

PORT OF ASTORIA

REGULAR COMMISSION MEETING MINUTES NOVEMBER 17, 2009

I. CALL TO ORDER/ROLL CALL

President Hunsinger called the Regular Meeting to order at 6:00 pm and took roll call.

Persons present were:

Commissioners: Bill Hunsinger, President; Floyd Holcom, Vice-President; Dan Hess, Secretary; Jack Bland, Treasurer; and Larry Pfund, Alt. Secretary/Treasurer.

Staff: Jack Crider, Executive Director

Also present was Janet Farstad, Vicki Goodman, and Lesle Palmeri

News Media: Cassandra Profita, The Daily Astorian and Jeff Nelson, KAST Radio

Guests: Lori Durham, Pam Hunsinger, Rachel Jensen and others not signed in.

II. AGENDA CHANGES

- Delete: XV. Recess to Executive Session
XVI. Reconvene Regular Meeting
XVII. Skipanon LNG Lease
XVIII. Public Comment
- Add: XI.B. Cruise Ship Season by Bruce Conner
XI.C. 36th Street Bridge
XI D. DSL

Commissioner Bland moved to approve the agenda changes, seconded by Commissioner Holcom and unanimously approved.

III. MINUTES

- Regular Meeting – October 20, 2009
- Special Meeting – October 26, 2009
- Special Meeting – November 3, 2009
- Special Meeting – November 10, 2009

Commissioner Hess moved to approve the minutes as written, seconded by

Commissioner Holcom. Vote was unanimous for minutes of Nov. 3 and Nov. 10.

Commissioner abstained from voting on Nov. 3 and Nov. 10 as he did not attend the meetings.

IV. FINANCIAL REPORT FOR OCTOBER 2009

Commissioner Larry Pfund arrived at the meeting at 6:08 pm.

Jack Crider reported that the audit was completed, drafts should be available next month.

A. Vouchers

Accounts Payable: Bergerson - \$195,517 waiting for grant proceeds.

Clatsop County Clerk - \$29,560 for Tongue Point property taxes.

Jordon & Schrader - \$21,500 for legal expenses.

Special Districts - \$63,700 for employee medical & workers comp.

Accounts Receivable: The accounts over 90 days have been in communication regarding payment of their accounts.

B. Financial Reports

Profit & Loss: Net income from operations in October was \$24,500.
Year to date from operations is -\$124,800 at 14.5% of budget.

Tongue Point discussion included the need to have it's own P&L and to formulize it with the Budget Committee soon, maybe after the utilities and property taxes issues are resolved.

Commissioner Holcom moved to approve the financials and vouchers, seconded by Commissioner Hess and unanimously approved.

V. PUBLIC COMMENT

Bill Harris requested that the monthly financials be sent to the Budget Committee. Commissioner Holcom recommended getting the Budget Committee together on a quarterly basis.

Lori Durheim read a prepared letter (see attached) regarding LNG.

Commissioner Holcom noted that property ownership has not been resolved. The Port needs to prepare a property schedule for all of it's properties. He suggested hiring someone to inventory Tongue Point.

Commissioner Hunsinger said they are looking at the 5 acres traded for 13 acres. Tyco Title is working on getting some information.

Jack Crider said he has found some files on property, have received one title report and waiting for another one. Found a 1966 Comprehensive Review but since then a lot has happened. It's hard to get DSL to lease additional property when there are so many questions unanswered.

VI. ORDINANCE 2009-01 RATIFYING CONSORTIUM AND INTERGOVERNMENTAL AGREEMENT BETWEEN CITY OF NEWPORT AND PORT OF ASTORIA AND PROVIDING FOR GOVERNANCE AGREEMENT BETWEEN CITY OF NEWPORT, PORT OF ASTORIA AND SEAPORT AIRLINES second reading by Janet Farstad.

Commissioner Bland moved to approve Ordinance 2009-01, seconded by Commissioner Hess and unanimously approved.

VII. ORDINANCE 2009-02 ESTABLISHING POLICY AND PROCEDURES FOR SUPPLYING FUEL AT PORT OF ASTORIA PIER FACILITIES AND REPEALING ORDINANCE 90-01 second reading by Janet Farstad.
Commissioner Holcom moved to approve Ordinance 2009-02, seconded by Commissioner Bland and unanimously approved.

VIII. RESOLUTION 2009-31 – TARIFF #10 MODIFICATION

Item No. 450 regarding fuel flowage fee issued November 17, 2009 and effective December 17, 2009. The fee pertains to all bulk fuels in lots greater than 500 gallons delivered to vessels berthed at the Port to be assessed three cents per gallon. Commissioner Holcom moved to approve Resolution 2009-31, seconded by Commissioner Hess and unanimously approved.

