

MINUTES

**PORT OF ASTORIA
SPECIAL MEETING
FEBRUARY 7, 2012
PORT COMMISSION CHAMBERS**

Chairman Dan Hess called the Special Meeting to order. Roll call was taken.

Commissioners present: Dan Hess, Jack Bland, Bill Hunsinger, Floyd Holcom. Larry Pfund – absent.

Staff present: Executive Director Jack Crider, Deputy Director Herb Florer.

CHANGES/ADDITIONS

Chairman Hess called for changes/additions. None were received.

PUBLIC COMMENT

Chairman Hess called for Public Comment. None was given. Chairman Hess acknowledged members of ILWU Local #50 in the audience and congratulated them on their settlement with the grain issue in Longview.

HOTEL PROPOSALS – INTERVIEWS

Commission members conducted interviews of the following two companies that prepared proposals for the former Red Lion Hotel, now owned by the Port of Astoria:

Astoria Waterfront Hotel/Williams/Dame & Associates and Escape Lodging – proposing development of new hotel.

Hospitality Makers – proposing operation of current hotel.

No action was taken.

ECO-MINERAL AGREEMENT REVIEW, RICE ISLAND

Executive Director Jack Crider reported on a draft Memorandum of Understanding between the Port of Astoria and Eco Mineral and Steel Corporation (EMSC). He tried to capture the needs of the Port of Astoria for material on Rice Island that will cover cost sharing, access and removal of materials. EMSC is interested in obtaining a 10-year lease with the Oregon Dept. of State Lands (DSL). The Port would have a three-year license agreement to remove up to 100,000 cubic yards of sand from Rice Island for the use as fill for Port projects. If EMSC does not begin operations by the fourth year after execution of the lease, then EMSC shall assign its lease with DSL to the Port – subject to DSL approval. Crider explained the agreement is in draft, discussion stage and no action is requested at this meeting. Considerable discussion was held on the proposed agreement and license terms and the needs of the Port of Astoria

to have access to additional sand on the island for any ongoing projects. Crider will continue negotiations with EMSC to factor in the Port's ability to remove sand as needed.

SAMSUNG – MEMORANDUM OF UNDERSTANDING

Director Crider acknowledged this agenda item has been discussed in Executive Session prior to today. It is an agreement to enter into partnership to secure a preliminary understanding between the Port and Samsung. Any information generated will be confidential. This document is required by Samsung in order to conduct a feasibility study on the Astoria Marine Industrial Facilities at North Tongue Point and the Port' Central Waterfront district. This document is basically the start of the potential investment. He needs authorization to execute the document. Each party will accept their own costs. *Commissioner Jack Bland moved to approve the MOU and authorize Jack Crider to execute the document on behalf of the Port. Commissioner Holcom seconded the motion. Commissioner Hunsinger expressed the need for the board to be updated on the project for future decision making. Commissioner Bland's motion carried unanimously.*

COMMISSION DIRECTION

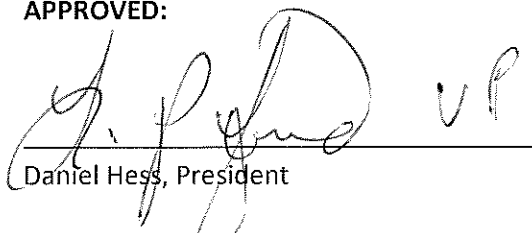
Commissioner Holcom voiced the need for the board to have additional information on the Hotel Proposals financial impacts, including potential cash generation and costs of upkeep on the Port Hotel currently being paid by the Port. The commission has not been provided this information. Director Crider explained staff is looking for commission input on how to move forward. The recommendation for the proposed re-opening of the hotel would generate an additional immediate revenue source to the Port – the maintenance of the building has been kept up. The commission members voiced interest in touring the building. Crider reported this is not an action item at this time; it will be brought before the commission on the next meeting agenda. Commission members voiced agreement on the need to be provided with additional financial information to make a decision.

PUBLIC COMMENT

Chairman Hess called for public comment. None was given.

There being no further business, the meeting was adjourned.

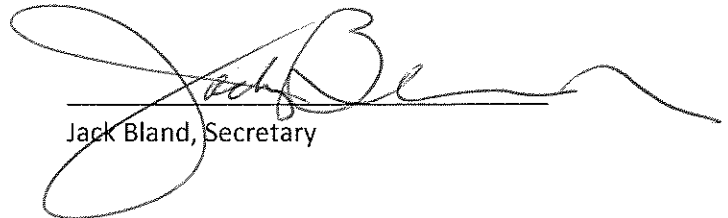
APPROVED:



Daniel Hess, President

submitted by: Rita Fahrney, Admin Services Mgr.

ATTEST:



Jack Bland, Secretary