

PORT OF ASTORIA

SPECIAL MEETING MINUTES

MAY 28, 2009

1. CALL TO ORDER/ROLL CALL

President Larry Pfund called the special meeting to order at 5:30 pm.

Persons present were:

Commissioners: Larry Pfund, President; Bill Hunsinger, Vice President; Dan Hess, Alt. Secretary/Treasurer; and Floyd Holcom, Treasurer. Commissioner Pfund announced Kathy Sanders had resigned.

Staff: Jack Crider, Executive Director

Esther Jones, Administrative Assistant

Guests: see sign-in sheet

Commissioner Pfund read the statutes to begin the executive session:

2. RECESS TO EXECUTIVE SESSION IN ACCORDANCE WITH ORS 192.660 (2)(e) TO CONDUCT REAL PROPERTY NEGOTIATIONS.

3. RECONVENE SPECIAL MEETING AT 6:03 P.M. Commissioner Pfund called special meeting to order following the executive session and did roll call again.

PURPOSE OF MEETING IS TO REVIEW THE INTENT TO RENEW ITS DEPARTMENT OF STATE LANDS LEASE (PARAGRAPH 3, SECTION 3.2) OF 96 ACRES ON WARRENTON'S SKIPANON PENINSULA THAT IS SUBLEASED TO OREGON LNG AND TO TAKE PUBLIC COMMENT (LIMITED TIME TO 3 MINUTES EACH PERSON).

4. LEASE OPTION, DEPARTMENT OF STATE LANDS, SKIPANON PENINSULA – DISCUSSION

Board President Larry Pfund asked all persons giving testimony to remember to keep to the format of the meeting, the decision to extend the lease or not. For an example of how the public comments should be given, Commissioner Pfund read two emails he had received prior to the meeting:

1. Chris Shauerman from Warrenton who is in favor of the lease.
2. Pamela Mattson McDonald from Astoria, OR who wishes the port not to lease the land from the Department of State Lands (DSL).

Pfund continued the meeting asking the board members if they had anything to add. Commissioner Hess had nothing. Commissioner Hunsinger commented it is not whether someone is in favor or against LNG, and continued to say the lease does not protect the port in any way. The port is held liable not only for insurance on this property, but also for the security when the port was under prior administration.

Between five and six attorneys the port has spoken to do not understand the lease. In addition, no one understands why it was written and signed in the way it was. For the last five years, the port received no benefit. The port did receive responsibility and criticism, adding in the last six months researching the lease, along with community members he has talked to who are for or against LNG, commented how the project needs to be brought back to the table due to the lease not making any sense to them.

He then read a statement that was given to the port commission that the 'port does not contest the claim to the land although records and maps in the development in the area indicate may belong to the Port of Astoria'. He believes the port should have had a land use attorney review the records, concerned the board of commissioners did not receive all information they should have. He believes more research should have been done in who actually owned the land and the project should have been discussed more with the community. Golf course discussion changed in a short time. In his own research, he looked at other port's LNG plants and mentioned how they received money for each ship and a percent of the pipeline process adding 17.1million dollars to the port and community. He also researched another facility in Coos Bay, similar in size, Jordan Cove, LNG. It looks like their port administration and their board did their homework and now received \$120,000 a month after the first 3-4 years. After renewing the lease, they now receive \$160,000 a month. He made comparisons between Coos Bay and ours, and decided by not paying attention, the Port of Astoria receives zero dollars. He was glad that when the port received their 90-day extension today, the port could now finally research all the properties and see what actually happened.

He hoped Oregon LNG would step up to the plate and realize this was wrong and looked at what they ended up with, and know they got a good deal. He also added he hoped Peter Hansen would like to extend himself to the community and take advantage of this situation and sit down with the port to re-do the lease agreement to be suitable for the people of Clatsop county.

Commissioner Holcom first thanked everyone at the meeting for coming. The issues he found in the project concerning the Port of Astoria was that the "business deal" was not in the best interest of the port. Being new on the commission the challenge for him is look at the lease and business property transactions. The Skipanon peninsula has always been an issue between the port and the Division of State Lands in the earlier years according to the minutes. His questions on the ownership of the Skipanon came even before looking at the lease now. Why did the Port of Astoria quit claim the property back to the Department of State Lands and then turn around and sublease it to the current tenant? Analyzing the transactions, he asked director Crider, why the port was losing money on the deal?

Property issues and the unexplained land transaction that came up with even more questions. Five years would allow the existing tenant to see if the project would be feasible. At the end of the five years, we would re-evaluate our positions and determine if the project would move forward.

