIC DISTRICT

22. Just beyond the oak is a very old **Locust Tree**.

23. Turn left on Lincoln and head south toward W 7th St. On the northeast corner of W 7th St and Lincoln are two old **Silver Maples**.

24. Cross Lincoln St and head west on W 7th St. passing another **Weeping Birch** on the northwest corner of W 7th St and Lincoln.



25. At 309 W 7th St, to the west of the house, notice the large **Ash Tree**. We don't have many ash trees in the area, but the few we have will likely fall victim to the **emerald ash borer**, an accidentally introduced highly invasive beetle from Asia. The emerald ash borer has already destroyed tens of millions of ash trees in North America and efforts to stop its destruction have largely been unsuccessful. It has made its way to Oregon in recent years. The destruction it has caused in many places demonstrates the classic argument in favor of a diversity of tree species as our climate changes and pests or disease increasingly threaten certain species.

26. On the south side of the street in the parking strip in front of the historic Weigelt House, notice the row of **cherry trees**. They provide shade, beauty, and **delicious fruit in early July!**



27. Continue west on W 7th St. In front of 507 W 7th St is an unusual planting for this area – a **Himalayan Deodar Cedar Tree** on the east side of the house.

28. At 513 W 7th St, note another lovely maple and weeping birch, but also a **Horse Chestnut Tree** toward the back, the only one on our walking tour.

29. Continue straight toward Trevitt St and note the two large **Douglas fir trees**, one on each side of the street.

30. Turn left at Trevitt and W 7th St. and walk one block south. Look across the street to the northwest corner of Trevitt and W 8th (811 Trevitt St) to see the large **Mulberry Tree**. This tree has been measured and found to have the largest trunk diameter for this species in all of Oregon!



31. Turn around and walk back down the hill (north) on Trevitt St. Look to your left as you continue toward the historic Williams House and notice the large stump behind the house. Last summer we lost one of our grandest **ponderosa pine trees**. Bark beetle infestations, aided by climate change, have decimated our ponderosa population, most notably at Sorois Park. As you pass the Williams House, notice the huge **Western Red Cedar Tree** on the west side of the house. (see photo on left)

32. Continue across W 3rd Pl and turn right. At 524 W 3rd Pl, note the large **Magnolia Tree**. Some people colloquially call this a “tulip tree” for its large tulip shaped flowers early in the spring.

33. From here, look across the street on the hillside to see a mixed grove of tall old **ponderosa pines, spruce, locust, and white oak trees**. Many predate the house, built in the early 1900s.

34. Between 515 and 509 W 3rd Pl, notice the large **vine maple** in the front, and a **birch and locust trees** farther back. On the east side of 509 W 3rd Pl, look for the **Sweet Gum Tree** with its characteristic spikey seed pods on the sidewalk below.

35. At the Historic Patterson House (507 W 3rd Pl), see another **Douglas Fir** and an unusual **Weeping Spruce Tree**. This house lost a grand ancient fir last summer.

HISTORIC & NOTABLE TREES – A WALKING TOUR IN THE DALLES HISTORIC DISTRICT

36. Standing at 505 W 3rd Pl. Look across the street to see some tall **Douglas Fir, Cedar and Ponderosa Pine Trees**.

37. As you continue down W 3rd St., look across at 412 W 3rd PL. Notice the **White Oaks** on the hillside behind what locals call “the gingerbread house”, or Stadleman house.

38. Continue toward the intersection and notice the giant **Black Walnut Tree** just left of the sidewalk.

39. Stop at the intersection of W 3rd Pl and W 4th St. Look toward the footbridge that crosses Mill Creek and leads to Thompson Park. Notice the many trees, including **cottonwoods, elms, willows, and** several varieties of maple that line the riparian zone of the creek. These trees provide many important habitat requirements for fish and other wildlife in and around Mill Creek, as well as a wonderful refuge in the summer heat for us, too!

40. Cross the intersection and head east on W 4th St. On the corner is a large **Norway Maple Tree**.

41. As you continue east, notice the row of **Honey Locust Trees** that line the sidewalk, providing important shade for pedestrians and the office buildings in the summer. Well-pace trees can reduce our energy costs.

42. Proceed east along W 4th St. on the north side and enjoy the majesty of the giant **American elm trees**.

- corner of Lincoln and West 4th Street (north side)
- 207 West 4th St
- In front of the Law Offices of Toole, Carter, Tissot, and Coats.

43. Continue east on W 4th St until you come to the parking lot of US Bank. Here you'll find several varieties of **crabapple trees**, which fill the parking lot with luscious color in the early spring and provide some shade during our hot summers.

Cross the street and you are back at The Dalles Art Center, your starting place.



We hope you've had a lovely walk, enjoying the beauty of our historical neighborhood and its older, unique trees, a wonderful gift from those who lived here in the past, for which we are grateful. Let's do the same for future generations.

Plant a tree and appreciate what it brings to the landscape: shade, beauty, clean air, cooler temperatures, and habitat for creatures of all kinds!

Did we miss another noteworthy tree, or mis-identify something on our list? Let us know at cityinfo@ci.the-dalles.or.us so we can continue to improve our walking tour.



HERITAGE

TREES

NOMINATE A HERITAGE TREE

The Dalles Beautification and Tree Committee invites all members of our community to help identify and honor our heritage trees. We are joining many towns in Oregon, other states, and around the world that have created listings and mapped the location of trees with aesthetic, botanical, ecological, and historical value.



