

MINUTES
REGULAR COMMISSION MEETING
SEPTEMBER 21, 2004
PORT OF ASTORIA COMMISSION CHAMBERS

Chairman Larry Pfund called the meeting to order and took roll call.

Commissioners present: Larry Pfund, Glenn Taggart, Jim Bergeron, Dan Hess, Don McDaniel.

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

Others present: See sign-in sheet.

CHANGES TO THE AGENDA. Chairman Pfund called for changes to the agenda. None were presented.

MINUTES

- (A) Workshop Meeting, August 10, 2004
- (B) Regular Meeting, August 17, 2004
- (C) Special Meeting, September 7, 2004

Commissioner McDaniel moved to approve the minutes of the aforementioned meetings. Commissioner Bergeron seconded the motion. The motion carried unanimously.

VOUCHERS FOR THE MONTH OF AUGUST 2004. Commissioner Taggart reported he reviewed the vouchers for the month of August and moved to approve them. Commissioner Bergeron seconded the motion. The motion carried unanimously.

PUBLIC COMMENT. Chairman Pfund called for public comment. None was given.

CONSENT AGENDA.

- (a) Executive Director Compensation.

Commissioner Taggart moved to approve the Consent Agenda. Commissioner Hess seconded the motion. The motion carried unanimously.

GRANT/LOAN OREGON ECONOMIC AND COMMUNITY DEVELOPMENT
DEPARTMENT.

- (a) Resolution 2004-14 Authorizing Loan from the Special Public Works Fund

(b) Resolution 2004-15 Authorizing Grant from the Special Public Works Fund.

Peter Gearin reported an award has been granted by the OECD for \$500,000 for pier renovation for the Bornstein facility. OECD has also approved a loan for \$5,759,166 for construction of a fish processing facility on the renovated pier. The documents are ready for approval. Port Attorney, Heather Reynolds, has reviewed both documents. Gearin advised, per the terms of the grant, once the Port accepts the funds, it is committed to causing Bornstein to retain at least 100 full time jobs for a one-year period at its new facilities. The Port will be liable for repaying the grant back at a rate of \$5,000 per job not retained. Gearin reported staff recommends approval of Resolution No. 2004-14 and Resolution No. 2004-15 subject to the Tenant (Bornstein) agreeing to guarantee the job retention component before the grant is accepted and the lease agreement be finalized and approved.

Commissioner McDaniel asked about the funding for the loan. Peter Gearin responded the Oregon Economic Community Development will use their own funds from in house that are dedicated to this type of project. Some discussion followed on the requirement for retention of 100 jobs. Gearin explained this is a growing trend to base grant funds on jobs and it puts "teeth" into the control of the allocation of available funds. Commissioner McDaniel concurred, noting he observes the same requirements at other granting agencies, including ColPac.

Commissioner McDaniel moved to approve Resolution No. 2004-14 Authorizing a Loan from Special Public Works Fund and Resolution No. 2004-15 Authorizing a Grant from Special Public Works Fund, subject to Bornstein's guarantee of job retention and approval of their Lease Agreement. Commissioner Taggart seconded the motion. The motion carried unanimously.

COMMISSION COMMITTEE ASSIGNMENTS. Commissioners reviewed a list of committees and reconfirmed or appointed members to represent the Port as follows:

Organization	Delegate	Alternate
Area Commission on Transportation	Don McDaniel	Dan Hess
C.E.D.C.	Don McDaniel	Jim Bergeron
Boat Show	All Commission members	
C.R.E.S.T.	Jim Bergeron	Glenn Taggart
CEDC Transportation Committee	Don McDaniel	Dan Hess
Conference Center Committee	Don McDaniel	Glenn Taggart
O.C.Z.M.A.	Jim Bergeron	Dan Hess
N.W. Oregon Economic Alliance	Don McDaniel	
Western Fish Boat Owners	Dan Hess	Jim Bergeron

Organization	Delegate	Alternate
Columbia Pacific Economic Dev. District	Don McDaniel	Larry Pfund
N.W. Oregon Regional Partnership	Don McDaniel	
Astoria Warrenton Chamber Economic Development Subcommittee	Don McDaniel	Larry Pfund
Cruise Ship Committee	Don McDaniel	Glenn Taggart
Lower Columbia Solutions Group	Jim Bergeron	Peter Gearin
Near Shore Columbia Beneficial Use Subcommittee	Jim Bergeron	

Active Port Committees

Committee	Delegate	Alternate
Airport Development Committee	Don McDaniel	Larry Pfund
Marine Advisory Committee	Jim Bergeron	Dan Hess
Design Review Committee	Glenn Taggart	Larry Pfund
Cold Storage Committee	Dan Hess	Larry Pfund

