



**MEETING MINUTES  
FEBRUARY 16, 2021**

**PORT OF ASTORIA  
WORKSHOP SESSION**

Meeting held via videoconference due to social distancing measures

**Call to Order:**

Chairman Rohne called the Workshop Session to order at 4:00 PM.

**Roll Call:**

Commissioners Present: Dirk Rohne; Robert Stevens; Frank Spence; Jim Campbell; and Scott McClaine.

Staff Present: Executive Director Will Isom; Deputy Director Matt McGrath; Finance & HR Manager Jim Grey; Staff Accountant Melanie Wiegardt; Grants Consultant Shane Jensen; and Administrative Services Manager Ella Marion.

Port Counsel: Eileen Eakins was not present for this session.

Also Attending: Andrew Bornstein of Bornstein Seafoods & Astoria Pacific Seafoods; Adam Dailey, Engineer at AM Engineering; Edward Stratton of *The Astorian*; and Cindy Yingst of *The Columbia Press*.

**Changes/Additions to the Agenda:**

Commissioner Rohne advised that staff requested the addition of the agreement between the Port of Astoria and Big River Construction for the airport sewer reconstruction project to be added onto the agenda. He suggested that it be added as item 5AA.

*Commissioner McClaine moved to approve the revised agenda. Commissioner Spence seconded. The motion was carried unanimously.*

**Public Comment:**

There were no requests for public comment.

**Action Items:**

**5aa. Airport Sewer Reconstruction Project**

Deputy Director McGrath discussed the bidding process for this project. There were four bids requested, where two were non-responsive. Big River Construction had the lowest eligible bid at \$331,342.21. Notice of intent to award was posted on February 5<sup>th</sup>. Big River is in the process of gathering their submittals for the project. McGrath went over the project details that were previously discussed. He is asking for Commission approval, so that Big River can continue with their submittals and construction can start. Big River's submittals would still be subject to staff approval. McGrath and AM Engineering will be onsite for the project, especially during critical points and inspections. Director Isom commented that this project is important for the Scouler project and any other future development at the airport. Director Rohne commented that this issue has not been resolved for quite some time, and the Commission wanted to put it on tonight's agenda

to move the project forward. He also felt it was important that the Port met its obligations with the City of Warrenton regarding the sewer issues at the airport.

Commissioner Campbell moved to conditionally approve the agreement between the Port of Astoria and Big River Construction for the sewer reconstruction project at the Port of Astoria Regional Airport with Big River Construction, on the condition that Big River provides all necessary documentation. Commissioner McClaine seconded the motion. The motion carried unanimously.

#### 5a. Approval for the Benefit Cost Analysis & Economic Impact Statement Contracts

Deputy Director McGrath discussed the need for benefit cost analysis (BCA) and economic impact statement (EIS) for possible grants for the Pier 2 West project. The BCA will be required for the MARAD grants, and the EIS will be required for the EDA grant. He is asking the Commission to approve \$14K for the BCA with FCS Group, and a not-to-exceed amount of \$7K for the EIS with Johnson Economics. Commissioner Spence asked that the Port's address be updated to the current Gateway address, and McGrath advised that will be done.

Commissioner McClaine moved to authorize the Executive Director to execute a contract with FCS Group in an amount not to exceed \$14,000 for the purpose of providing a benefit cost analysis and also to execute a contract with Johnson Economics in an amount not to exceed \$7,000 for the purpose of providing an economic impact statement. Commissioner Spence seconded the motion. The motion carried unanimously.

#### 5b. Bornstein Loan Payment Deferral

Director Isom discussed the fourth amendment to the Bornstein lease that is included in the meeting packet. The amendment is being presented because of the loan deferrals that the Port is receiving from Business Oregon. The Port's Bornstein loan is a passthrough, so it made sense for the Port to pass the deferment to Bornstein as well. Isom did not want to continue collecting payments from Bornstein when the payment would not be passed to Business Oregon. Isom acknowledges that there was a delay on this, which was caused by an issue with the Business Oregon deferments that needed to be addressed prior to this lease amendment with Bornstein. Isom states that this agreement moves the amortization schedule back one year, which mimics the deferment from Business Oregon to the Port. Isom comments that this amendment only applies to the payments for the Bornstein building that is a passthrough to Business Oregon. The land lease and all other Bornstein agreements are unaffected by this amendment.