A HERITAGE TREE:

- is generally at least 50 years old
- may have a unique structure
- may be very old
- may be very large
- may be a rare species
- may have historical significance
- may have generational stories

NOMINATION FORM:
www.thedalles.org/HeritageTree



RESOLUTION NO. 24-015
A RESOLUTION AUTHORIZING A REQUEST FOR GRANT FUNDING ASSISTANCE THROUGH THE OREGON TRANSPORTATION GROWTH MANAGEMENT (TGM) PROGRAM FOR PREPARATION OF THE WESTSIDE AREA MASTER PLAN

WHEREAS, the City of The Dalles has completed, and anticipates adopting in 2024, an Economic Opportunities Analysis and Employment Buildable Lands Inventory in compliance with Statewide Planning Goal 9 (Economic Development), and has completed several reports in compliance with Statewide Planning Goal 10 (Housing) and Goal 12 (Transportation), with results that are critical to the continued success and development of the community; and

WHEREAS, in 2023 Mid-Columbia Economic Development District completed its Gorge Regional Transit Strategy in coordination with Oregon and Washington transportation departments and local service providers, which is designed to foster a regionally coordinated, integrated public transportation system; and

WHEREAS, Wasco County completed its Transit Development Plan (LINK Public Transit) in 2022, funded in part by a Transportation Growth Management grant, to evaluate service improvement alternatives over a 20-year plan horizon; and

WHEREAS, the Oregon Department of Transportation and the Department of Land Conservation and Development provide grant funding assistance through the Transportation and Growth Management Program; and

WHEREAS, the City of The Dalles is supportive of the principals of the Transportation Growth Management Program; and

WHEREAS, the City of The Dalles desires to participate in this program to the greatest extent possible as a means of implementing the 2023 Housing and Residential Land Needs Assessment and Buildable Lands Inventory, 2024 Housing Production Strategy, 2017 Transportation System Plan, and Economic Opportunities Analysis and Employment Buildable Lands Inventory anticipated by December 2024, while also serving as a responsible community partner in coordinating these efforts with the 2023 Gorge Regional Transit Strategy and 2022 Wasco County Transit Development Plan; and

WHEREAS, the City of The Dalles has available local resources to fulfill its share of obligations related to this request should it be awarded,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS FOLLOWS:

Section 1: The City Council authorizes Staff to request grant funding assistance for preparation of the Westside Area Master Plan through the Oregon Transportation Growth Management (TGM) Program to implement the 2023 Housing and Residential Land Needs Assessment and Buildable Lands Inventory, 2024 Housing Production Strategy, 2017

Transportation System Plan, and Economic Opportunities Analysis and Employment Buildable Lands Inventory, while also serving as a responsible community partner in coordinating these efforts with the 2023 Gorge Regional Transit Strategy and 2022 Wasco County Transit Development Plan.

PASSED AND ADOPTED THIS 24TH DAY OF JUNE, 2024

Voting Yes, Councilors: _____
Voting No, Councilors: _____
Absent, Councilors: _____
Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 24TH DAY OF JUNE, 2024

SIGNED:

ATTEST:

Richard Mays, Mayor

Amie Ell, City Clerk



AGENDA STAFF REPORT

AGENDA LOCATION: Item 9A

MEETING DATE: June 24, 2024

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

ISSUE: Authorization of annual amendment to Wastewater Treatment Plant Operations Contract

BACKGROUND: Effective July 1, 2023 the City entered into a new 15-year contract with Operations Management International Inc (OMI), a subsidiary of Jacobs Engineering, to provide contract operation of the City's Wastewater Treatment Plant (WWTP). The contract cost is to be updated annually and authorized each year by City Council through approval of a contract amendment.

The contract includes two categories of costs – Direct Costs and a Management Fee. The Contract provides a formula of CPI plus 2%, which can be capped at 4%, as a default method to update these contract costs annually unless a different rate adjustment is negotiated. The CPI for All Urban Consumers was 3.1% over the previous January to January 12-month period. However, some cost elements which are beyond OMI's control have increased by more than the 3.1% CPI. The main contract elements for which significant increases in cost are budgeted include treatment chemicals (+25%), laboratory fees (+19.5%), electricity (+12%) and natural gas (+11%). Staff believes that these proposed increases are reasonable because the City experienced and budgeted for similar increases at its own Wicks Water Treatment Plant in FY2023/24. Due to these higher cost increases, the proposed contract renewal includes reflects an increase in Direct Costs of 5.1% compared to the current fiscal year.

The contract amendment proposes an increase in the Management Fee of 4%. The calculation of the requested Management Fee is based upon the same formula outlined above and has been capped at 4%.

As proposed, this amendment will pay a Management Fee of \$194,709 to OMI, and Direct Costs which include labor and benefits, materials and services of \$1,232,545; the total cost of the contract amendment as proposed will be \$1,427,254, a total increase of

5.0%. A philosophy of mutual risk/benefit has been maintained in the amendment as the City and OMI will equally split the costs of any increases in electrical, treatment chemical and natural gas costs above the budgeted amount up to 10%. The City remains liable for any electrical rate, treatment chemical and natural gas cost increases above 10%. The City receives half of any savings in Direct Costs from OMI at the end of the contract year.

In addition to adjusting the Contract fee, the proposed amendment clarifies OMI's responsibilities for cyber security given the limitations of the operational technology systems in place at the plant; an upgrade of those systems is planned for FY 2025/26.

Some of the most significant items of the contract that outline OMI's scope of work are:

- OMI is responsible to pay any fines or civil penalties which may be levied by a regulatory agency for violations of the plant's permit.
- OMI provides all preventive maintenance on the plant.
- OMI and the City jointly maintain the City's Industrial Pretreatment Program, OMI surveys the industrial users at least once every 3 years, assists in the evaluation of new industrial dischargers, and inspects and monitors permitted dischargers.
- OMI performs quarterly inspections of all facilities that are required to have grease traps (facilities with commercial kitchens, currently there are about 50 of them) and provides a report to the City summarizing the findings.

The terms of the Contract provide an option for the City to limit the annual increase in cost to 4% instead of the proposed 5%. This limitation would reduce the total contract amendment cost by \$13,539.00. Staff does not recommend imposing this limitation to the amendment cost because some of the highest Direct Cost increases are beyond OMI's control, and they are consistent with cost adjustments that the City has made in its own treatment plant budgets.

