

MINUTES
PORT OF ASTORIA
SPECIAL MEETING
MAY 20, 2008
PORT COMMISSION CHAMBERS

Chairman Dan Hess called the Special Meeting to order and took roll call.

Commission present: Dan Hess, Kathy Sanders, Bill Hunsinger, Larry Pfund and Commission-appointed Floyd Holcom.

Staff present: Ron Larsen, Rita Fahrney, Colleen Browne, Lora Eddy, John Hord.

Others present: See sign-in sheet.

OATH OF OFFICE – FLOYD HOLCOM. Ron Larsen, interim director, introduced Patricia Roberts, Chair of the Clatsop County Commission. Patricia Roberts read the oath of office to Floyd Holcom. He was sworn in and assumed his position on the Port of Astoria Commission. Mr. Holcom introduced his wife and daughter.

Ron Larsen reported a presentation on SeaTrade Cruise Convention is cancelled as the Port's cruise marketing person has previously provided some of the information.

STAFF REPORTS

Rita Fahrney terminal & administrative services manager, provided a brief update on cruise ship calls and a claim made by a previous employee.

Colleen Browne, finance manager, reported the following:

- DSL waterway leases underwent an audit. The Port may have been overcharged.
- The Port's audit is now scheduled for completion May 31, 2008. Ron Larsen explained the problems encountered by the new auditor, causing delays.
- Tom Imdyke is working with her to complete the budget for the fiscal year beginning July 1, 2008. She is working against deadlines for completing the budget within this fiscal year. Commissioner Hunsinger requested holding the budget meeting on the 16th in order that he can attend, as he will be leaving the following day for Alaska. Discussion followed on whether staff can legally move the date and follow publishing guidelines. Browne will review the process.

- The weekly cash flow report was distributed. Colleen explained the different funds. Commissioner Holcom asked about receiving profit/loss statements. Ms. Browne explained the issues involved in providing an accurate profit/loss statement, but will print one out for all commission members.

CONSIDER APPOINTMENT – BUDGET COMMITTEE MEMBER. Staff reported there is a letter of interest received from Dan Brown, Seaside. Commissioner Hunsinger requested the board contact the finalist from the commission selection process who indicated interest in serving on the budget committee. A choice will be made on May 27, 2008.

Ken Smith, marina manager, reported the following:

- Progress underway at the east basin to repair damages from the storm in December. Lora Eddy is working on the permit issues.
- At the west basin the fishing season is picking up, with prices for fuel under consideration by fishers.
- Four boats hauled from the boat yard today. The boat yard is picking up business.
- The Red Lion building roofing was discussed. Ron Larsen reported there is \$17,000 available from FEMA for approximately ¼ of the roof that was damaged during last year's storm. Rolled roofing is estimated at \$7,500. Hunsinger voiced his support for efforts to regain use of the building, possibly moving the marina offices back to the complex.

John Hord, chief of security, reported he attended to the final cruise ship of the spring – they will return in September. A table-top exercise will be held at the airport and a fire drill at pier one on June 21st. Transients are showing in the area again. Commissioner Holcom had questions answered about TSA requirements.

Lora Eddy, environmental compliance manager, submitted a written staff report of her activities and issues she is working on. Questions followed on the ODOT grant for the pedestrian path. Eddy advised ODOT will be responsible for administering the funds. The contract for the design will be between ODOT and the consultant (HLB/OTAK); therefore, the Port will not need to sign the contract. The commission and public will have an opportunity for input on the path location during the design process. Commissioner Sanders thanked Lora for her work on the project on behalf of the Port.

Some discussion followed on a study of sedimentation at the pier facilities and questions on modeling of the current of the water and rock barricades around pier three. Oregon State University is putting together a study model of the

Columbia River. Commissioner Hunsinger asked that the Port investigate computer modeling assistance from OSU or the Corps.

