

MINUTES
WORKSHOP SESSION
NOVEMBER 14, 2006
PORT COMMISSION CHAMBERS

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

Staff present: Peter Gearin, Ron Larsen, Esther Jones, Bruce Conner – Cruise Ship Marketing, Catie Fernandez (CREST), Lora Eddy (POA Regulatory Compliance Specialist), and Port Attorney Heather Reynolds.

Others present: Jeff Nelson (KAST), Cassandra Profita (TDA), and Lori Durheim.

STAFF REPORTS. Chairman Don McDaniel called for staff reports.

Bruce Conner provided an update to commission members on cruise ship marketing. Conner reported on the Port's membership in Cruise the West that is very beneficial. He attended the meetings on October 25th and 26th in Seattle, WA. Bruce passed out minutes. He also mentioned other ports were slower for 2006 compared to the past year. Astoria was opposite, since we are a new destination and our proximity (reposition).

Meeting with four cruise lines executives from Celebrity, Royal Caribbean, Princess, and Holland America strategizing for next couple of years. Here are comments by the executives:

1. Celebrity Cruise Lines very excited and have added a tour to their itinerary, the Pacific Northwest Wines tour. April and November of 2007. Could see a repeat in the next five years.
2. Royal Caribbean Cruise Lines have relayed the message to "carry on" with what the city/cruise committee is doing; 2008 plans not out yet. They did not pass out the passenger surveys.
3. Princess Cruise Lines would like to see a "Goonies" tour and they did pass out passenger "on board" surveys.
4. Holland America Cruise lines are familiar with Astoria and are willing to develop the area.

Six items from the cruise line executives they would like to see:

1. "One-on-one" conversations with the cruise lines; bar pilots involvement good.
2. Quarterly updates (prefer emails)

3. Enhance shore excursions; what can passengers that do not sign up for excursions do? Resources (busses) should be congratulated.
4. Survey the passengers (on-line); cruise committee.
5. Live reservations system (booking berths on Port of Astoria website); will speed up process.
6. New shore excursions as helicopters or educational tours (variety good); Englund Marine or Bornsteins Seafood.

Conner offered to go over the Cruise the West meetings he had with cruise lines executives with individual members of the board on what each port is doing. "Charters" being a buzzword with cruise lines, around Mothers Day and Halloween. Meeting with Princess Cruises in two weeks in Los Angeles. Charters will enable Astoria calls to port to embark/disembark passengers. Holland America is very receptive to the idea. Receiving the cruise ship coming from Vancouver to Astoria then back. Belonging to a consortium of travel agencies in the state (Riverside Travel), working together, funds need to be put together to begin the charter cruises, but once the deposit is secured, the service would continue for the next four years. The service would begin around 2009.

Also, a group of passengers (36) on a trans-canal cruise, leaving Vancouver, flying from Portland, Oregon to Ft. Lauderdale, Florida to embark a cruise ship headed to go through the Panama Canal. Once it stops in Astoria, passengers will be able to disembark. Very exciting for these agencies, we can now book Oregon as a destination to embark/disembark. Packaging the whole trip, passengers could stay 1-2 nights in Astoria. Considering this type of service, the "pre-imposed" passengers (who like to see the area) increase visibility to our city.

Ron Larsen reported the following:

- WOW has signed first amendment to lease. Started out leasing the old AgBag building to 2014 with a five-year option (2019); now changed from 1.84 acres to possibility of 5.34 acres, including five 5-year (25 years total) additional options. The sale of the building from Taggart Construction to Western Oregon Waste complete. The company now leasing a total of 5.34 acres from the Port of Astoria at the airport industrial park. Wetland comprises 1.1 acres of the package. Now working on permits and designs to fill, using the wetland mitigation bank. Mitigation bank needed to be split between industrial park and t-hangar projects.
- Last, the environmental (the old grease pit) part held-up in order to decide whether to enter into the expense to knock it down, or wait to burn it down as training for the Warrenton fire department. Good

training. Can be done this month but would preferably like to wait until after the first of the year. Easier to remove ashes instead of lumber.

- With the assignment of the WOW lease, from date of the signature 11/3/06 the agency has 270 days to decide whether to lease the additional land for a transfer station, a much newer one unlike the one in town now. Next step, waiting for a grading plan. Applications for permits to fill will be done by the port.

Chairman McDaniel asked about the bird survey status. Larsen told him project getting going. Will be in place. Important for what the agency is doing there now, not only for what will happen in the future. It is a one-year survey, made up of several studies.