BUDGET ALLOCATION: The adopted FY2024/25 budget includes \$1,427,254 in line 055-5500-000.31-10 of the Wastewater Fund for the contracted operation of the wastewater treatment plant. The total cost of the proposed contract amendment will be \$1,427,254 and is the amount budgeted for this purpose.

ALTERNATIVES:

- A. **Staff Recommendation:** Move to authorize the City Manager to sign Amendment No. 1 to the OMI agreement in an amount not to exceed \$1,427,254.
- B. Move to authorize the City Manager to sign Amendment No. 1 to the OMI agreement in an amount not to exceed \$1,413,715, reflecting a 4% increase in cost from the prior year.
- C. Deny award of the proposed contract amendment and provide additional direction to staff on how to proceed.



AGENDA STAFF REPORT

AGENDA LOCATION: Item #9B

MEETING DATE: June 24, 2024

TO: Honorable Mayor and City Council

FROM: Ann Moorhead
Special Projects Coordinator

ISSUE: Awarding Contract No. 2024-005 – The Dalles Municipal Wi-Fi Assessment

BACKGROUND: In 2011, the City entered a contract with Gorge Networks to deploy a downtown-wide Wi-Fi network, supported by QualityLife (**Q-Life**) for initial fiber network infrastructure. The installation commenced with the placement of the first antenna in June 2011 and phased-in expanded coverage through 2013—initially targeting the downtown core (between 1st and 3rd Streets), each phase progressively extended coverage to encompass most parks, outdoor public areas, and commercial parking lots along West 6th Street.

In 2014 and 2015, proposals for two additional phases aimed to further expand and optimize the system while addressing aging hardware. However, those phases were only partially implemented, with only partial replacement of hardware from the initial phases. Documentation for these final stages is limited. In the 7 years since the system's last significant investment, it has become outdated, has lacked security updates for over 5 years, and is proving unreliable for users. City Staff initiated a Request for Proposals (**RFP**) to update the system after recognizing the mounting issues and urgent need for modernization.

In preparation for the RFP, City Staff conducted thorough retroactive research and mapping of the existing system, compiling documentation on its history and issues. That comprehensive effort aimed to develop precise requirements guiding the new system, rectify previous shortcomings, and capitalize on past experiences. Recognizing Wi-Fi's ongoing significance as a public amenity for equitable internet access, economic

development, tourism, and City marketing, the RFP strategically narrowed its focus to prioritize outdoor public areas, such as parks, while reducing coverage over commercial zones.

The City issued the RFP on April 3, 2024. The RFP was advertised in the City’s Webpage and Facebook page, the Daily Journal of Commerce, Oregonbuys.gov, and the Columbia Gorge News newspaper. The City opened proposals on April 25, 2024, at 2:00 p.m. The City received one proposal (**Proposal**), as follows:

<u>Name</u>	<u>Responsive</u>	<u>Proposed Total</u>
Actual Broadband	Yes	\$248,216.84 - \$286,584.99

Following opening, Staff reviewed the Proposal received for completeness as described in the RFP. The result of that review was that the Proposal had complied with all proposer requirements described in the RFP and was deemed as a qualified proposal. Subsequently, the Proposal underwent further evaluation and scoring by Staff, achieving a satisfactory score.

Due to the cost of the project, in accordance with the City’s Local Contract Review Board Rules, City Staff entered into negotiations with Actual Broadband to create a phased plan for project implementation. This plan is outlined in detail in the following section.

COST & PHASING CONSIDERATIONS: The Proposal included two main aspects required for the development of a new Wi-Fi system: (1) *current system disposal* and (2) *new system installation*.

(1) *Current System Disposal:*

The Proposal recommends dismantling and disposing of the existing system rather than fixing or otherwise continuing to use the current equipment (as it has become antiquated and can no longer receive security updates). Additionally, the Proposal recommends disposal in advance of any new installation to avoid confusion and potential complaints from users. Complete dismantling is priced at \$29,250.00, with a timeline of 45 days.

(2) *New System Installation:*

Installation costs vary by location. Due to the high cost of fiber expansion, the system will use existing fiber drop points to wirelessly service the indicated area where possible. In areas where wireless connection is not viable due to the expense of the Q-Life infrastructure, those locations have all been notated as *postponed* until the budget or Q-Life connectivity is in place to reach them. Costs provided in the Cost and Phasing Table for areas that require fiber connection are solely for Wi-Fi network installation and do not include Q-Life Fiber extension expenses.

Phasing:

Phasing was determined through further negotiation with Actual Broadband. It was determined by usage and ease of connectivity. As mentioned, locations requiring additional fiber installation are postponed, while the remaining projects are split into two phases to stay within a \$150,000 budget for Phase 1. Phase 1 prioritizes City properties and high-traffic areas (particularly those with high tourism traffic); less utilized locations and those requiring further organizational cooperation are postponed to Phase 2 for completion when additional funding is available.

Cost and Phasing Table

Phase	Area Name	Connection Type	Installation Cost	Monthly Management Fee
Phase 1	DISMANTLE CURRENT SYSTEM	n/a	\$29,250.00	\$0
	2nd & Federal	Wireless	\$7,814.46	\$50
	City Park	Wireless	\$16,658.88	\$75
	Cruise Ship Dock	Wireless	\$15,516.47	\$75
	Lewis and Clark Festival Park	Wireless	\$11,778.74	\$75
	Thompson City Park	Wireless	\$19,678.32	\$85
	Sorosis Park	Fiber (existing)	\$41,725.73	\$175
	SUBTOTAL			\$142,422.60
Phase 2	Firehouse Park	Fiber (existing)	\$5,650.54	\$50
	Kramer Field	Wireless	\$33,998.98	\$115
	Quinton St. Ballpark	Wireless	\$7,666.51	\$50
	Fort Dalles Museum	Wireless	\$8,661.96	\$75
	SUBTOTAL			\$55,977.99
TOTAL			\$198,400.59	\$825
Postponed	The Dalles Transit Center	Fiber	\$5,150.54	\$50
	Kiwanis Pocket Park	Fiber	\$5,814.53	\$50
	Riverfront Park	Fiber	\$37,226.61	\$120
	Discovery Center Parking Lot	Fiber/Wireless	\$22,357.72	\$95
TOTAL			\$70,549.40	\$315

SYSTEM POWER: The outdoor Wi-Fi hardware, like the current system, will primarily utilize light poles owned by Northern Wasco County PUD for power. However, since not every light pole currently supports that connection, some may need replacement during the system upgrade—the precise cost of such replacement can only be determined once maps of included poles are analyzed by NWPUD. To accommodate those and any additional fees incurred during the system update, Phase 1's total cost was kept more than \$7,500 under the proposed budget.