Commissioner Spence moved to approve the fourth amendment to the commercial lease agreement dated February 8, 2021 between the Port of Astoria and Bornstein Seafoods. Commissioner Stevens seconded the motion.

Commissioner McClaine moved to amend the motion to include that staff will correct the lease amendment; the date of "March 16, 2005" will be edited to "March 16, 2006". Commissioner Spence seconded the amendment. The amendment carried unanimously. The amended motion carried unanimously.

#### 5c. Astoria Pacific Seafoods – Amended & Restated Lease

Deputy Director McGrath has been working on this since 2018. This lease is restating the different components from the original lease, including the various amendments. There were a number of items that were not addressed in the original lease that runs through December 2026. McGrath felt it was better to get those items addressed now rather than in 2026. This amended & restated lease has a 25-year term and will run through December 31, 2046. Some of the new items are:

- The premises were not well-defined, and many exhibits were missing in the original leases. The new lease defines and includes exhibits for all of their areas: the tarmac space, the warehouse, the apron, Pier 2 West dockage, etc.

- Rates were not outlined per premises type. The new lease assigns rates to different areas, so future negotiations will be easier.
- The new lease includes 85ft of dock space on Pier 2 that was not being leased by anyone.
- Language regarding common areas and maintenance was updated in this lease. Maintenance obligations were also updated in the new lease. For example, APS will be responsible for fender pile maintenance starting January 2047.
- The rates in APS's current lease are below market. The new lease will steadily increase their rates by 9% each year for ten years. At the end of ten years, there will be a market readjustment.

Commissioner McClaine had concerns about the certified mail requirements listed in the lease. Commissioner Campbell advised that those are the standard requirements that are in most agreements, including federal contracts. Commissioner Rohne commented that this restated lease was a housekeeping item that needed to be done. Andrew Bornstein, EVP of Astoria Pacific Seafoods, commented that the cleanliness of this agreement was desperately needed. They are accepting higher fees, but it is needed because the original lease started in the 90s. Staff commented that the Port's address will be updated on the final agreement. Andrew Bornstein advised that the 55 Pier 2 address should also be removed from the agreement.

Director Isom commented that the ad hoc finance committee had asked the Port to look at their leases to make sure they had adequate revenue to cover the costs of the assets being used. Isom advised that can be difficult in real life. At that point, eight of the ten largest leases did not expire for five or more years. Isom thanks Andrew and his team for negotiating this lease, especially because they still had five more years left on their current lease. This is a huge step forward for staff to get this lease closer to market.

Commissioner Spence moved to approve the Restated and Amended Commercial Lease Agreement dated March 1, 2021 between the Port of Astoria and Astoria Pacific Seafoods, LLC. Commissioner Stevens seconded the motion. The motion carried unanimously.

#### 5d. Professional Services Agreement – Precision Approach Engineering

Deputy Director McGrath discussed the five-year agreement with Precision Approach Engineering. There was an RFP for airport engineering services last year, and only Precision Approach Engineering responded. Their previous contract ended December 31, 2020. There are no major changes from the previous contract, and it allows them to handle the upcoming AIP projects. Commissioner Campbell comments that they are very competent and that they work well with the Port.

Commissioner Campbell moved to approve the professional services agreement with Precision Approach Engineering. Commissioner Stevens seconded the motion. The motion carried unanimously.

#### Advisory/Discussion Items:

##### 6a. Second Quarter FY 2020-2021 Financial Reports

Staff Accountant Melanie Wiegardt advised that the quarterly reports were prompted by recommendations from the finance committee as a way of improving the quality and flow of financial information. This will be supplemental to the monthly financial reports. The major difference is that it will present data for the quarter, whereas the monthly financial reports are year-to-date information. It will also include an executive summary and metrics on improvement and deterioration. It also includes a different presentation of costs and revenues by operating center, so that the Commission can see how individual assets are performing. Commissioner Rohne appreciates the quarterly report, especially the narrative section because it explained the raw data.

