

Port of Cascade Locks  
5/5/16

### Response To Questions:

On March 21, representatives from the Port of Cascade Locks met with citizens and business people in an around Stevenson, Wa.

---

1. Look at the forest pass and Discovery Pass for ideas.

**Answer:** We researched this for applicability to the toll situation. Some of the aspects of these programs can be applied to the toll operation. The local decal was one of the ideas that we saw from this research.

2. If the tolls are increased, what will be the anticipated revenue loss?

**Answer:** In checking with other toll bridge operators and talking to our engineer, we anticipate that there could be anywhere from 5% to 10% toll revenue reduction for 2-3 months. This also seems to mirror the impact from past toll increases here in CL. Current planning does not anticipate a long term reduction in tolls. It is hoped that careful education and providing customers with options to lower toll cost will also lower the impact. The Port of Hood River reports no reduction in traffic following a toll increase.

3. Elasticity concept?

**Answer:** We understand this to be the percent of change in quantity demand for a given product. We have acquired the formula from the internet and are working some numbers and approaches through it to see if it even fits this situation.

4. The Bridge should not have a toll.

**Answer:** This Bridge has always had a toll. It was purchased by the Cascade Locks Port Commission in 1961 to generate revenue to support Port/BOG maintenance and repair, Port operations and economic development. Part of the rationale for purchasing the BOG was to ensure the interstate connection for commuters, truckers, businesses and others.

Without tolls the Port would not have adequate funds to safely maintain the bridge. The Port does not receive funds from state or federal sources in the same way that both states receive federal funds to maintain infrastructure.

5. Look into bonds to pay for the BOG.

**Answer:** The Port is always looking at every option to maintain and preserve the BOG. As with loans, the Port would have to make payments if it sold bonds. All funding options are regularly reviewed for needed repairs on the BOG. The Port reviews this situation annually at the time the 10 Year Plan is updated. At this point everything indicates that federal funds either directly allocated or through both states would be the best funding resource for the next 10 years. Annually the Port looks at 10-15 year revenue bonds as well as other fundraising strategies.

6. Why “go after” the tourists?

**Answer:** It is not a matter of going after or targeting any one class of customer. Tourists were mentioned as a group of people who come from outside the area, would not be impacted economically in the same way that local residents would. A \$2 charge for “tourists” who are infrequent users from outside the local area, and would be without a coupon book or local identifier (decal) is appropriate and has been applied in other areas of the country. There are also other options to deal with

this issue such as local businesses or organizations buying coupon books and giving them away, sell them or adding the cost to room rates, meals etc. Under the current thinking, even tourists could purchase a coupon book and avoid the \$2 crossing toll. For frequent tourists or visitors from Portland or the surrounding area, the option to purchase coupon books would mitigate this potential problem. The Port would even encourage the Chamber of Commerce for example to purchase coupon books to be resold or given to local businesses or visitors, to encourage local businesses. Research into tolling nationwide has told us that nationwide tolls are much higher than at the BOG. This makes us think that a \$2 toll for people outside the area should not be a big surprise or seem unusual.

The goal of the Port Commission is to keep the tolls lower for local residents and businesses than for those who create the heaviest burden (i.e. trucks) or are only periodic visitors. Our research indicates that the tolls in other areas are higher than what is currently charged in Cascade Locks for cars. The Port is very sensitive to the growing tourism efforts in the area and that is part of the rationale behind taking lots of time and meeting with a lot of folks to better understand the issues and the opportunities.

7. Are you violating the federal commerce clause and improperly using the revenue?

**Answer:** The Port has very broad powers under state enabling legislation for Ports in Oregon. Two Port attorneys and others have looked at the situation and no concerns over federal laws, monopoly or coercion have been substantiated. The Port has operated in its current method and use of toll revenues since the purchase of the BOG in 1961. Our attorneys know of no federal commerce violation regarding the BOG and setting or collecting tolls. Plus annual audits have not determined that any illegal activity is taking place.

8. Have you determined where the trucks are going?

**Answer:** Trucks crossing the BOG generally come from the Portland metropolitan area and are heading to tri-cities and the Yakima Valley. We have no formal process for making a determination regarding destinations. Preliminary estimates indicate it would cost close to \$100,000 to do this kind of study. RTC has some data on trucks and other traffic along the Highway 14 corridor and BOG which might be helpful. It is estimated that over \$35 million in goods and services cross the BOG annually. By comparison, \$75 million in goods crosses the Hood River Bridge annually.

And as we discovered in 2013, it is very necessary for the BOG to be kept open and operating at least at 80,000 pounds. The Bridge of The Gods Maintenance and Preservation Plan is designed to do just that in partial recognition of the economy of Skamania and Klickitat Counties. We recognize that we are tied together in a number of ways.

9. What is the percent of revenue spent on economic development?

**Answer:** In the current year's budget (2015-16) the Port has budgeted \$236,222. in bridge toll revenue to support economic development. That is 14% of total toll revenue and represents 82.2% of the Economic Development Department budget.

10. What is the "net" out of the bridge?

**Answer:** For the 2015-16 budget years, the Port will take in \$1,690,000 in tolls. Of that amount, \$189,000 will be spent on Bridge repairs and \$379,162 is the cost of 24/7 operation of the Toll Booth. The total then is \$568,162 directly related to the BOG. That is 32.62%. The Port does not work off a tax base like Cities, Counties and state government. The Port receives about \$3,020 a year from property taxes and the balance of the

funds for Port programs comes from revenues generated by the Port through tolls, property sales and leases.