LIFESPAN & REPLACEMENT STRATEGY: The equipment is explicitly supported for five years by the manufacturer, with potential for extending software updates for an additional five years, contingent upon manufacturer support. However, even without updates, hardware will continue to function beyond the initial 5 years (albeit with declining conditions and usability) as observed with the current system. Phased installation facilitates a gradual replacement approach for aging equipment since hardware will reach the end of its lifespan and require replacement at different times. A staggered approach here allows for piecemeal replacement instead of replacing all equipment at once. Best practices suggest considering replacing hardware every 5-10 years as part of system maintenance.

BUDGET IMPLICATIONS: In recognizing the need for a phased installation approach, Staff budgeted \$150,000 for Phase 1 in the Fiscal Year 24/25 City Budget in the Capital Projects Fund, Line Item 037-3700-000.73-30. This line item is used to complete capital improvements to City buildings and facilities.

COUNCIL ALTERNATIVES:

1. **Staff Recommendation:** *Authorize the City Manager to enter into Contract No. 2024-005, a contract with Actual Broadband for Phase 1 of The Dalles Municipal Wi-Fi Assessment, in an amount not to exceed \$150,000.*
2. Request that staff provide additional information in response to questions raised by City Council.
3. Deny authorization to proceed with the contract.



AGENDA STAFF REPORT

AGENDA LOCATION: Item # 10A

MEETING DATE: June 24, 2024

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

ISSUE: Authorizations to apply for funding from the Clean Water State Revolving Fund and Business Oregon Water/Wastewater Financing Program to update the City's Wastewater Facilities Master Plan

BACKGROUND: The adopted FY2024/25 budget includes \$650,000 to update the City's Wastewater Facilities Master Plan as it applies to the wastewater treatment plant (WWTP). An update to the City's 20-year Master Plan is appropriate at this time because there are a number of things that have changed in the 11 years since the current plan was completed, and there are operational challenges at the plant that need to be addressed. Oregon DEQ requires that improvements to a wastewater treatment plant be consistent with the most recently approved Plan, and the City's Plan needs to be updated to include now needed improvements.

Some of the issues to be addressed in an updated plan include correcting a foaming problem that has plagued the plant's treatment process for decades, fixing the broken outfall pipe in the Columbia River, increasing the effluent pumping capacity to prevent flooding of the plant during storm events, dewatering of biosolids which are currently 97% water to reduce trucking and land application costs, and planning for treatment of low-strength wastewater from two new data centers. The City is currently in the process of renewing its discharge permit for the WWTP and is asking DEQ to increase its permitted capacity from 4.15 million gallons per day (mgd) to 6.0 mgd; the updated Plan will provide data and analyses necessary to support this request. Staff plans to advertise a Request for Proposals (RFP) for the Plan update this summer with the intent of awarding a contract before the end of 2024.

It may be possible for the City to get funding to help pay for the Plan update. Staff is exploring two potential funding sources, both of which require that the City Council authorize any applications to their funding programs. Both funding programs are often

used in combination with each other on projects.

The first program is the Clean Water State Revolving Fund (CWSRF). A CWSRF Planning Loan would be a 5-year loan at 0.87% interest, and up to \$100,000 of the loan could be forgiven. The intent would be to complete the Plan update using CWSRF loan funds, get some of the loan forgiven, and then immediately pay off the rest of the loan before interest accrues. The result would be that the City receives what is essentially a grant of up to \$100,000 toward the Plan update.

The second potential source of funding is the Water/Wastewater Financing Program through Business Oregon. If it is determined that the City's project is eligible, this program might be able to provide a grant of up to \$20,000 and a 30-year loan at 1% interest; 50% of the loan could be forgiven which could contribute about \$325,000 to the project. Again, the plan would be to pay off the loan immediately after the project was completed to avoid paying any substantial interest.

Staff is seeking City Council's authorizations to apply to both of these programs to help fund a needed update the City's Wastewater Facilities Master Plan.

BUDGET ALLOCATION: The adopted FY2024/25 budget includes \$650,000 in the Wastewater Treatment Plant Reserve Fund, Fund 57, to be spent to update the City's Wastewater Facilities Master Plan. If either or both of these funding applications are successful, a Supplemental Budget would be presented to Council for authorization at a future date to receive funds to help pay for the Plan update.

ALTERNATIVES:

- A. **Staff Recommendation:** Move to authorize staff to apply for funding through the Clean Water State Revolving Fund and the Water/Wastewater Financing Program to update the City's 20-year Wastewater Facilities Master Plan.
- B. Deny authorization to apply for funding to update the City's 20-year Wastewater Facilities Master Plan.



AGENDA STAFF REPORT

AGENDA LOCATION: Item # 10B

MEETING DATE: June 24, 2024

TO: Honorable Mayor and City Council

FROM: Jeff Renard / Airport Manager

ISSUE: Hood Aero Flex Space Lease renewal

BACKGROUND: Hood Aero is the fixed base operator that has been leasing the "flex space hangar" from the airport since 2018 for aircraft storage and maintenance and has reached the term for lease renewal. The attached 5-year lease does reflect the required 2.6% CPI increase and increases the monthly rent to \$4,210.70

BUDGET IMPLICATIONS: This is a \$106.70 increase in the monthly rent.

