

MINUTES
PORT OF ASTORIA SPECIAL MEETING
NOVEMBER 8, 2011
PORT COMMISSION CHAMBERS

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

Commissioners present: Chairman Dan Hess, Jack Bland, Larry Pfund, and Bill Hunsinger. Commissioner Floyd Holcom is excused.

Staff present: Executive Director Jack Crider, Deputy Director Herb Florer, Property Manager Mike Weston, and Administrative Assistant Esther Jones.

Others present: Pamela Hunsinger, Chang Lee (DaYang Seafoods), Juan Delgado (Astoria Pacific Seafoods), Martin Nygaard and Steve Fulton from Warrenton Fiber.

Media present: Edward Stratton of the *Daily Astorian*.

CHANGES/ADDITIONS – Director Jack Crider added to the agenda Connect IV (8a) and Fish Expo schedule (8b).

MITIGATION CREDIT SALES AGREEMENT - Chairman Hess called for Steve Fulton from Warrenton Fiber to present at this point of the meeting. Fulton introduced himself and Martin Nygaard. Property Manager Mike Weston explained negotiations with Warrenton Fiber and provided a confidential document provided for their review. The mitigation proposal allows the port to continue with pier 3 proposal development of the eastern face (2 acres of impact), in turn, needing 2 acres of wetland mitigation credits. The details that were provided are costs to purchase the credits once funds are received. The back up plan will be to enter into a paying method proposing of 20% down at 5% interest over five years.

Director Crider added it would be the worst case scenario. He added when a construction project is funded it includes mitigation credits. This part of the cost of the project that is a good deal, enabling the port to move the project forward, permitting wise. Commissioner Bland questioned Crider if the timing has something to do with the port's application of permits and not construction permits. Crider said permits are all tied together.

Fulton added the big advantage, is that when applying to state and federal agencies for construction and removal-fill permits, the mitigation component will be checked off, leaving no uncertainties. Fulton also said his company is putting the bond up with the federal agencies to guarantee the performance in the availability of the credits. *No action by the commission is needed tonight*. A memo of understanding will be brought to the commission next week. Also, before this if finalized, the port will have an opinion from all agencies. The reason to push this, Crider said, the port cannot move forward without the credits and it's one of the last components of the permit. Costs will be incurred pretty soon and the port doesn't want to enter in to any service provider costs without entering into the understanding first. Discussion followed on private projects Warrenton Fiber is involved in with private property, such as creating salmon habitats.

3. PUBLIC COMMENT. Chairman Hess called for public comment. None were provided.

4. HOTEL RFP – Deputy Director Herb Florer reported on his staff report and request for proposal (RFP) for hotel operator tenant. He explained in April the port authorized an RFP for a hotel operator tenant to run the old Red Lion hotel. The port received several proposals but withdrawn with the concerns of parties reluctant to invest amount necessary for improvements and operations while facing the uncertainty of a limited term of operation. The port now owns the land, building, and contents.

The port has the option of leasing the building as a hotel. In October, the board directed staff to prepare an RFP broader in scope, including the potential of a new hotel development and for a longer duration. Key points are: finding a qualified hotel/motel operator as a tenant able to manage operations (with 50 plus rooms) with opportunity to participate in a potential new hotel development. Qualifications are listed in the RFP. He continued to go over pertinent specific points. Proposals due in January 2012. After proposals are received and considered, a potential opening possibly in April of next year.

Florer continued to explain to the group the issues and considerations the port is facing if buildings are not occupied (leased or developed). No recommendation needed today with potential approval next week. Discussion followed. Commissioner Hunsinger questioned the previously approved request for proposal and the change of direction.

5. PROPERTY LEASE TERMS Director Crider explained work on gathering additional information on other ports' lease terms. Property Manager Mike Weston reported on the requests of tenants he had been working on. Moving forward in a direction in lines with staff original recommendations and bringing it to the board in a draft form. Modifications to the draft form, such as rates will be able to be decided.

Crider explained terms of the leases and changes that will be considered, such as the length of the leases and certain conditions. Questions followed by board members. Chairman Hess called for further questions. There were none.

6. IGA APPENDIX – Director Jack Crider reported on the basic IGA components, such as the appendixes to the initial agreement, the part still not approved. He reviewed identifications of projects and their funding over the next five years, including a list of the state's list of acknowledgements. Technical Assistance (TA), Special Public Works Fund (SPWF), grants, and the Marine Navigation funds are listed in the document. He also noted commission training and their timeframes expected after being elected. A strategic plan update is also needed five years from now, funded by the state. Also funded by the state is the capitol improvement plan, one of the biggest items. Chairman Hess called for questions. None were given.

7. MITIGATION CREDIT SALES AGREEMENT – moved to the beginning of the meeting.

8. KOREAN VISIT – Director Jack Crider reported on the visit of the Samsung's Food Resource Department manager here to tour the Tongue Point facility. He thanked the participating board members who helped with lunch and dinner. Lists of things to do were exchanged. Visions of expanding the lineal tracks, that were viewed at the other ports while in Longview, beyond a single track. Crider continued to inform the group on grain terminal operations and a conference he plans to attend next week in order to make critical contacts. It was understood a letter of intent is needed from Samsung.

8A. CONNECT IV – Director Jack Crider quickly gave the board an overview of the grant:

- 675' of pier (jack stringers, bull rails, fender piles and bad caps) on the face.
- 675' by 80' with a wood deck.
- 54,000 square feet.
- Contractors estimate at \$30-35 per square foot.

- Engineers estimate coming in early next week.
- The port will use our labor and equipment to tear old deck off.
- 6-7 weeks and a lot of dump truck loads.

The port will want a transition from the concrete dock to the asphalt roadway (20,000 square feet of area). Labor, equipment, and asphalt will be general fund money. The Connect loan cannot be used for match money. Crider continued to detail the Connect II project dollars, between grant, loan, and match dollars, for the face. The job came out to be half of the bid amount, enabling the port to do another 400' of the east side of pier 2. Chairman Hess called for questions. There were none.

8B. FISH EXPO SCHEDULE – The Pacific Marine Expo in Seattle next week (November 17-19) and a schedule of staff and commissioners was discussed. Commissioners Hunsinger and Pfund shared their plans. Marketing materials will be prepared for the trip. Chairman Hess, Director Crider, and Property Manager Mike Weston are also planning to attend and manage the booth. Some discussion followed on participating businesses.

9. COMMISSION DIRECTION – Commissioner Hunsinger shared his concerns about the port not having a fire boat protection. He asked Director Crider to address the issue with city officials. He reported on possible FEMA security dollars Portland and Vancouver were interested in and included in the city of Portland package was a proposal with coverage of the entire river. Vancouver didn't have plans to do that, but had a vessel to retire and offered it to Astoria. After a study was completed of the funding of the project, stepping back and concluded one vessel cannot support the entire river. In conclusion, the city of Astoria fire department will likely acquire a smaller vessel with the capacity, able to pull out of the water, and can take care of the fires that will probably occur in the Astoria waterfront.

Discussion continued on the subject. Commissioner Pfund added the port does have the small fire boat that has a pump and can certainly be used until then for small fires.

Chairman Hess mentioned he is interested in attending the Marine Reserves meeting next week.

10. PUBLIC COMMENT – Chairman Hess asked if there were questions from the audience. There were none.

There being no further business, the meeting was adjourned.