IX. RESOLUTION 2009-32 – ODOT RAILINDUSTRIAL SPUR GRANT

An Industrial Rail Spur Fund grant from lottery bonds for financing the 20% match from Connect Oregon III for the cost to install a rail siding, a rail spur and improvements to the swing bridges at John Day and Blind Slough.

Commissioner Holcom moved to approve Resolution 2009-32, seconded by Commissioner Bland and unanimously approved.

Commissioner Holcom recommended the port to become a member of OLD RULE, cost is \$1,000/year, and port would get priority in funding.

X. RESOLUTION 2009-33 – ABHE & SVOBODA LEASE

Lease Order for office space of 588 sf at 422 Gateway, Suite 2C; and space at Pier 3/W of 10,000 sf, for 1 year with option of 13 additional months, at \$598 for the office and \$500/mo for land - plus CPI.

Commissioner Hess moved to approve Resolution 2009-33, seconded by Commissioner Holcom and unanimously approved.

XI. PROGRESS REPORTS

A. CONNECT OREGON III APPLICATIONS

Class	Description	Cost	Match	Source
Marine:				
	Pier 1 Mobile Crane 250-300 ton w/250' boom	\$2,000,000	\$400,000	Equipment Co. 10-20 yrs@6% \$40-50,000/yr.
	Pier 3 Barge Dock Sheet pile	\$1.2 million	\$240,000	Port eqp/labor/dredge fill Fill containment w/clean dredge spoils—40,000 cu.yds
	Stand By Tug Service \$600,000/yr subsidy for 2 years \$120,000/yr match paid vessel crossing fee Approx. 2,000 vessels @ \$60 + \$10 Admin.fee = \$70/vessel	\$1,200,000	\$240,000	Vessel Fee-Bank loan cash flow loan if needed
Airport:				
	Lower IFR Minimums To 200' @ 3/ mile visibility	\$4,400,000	\$880,000	FAA Grant in 2012 Authorized funding is \$1.3 million
	Passenger Aircraft Hangar/Tug 6,500 sf hangar	\$650,000	\$130,000	IFA-SPWF Loan SeaPort will lease & cover loan cost \$900/mo.
Rail:				
	Rail Connection to Tongue Point 2,100' track for 286 lbs. rail cars; inspect, engineer & design mechanical swing bridges.	\$1.5 million	\$300,000	ODOT RailSpur Grant

Commissioner Bland moved to approve all Connect Oregon III applications, seconded by Commissioner Holcom and unanimously approved.

B. CRUISE SHIP REPORT

Bruce Conner reported that there were 20 cruise ship calls this season for total revenue of \$333,625, dockage was \$230,508. The Carnival Splendor, Mariner, and Mercury were rescheduled from Mexico to Astoria (north) due to the swine flu. The World condominium ship was great. Cruise ship hosts now number 150, do a great job; Sunset Empire added four new buses for the ships; Cruise Shuttle charges \$2.00/day pass for Costco and Fred Meyer. Senator Johnson, Brad Witt and Bill Hunsinger testified against a passenger head tax for environmental pollution; they proved to them it was not necessary as the ships dump 12 miles offshore before entering the Columbia River.

2010 – Princess Cruise is back

2011 - Itinerary is to come every other week

Big promotion for bi-centennial celebration.

2012 - Disney looking – will operate out of London

Oceana SeaBora Cruises is a new line to Alaska

Discussion included:

- Astoria is not in a position to have a market on weekly basis for the need to build infrastructure now.
- Building a stop needs to fit within the cruise ship itinerary. Astoria fits well in Alaska ternary, about 10%.
- Astoria has charm as a small town but needs a covered area at embankment area for ship passengers.
- Some cruise companies have pulled ships due to economy, 2010 is expected to have less calls.
- 17th Street Dock security was glad to learn that the Port had taken over.
- Rail development is a huge component to go 3 hours.
- Goal is to embark and disembark on itinerary.

C. 36TH STREET BRIDGE

Jack Crider reported that the Port received the ODOT audit showing 21 urgent items and 1 critical. The bridge reduced rating from 9,000 pounds to 6,000 pounds and recommended closure to vehicle traffic. Cost to repair and keep open to vehicular traffic is \$200,000.

Commissioner Holcom noted the audit did not reference historical records of the ODOT Studies in 1972, 1978, and 1983.

D. DSL ADMINISTRATION RULE CHANGES

Commissioner Holcom commended on DSL Administrative Rule Changes. He object to cross directional jurisdiction of governmental agencies, changes in definitions, and believes it violates ORS 777. DSL dictates administrative rules across comprehensive plans for monetary motivation. He doesn't believe agencies should write checks to other

agencies for the school fund. Comments are due December 24 and recommends a resolution of objection directing Senator Johnson to take to Legislative level, similar to Astoria Act.