COUNCIL ALTERNATIVES:

1. **Staff recommendation:** *Move to authorize the City Manager to execute the attached Hood Aero 5-year lease as presented. Contingent on Klickitat County approval.*
2. Move to direct Staff to make requested changes for further review.
3. Move to take no action.

**LEASE FOR FLEX SPACE HANGAR
HOOD TECH CORP. AERO INC. DBA HOOD AERO**

LESSOR: The real property and Flex Space Hangar facility are jointly owned by the *City of The Dalles*, a municipal corporation of the State of Oregon, and *Klickitat County*, a municipal corporation of the State of Washington, located at the Columbia Gorge Regional Airport, 45 Airport Way, Dallesport, Washington, 98617. The City and County jointly are the Lessor.

LESSEE: Hood Tech Corp. Aero Inc. dba *Hood Aero*
3608 Airport Road
Hood River, Oregon 97031

Lessor leases to Lessee, and Lessee leases from Lessor a portion of the Flex Space Hangar facility located at 30 Jim Riley Loop, Dallesport, Washington, 98617, measuring 7,400 square feet, which Building is located on Lot 3 as shown in the Binding Site Plan BASP2013-02, a copy of which is attached to and made part of this Lease as **Exhibit A**.

Section 1. Term.

This Lease shall commence **July 1, 2024**, and continue through **June 30, 2029**, unless sooner terminated as provided herein.

Section 2. Rent.

- 2.1 During the term, Lessee shall pay to Lessor as rent the sum of *four thousand two hundred ten dollars and seventy cents (\$4,210.70) per month*. Rent shall be payable on the first (1st) day of each month in advance at such place as may be designated by Lessor, except that rent for the first and last months shall be paid upon the execution of this Lease. Rent shall increase annually each July 1 during the term by 2.6%. Nothing in this Section precludes Landlord's potential adjustment of Tenant's rent (at any time) consistent with direction Landlord receives from the Federal Aviation Administration (FAA) connected with the fair market value of Airport property, revenue, and this Lease, and Tenant expressly assents to any FAA-directed adjustment or shall have the privilege to terminate this Lease at no additional cost.
- 2.2 The amount of rent shall be established after consideration of the Airport's costs and needs for operation, inflation, taxes, the fair market value of the Leased Premises and the demand for rental space at the Airport. The term "fair market rental value" means the most probable Lease rate in terms of money which the Premises, including those improvements thereon owned or extended by Lessor, would bring if exposed for Lease on the open market, with a reasonable time allowed to find a tenant, leased with full knowledge of the highest and best use of which the Premises could be put consistent with the then most current Airport Master Plan, County and City Comprehensive Plans, and FAA regulations.

Section 3. Use of the Premises.

- 3.1 Permitted Use. The Premises shall be used for the following purposes:

FBO business, including storage and maintenance of all aircraft being serviced or leased by Lessee.

- 3.2 Restrictions on Use. In connection with the use of the Premises, Lessee shall:
- 3.2.1 Conform to all applicable laws and regulations of any public authority affecting the Premises and the use. Lessee agrees to provide Lessor and/or the Economic Development Administration with any document, evidence, or report required to assure compliance with federal and state law, including but not limited to applicable federal and state environmental laws.
 - 3.2.2 Refrain from any use that would be reasonably offensive to other tenants or owners or users of neighboring premises, or that would tend to create a nuisance.
 - 3.2.3 Refrain from making any marks on, or attaching any sign, insignia, antenna, aerial or other device to the exterior or the interior walls or roof of the Premises without the written consent of Lessor.
 - 3.2.4 Lessee shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the Premises or into the stormwater system at the Airport. In the event Lessee has any pollutant-generating material, processes and/or products which are exposed to stormwater, Lessee shall contact the Washington Department of Ecology for an evaluation of whether coverage under DOE's Industrial Stormwater General Permit is required. Lessee may store such Hazardous Substances on the Premises only in quantities necessary to satisfy Lessee's reasonably anticipated needs. Lessee shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling, and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled, or stored on the Premises. Upon the expiration or termination of this Lease, Lessee shall remove all Hazardous Substances from the Premises. The term Environmental Law shall mean any federal, state or local statute, regulation, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term Hazardous Substance shall mean any hazardous, toxic, infectious or radioactive substance, waste and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions. Lessee shall maintain for the duration of the Lease term "Material Safety Data Sheets" for all hazardous substances used or stored on the Premises in a place known and accessible to the Lessor and the Airport Managers.
 - 3.2.5 Use by Lessee of heaters, air conditioners, freezers or air compressors for power tools are prohibited unless approved in writing by Lessor. FAA certified engine heaters that are installed on the aircraft engine/engines, or approved for external use on the aircraft engine/engines, in compliance with FAA regulations are approved for use.
 - 3.2.6 Only designated aircraft may be stored upon the Leased Premises.
 - 3.2.7 No maintenance is allowed unless approved by the Lessor (see *Columbia Gorge Regional Airport Rules and Regulations*, incorporated herein by this reference).
 - 3.2.8 Aircraft washing must be accomplished only in designated area established by the Airport Manager.

- 3.2.9 All fueling must be provided by the authorized/designated “Aviation Fuel Provider” established by the Airport Manager.
- 3.3.10 Lessee agrees to observe and obey all policies, rules, and regulations promulgated and enforced by Lessor and any other appropriate authority having jurisdiction over the Airport and the Premises described in this Lease, during the term of this Lease. Lessee, its employees and agents, shall faithfully observe and apply the rules and regulations. Rules and regulations are defined, but not limited to, the then-current *Columbia Gorge Regional Airport Rules and Regulations and Minimum Standards for Commercial Aeronautical Activities*, incorporated herein by this reference and a copy of which is on file at the Airport Manager’s Office.

Section 4. Purpose and Non-Discrimination.

