

MINUTES
PORT OF ASTORIA
REGULAR MONTHLY MEETING
MARCH 15, 2005
PORT COMMISISON CHAMBERS

Chairman Larry Pfund called the regular meeting to order and took roll call.

Commissioners present: Glenn Taggart, Dan Hess, Larry Pfund, Jim Bergeron and Don McDaniel.

Staff present: Peter Gearin, Ron Larsen, Rita Fahrney and Port Attorney, Heather Reynolds.

Others present: See sign-in sheet.

CHANGES TO AGENDA. Peter Gearin requested addition of the following:

- Consideration of Landlord's Release and Consent for the Union Fish Property be added after Agenda Item #5.
- Resolution 2005-13 Termination of CM/GC after Agenda Item #6
- Resolution 2005-14 Deferred Compensation Amendment after Agenda Item #9.

MINUTES
Workshop Meeting, February 8, 2005
Regular Meeting, February 15, 2005
Special Meeting, March 1, 2005

Commissioner Taggart moved to approve the minutes of the aforementioned meetings. Commissioners Bergeron seconded the motion. The motion carried unanimously.

VOUCHERS FOR THE MONTH OF FEBRUARY 2005. Commissioner Taggart reported he has reviewed the vouchers for the month with Director, Peter Gearin, and found them to be in order. He moved to approve vouchers for the month of February. Commissioner McDaniel seconded the motion. The motion carried unanimously.

PUBLIC COMMENT. Peter Huhtula reported that he, Tom Brownson, and Rose Priven have composed a letter to the U.S. Department of Transportation regarding a Coast Guard Docket allowing for comments on the Coast Guard's plans to develop regulations to set minimum security zones surrounding LNG tankers in transit and berth. He explained the need to know upfront what the community is getting into with siting of an LNG plant; what the exclusion zone will

be and the impact to other users. Huhtula distributed copies of the letter sent to the Department of Transportation and encouraged the Port Commission to also submit comments. The Notice provides for a comment period until May 9, 2005.

LANDLORDS RELEASE AND CONSENT – UNION FISH PROPERTY. Heather Reynolds advised this is a request from the Bank of Astoria for a Landlord Release and Consent for the Union Fish property, allowing for the bank to acquire a security interest in the lease. This is a standard form. Heather Reynolds summarized how the release and consent would work, and that in the event of a default the Bank may reassign the lease. Commissioner McDaniel moved to approve the Landlords Release and Consent. Commissioner Hess seconded the motion. The motion carried unanimously.

RESOLUTION 2005-10, TERMINATE ARCHITECT'S CONTRACT
RESOLUTION 2005-13, REJECTING PROPOSALS FOR CM/GC
CONTRACTOR – BORNSTEIN SEAFOOD

Peter Gearin reported the estimated project cost for the Bornstein Seafood facility was \$5,700,000 and approximately \$500,000. for a new dock. The Port applied to OECDD for project funding, negotiated a lease with the tenant and proceeded with development, utilizing a Construction Manager/General Contractor (CM/GC). Challenges arose with the poor soil conditions at the site and delay in obtaining permits needed. Additionally, the CMGC team estimated the cost at \$10 million. The alternative, to which the Port's tenant Bornstein has a strong desire to change to, is a design/build development process, which allows for competitive bidding. The choice to shift to design-build will render all proposals for CM/GC invalid as well as the termination of the contract for Waterleaf, the architect. It is staff recommendation to approve Resolution 2005-10 Terminating the Architects Contract and Resolution 2005-13 Rejecting Proposals for CM/GC Contractor for the Bornstein Seafood facility project. Commissioner Bergeron moved to approve Resolution 2005-10 and Resolution 2005-13. Commissioner Hess seconded the motion. The motion carried unanimously.

RESOLUTION 2005-11 APPROVING LEASE TO C.A. TAGGART.

RESOLUTION 2005-12 APPROVING LEASE FROM C.A. TAGGART.

Commissioner Taggart declared a Conflict of Interest in regards to the leases involving C.A. Taggart and departed the meeting during discussion and vote on the topics. Peter Gearin explained originally the Port budgeted, through moorage rate increase, a stand-alone building for new marina office and restroom facilities at an approximate cost of \$160,000. Since then, Port staff were approached with a proposal to provide these facilities within a larger development plan that would also include commercial space for activities such as a restaurant, shops, charter offices, etc. The Port would then lease the land to the developer to build the complex and then lease from the developer the space for new marina office and restrooms. This option would free the funds devoted to build a new complex to use to complete the haul-out facility and the use of the land to be developed by a

private industry would contribute to the tax base for the Urban Renewal District. Staff recommends approval of Resolution 2005-11 Lease of land to C.A. Taggart and Resolution 2005-12 lease of building space from C.A. Taggart.