Ron Larsen, interim director, reported the following:

- \$800,000 has been paid by insurance company for storm damage repairs. Pier two building had substantial damage. FEMA is working with Port to pay for 75% of applied and OECD for 25% match needed. Commissioner Holcom asked how the port is tracking FEMA. Larsen stated FEMA funds of approximately \$25,000 have been received. Discussion followed on tracking for FEMA funds. Larsen explained how the port is tracking the funds. It is done how FEMA has requested it be tracked.
- Received \$197,000 in FAA discretionary funds for brush cleaning and signage plan. He explained the breakdown of the fund allocations. Received another grant for \$345,242 for AIP for T hangars E & F taxi lanes.
- Showed a piece of metal that fell off a light tower on pier two, causing a safety hazard. He explained the work done to correct the hazard.
- NOAA schedule – the independent consulting firm will send out the study of the work they prepared for NOAA and a solicitation will be requested in November 08. The Port has sent information to NOAA regarding our facilities.
- Other Grants – 1.8 million for connect Oregon Two for air service to Astoria. Have applied for and received \$421,000 for a USDOT grant. Grant funds of \$694,000 and \$300,000 loan for pier two repair. Total over \$3.87 million in grants. Also received money from the state for Lektro roof repairs.
- RARE student to assist with the City of Warrenton, Diking District, and the Port. Will be used to help with the trails system going out to pier three and tying in with Warrenton's trail system. Will request the City of Astoria assist with funding half of the Port's share of \$5,600.
- Updated the commission on The Daily Astorian option period. Permitting process is underway, legal description being drawn up for the three acres in the NE corner of the Airport Industrial Park.

Commissioner Holcom stated for the record, that during discussion of Bornstein Seafood's agenda items, he buys crab from Bornstein. He also has a relationship with the Bank of Astoria and has also been involved as a consultant in issues pertaining to Robert Jacob.

DISCUSSION ITEMS (led by Ron Larsen)

- A. Board Ground Rules – Are included in the packets, with changes submitted by commission members.

- B. Marine Spill Response Corp. – Fifth Amendment to Lease. Larsen briefly reviewed MSRC's Fifth Amendment to Lease with board members.
- C. Astoria Bay – Bank of Astoria Leasehold Interest Consent Agreement. Larsen briefed the members the Bank of Astoria has recovered, through foreclosure proceedings, the Astoria Bay LLC building on pier one and will be requesting consent to sell the building. The Port will retain the right to approve of sale. Some questions followed. Commissioner Sanders requested copy of original contract for commissioner's review.
- D. Robert Jacob – Waiver of Right of First Refusal. A brief report on the request for consolidation of companies by Mr. Jacob was given. Commissioner Holcom declared he will remove himself from this negotiation.
- E. Bornstein Seafoods sublease. Bornstein proposes to sublease a portion of the Fish Factory processing facility to Oregon Fish Factory, LLC. Bornstein currently leases the land from the port under a Master Lease dated March 1, 2005. OECD will agree to the terms after certain provision are taken care of, including approval by the Port.
- F. Bornstein Seafoods Land Lease – Pier one. Some discussion followed on the options available for parking. Commissioner Pfund wants to see Bornstein's project succeed, but does not want to be nosed into a position to decide for certain the lease area. He would like to look at other options. Larsen stated staff is requesting approval to negotiate a lease, which the commission will then be able to vote on later. Chairman Hess commented he does not believe the area they are requesting, north of their existing building, is suitable for a cargo area. Commissioner Hunsinger noted no management at the Port in many years has sought out "selling" out water commerce operations and the west side of pier one can be used as additional docking area for cruise ships. Andrew Bornstein explained that Bornstein cannot complete negotiations with the bank or finalize plans without the Port's agreement. They hope to have the Fish Factory up and running by next spring, acknowledging construction will take 8-9 months. Commissioner Holcom asked if there is an existing strategic plan for that area. Larsen responded this parking option was part of the original lease plans. Holcom stated he understands the frustration of the business. The parking issue decision is related to planning in an organized fashion, for the whole facility.

Other Business. Commissioner Kathy Sanders reported she is a member of the In-House Finance Committee, formed to have a closer look at finances at the Port. She would like to resign and allow others on the board to replace her. It was agreed to place the item on the next agenda for consideration.

There being no further business, the meeting was adjourned.