Lessor and Lessee acknowledge that the Leased Premises were improved with a grant award from the U.S. Department of Commerce, Economic Development Administration (EDA), Project No. 07-01-07154 (Award), and are subject to the terms and conditions of the EDA financial assistance award and applicable EDA Property Management regulations. Consequently, Lessor and Lessee, and their successors and assigns, agree as follows:

- 4.1 The Leased Premises must be used in a manner consistent with the authorized general and specific purposes of the financial assistance award including non-relocation, adequate consideration and environmental compliance. The Leased Premises must also be used in accordance with the EDA recorded Agreement and Mortgage (Klickitat County Auditor document number 1125176), and the Award terms and conditions. Further, the Leased Premises may not be used in violation of the nondiscrimination requirements set forth in 13 C.F.R. section 302.20 or for inherently religious activities prohibited by applicable federal law. In particular, Lessee may not discriminate against any qualified employee or applicant for employment because of race, color, national origin, religion, sex, age, or physical or mental disability.
- 4.2 Lessee for itself, its heirs, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises described in this Lease Agreement for a purpose for which a Department of Transportation (DOT) program or activity is extended, or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Sub-title A, Office of the Secretary, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
- 4.3 Lessee for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that: (a) no person on the grounds of race, color, sex, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to, discrimination in the use of said facilities; (b) in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person on the grounds of race, color, sex, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination;

and (c) Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, DOT, Sub-title A, Office of the Secretary, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

- 4.4 In the event of breach of any of the above non-discrimination covenants, Lessor shall have the right to terminate this Lease Agreement and to re-enter and repossess said Leased Premises and the facilities thereon, and hold the same as if said Lease Agreement has never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.
- 4.5 Noncompliance with Subsections 4.2 – 4.4 above shall constitute a material breach thereof and, in the event of such noncompliance, Lessor shall have the right to terminate this Lease Agreement and the estate hereby created without liability therefor, or at the election of the City or County or the United States, either or both said Governments shall have the right to judicially enforce the provisions of said Subsections 4.2 – 4.4.

Section 5. Repairs, Maintenance and Inspection.

- 5.1 Except for repairs necessitated by the use of the Leased Premises by Lessee, its agents, employees, and/or invitees, Lessor shall maintain the Premises in a condition which is equivalent or better than the condition which existed at the time of execution of this Agreement. Lessee agrees to keep the Premises in a neat, clean and proper condition at all times. Any repair to the Premises, including repairs to major structural parts, which are required as a result of an act of the Lessee, its agents, employees or contractors, or any business visitor or invitee, shall be the responsibility of the Lessee.
- 5.2 Landlord, its agents, or local government authorities shall have the right to inspect the Premises for any reasonable purpose at any time. If the inspection reveals a condition or conditions which Lessee has the responsibility to repair, Lessee agrees to take immediate action to make such repairs upon written notice being given by Lessor. If the inspection determines that the Lessor is responsible for the repairs, the Lessor shall take immediate action to correct them. For repairs not discovered during an inspection by Lessor; if the Lessor is notified by Lessee in writing of the necessity of maintenance or repairs, the duty of Lessor to make such repairs shall not mature until a reasonable time after Lessor has been in receipt such notice.

Section 6. Alterations.

Lessee shall make no improvements or alterations on the Premises of any kind without written permission from the Lessor.

Section 7. Insurance.

- 7.1 Insurance Required. Lessor shall keep the Premises insured at Lessors expense against fire and other risks covered by a standard comprehensive fire and liability insurance policy. Lessee shall carry similar insurance insuring the property of Tenant on the Premises against such risks.
- 7.2 Liability Insurance. Lessee shall carry the following insurance at Lessees cost:

commercial general liability insurance with a responsible company with limits of not less than Two Million Dollars (\$ 2,000,000.00) on a combined single limit basis and fire insurance with an extended coverage endorsement covering Lessee's improvements, Lessee's personal property and the Leased Premises. Liability insurance shall cover all risks arising directly or indirectly out of Lessee's activities on the Premises whether or not related to an occurrence or any condition caused or contributed to by Lessor's negligence. Such insurance shall protect Lessee against the claims of Lessor on account of the obligations assumed by Lessee under the paragraph entitled Indemnification, and shall name Lessor as an additional insured. Certificates evidencing such insurance and bearing endorsements requiring ten (10) days written notice to Lessor prior to any change or cancellation shall be furnished to Lessor prior to Lessee's occupancy of the property. The insurance shall be on a form and from a company reasonably acceptable to Lessor. Failure of Lessee to maintain an approved insurance policy shall constitute a default under this Lease Agreement.

- 7.3 Waiver of Subrogation. Neither party shall be liable to the other (or to the others successors or assigns) for any loss or damage caused by fire or other casualty and risks enumerated in the insurance policy with an extended coverage endorsement, and in the event of insured loss, neither party's insurance company shall have a subrogated claim against the other. This waiver shall be valid only if the insurance policy in question expressly permits waiver of subrogation or if the insurance company agrees in writing that such a waiver will not affect coverage under the policies. Each party agrees to use their best efforts to obtain such an agreement from their insurer if the policy does not expressly permit a waiver of subrogation.

Section 8. Taxes; Utilities.

- 8.1 Taxes. Lessee shall pay as due all taxes, personal and property, assessments, license fees, and other charges which are levied and assessed upon Lessee's interests in the Premises, by any legally authorized governmental authority. Lessee is responsible for real property taxes imposed by Klickitat County upon the Premises which will be collected monthly/annually as computed by the Uniform Rate Structure Identified in Section 2, paragraph 2.2.
- 8.2 Utility Charges. Lessee shall pay when due all charges for services and utilities incurred in connection with the use, occupancy, operation and maintenance of the Premises, including, but not limited to, water, gas, electricity, sewage disposal and power.

