

MINUTES  
PORT OF ASTORIA WORKSHOP  
APRIL 10, 2007  
PORT COMMISSION CHAMBERS

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

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

Staff present: Interim Director, Ron Larsen, Administrative Services Manager, Rita Fahrney, Cruise Ship Marketing, Bruce Conner, Compliance Officer, Lora Eddy, Port Attorney, Heather Reynolds and Jim Flint.

#### DREDGING UPDATE – LORA EDDY

Lora Eddy presented an update on dredging permits and issues. There are current permits for flow-lane at the face of pier one and at the slip of pier two 30,000 cubic yards of material were removed by flow-lane. Bornstein's dock area was dredged by bucket at a cost of \$28 per cubic yard, compared to a cost of \$3 per cubic yard to flow lane dredge.

"Statement of the Problem". Ms. Eddy reported problems consisting of testing of contaminants in areas, agencies urging the Port to develop upland sites, and upland disposal areas are not readily available and are much more expensive than flow lane.

"Solutions". Eddy reported staff is working on solutions to include: more meetings with regulatory agencies, working with Lower Columbia Solutions Group for upland possibilities, and coordinating with other lower Columbia River ports in efforts to find solutions.

#### "Options"

1. Work under current permits. Estimated cost to bucket dredge MSRC to upland is \$500,000 and \$600,000 for the haul-out facility.
2. Apply for new dredge permit. Will have to re-sample.
3. Apply for new dredging permits for following year.

Port of Astoria's long-term dredge needs are multi-faceted. A finance plan is needed to afford dredging. A strategic plan for tenant placement will be looked at and structural measures to prevent sediment accumulation needs to be addressed.

"Sites" Possible upland disposal sites include pier three DSL land the Port could purchase or trade with DSL. Ron Larsen added there was in the past a conceptual plan to fill land west of pier three. Lora Eddy explained the best approach will be a balanced

approach using both upland and flow lane. Larsen stated the Port is considering requesting assistance from the federal government to help solve the problems.

Questions from the audience followed.

PACIFIC COLUMBIA INC. – PROPOSAL. Ron Larsen introduced Dr. Sonny Park who will speak to the Port on behalf of a Korean company, Pacific Columbia Inc. who is interested in leasing land on the Skipanon peninsula. There are two phases to the proposal. A convention center accommodating 500 would be built, an 18-hole golf course, swimming pool, tennis court, racquetball court and indoor jogging track. Also plans for a five-star quality hotel with 200 rooms. The company estimates Japanese, Korean and Chinese visitors would total 24,000 annually. Mr. Park emphasized the company is financially sound, goal oriented, and they are not concerned about the possible LNG facility being built there. Ron Larsen explained the land boundaries they are looking at, including the LNG area should it not be developed. The Port brought this to the public to let the public know of interest in the site for future development. This is a very preliminary presentation with no solid commitments to date from the port or the company; however, Pacific Columbia Inc. is now registered as a U.S. corporation and has a local attorney working on their behalf.

STAFF REPORTS. Chairman McDaniel called for staff reports.

Ron Larsen reported on the following:

- Neil Winters from Special Districts did a financial audit for the port. Copies are in commission boxes.
- Leucadia scheduled mid-April to file with FERC for preliminary waterway assessment and pipeline set up.
- The processor, PACIFIC PRODUCER, was auctioned on April 5<sup>th</sup> with two bidders, one the original owner. The vessel sold to the original owner for \$52,000. The auction requires the successful bidder to remove the vessel. The WOODBINE was arrested March 31<sup>st</sup>.
- He and Chairman McDaniel met with OECDD to discuss Bornstein's loan, the Lektro loan and dredging issues. OECDD will be sending an audit team to review Port practices.
- OECDD has agreed to transfer a grant from the East Basin for new dredging to the Bornstein's dock project in the amount of \$157,000. The remainder of the original \$437,000 grant will go back to OECDD.
- WOW has completed an environmental test in the "grease pit". It is clean.
- DSL has confirmed there are no contaminant on the dredge material on DSL land at pier three.
- Open House at the airport this year will be June 12<sup>th</sup>. B-17,24 and 25 bombers are scheduled to participate.
- The annual budget cycle is beginning. Tom Imdieke has been retained to assist staff with preparation of the budget. It will be very austere, with high

contingencies and include a large expense for the dredge haul-out. The main goal is to build cash reserves.

- King Street in Warrenton is accumulating more trash. The City of Warrenton had declined the Port's request to close the street.
- The Columbia River Channel Coalition will meet August 22<sup>nd</sup>. Federal and State legislators will be present. The Port will do a function and this will give us an opportunity to bring up the Port's dredging issues.
- The fueling facility at the West Basin is nearing completion, with end of month start up possible. \$60,000 from OECD remains available for the West Basin upgrades.
- He requested an opinion from Special Districts Association regarding any coverage availability for the area-wide contamination. They have responded negatively.
- The River Theatre developers are cancelling their lease with the Port. Staff will review the contract to ensure compliance.
- Drug problems are continuing to be a concern at the basins and in the City. Staff met with Port Security and Astoria Police to address the problem. Letters will be going out to all moorage holders to list who is authorized to be onboard their boats, boats will be checked for registration and the Port staff is tearing down "transient camps" when they are found.

Bruce Conner, Cruise Ship Marketing reported the following:

- He and Rita Fahrney have put out a press release for announcing the 2008 cruise season, which looks to meet or exceed this year's record number of calls.
- Marian and Mike Soderberg have been named recipient of Oregon Tourism Council Volunteers of the Year Award. The Cruise Committee and Chamber of Commerce submitted their names for consideration for their exceptional efforts overseeing the Cruise Volunteers.
- Norwegian Cruise Lines is developing re-positioning itineraries and requested help from Astoria to promote our region. Packets of local promotional materials were sent. Lower Columbia Tourism Council also donated \$500 for material to prominently display Astoria and the area surrounding.
- Shore excursions have been added. There are now two Washington excursions being offered – River tours and Horseback riding.
- Rumors that cruise ships are not pleased when being required to anchor are not accurate. He has spoken with Holland and other cruise lines and they all have responded that they are ok with anchoring in Astoria as this is a practice done at many port-of-calls.

There being no further business, the Workshop Session was adjourned.