

MINUTES
WORKSHOP SESSION
PORT OF ASTORIA
JANUARY 9, 2007
PORT ADMINISTRATIVE OFFICES

Chairman Don McDaniel called the Workshop Session to order and took roll call.

Commissioners present: Don McDaniel, Dan Hess, Jim Bergeron, Bernie Bjork and Larry Pfund.

Staff present: Peter Gearin, Ron Larsen, Rita Fahrney, Ken Smith, Compliance Officer – Lora Eddy, Cruise Ship Marketing – Bruce Conner and Port Attorney, Heather Reynolds.

Others present: See attendance sheet.

Chairman Don McDaniel opened the Workshop Session displaying a framed photograph of the Port, which he presented to past commissioner Glenn Taggart in appreciation of his past efforts and tenure. A round of applause followed. Mr. Taggart recalled when he first came on board his focus was on clean-up and diversification. He has seen good progress, stating the Port is on the right track.

STAFF REPORTS

Peter Gearin announced dredging is completed on the face of pier one and the dredge crew is moving the dredge to Hammond to commence with that project. The next phase of the areas needing dredged will depend on accomplishments relative to flow lane dredging and permits made by Ron Larsen and Lora Eddy.

Lora Eddy reported her and Ron Larsen met with NOAA and the COE to go over the results of samples taken at the MSRC dock and haul-out area, with the results favorable to the Port. She explained the different contaminants tested, how they are measured and the levels that are needed for different permits to be issued. She is hopeful they will be able to work out sampling issues, noting the agencies want to work with the Port. Eventually, the Port will need to come up with new strategies to deal with long-term dredging issues. The Port will continue meeting with the agencies to get needs taken care of, including the Bornstein area. We may also look to requesting an extension of the dredging window if we are able to come to agreement with other sampling issues. Ron Larsen added after completing the dredging project in Hammond there would be three weeks remaining and the Port will need the extension. Discussion followed.

Bruce Conner provided an update on his recent activities pertaining to cruise ship marketing for the Port. He recently met with Princess Cruise Lines to discuss the 2006 season and future plans. Princess is delighted with the Port of Astoria, sharing their on-board survey results that confirmed passengers liked their experiences in Astoria. One of the survey questions asked passengers why they choose Princess. 70% answered they chose the cruise in order to see Astoria. 82% of passengers said their Astoria visit exceeded their expectations. Conner reported on Cruise the West activities including the March SeaTrade Cruise Convention. The group will meet January 20th to discuss strategies for the convention. Conner is also looking into getting Astoria more involved with embarking and disembarking Port of Calls. Some of the glitches to work through is the high cost of long-shore labor for the baggage handling. Conner is working on that issue with the local union and voiced his thanks to them for negotiating the costs involved. 42 gifts were mailed to cruise line executives in December. Conner reported he is involved in looking at chartering a cruise ship in the future that will call in Astoria for shorter cruises.

Ken Smith reported the following:

- Announced the East Basin breakwater is open. The Corps of Engineers plans no official "announcement".
- There are problems with electricity at the East Basin docks due to recent storms. Boxes are deteriorating and boaters are not connecting their power cords correctly.
- He is checking into information he has about use of sprinkler systems that use sensors to deter Sea Lion populations from using floats and boats by spraying them with water.
- A fire line has been placed around the fuel dock and new docks at the West Basin facility. An 800 amp, special unit fuel box has been ordered and is scheduled for six weeks from now.
- The vandalism at the basin restrooms is increasing. Staff is looking at options to reduce it. Many boaters use the facilities earlier than marina staff hours.

Ron Larsen reported on the following:

- A maintenance crew is working on pier two re-doing the MSRC section of dock. They work the tides to access the bearing piles. This is an ongoing project that can also be done outside the permit/dredge window.
- Another Connect Oregon Grant opportunity is available. The last grant the port requested from Connect Oregon for air service jointly with City of Newport was not selected. The need for air service continues to grow in

the areas. Dan Wolfe with Cape Air remains "keen on the project". Staff will be working with city chambers to get additional community support.

- Lektro's request for an additional \$1 million for their project overage has been approved by OECDD. An amendment to their lease for the additional funding needed and the increase to the timeframe to repay the debt should be ready for action at the regular monthly meeting on the 16th of January.
- The Airport Master Plan is under review by the FAA. The Port has received the funding from FAA and will pay the consultant after the plan is completed.
- WOW has an additional land option for the previous Pacific View Windows and doors building. The City of Warrenton Fire Department has done some training there and the building will then be burned and the area cleaned up for WOW's future use.
- The new T-hangars permit to fill is up for renewal. Larsen explained some hang-ups with the process and variables in the progress. He also reported on West Basin permit containment issues that need to be resolved. Thresh holds for contaminants are now higher, with stricter regulations.

Chairman McDaniel commented he recently attended a meeting where Connect Oregon grants were discussed. They have higher standards and there are more applications. He concurred with earlier discussion that the air service need should be emphasized – connecting cruise, land and transportation. Port of Tillamook had a recent application turned down due to being determined it was more maintenance than capital improvement.

Peter Gearin reported at the date of the regular monthly meeting there will be a supplemental budget to consider. The supplemental budget will cover expenditures on Lektro, Bornstein Fish Factory and slip one dredging costs that were not included in the original budget for fiscal year 2006/2007.

There being no further business, the workshop session was adjourned.