Section 9. Indemnification. Lessee shall indemnify, defend, save, protect, and hold harmless the Lessor, its officers, agents and employees from any claim, loss or liability, including reasonable attorney's fees, arising out of, or related to, any activity of Lessee on the Premises or any condition of the Premises in the possession of or under the control of Lessee. Lessor shall have no liability to Lessee for any injury to Lessee for any injury, loss, or damage caused by third parties or by any condition of the Premises, except to the extent caused by Lessor's negligence or breach of duty under this Lease.

Section 10. Assignment and Subletting. Lessee shall not assign, sell or transfer its interest in this Agreement or sublet any part of the Premises without having first obtained the express written consent of the Lessor and the EDA. In the event Tenant shall attempt to assign, sell or transfer its interest in this Lease Agreement or any part hereof, without having first obtained the express written consent of Lessor and the EDA, this Agreement shall be null and void and Lessor shall have an immediate right of entry.

Section 11. Default. The following shall be events of default:

- 11.1 Default in Rent. Failure of Lessee to pay any rent or other charge within ten (10) days after it is due.
- 11.2 Default in Other Covenants. Failure of Lessee to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of rent or other charges) within twenty (20) days after written notice by Lessor.

Section 12. Remedies on Default.

- 12.1 Termination. In the event of a default, the Lease may be terminated at the option of Lessor by written notice to Lessee. Whether or not the Lease is terminated by the election of Lessor or otherwise, Lessor shall be entitled to recover damages from Lessee for the default. Lessor may re-enter, take possession of the Premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages and without having accepted a surrender.
- 12.2 Re-letting. Following re-entry or abandonment, Lessor may re-let the Premises, and in that connection may make any suitable alterations or refurbish the Premises, or both. Lessor may relet the Premises for a term longer or shorter than the term of this Lease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concessions.
- 12.3 Damages. In the event of termination or retaking of possession following default, Lessor shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the Lease term, the following damages:
 - 12.3.1 The loss of rental from the date of default until a new lessee is, or with the exercise of reasonable efforts could have been, secured and paying out.
 - 12.3.2 The reasonable costs of re-entry and re-letting including without limitation the cost of any cleanup, refurbishing, removal of Lessees property and fixtures, remodeling or repairs costs, attorney's fees, court costs, recording costs, broker commission and advertising costs.
- 12.4 Late Fee. In the event Lessor fails to receive rent, or any other payment required by this Lease, within five (5) days after the due date, Lessee shall pay to Lessor a late charge of five percent (5%) of the payment amount. Lessee shall pay the late charge upon demand by Lessor. Lessor may levy and collect a late charge in addition to all other remedies available for Lessees default, and collection of a late charge shall not waive the breach caused by the late payment.
- 12.5 Remedies Cumulative. The foregoing remedies shall be in addition to, and shall not exclude any other remedy available to, Lessor under applicable law.

Section 13. Surrender. *[intentionally omitted]*

Section 14. Renewal Option. *[intentionally omitted]*

Section 15. Miscellaneous.

- 15.1 Non-waiver. Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of, or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.
- 15.2 Attorney Fees. If suit or action is instituted in connection with any controversy arising out of this Lease, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees at trial, on petition for review, and on appeal.
- 15.3 Notices. All notices or other communications required or permitted under this Agreement shall be in writing and shall be (a) personally delivered (including by means of professional messenger service), which notices and communications shall be deemed received on receipt at the office of the addressee; (b) sent by registered or certified mail, postage prepaid, return receipt requested, which notices and communications shall be deemed received three (3) days after deposit in the United States mail; or, (c) sent by fax, which notices and communications shall be deemed received on the delivering party's receipt of a transmission confirmation.
- 15.4 Interest on Rent and Other Charges. Any rent or other payments required of Lessee by this Lease shall, if not paid within ten (10) days after it is due, bear interest at the rate of twelve percent (12%) per annum (but not in any event at a rate greater than the maximum rate of interest permitted by law) from the due date until paid. This is in addition to the 5% late fee.
- 15.5 Time of Essence. Time is of the essence of the performance of each of Lessee's obligations under this Lease.
- 15.6 Damage or Destruction by Fire or Other Casualty. In the event the Flex Space Hangar Building shall be partially or wholly damaged by fire or other casualty, Lessor shall have the option to either rebuild the structure, or terminate this Lease Agreement. In the event Lessor elects to proceed with rebuilding the structure, and it is necessary for Lessee to temporarily vacate the Lease Premises while the repair work is being completed, the monthly rental payment due from Lessee shall be abated during the period of time which Lessee is unable to occupy the Premises while the repairs are being completed. In the event the Lessor elects to terminate the Lease Agreement, Lessor shall provide notice of the termination to Lessee within fourteen (14) days of the date the casualty occurred.
- 15.7 Airport Use and Development. Lessor reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires of Lessee and without interference. Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. If the landing area of the Airport becomes unusable by aircraft for any reason, Lessee shall have the right to terminate this Agreement at no cost or further liability to Lessee. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between the Lessor and the United States, relative to the development, operation, and maintenance of the Airport. There is hereby reserved to the Lessor, and its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the

operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operation on the Airport. Any physical taking of the Leased Premises for use by the Lessor, other than as provided herein, shall be considered a taking pursuant to the governmental power of eminent domain. This Lease Agreement shall be terminated upon the effective date of any final order or judgment in the eminent domain proceeding.

Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulation in the event future construction of a building is planned for the Leased Premises, or in the event of any planned modification or alteration of any present or future building or structure located upon the Leased Premises. Lessee agrees that it will not erect or permit the erection of any structure or object, nor permit the growth of any tree on the Leased Premises to exceed the established height contours. In the event of a breach of the foregoing covenants, Lessor reserves the right to enter upon the Leased Premises and remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Lessee. Lessee agrees it will not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft from the Airport, or otherwise constitute a hazard. In the event of a breach of the foregoing covenant, Lessor reserves the right to enter on the Leased Premises and cause the abatement of such interference at the Lessee's expense. It is understood and agreed that nothing contained herein shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1349a). This Lease, and all provisions hereof, shall be subject to whatever right of the United States Government now has, or in the future may have or acquire, affecting the control, operation, regulation, and taking over of the Airport by the United States during the time of war or national emergency.

