

MINUTES
WORKSHOP SESSION
MAY 11, 2004
PORT COMMISSION CHAMBERS

Chairman Dan Hess called the meeting to order and took roll call.
Commissioners present: Dan Hess, Larry Pfund, Don McDaniel, Jim Bergeron,
and Glenn Taggart

Staff present: Peter Gearin, Bill Cook, Ron Larsen, Rita Fahrney, Esther Jones,
and Port Attorney Heather Reynolds.

REPORTS FROM STAFF

Ron Larsen reported the following:

Seaside High School driver course on Pier I turned out great. Students received driver training involving conditions other than the usual trip to school. The Willamette Auto Club was highly organized and did a great job cleaning up afterwards. There was a nice article in the local newspaper.

Regulatory agencies involved with mitigation bank meeting May 19th with discussion of our request to utilize the existing mitigation bank for wetland mitigation in order to build additional t-hangars at the airport on their agenda.

Fuel sales are good at the Airport! Over \$15,000 of jet fuel sold in April. Going on second 10,000 gallons tank this month. Waiting for the onslaught of the General Aviation crews. More jets than usual landing at the airport. Hope to have a 737 landing at the airport when film crew arrive with technicians and crew with their equipment sometime in June. Loyalty Days in Ilwaco brought in A10 jets last week.

Illegal dumping of garbage is resurfacing on the Skipanon site: The city of Warrenton is discussing with the Port re-gating the entrance on the Skipanon. DSL/POA spent \$10,000 for clean up three to four years ago.

Lektro may be expanding their operations to the center, upper office area in one of the hangars never completed. Ron visited Grants Pass to view their renovations of their hangars. Contracts with the military may be a possibility in the future. Also, United and Delta Airlines may be in the need for larger carts than the ones currently in use. An additional 20-30 jobs could come into play with the expansion if they receive these contracts. The moving of old fuel tanks a possible plan. The cost of the relocation/new fuel tanks is still in the planning stages.

Continuing negotiations with new client for the Industrial Park. Working on lease agreement for building and land and RFPs. Looking for the first of the year as a target date.

Investors for the new golf course here recently with their offer. We have mailed them lease agreement for and receipt for earnest money. The curve is they want it to be 27 holes instead of 18. The biggest drawback is more mitigation of wetlands being renovated for the excess of holes. New designs in by the end of the month. Peter Gearin noted that rough draft of negotiations received by commissioners. New designs to be brought promised by the end of the month. Some unique ideas from the investors included, remote control cart paths and 2-tiered ranges for players. DSL has agreed to lease/purchase 96 acres to the Port.

The FAA has allowed the Port to utilize money from the last AIP Project (\$94,000) for removal of trees that would make it easier to see elk. Have not seen elk in the last two months. Commissioner Hess recommended mowing the grass at the t-hangars to get water back into the slough in order to stop the wetlands. According to Ron, the area between airport hill and industrial park firming up. Commissioner Taggart recommended 50 yards of fill yearly to reclaim ditches. Commissioner Hess questioned if the city of Warrenton was willing to help. The new city manager will be here May 12th in the morning to discuss Hammond dredging and staff will address airport issues during the meeting.

Bill Cook reported the following:

Recent meeting with National Marine Fisheries about filling in the site north of the Red Lion "C" wing area running east to west on Pier 1. Conversations with National Marine Fisheries regarding filling in the head end of slip one with a new bulkhead. More conversations with them with hardening up the surface at the east edge of Pier 3. Surprised to hear that they are interested in the whole area as in Bill's terms, a less desirable habitat for fish. Strong consideration was given to the term "hardening of the surface" with fill such as sheet pile or rock. Looking at mitigation for the tradeoff of fill for a more productive habitat.

Two permits up for renewal. Combine permits for three sites to allow for varying depths and more manageable permits.

Good news: Fremont has paid their past due account up to date, plus attorney's fees and taxes. Port officials agreed that we must hold tenants accountable for

rents. Peter Gearin will monitor this customer closely. May 15th is when the next payment of taxes is due.

Our new travel lift is due to ship May 27th and arrive on June 1st. Set up will take two days. First lift is set for June 15th. Work is continuing on infrastructure improvements. Engineering on deck surface done. Public relations are planned, though may be postponed until procedure perfected. Bill did note that a plain "word of mouth" aspect is the best way to get to clients and building a list of clients would be better.

Potential lease area across street; Port attorney, Heather Reynolds has information and is drafting a lease agreement.

Red Building nearing completion for lease and sale; developer to lease ground.

Hajari extension to June 15th; requested extension through December. Can offer through August to resolve. West Coast Hospitality issues being addressed. Issue with existing tenant regarding use of property.

Mr. Cook also noted that he would like to see more Princess ships at the port; they're all interested in going up to Alaska this time of year. Major cruise lines in Seattle calling for northwest ports. Considering ports as Astoria, Seattle, Vancouver and British Columbia. September 27, 2004 will be the biggest day for cruise ships in Astoria. Three ships will be docking in Astoria; two here at the port docks and one anchoring off 17th Street. Head of Security, Tony Stoffelson was noted for the great job with the tight security needed for the Radiance of the Seas arrival May 6th. He worked together with maintenance and the Sunset Transportation District. Bill noted that there is still a need for volunteers from the commission, at least two, for the May 23rd inaugural arrival. The plan would be to meet the captain around 11:00 a.m. (both city and county officials) to present him with a gift. He also noted that he was looking for some type of entertainment when the passengers disembark from the ship. If anyone had any ideas please feel free to present them. It's important at that point of arrival, because the first impression is the KEY to return trips of the cruise ships.

Peter Gearin reported on the following:

Conference center plans are in motion. The plan is to make sure that enough improvement is started to turn into revenue, say in three to four years to make essential payments. Mr. Gearin also noted that five major projects are in process: The Holiday Inn Express, a processor at the end of slip one, the cannery Pier Hotel (on hold; development not final, need financing), the tenant on Pier 3, and the developer of a new hotel in the parking lot adjacent to Kentucky Fried Chicken.

Discussion is ongoing with the Red Lion owners, the financial company and the Oregon Economic Development loan package that will finance a new restaurant and major overhaul to hotel to raise standards. Talking to operator and finance company for alternatives. Another option is to condemn and take ownership of the building. Permits need to be issued.

Commissioner Dan Hess noted that an old problem has arisen; sturgeon season is opening May 14th. Can the port open Pier 1 to fishing? Other possibilities would be to direct all fishermen to the east end mooring basin. The rest of the commissioners agreed that it was an issue to resolve, soon.

Commissioner Don McDaniel thanked Port staff for cooperating in the Hazardous Waste event. It was a great success.

New chairs to the CEDC council were nominated and Commissioner McDaniel has been nominated to chair the committee.

There being no further business, the workshop was adjourned.