

MINUTES
PORT OF ASTORIA
REGULAR COMMISSION MEETING
MARCH 19, 2008
PORT COMMISSION CHAMBERS

Chairman Dan Hess called the regular meeting to order and took roll call.

Commissioners present: Dan Hess, Larry Pfund, Kathy Sanders, and Bill Hunsinger.

Staff present: Ron Larsen, Colleen Browne, and John Hord. Lesle Palmeri was also at the meeting.

CHANGES TO AGENDA. Add the discussion of the National Oceanic and Atmospheric Administration (NOAA) to the agenda, to the "other" section 12 (b). Also, under number 10, Port Manager Job Description, add as 10(a), discussion on job description salary range \$75K – 95K, DOE, which should be followed by public comment and the vote for consideration of the port manager's job description.

MINUTES: Regular meeting, January 22, 2008 meeting minutes. Minutes of the Workshop Meeting minutes, February 15, 2008 and Regular Meeting minutes February 19, 2008 were not available in the packets. Commissioner Hunsinger made the motion to approve the January 22, 2008 minutes. Commissioner Pfund seconded the motion. The ayes carried.

VOUCHERS FOR THE MONTH OF FEBRUARY 2008. Chairman Hess called for questions. After reviewing the vouchers, Commissioner Hunsinger had questions.

- Beginning on page 3, item 2/6/08, capital expenditures, Bergerson Construction: Has it been paid in full? Colleen Browne, finance manager answered: No, though it has been recorded. It had been submitted for payment late. Chairman Hess asked if there were more questions.
- Commissioner Sanders questioned membership dues paid to the OAMA organization. Acting Director Ron Larsen answered: The Oregon Airport Managers' Assn.
- Continuing, Hunsinger questioned a loan payment on page 5, interest on loan. Browne answered: The General Obligation (GO) bond payment.
- Area Wide Contamination project.

Hess called for a motion to approve the February 2008 vouchers. Commissioner Sanders made the motion to approve the vouchers, and Commissioner Hunsinger seconded the motion. The ayes carried unanimously.

PRESENTATION – JANET WRIGHT, LCMEZ, ZONE MANAGER, COLUMBIA COUNTY – LOWER COLUMBIA MARITIME ENTERPRISE ZONE Janet Wright manages the Lower Columbia Maritime Enterprise Zone, which includes a portion of eastern Clatsop County. Originally started in Rainier and extended in 1984 to Clatskanie and Port Westward. The zone exempts businesses from being taxed on new investments. There are only 56 zones recognized by the state and every eleven years, the zones sunset. Re-application of the designation to continue the zone occurs at that time.

Regulation changes in the new designation, requires the agency to hold meetings with Special Districts, which they did on March 10th. A resolution or consent is needed to continue the zoning in Port of Astoria's district, or apply to become a co-sponsor. It is based on the value of the investment or site, whether it is a new business or an expansion. The application is due to the state April 4th and is designated for eleven years. There is no cost. The port will not receive \$47,000 in taxes which is based on the number of years the company is exempt from paying taxes, either three or five years; an extended one is five years. Only the new

investment/equipment is exempt from taxes and after five years it goes back on to the tax rolls. The port is agreeing only to a five year extension on a company basis. Clatsop County has had the enterprise zone designation for eleven years, Wauna Mill was not included.

It was noted the Bradwood LNG project is not included in this zone and her Commissioner, Tony Hyde mentioned he would never allow the company to be in the designated zone. Also, this is a special set-up so the mill could take advantage of the incentive and remain at their current location. It is supposed to encourage and support family wage jobs.

Chairman Hess called for a motion for the port to apply to become a co-sponsor or approve a resolution/consent. Hess added with the mill being one of the largest employers in Clatsop County and in the port's district, he is leaning towards the consent. Encompassing the mission of the port, Commissioner Sanders made a motion to approve the resolution of consent. Commissioner Hunsinger seconded the motion. The vote carried three to one, with Commissioner Pfund voting no.

CONSIDER APPROVAL – OPTION TO LEASE, EAST OREGONIAN PUBLISHING CO. The parent company of The Daily Astorian newspaper is considering leasing around 2-3 acres of land for \$500 a month at the Astoria Regional Airport in order to evaluate feasibility of building a new printing facility. After allowing one year for the feasibility study to be completed and conditions set forth, the port and the company will consider a 20-year lease at \$835 a month. The money paid during the year will go towards the first payment if they decide to enter into the lease.

During recent negotiations, Acting Director Ron Larsen added the details that are in the lease options are a legal document that will be part of the contract agreement. One concern in the agreement, item # 11, lease renewal rent, where the twenty-year lease is renewable with three twenty-year options, appraisals will be done on the land after the lease period. The company tentatively approved the counter-offer of a re-appraisal to be done after the first five years and every 10 years thereafter. Along with those terms the port's yearly consumer price index (CPI), cost of living rise enables the port to keep up with the values of the land.

