

MINUTES  
WORKSHOP SESSION  
APRIL 13, 2004  
PORT COMMISSION CHAMBERS

Commissioners present: Glenn Taggart, Jim Bergeron and Larry Pfund

Staff present: Peter Gearin, Bill Cook, Rita Fahrney, Ken Smith and Port Attorney, Heather Reynolds.

**REPORTS FROM STAFF**

Bill Cook reported on the following:

Two leases are ready for commission consideration at their regular meeting next week and another lease for the Red Building east of the Red Lion will be ready for consideration next month. Englund Marine Supply has signed a lease to build a marine supply store. They are being assessed the current land value of 2.9 cents per square foot. An opt out clause was added stating if their building is not built by December 2005, they will pay full monthly value lease payments. Their lease rate will be at \$250 per month during construction.

The lease for Caffeination for land adjacent to Bay Street (behind Taggart Construction) has been signed and will also be presented for approval. They will be constructing two buildings – one for River Theatre and another for a coffee roasting company.

Cook noted the successful negotiation for a lease with Englund Marine Supply is paramount to the success of the Marine Facility as an “anchor tenant”. He further explained the value of the land Englund Marine is leasing is at \$150,000-165,000 per acre, zoned industrial. The area by Red Lion, zoned commercial, can be appraised at up to \$650,000 per acre. The Port is now including provisions in leases for land re-evaluations. Englund Marine’s lease calls for a re-evaluation in 10 years. The lease with Tim Hurd for Caffeination has been given a 20-year deferral. Cook explained the leases will continue to have regular CPI increases. The 20-year deferral strategy is to help the effort to obtain “seed” businesses for the area.

Commissioner Taggart voiced concern a 20 year deferral is too long and property values may escalate considerably before that period. Considerable discussion followed on the benefits and disadvantages of offering a 20-year deferral on Caffeination’s lease, with consensus reached among commission members present that because staff has already negotiated the deferral with the tenant and due to the importance to the Port’s planning efforts to have this new tenant,

the 20-year deferral on the lease will not be renegotiated. Staff will discuss this issue with commission members not present before the lease is presented for approval.

Cook reported the cost for re-route of electrical service for Englund Marine Supply will be shared 50/50 between the Port and Englund Marine. The re-route will improve utility service to pier three.

West Marine has indicated interest in locating a marine supply store on Port of Astoria property. The East Basin property is being emphasized as a possibility by staff. Their organization wants to own the land they build on.

Two individuals are interested in building a gear storage shed and leasing the land on the port property now being used for outside gear storage south of the office.

Staff has been undergoing security-training exercises; the Facility Security Plan has been submitted for approval and the Port is operating under the plan submitted. Security officer John Hord has attended a three-day Facility Security Officer training session and other staff members have also had additional training. The TSA grant for security enhancements is now available. After the paperwork is submitted, requests for proposals will go out.

Meetings are ongoing to coordinate the cruise ship arrivals for this year.

**TAPE DID NOT RECORD – NO MINUTES AVAILABLE AFTER THIS POINT.**

Further discussion was held on on-going projects at the Port of Astoria by staff and members of the commission.

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