Commissioner McDaniel concurred with staff recommendation, noting it will free up funds for development of other projects and will put the land on the county tax rolls. Chairman Pfund agreed, adding it is an important part of the marina support and a great step forward. Commissioner McDaniel moved to approve Resolution 2005-11 and Resolution 2005-12. Commissioner Hess seconded the motion. Commissioners Pfund, Hess, McDaniel and Bergeron voted yes. Commissioner Taggart was not present and did not vote due to conflict of interest. The motion carried with majority vote. Commissioner Taggart re-entered the meeting.

CONTRACT FOR CONSTRUCTION OF DOCK – BORNSTEIN SEAFOOD.

Peter Gearin reported the original plan called for removal of the old breakwater at the head end of slip one and replacement with a metal breakwater. However, the cost of steel has skyrocketed. The alternative is a traditional rip-rock bank with a pile supported concrete dock. The cost is expected to range between \$600,000 - \$700,000. Permits will be in hand Wednesday and Bergerson Construction will have just enough time to complete the in-water work during the permitted time. The contract has been reviewed by council and was exempted from public bidding at a previous meeting of the Local Contract Review Board. Commissioner McDaniel moved to approve the contract for construction of the dock. Commissioner Bergeron seconded the motion. The motion carried unanimously.

RESOLUTION 2005-14 ADOPTING MANDATORY DISTRIBUTION

AMENDMENT. Peter Gearin reported the purpose of this resolution is to amend the Port of Astoria Deferred Compensation cash-out provision as described in the staff report. The amendment will simplify and reduce administrative work associated with complying with the legislation passed in 2004 regarding mandatory cash-out provisions. Brief discussion followed on the ramifications of the amendment to participants with small accounts. Commissioner Taggart moved to approve Resolution 2005-14. Commissioner McDaniel seconded the motion. The motion carried unanimously.

STRATEGIC PLAN DISCUSSION. Peter Gearin reported, as stated in the staff report, the Port of Astoria adopted a Strategic Plan in 2000. Over the last five years the Port has successfully accomplished many of the goals. With many of the stated goals accomplished and much of the Port's available property leased, he proposes the Port Commission update the plan. He briefly reviewed progress to date and stated it is staff recommendation the commission establish a Strategic Plan Task Force comprised of two commissioners to develop a public process and timeline for developing an updated plan. Commissioners Glenn

Taggart and Don McDaniel agreed to volunteer to represent the commission members on the taskforce. Discussion followed.

Commissioner McDaniel commented on criticism heard from South County residents that the Port does not address their needs. This may provide an opportunity for the Port to respond to South County including considering property purchase in South County for future needs as well as reviewing other options. Chairman Pfund remarked he lives in South County and hears concerns also. Commissioner Hess moved to appoint Commissioner McDaniel and Commissioner Taggart to the Strategic Plan Taskforce. Commissioner Bergeron seconded the motion. The motion carried unanimously.

CALENDAR SCHEDULE. Commissioner McDaniel and Commissioner Taggart will be attending a two-day conference regarding development of LNG facilities. Peter Gearin will be on vacation from April 8th through the 25th. Commissioner Bergeron has a South Jetty Project meeting on Thursday.

REPORTS.

Commission.

Commissioner McDaniel reported the following:

- He attended the ACT Committee meeting. There was discussion on the Statewide Transportation process. With further developments including the Conference Center, Airport, and truck by-pass, there is a need to work with ODOT to support the transportation projects.
- Warrenton City Council – Discussed date on review of Tansy Point regarding LNG facility.
- CEDC Transportation Meeting discussed Seaside ODOT project and transportation for seniors and disabled.
- He attended the annual Special Districts conference. A report has been prepared by him for commission review, which he distributed.
- The County is processing results of survey on economic development and the role of the County. Most responses emphasized economic development, good paying jobs, economically friendly, etc. Port needs to work with County in role of economic development as a function of Port.

Commissioner Bergeron reported the following:

- The Conference on Ocean Governance is ongoing. Discussion of government role in planning for policy and a regional council with “power” over ocean policy.
- He recommends the Port not become involved in discussion or position on community quotas for trawlers. Tenor is give to community to bargain quotas for fishing industry – not wanting to see the resource divided into smaller and smaller chunks.

- CREST Director position remains open. A job offer has been made to a candidate.

Commissioner Taggart reported the following:

A Design/Review Committee meeting was held on the Englund Marine development. No consensus reached among group in regard to colors, lighting and landscape. More work to do.

Finance. Peter Gearin reported the following:

A tenant at the airport is making payments to become current with his monthly lease. Port is recovering some costs on WOODBINE by acting as custodian. Financials are a little behind budget, timber projections are behind about 50%.

OTHER BUSINESS. Commissioner McDaniel requested an update on the Warrenton water project. Ron Larsen responded the Port is taking the lead on the project. Discussion is ongoing regarding option of adding 12,000 feet of pipe for the City of Warrenton's section, from PP&L to the airport. The engineer is billing the City of Warrenton separately for their portion of the project planning. Larsen also briefly reported on the Lektro expansion project and the fuel tanks relocation.

There being no further business, the meeting was adjourned.