#### 6b. DEQ Update

Director Isom provided an update on DEQ and AOC4. In April 2020, the Port came to an agreement with the other PRPs regarding AOC4 and the clean-up action. In order to move forward, DEQ has to issue a consent judgment. The process to get that judgment has been slow, which may be due to the pandemic and other issues. At this time, DEQ might be wanting some financial assurances from the Port when the project moves forward. The Port is trying to work through the details. Isom continues to work with DEQ regarding the original unilateral order that was issued in 2001. In 2001, DEQ ordered that the nine responsible parties for the five areas of concern in Astoria would share DEQ's administrative costs for the clean-up. Each party would be assessed 12.5% of the costs. This order is still in place, and all parties receive a monthly bill for the costs even if it was for an AOC that they were not associated with. One primary issue is that the original order would still apply to the Port even once it addressed AOC4; the Port would continue to receive those bills even though it is not affiliated with the remaining AOCs. Isom has also evaluated some of the bills that have been sent. Some of the charges seem unreasonable for the amounts being charged and the line items being completed. For example, Anna Coates, the project manager for AOC4, gave a presentation to the Commission about two years ago. All parties were charged a total \$15,000 for the preparation, travel time, the actual presentation, and debriefing associated with that specific presentation that probably lasted about 60-90 minutes. The Port was also charged for DEQ employees to read the news article that was written about the presentation. Isom is concerned about future billings. It is important that the Port is aware of what is being charged and at what rates because the Port has to comply with Oregon budget rules. Isom recently met with DEQ, their attorney, and Jennifer Purcell (the regional rep from the Governor's office) in January. He is still waiting on some of the answers on how the bills are calculated, how the costs can be controlled in the future, and if the Port will continue to pay DEQ costs once AOC4 is remedied. Commissioner Stevens asked if any of the Port's attorneys are involved in this inquiry. Director Isom advised that he has spoken with the Port's attorney Eileen Eakins and the Port's attorneys at Landye Bennett that are handling AOC4. Both have confirmed that DEQ has broad authority. The question is not the legality, but is what they are doing right? For example, they rebill for staff work at 6-7 times the staff person's regular salary to account for benefits and overhead. Isom has asked several times about the calculation, but has not received a response yet. Isom says it is difficult to sign that monthly DEQ check when the Port still has staff on layoff. Isom states that DEQ has billed about \$600K in staff time over the last five years, which would be about \$80K billed to the Port.

#### 6c. Executive Director Comments

- He spent a few days last week in depositions for the harbor fee case. He is hoping that the process moves forward.
- He has been in contact with Business Oregon regarding the loan deferrals issued last year. With Canada's recent announcement that cruise ships would be canceled through February 2022, he asked Business Oregon if there might be an opportunity for an extension of the deferrals if ships were not coming in. He is awaiting a response.
- He attended the joint meeting regarding the Enterprise Zone. Buoy Beer and Scoular had presentations about their applications for the program. Kevin Leahy, the coordinator for the Enterprise Zone, asked if the Port could approve the applications in March. It will be on the March 16<sup>th</sup> workshop agenda.



**Commission Comments:**

Commissioner Stevens had no comments.

Commissioner Spence had no comments.

Commissioner Campbell commented on the following:

- He received an invitation from the City of Seaside. They will be celebrating the 100<sup>th</sup> anniversary of the promenade. They are inviting the Port Commission to attend the rededication ceremony on August 7th.

Commissioner McClaine commented on the following:

- He attended the joint meeting about the Enterprise Zone. There was a lot of good information.

Commissioner Rohne commented on the following:

- He would like the Commission to think about how the Port should participate in the Regatta.

**Upcoming Meeting Dates:**

- Regular Session – March 2, 2021 at 4:00 PM
- Workshop Session – March 16, 2021 at 4:00 PM

**Adjourned:**

Chairman Rohne adjourned the meeting at 5:12 PM.

**APPROVED:**

**ATTEST:**

A handwritten signature in blue ink, appearing to read "Dirk Rohne", written over a horizontal line.

Dirk Rohne, Board Chairman  
Board of Commissioners

A handwritten signature in blue ink, appearing to read "Frank A. Spence", written over a horizontal line.

Frank Spence, Secretary  
Board of Commissioners

Respectfully submitted by:  
Ella Mae C. Marion  
Administrative Services Manager

March 2, 2021  
Date Approved by Commission