XII. COMMISSION

A. Reports

Commissioner Pfund:

Lower Columbia Solutions Group – Phase I to dredge spoil site in Warrenton and Ilwaco.

Commissioner Holcom:

City of Astoria needs to electrify the trolley car instead of generator exhaust. State Defense for Emergency Management named Jack Crider as the Ports only emergency manager. Pier live boards provide marine support. Ship to shore alternative for emergency power facilities needs a pro-active plan.

Commissioner Hess:

NW Area Committee on Transportation – ODOT Dennis Inward made presentation on Hwy 26 tunnel repair. The road will be lowered 3' at a cost of \$3 million. 7,000 vehicles travel through it with 13% trucks a month. (4% of trucks are over height (legal is 13'.6") and 1% of vehicles are over width. Closure during the Astoria Anniversary will route traffic through Vernonia.

Commissioner Bland:

NW Area Committee on Transportation – Stimulus funding for energy savings idea was the purchase of smart cars for passenger travel, supposedly to offset vehicle driving cost vs. flying and auto rental.

Commissioner Hunsinger:

None.

B. Concerns/Comments

Commissioner Hunsinger voiced a concern on the loss of cruise ships from 20 last year to 9 next year. With dredging costs there needs to be 14 to break even. Need to look at pile dikes instead of dredging to reduce cost. Need a study from Lower Columbia Solutions Group.

Jack Crider responded that Northwest Waterways could institute the project and then take it to DC for funding. Tongue Point dredging was requested to Corp of Engineers last year. They need to see activity for freight hauling to compete for funds.

Commissioner Holcom noted the Port crew should dredge Tongue Point and have it paid by the Corp of Engineers.

Commissioner Hunsinger commented at Expo the need to stress Tongue Point has gone from sale pending to open for business, and to promote it as fresh water not salt water.

Commissioner Holcom was approached by Commander of USS Ranger Committee for a home port.

Commissioner Pfund said they made a presentation to the board several years ago, but at that time the Port did not have a facility.

Commissioner Hess said the aircraft carrier could hold 5,000 people for emergency evacuation.

Jack Crider said it would be a good tourist destination but was concerned about visibility from highways and parking.

XIII. OTHER BUSINESS - None

XIV. PUBLIC COMMENT

Lori Durham talked about the Hwy 26 boondoggle and concern over DSL's dictatorship.

~~XV. RECESS TO EXECUTIVE SESSION IN ACCORDANCE WITH ORS 192.660 (2) (e) TO CONDUCT REAL PROPERTY TRANSACTIONS AND ORS 192.660 (2)(h) CONSULT WITH LEGAL COUNCIL REGARDING LITIGATION~~

~~XVI. RECONVENE REGULAR MEETING~~


~~XVII. SKIPANON LNG LEASE~~

~~XVIII. PUBLIC COMMENT~~

XIX. ADJOURN at 8:30 pm.


Submitted by Janet Farstad

APPROVED



William L. Hunsinger, President

ATTEST:



Daniel Hess, Secretary

November 17, 2009

Commissioners,

I know that the Port has a albatross around it's neck with the lawsuit from Oregon LNG, Astoria vs Oregon LNG counter lawsuit, the 30 year lease for the Skipanon acreage from DSL, the recently announced rate hikes from the Department of State Lands, and last but not least, the stormy sea of negative public opinion.

Oregon LNG plans to raise the Skipanon terminal site to 22 feet with some 2000,000 cubic yards of dredge spoils. The proposed tanks will be even taller, close to 20 stories instead of 17 story, which is problematic at best. Add to this the approx. 150 Ambient Air Vaporizers, 60 to 70 feet tall. These vaporizers produce fog. What about air traffic in and out of our airport? Will just some lights on top of the three tanks and vaporizers be sufficient to warn airplanes?

You are establishing a working airport. What will this do to potential customers wanting to use our airport?

On the latest walk on the Skipanon site with FERC, it was mentioned that there will be a 1000 ft. thermal exclusion zone around each LNG storage tank. The Weyerhaeuser mill is some 1000 feet from Oregon LNG and about 1050 feet from the area of the storage tanks. Too close for comfort I would say! Since the tanks are being situated near the bay and the Skipanon River, where fishing boats and sailboats transverse, how will they be able to stay clear of the exclusion zone?

There are many more concerns with their plans for this speculative business that will effect the citizens of Clatsop County and our many visitors.

I ask you not to renew the DSL lease until the Port of Astoria can get the original lease rescinded, get Oregon LNG out of here, and do something with the land that is constructive and good for Clatsop County.

Want ideas? Ask the public.



Lori Durham
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