- 15.8 Removal of fixtures, furniture, and equipment. Upon termination of this Lease Agreement, or during the term of this Lease Agreement, Lessee shall have the right to remove all equipment, furniture and fixtures owned by the Lessee, which have not become attached to the Leased Premises. In the event Lessee removes any said equipment, furniture or fixtures which Lessee is empowered and entitled to remove and by such removal causes damage or injury to the Leased Premises, Lessee agrees to repair any damages or injury immediately, at Lessee's expense, and to restore the Premises to as good as state or condition as the Premises were at the beginning of the date of this Agreement.
- 15.9 Mechanics and Materialman's Liens. Neither Lessor or Lessee shall permit any mechanics, materialman's, or other lien against the Premises or the property of which the Premises forms a part in connection with any labor, materials, or services furnished or claimed to have been furnished. If any such lien shall be filed against the Premises or property of which the Premises forms a part, the party charged with causing the lien will cause the same to be discharged; provided, however, that either party may contest any such lien, so long as the enforcement thereof is stayed.
- 15.10 Savings Clause. In the event that any part of this Agreement or application thereof shall be determined to be invalid by a court of competent jurisdiction, such findings shall have no effect on the remaining portions of this Lease.
- 15.11 Written Agreement. Neither party has relied upon any promise or representation not contained in this Lease. All previous conversations, negotiations, and understandings are of no further force or effect. This Lease Agreement may be modified only in writing signed by both parties. The headings of the paragraphs are for convenience only and are

not part of this Lease, nor shall they be considered in construing the intent of this Lease Agreement.

Section 16. Audit and Inspection of Records; Retention of Records. At any time during normal business hours and as frequently as is deemed necessary, Lessee shall make available to Lessor and the EDA or EDA's authorized agents, for their examination, all of its records pertaining to matters covered by this Lease and only matters relating to the Lease. All records in the possession of Lessee pertaining to this Lease shall be retained for a period of three (3) years after the expiration of the Lease or any extension thereof. All records shall be retained beyond the three (3) year period if audit findings have not been resolved within that period, or if other disputes have not been resolved.

Section 17. Applicable Law. This Lease Agreement shall be governed by the laws of the State of Oregon.

Section 18. Payments. Please make payment checks to the City of The Dalles, and mail Lease payments to the party below:

Finance Director
City of The Dalles
313 Court Street
The Dalles, Oregon 97058

Section 19. Notices and Communications. All notices and communications may be served by enclosing the notice in a sealed envelope and deposited in the United States Post Office as certified mail and received by the authorized party below:

Lessor: City Manager
City of The Dalles
313 Court Street
The Dalles, OR 97058

Lessee: Hood Tech Corp. Aero Inc. dba Hood Aero
3608 Airport Drive
Hood River, Oregon 97031

Section 20. Operation of Airport. Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstructions, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the Premises which, in the opinion of Lessor or the FAA, would limit the usefulness of the Airport or constitute a hazard to aircraft. Lessor also reserves the right during the term of this Lease Agreement to install air navigational aids including lighting in, on, over, under, and across the Leased Premises in the exercise of any of the rights hereof. Lessor agrees to give Lessee no less than ninety (90) days' written notice of its intention to install such air navigational aids.

Section 21. Use of Airport Facilities. Lessee shall have the rights of access to and use of all areas and facilities of the Airport which are intended for the common use of all Lessees and occupants of the Airport, including, but not limited to, the take-off and landing areas, taxi areas, reasonable access thereto from the Leased Premises, and air control facilities (**Airport Facilities**). For purposes of this Section 21: (a) "airplanes" or "aircraft" shall mean airplanes and/or aircraft of any type, including but not limited to fixed-wing aircraft, helicopters, uncrewed aerial vehicles, and blimps which use the runways at the Airport and can take off and land at the Airport as of the Effective Date and which use the Leased Premises; (b)

“use” shall mean any use consistent with the use as described in Section 3; (c) “wholly unusable” shall mean there is no reasonable access for airplanes from the Leased Premises to the runways at the Airport or all runways at the Airport are reasonably unusable by airplanes; and (d) “partially unusable” shall mean the runways and related facilities and landing areas are restricted to the extent neither Lessee nor Lessee’s subtenants can make reasonable use of the Leased Premises for the stated purposes of this Agreement. If the Airport becomes wholly or partially unusable by Lessee for a period of at least sixty (60) days for any reasons (but excluding weather), the provisions of this Section 21 shall govern. Lessee shall be permitted to fully abate rent otherwise payable under this Lease Agreement upon written notice given by Lessee to Lessor. If the Airport shall be wholly unusable for a period of six (6) months or more, Lessee may terminate this Lease Agreement upon written notice to Lessor. In such event, Lessor shall not be responsible for the reimbursement of the value of Lessee’s personal property or improvements to Lessee. In the event the Leased Premises becomes partially unusable for six (6) months or more, Lessee shall be entitled to a prorated reduction in rent based on the percentage of Lessee’s loss of income in relation to the rent payable under this Lease Agreement for the period of time during which the runways and related facilities and landing areas are partially unusable.

Continues on next.

CITY OF THE DALLES,
an Oregon municipal corporation

BOARD OF COUNTY COMMISSIONERS
Klickitat County, a Washington municipal corporation

Matthew B. Klebes, City Manager

Chair

Commissioner

Commissioner

ATTEST:

ATTEST:

Amie Ell, City Clerk

Clerk of the Board

Approved as to form:

Approved as to form:

Jonathan M. Kara, City Attorney

Prosecuting Attorney

Date

Date

HOOD TECH CORP. AERO DBA HOOD AERO

Brian Prange, Vice President

Date