- A theft at Astoria Flight Center; credit cards were stolen, one of them his own. Crediting the credit card company in their quick actions noticing abnormal transactions. The flight center will now change; doors will be locked-up even more now. May have to put in an additional facility used by customers, other than the one that is there now.
- Dock damage last week on the face of Pier 2 (a 425' dock space). Tidewater, a barge company was using the dock and took the steel cleats out completely. Rolled bull rails and crushed the main beam below that. Company called and is interested in the pictures taken. In talks with him in order to estimate what it will cost to fix, sending one of their investigators. Vessels wanting to use the pier are being advised of the damage. No idea of how much damage, though "significant".
- Dredge contract with the City of Warrenton will be ready next week; signed already.
- Riverland continuing also. Environmental issues still ongoing. Exxon Mobil Oil (PRP group, which all involved are members) agreed to pay half of the cost to put in a breather pipe and vapor barrier under the building. Neimi's insurance company will pay for half of the cost. Tennant has agreed to pay to be able to get going. Port will reimburse for cost once reimbursed by the oil company. Alternative: not pay and forego rental income until resolved.
- Dredging still has not begun. Hope to start at least by December 1st or before Thanksgiving. Work being done on the dredge. Water pump (main engine) needed to be replaced. Dredging will start with the **face of Pier 1** (permit in hand) and the **Bornsteins'** slip (bucket dredge and disposal into the volcano; permit in hand also). The next places to dredge are the **MSRC** dock and the **Pier 3 haul out** dock. City of Warrenton already has their permit. New samples have already been taken at the "hot spots", waiting for results. Six weeks for results to be in. Not possible to expedite. All agencies waiting for results mention it may be

easier to allow an extension of dredge windows to do other things. Once results come in and if dredging needs to go beyond February 28, framework already set to gain extension.

Peter Gearin added the agencies involved had mentioned in their last meeting a few weeks ago, that if the slip needed to be re-tested, they would look at new results. If within reasonable guidelines flow-lane authorization could be the result, but we just have to wait for results to come in.

Pile buck workers are needed for the MSRC work, Larsen added.

Peter Gearin reported the following:

- The Bornstein fish factory financials to the Bank of Astoria regards to funding. The bank will get a us a letter of interest allowing us to proceed forward. Need firm costs to proceed; needs to go to commission for approval. Will enable project to begin construction.
- George Crandall and Associates started process on port's re-evaluation of master plan. Istar has been called, and in absence of any interests in existing lease details, advising them the process has begun to look at alternative sites for the hotel. Suggested to them to partake in talks of re-development.

Ken Smith reported the following:

- Very busy with hauling out boats and fishing gear. Just as busy as in the summertime.
- Ready to go to the Fish Expo in Seattle; two commissioners set to go.
- East end breakwater open after first of December.
- Striping of parking lot needs to be done after the rains; he did it last year.
- New dilemma: West Basin holds 24" line bolts. Need to replace 1,460 bolts at marina. Wood treated with acid ate away at it over the years, on-going maintenance.

Lora Eddy the port's newly hired permit compliance person and Catie Fernandez, a coastal estuary planner of CREST stopped by to introduce themselves to the commission at the workshop. Catie has been at the agency for a year and recently joined the Port of Astoria as dredge compliance person. Robert Warren, director, will be leaving next year, January 1st. The board will need to make a decision on Catie's possibility of replacing him.

Catie reported dealing with regulatory agencies came after others had left before her. It takes a full time person keeping in compliance with the various agencies involved with dredging projects.

More discussion followed on the details the agency has helped out. The grant from Oregon Department of Transportation granted to the port for the trail extension involves "cost sharing". Details of the project require "organized" attention in the areas that CREST deals in. The grant also included money to purchase the Pier 3 portion that belongs to the state. In the end the state agency (DSL) decided to rent the portion of land for a nominal fee. Ron Larsen added he has spoken to the agency that is in agreement the material did not have to be removed. It can be used for the park purposes. The wind turbine project is also allowed.

Planning to spend one month dredging at the face of Pier 1 and another month at the marina in Warrenton. It will give us time to receive results from the lab.

Don McDaniel had several items since he plans to be on vacation next week.

- A primary notice in the Clatskanie Chief stated the Port Westward's proposal to change one of the new power plants from gas fired to gasified coal. Implications? Preliminary meeting tomorrow night. May affect us in the long run.
- Conference room policy review. Need to look at sometime, possibly at the next meeting. Lori Durham who has an interest in using the room for informational "energy talks" was at the meeting to explain their intentions. It seems the port's conference room is one of the only meeting rooms that does not charge a fee. More review of the policies will be discussed at the next regular meeting.
- Also, Glenn Taggart's position on two committees needs refilling. The committees are the Design Review and the Energy committee.
- The NW Area Commission on Transportation meeting. The Portland Western Railroad discussed upgrading of tracks due to increased use through Portland, St. Helens and Port Westward. Traffic that is anticipated with the ethanol plant would bring a large amount of traffic to the rail system. Emergency operations would be impacted to say the least. Upgrading the rails and bridges is in the future all the way to Astoria. More discussion followed on money received first round from Connect Oregon, by Port of St. Helens and Port Westward to do some rail work.
- The Port of St. Helens has lost the director and deputy director. An interim director is running the port currently.

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