He added he had received several phone calls: one from Tim Gannaway from Warrenton, who was in favor of the lease extension. He also received an email from Bob Brice and had a conversation with Rob Pietch, against the project.

After the discussion period, the commissioners began the public comment period, limiting each testimonial to three minutes. It began with:

1. Lori Durheim, 398 Atlantic, Astoria, OR
 - a. not in favor of lease; reading the original Calpine/Port lease, it looks like to her that Calpine's lawyers wrote the lease. She believed something better could go on the property and the port could get money the port should get. She is against both LNG projects.
2. Dan Serres, Columbia Riverkeeper, 833 SE Main St. Mailbox 126, Portland, OR
 - a. not in favor of lease; look at gas prices in the long run.
3. Mark Auerbach, 46692 Old 77 Vesper Ln, Birkenfeld, OR
 - a. not in favor of lease; continuation of the lease would only lead to a flawed system, look at the long-term.
4. Jay Kiddle, 91359 Ft. Clatsop Rd., Astoria, OR
 - a. not in favor of lease; jobs, jobs, jobs. Safety of the community and users of the river will think twice about coming to the river to fish if the project moves forward. Property values will drop in the area.
5. Peter Huhtala, Columbia River Alliance, 937 14th St., Astoria, OR
 - a. not in favor of lease; he urged the commission to allow the public go through the process in order to see the companies' and political intentions.
6. Jean Dominey, 3647 Duane, Astoria, OR
 - a. not in favor of lease; voting for all the board members, adding she liked the openness of the board of commissioners and complimented all. Make haste, slowly, "Let's get out of this mess".
7. Laurie Caplan, 766 Lexington Ave., Astoria, OR
 - a. not in favor of lease; citing LNG safety.
8. Carl Dominey, 3647 Duane St., Astoria, OR
 - a. not in favor of lease; citing LNG safety for the city and regional airport; area's vulnerability to tsunami and earthquake events.
9. Suzanna Gladwin, 82316 Hwy 103, Seaside, 1039 Lexington, Astoria, OR
 - a. not in favor of lease; has researched LNG facilities and their safety in tsunami events.

10. Jim Scheller, 32607 Turlay Ln., Warrenton, OR
 - a. not in favor of lease; urged the commission to deny the extension. Appreciated the board members' time and doing their homework.
11. Robert Stang, 3834 Franklin, Astoria, OR
 - a. not in favor of lease; asked the commission to reopen and investigate, offering his expertise and urged the board members to look at 'good economic development'. Recommended the port get proper legal advise.
12. Jim Ganaway, currently living in temporary quarters in Seaside, OR
 - a. Member of the school board and has not yet taken an official stand on the issue would like to see project with a little more detail. Also cited safety of the areas children.
13. Sara Meyer, 555 Rivington, Astoria, OR
 - a. not in favor of lease; urged the commission to deny the lease extension. Every kind of people in the area are not in support of the project.
14. Jan Mitchell, 362 Duane, Astoria, OR
 - a. not in favor of the lease extension. Urged the commission to accept the 90 days; do our due diligence. Please consider safety, traffic, schools, and the State. Involve the public.
15. Roger Rocka, 362 Duane St., Astoria, OR
 - a. not in favor of the lease. He appreciates the research and work the board members had done. Asked that the lease not be renewed, although he is in favor of economic development. Urged the commission to get the best advice they could.
16. Paxton Hoag, 1786 Jerome Ave. #D, Astoria, OR
 - a. not in favor of the lease. Urged the commission to get a special land use attorney in order to define property lines.

Chairman Pfund asked for other public comments. None was offered. He mentioned the port has the ninety-day extension and will not be a vote in the immediate future. He added his thanks to the public that attended and it was the most civil and polite of the many meetings that he has been to. Since there is not a vote to make, he moved to adjourn the meeting.

Commissioner Hunsinger added before the meeting adjourned the resignation of Kathy Sanders on the board of commissioners. He also mentioned that Director Jack Crider advertise for the vacant seat as soon as possible. Commissioner Holcom asked Crider if the port needed to pass a motion or direct him to respond to the state for the extension. Crider added we have asked for the extension and the agency accepted the request. He did not think there would be anything further needed. Holcom mentioned how he would

like the attorney general to complete the investigation as soon as possible. He did not like the fact that this was going on while the investigation was still ongoing.


Commissioner Hess moved to adjourn the meeting. Commissioner Holcom seconded the motion.


17. ADJOURNMENT at 7:15 pm.

Submitted by Esther Jones

APPROVED

ATTEST:


Larry Pfund, President


Dan Hess, Alt. Secretary/Treasurer