Considering the tentative approval he received from the publishing company, Larsen is asking the commission to approve the lease option tonight to include the conditions stated based on \$100,000 an-acre, the current appraisal done of the land five to six years ago. More discussion followed on details that are part of the contract. Commissioner Sanders questioned that the base rent, item #10 should have the language, which it does not, to read the company will be charged 10% of the appraised value of the land. Sanders added a vote on those details could be voted on at a workshop. Commissioner Pfund added he would like this to go forward and put the items in as a provision in a tentative agreement. Agreement of the group followed after more discussion. Larsen assured the board members the contract will stipulate the information.

The vote followed assuring the language and re-appraisal dates are adjusted and port attorney reviews documents before commission approval. Larsen added, once new documents (contract) with the new language and stipulations are provided by the company if they approve, the new contract will be provided for board approval, after being reviewed by port counsel. Commissioner Pfund made a motion to approve the option to lease letter from Eastern Oregonian Publishing Co., based upon three items: items #10 and #11 and review of attorney. Commissioner Sanders seconded the motion. The ayes carried unanimously.

CONSIDER APPROVAL – LETTER OF SUPPORT, NORTHWEST REGIONAL AIR SERVICE INITIATIVE (NWRASI) Approved a letter of support to keep air service in smaller commercial airline companies. The letter will go to the office of Governor Ted Kulongoski. Acting Director Ron Larsen briefed the group on the history of events of similar situations servicing smaller airline markets such as Pendleton, Klamath Falls, and North Bend.

Chairman Hess called for a motion to send a letter of support for the NW Regional Air Service Initiative. Commissioner Pfund made the motion. Commissioner Sanders seconded the motion. The vote carried unanimously.

CONSIDER APPROVAL - SKIPANON PENINSULA KING STREET ACCESS King Street on the east bank of the Skipanon River is continuing to pose a problem with illegal garbage dumping. The city of Warrenton has been receiving many complaints and is asking the port to try and shut off access. The state and the port both spent \$5,000 apiece to clean the area. Motor cycle groups will be allowed to use the property if they agree to patrol and keep an eye on the area used by them on a regular basis. They have always cooperated with the terms of use. After some discussion, board members agreed it would be a good idea to continue allowing motorcyclists who are responsible and respect the privilege that has been allowed to them.

Chairman Hess called for a motion to send a letter to the city of Warrenton, and appoint Larsen to coordinate closure of King Street. Larsen will work with the city in order to allow the motorcycle group access of the area. Commissioner Sanders made the motion and Commissioner Pfund seconded. The motion carried unanimously.

CONSIDER APPROVAL – CONSENT BY LESSOR OF REAL PROPERTY, WELLS FARGO BANK/WESTERN OREGON WASTE (WOW) Wells Fargo Bank is refinancing Western Oregon Waste of their indebtedness at all their locations. The document allows the bank to secure, not only the building and premise (that the port does not own), but it allows them to secure an interest on the land itself. Originally the land lease was for 1.84 acres and was changed to 5.34 acres now. During the loan process (land lease), the bank will have the right to remedy any default by lessee under the lease.

The consent document actually allows the bank as a back up if lessee defaults, the bank will make the payments. The document was reviewed by the attorney and everything seemed all right. Larsen continued to explain the details of the lease duration and the transferring of the lease.

The Chairman of the Board called for a motion to approve the consent agreement. Commissioner Pfund made the motion and Commissioner Hunsinger seconded. The vote carried unanimously.

PUBLIC COMMENTS – PORT MANAGER JOB DESCRIPTION AND SALARY RANGE
Commissioner Sanders mentioned she had one or two additions. Page 2, under the “experience” column add knowledge of airport operations beneficial; the other item to add is to call the job general manager instead of port manager.

Acting Executive Director Ron Larsen added there is an advantage of using the term “director” to the title instead of manager because when dealing with other agencies or ports, the term manager could be at a disadvantage in a group of other “directors”.

Commissioner Hunsinger added he would like to see it stay as executive director. Keeping on an “even keel” and not wanting to dwell on details as this. Additional discussion continued on other members’ opinions. Sanders added she only wanted to make sure the title did not interfere with finding a “hands-on” manager, and the term seemed to fit in with the description. Commissioner Pfund agreed. Chairman Hess called for a motion to decide to change the title from Port Manager to Executive Director. Sanders moved to accept the job description with the Executive Director title with the addition of the “experience” paragraph of airport operations. Commissioner Hunsinger seconded the motion. The ayes carried unanimously.