11. What is the history of income and uses of the money?

**Answer:** Attached is a listing of the historical amount of money received annually from tolls at the BOG. In the Ports annual budget process, bridge tolls help fund the cost for the Commission, Administration, Economic Development, BOG and Maintenance and Construction.

12. What is the actual cost to buy the coupon books?

**Answer:** For 2015-16 the Port budgeted \$13,500 to purchase new coupon books. The actual cost for coupon books was \$15,122.28.

13. Tourists having to pay \$2 will not work?

**Answer:** We understand that sentiment and have worked hard to develop some options that could mitigate this potential problem. Under the current proposal, tourists could purchase coupon books and then be able to cross the BOG for the \$1 per crossing toll. Additionally, the Port would sell coupon books to local businesses, service groups and others. These books could be purchased to lower the impact on visitors and provide for local businesses to encourage local visitors to use coupons and cross the BOG for \$1 per crossing. This provides the visitor with the option to pay \$2 or buy a coupon book or for local businesses to sell or give coupons to visiting customers.

The Port Commission is extremely sensitive to the impact that toll increases might have on the local economy. The inclusion of a number of options and alternatives is included so that the end customer has some options to benefit from.

14. Raise the tolls very carefully.

ANSWER: Raising the tolls for the BOG is not something the Port Commission does without a lot of thought. This review and options to increase tolls has taken much time and afforded locals a variety of ways to comment, suggest and be a part of the process. A big difference now is that the Port has a clear plan for what needs to be done to the BOG to keep it in 80,000 pound operating condition.

15. Raise the tolls incrementally.

ANSWER: This option was considered but discarded because it did not begin to generate sufficient revenues to help guarantee the long term operation of the BOG and it did not adequately impact the heavy users of the BOG. Raising tolls incrementally would have been a good solution 20-30 years ago.

16. Charge heavy users more.

ANSWER: Following considerable thought, the Commission has come up with a methodology to assess a toll for heavy vehicles based on the impact of their use. Under the new program, heavy users would pay more toll because of their weight and heavy wear and tear on the BOG. Three to eight axle trucks will pay more proportionately for crossing the BOG than will other classes of vehicles. Local businesses will have the opportunity to lower that cost by the purchase of coupon books as well as use local decal. Local business purchases of coupons in excess of \$500 will afford them a 5% discount.

17. Address the highway 14 issue.

ANSWER: Highway 14 is certainly a perplexing issue for the local community as well as for truckers. It is a safety issue also

for both locals and for those who come to fully enjoy the NSA. We suggest that this is an issue we all need to band together to help resolve. Political advocacy that includes the Gorge Commission, OneGorge, all counties, both states and the trucking industry would seem to be highly effective in helping to improve this situation. The RTC and WSDOT are already involved and it would be a benefit for all of us within the NSA to assist these two entities as they work to solve this problem. The new relationship with the Gorge Commission along with the new federal funding programs provides us all with a very good reason to work more closely with RTC and WSDOT. We think the timing is perfect now.

18. Use a bar code.

**ANSWER:** A bar code is already used with coupon books and will also be a part of the new coupons. Bar codes are in part how the Port tracks books that are in the inventory.

19. If tolls go up, people will move away from town.

**ANSWER:** Our research and discussions with toll experts, especially back east, indicate that there is no mass exodus from communities as a result of increased tolls. We watch what the State of Washington is doing and can find no reduction in population as a result of ever increasing tolls on its bridges and highways..

20. What about local traffic and deliveries by local companies?

**ANSWER:** Under current thought, local cars and pickup trucks would continue to pay \$1 each way to cross the BOG. The proposed tolls will also provide a lower cost to local truckers and businesses if they purchase a coupon book. Discount pricing is also pegged to at least \$500 in coupon book purchases.

21. What is the total BOG revenue?

**ANSWER:** For the 2015-16 budget year the BOG will generate \$1,690,000 in toll revenue for the Port of Cascade Locks.

22. What are the monthly revenues?

**ANSWER:** Average monthly toll revenue for this budget year is \$140,000.

23. Can you break out revenue by vehicle type?

**ANSWER:** Yes. The regular monthly vehicle count indicates all vehicle types. A copy of that report is attached.

24. If I cannot afford to pay how can I apply for a discounted rate?

**ANSWER:** In response to this question and a concern for those who cannot afford to pay, the Commission is developing a special program to provide for this customer group to be able to get a special toll rate. This program will be available as of July 1. In addition, the famous clip board will continue to stay in use.

25. Can you create some focus groups to discuss this issue?

**ANSWER:** Focus groups were not used in this current process. The Port selected to meet with as many people as possible and worked with the local Chamber of Commerce to get the word out. In the future, this approach to involvement will be looked at.

26. Eliminate the charge for dual wheels.

**ANSWER:** Again, in response to the comments received by the Port, the Commission did look at this issue very thoroughly. The coupon purchase option will provide a lower rate of toll to those vehicles with dual rear wheels. When paying cash the toll for such vehicles will be \$3. However, when using a coupon book or with a local decal, the toll would be \$2.