RESOLUTION 2004-16 APPROVING LEASE/OPTION-UNION FISH PROPERTY. Peter Gearin reported, as is contained in the staff report, the old Union Fish Plant, more recently referred to as the Red Building is in need of significant repairs and given the low rental income derived from the property, the Port is hard pressed to justify the cost. Union Fish Properties, LLC has expressed interest in redevelopment of the property and in purchasing the building. A sale of the building would eliminate the Port's responsibility to maintain the structure. Union Fish has agreed to pay \$120,000 for the building and lease the underlying property and options for adjacent lots. Terms are 20 years plus one 20-year renewal option, and two successive 10-year options. Union Fish will give existing tenants six months notice and plan redevelopment of the building within six months. Staff requests authorization to sell the Red Building to Union Fish and approval of a lease for land beneath and adjacent parcel, with an option to lease the two adjacent parcels. The lease is ready for approval with exception of the Title Report.

Bill Cook introduced Shawn Helligso and Ryan Davis, Union Fish Properties, LLC. Mr. Davis thanked port staff for the smooth transition to complete the process to this point. He stated the complex is being developed for a 5,000 square foot restaurant with a river walk around the building. In addition a 1,500 square foot coffee house, a 2,000 square foot local candy shop and a 2,000 square foot open-air seafood market will be located within the building. Office spaces will be designed for the second floor. Davis noted both he and Shawn Helligso were raised locally in this area and are pleased to be able to give back to the

community with the enhancements. He stated he expects the development to be up and running by next summer.

Heather Reynolds stated that after the lease went to the commission the attorney for Union Fish requested a couple of minor changes. She explained the changes and that they have been incorporated into the lease. Commissioner McDaniel asked for clarification that the lease gives the lessee the right to remove the building. Gearin confirmed they do have the right to remove it if they decide to in the future. Commissioner McDaniel also asked about the submersible land rights guarantee. Heather Reynolds responded the tenant is responsible for applying for a lease with the DSL and making payment directly to DSL on submersible lands.

Commissioner Bergeron moved to approve Resolution 2004-16 Approving Lease/Option/Sale with Union Fish Properties, LLC. Commissioner Hess seconded the motion. The motion carried unanimously.

CALENDAR SCHEDULE

The CEDC dinner meeting is September 28th. Staff is making reservations for those who wish to attend.

September 25th is the Airport and Coast Guard Open House. Additionally, John Overholser has announced a new passenger service, Columbia Pacific Airlines, and will have a ribbon cutting on September 25th at 1:00 p.m.

1000 Friends of Oregon has introduced a new initiative and will give a presentation on new direction September 29th at 3:00 p.m. in the Flag Room of the Astoria Library.

Commissioner Bergeron will be attending a Columbia River Dredge Spoil meeting hosted by the Corps of Engineers in Longview on September 23rd.

Commissioner Taggart and Commissioner Bergeron will attend the plaque exchange with Bill Cook for the maiden call of the C/S NORWEGIAN STAR on September 22nd.

REPORTS.

Bill Cook reported on his recent N.W. Cruise Association business trip on a cruise ship. He attended meetings on Saturday and Sunday on different facets of cruise ship and facility operations. Security is tight at ports. He also commented the Port of Astoria has a good future ahead for cruise ship business and Astoria

was again mentioned as a model for others interested in attracting the business. He met representatives of Royal Caribbean, Holland America and Princess lines.

Finance. Peter Gearin reported year-to-date revenues are comfortably ahead of budget. Marina revenues last year were budgeted on a monthly basis. Tenants are paying annually reflecting high revenues at this time. He reported on high expenses incurred in Outside Services/Repairs including gutters on pier two warehouse, paving by Astoria Pacific Seafood and rock repair at pier one. Capital Projects include \$176,000 for infrastructure for the haul-out facility and the Airport Improvement Project, which will be paid by grant funds. The Aging of Accounts was briefly reviewed with comments on efforts by some tenants to get their accounts current.

Commission.

Commissioner McDaniel reported on meetings he attended as follows:

- County Commission Meeting Economic Development Workshop – strategies to address economic development.
- CEDC Executive Board
- ACT – by laws
- OTA meeting in Tillamook. Modernization funds. Explained use of funds and factors.
- ODOT Transportation Committee. Discussion on allocation of funds. Two pots: 1. statewide (corridor) 2. region allocation.
- Longshore Labor Day picnic
- CEDC Executive Council – discussed survey.
- Forest tour
- Silver Shadow plaque exchange with Chairman Pfund
- ODOT Meeting – talk of establishing statewide freight routes, 101 freight route.
- CEDC – revitalizing tourism. Chamber is handling.

OTHER BUSINESS.

Commissioner Hess commented on the Boardman River Walk. It is used extensively. He read an article in a Seattle paper about a race track built In South Dakota and the benefits it brought to the area.

There was brief discussion on the new traffic light going in at Safeway and how it would be funded by the East Urban Renewal District funds.

There being no further business, the meeting was adjourned.