On the same description to be sent out, at the very last, Chairman Hess recommends a salary range of \$75K to \$90K, depending on experience. Sanders mentioned that the Special Districts’

representative suggested the \$95K mark may bring in a good manager. She asked the board to consider his suggestion. Some discussion followed in agreement. Hess added, before approved, public comment needs to be taken. The document is only a suggestion, as a whole has not yet been approved. Before approval, public opinion is called for.

PUBLIC COMMENT. The following public comments are not verbatim but intended to reflect the substance of matters discussed.

- Stuart Sinclair – a stigma associated with the title “executive director” based on the performance of the previous executive director and suggests the port break away from the title. The public may need to realize we are not headed in the same direction as before. Port Manager or General Manager may be more appropriate.

Chairman Hess called for more public comments: Jeff Neslon asked the group if the salary range had changed from the previous executive director’s salary range? Acting Director Ron Larsen, answered that it was within the range.

Don McDaniel in the audience also added that when Mr. Gearin held the job previously, it was above this range because he was holding two jobs, the executive director and the fiscal manager officer.

Chairman Hess closed public comment session after no additional requests to speak from the audience. The group agreed on the ad to send out and copies to appropriate people and agencies. The group considered approval of the director’s job description with the salary range of \$75K to \$95K DOE. It was noted a lot of hours was spent with facilitator Stacey McLaughlin revising the job description. Hess called for a motion to approve the job description. Commissioner Pfund made the motion and Commissioner Hunsinger seconded. The vote carried unanimously. Commissioner Sanders added “plus benefits” should be added to the description.

More discussion followed on the draft timeline of events to come with Special Districts that will take about a month, beginning April 1st and a closing date of April 30th. After the district’s review committee will send us a list of the top choices (that we are not bound to follow), and interviews should be between May 15th and June 1st and offer someone the job after that date.

Commissioner Hunsinger made the motion to accept the timeline. Sanders seconded the motion. Chairman Hess did add he believed the benefit item is a negotiated item. It was agreed to leave it as it is. The ayes carried unanimously.

Commissioner Sanders added the board may need to vote on the benefit item. It was a concern omitting the benefit item that may cause some extra complications. Commissioner Pfund made the motion the previous job description includes the term of base salary, plus benefits. Sanders seconded the motion. The vote carried unanimously.

CALENDAR

- The first cruise ship visit of the year on March 31st.
- The next Connect Oregon meeting will be in Tillamook on Thursday, March 27th.
- The Western Fish Boat Owners Assn. meeting begins on March 31st. Chairman Hess added Bjork and he had been attending meetings. Hess will continue on as representative for the port.
- The cruise ship Mercury will visit five times this season.

Chairman Hess asked if there were more additions to the calendar. Chief Hord mentioned the U.S. Navy and Canadian ships, along with Coast Guard will be visiting the port during the Rose Festival June 3-5, 2008.

REPORTS: Commission

Chairman Hess reported:

- The board of Commissioners attended an Oregon Transportation Commission dinner March 18, 2008 at the Seafood Center.

Continuing with the commission reports, Commissioner Hunsinger and Commissioner Pfund attended:

- Area Wide Contamination meeting via conference call. More discussion followed on the amount of money that had been spent on the cleanup project.
- April 7, at low tide, the cleanup group will be here and it will be an opportunity to meet with the group and ask questions the board may have. More discussion followed on the paper trail the port has to document the expenses. The lengthy project is finally coming to a head after all these years and heading towards a final solution.

Commissioner Sanders:

- The special session the Transportation Commission held yesterday.
- Col-Pac meeting

Commissioner Pfund:

- Col-Pac meeting
- Seaside Chamber of Commerce breakfast (Kathy, Bill, and he attended)

Other: Chairman Hess reported on the National Oceanic and Atmospheric Administration (NOAA) relocation site. The agency visited the Port of Astoria inspecting a possible site possibly by 2012. Other possible locations being considered is Tongue Point. He would like a letter in favor of either location in Clatsop County to various congressional districts to gain support. More discussion followed on the details of the agency's move.

PUBLIC COMMENT.

- Stuart Sinclair – a group of small boat owners would like to propose erecting a secure, enclosed gated area at the east basin to use as a launching facility. The group is willing to provide labor and pay rent for the enclosed facility with a 6' high chain link fence with a gate. Duration of the use of the area for the first of April to the 30th of November. Several events planned for the year. They are also willing to police the area. The port could use the area for storage while not used by the group. It was agreed the group speak to Ken Smith, Harbormaster.

Chairman Hess called for other public comments. No one else asked to speak.

With no further business to discuss, the meeting was adjourned.