

**MINUTES
PORT OF ASTORIA
SPECIAL MEETING
SEPTEMBER 13, 2011
PORT ADMINISTRATIVE OFFICES**

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

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

Staff present: Executive Director Jack Crider, Deputy Director Herb Florer, Terminal & Administrative Services Manager Rita Fahrney.

CHANGES TO AGENDA

Director Jack Crider reported he will be requesting approval of the grant award for the Airport . Commissioner Hunsinger would like to add an agenda item to address a recent incident. His report will follow Agenda Item 4 – “Property Agreements – Floyd Holcom”.

PUBLIC COMMENT

Chairman Hess called for public comment.

Lori Durham, 398 Atlantic, Astoria voiced concern about negotiations with Koreans and the “tax free area” being considered – she believes some of the Korean companies that may be negotiating with the Port may be operating “slave labor” or “sweatshop” companies overseas. Jack Crider explained the purpose is for a “Tax Free Zone” on airport property. Commissioner Holcom also acknowledged the Port has operated tax-free zones in the past.

PROPERTY AGREEMENTS – FLOYD HOLCOM

Commissioner Holcom reported on the research and relationship he has reviewed between Port of Astoria and US Army Corps of Engineers history regarding property transactions. He believes past land agreements for dredge-spoil filled areas were owned by the Port of Astoria at some point. There were transactions between the County, the Port, and federal agencies for lease agreements at Tongue Point, the East Basin, and elsewhere. Under the Oregon Statutes defining the roles and authorities of the Port of Astoria, the Port was granted the authority to create, acquire and change wharfs, entering into agreements with the Corps of Engineers. He has found nowhere under these statutes that state the Port is required to pay the State of Oregon D.S.L. for use of the properties. The statutes under ORS 777.095 are still on the books. This statute granted the Port the right to receive revenues from wharfs. He questions why the Port is paying the D.S.L. Discussion followed. Tongue Point is a big issue and the Port needs to confirm legal status.

Commissioner Hunsinger reported on a recent incident at the West End Marina where he encountered a charter guide boat and pick-up parked, taking up 6-7 parking spots while they were using the marina fish cleaning station to clean salmon. He explained to them that they were taking up spaces that our

Port customers have businesses and that their customers need to park to access the business. He indicated that the guide operator he spoke to was rude, advising Bill to “give me a ticket”. Hunsinger also noted the person was rude to Port Security Officer, Peyok. These people pay no money to the port; however they use port facilities. Discussion followed. Director Crider advised the parking problem should be alleviated after additional parking area is made available at the East Basin. Some additional discussion followed on the Port increasing security abilities to write citations. Staff is pursuing options.

KOREA UPDATE-TRAVEL AUTHORIZATION

Director Crider noted an e-mail he received from the Korean Ministry has been copied for the commission review. It is time to put proposals into motion and make a presentation to the Korean investors. He reviewed the past year’s progress – Official visit to Busan, signing of sister port agreement; first log ship loaded to be discharged in Busan, South Korea; second visit to Busan to observe the discharge operation. The Port now has had 15 calls from log ships. A market analysis has been completed, assessing the needs for addition export elevator capacity. The Ministry is now requesting a proposal from the Port of Astoria which is now being completed. He expects a tentative meeting date the end of this month or first part of next. Crider advised he is looking for consensus from the board on direction of the proposal. He quickly reviewed the phase 1, phase 2, and phase 3 components. It is expected the total cost will be \$100 million, with a port-financed aspect of approximately \$20 million. Some discussion followed. *Commissioner Bland moved to authorize travel for Director Crider and a commission member to go to Korea to present the proposal. Commissioner Holcom seconded the motion. The motion carried unanimously.*

PORT ROAD JURISDICTION

Director Crider reported he has recently spoken with the Astoria Police Chief and the City Manager regarding a recent incident that occurred with the water truck used on the piers. Because the public travels on the roads, there are jurisdiction questions. While used by the public, it is important to know these are “industrial” roads – the incident should not have happened. The point is that it’s port property and he is directing the addition of improved signage. Commissioner Holcom added emphasis to the Port’s jurisdiction due to federal security requirements for ports.

RICE ISLAND SAND ANALYSIS

Director Crider advised he had hoped to have results back on Rice Island sand analysis. He will have a breakdown of percentages soon – there being more of a challenge with the layers of analysis being done.

AIRPORT – GRANT AWARD

The Airport grant award from the FAA is ready for commission approval. The total grant is \$1,782,000. The Port match is approximately \$90,000. The Port had an unresponsive low bidder on the grant project; there are provisions in the grant to award the contract to the next low bidder. The Port will be issuing it’s Intent to Award Contract to Helligso. He requested authorization to sign the award for \$1.7 million. *Commissioner Holcom moved to accept the grant offer from the FAA, authorizing Jack Crider to execute. Commissioner Bland seconded the motion. The motion carried unanimously.*

AIRPORT – HANGAR UPDATE

Director Crider reported several months ago a sub-contractor improperly installed the new hangar roof. They have put up a legal fight to stay in the game. It's been determined the bonding company is the only way all parties will get paid. The sub company was given an opportunity to correct the work; however, they were not able to complete it in proper time. The bond company has agreed to bring in another sub contractor in to do the roof correctly. They quoted \$21,000 in materials needed to do the roof, which is inline with information from the manufacturer. The previous sub-contractor quoted \$4,000 – making it obvious they would not be properly repairing it. The material has been ordered and the contractor will be starting next week.

COMMISSION DIRECTION

Commissioner Hunsinger questioned the direction the Port is going with attorneys and property issues. Crider responded on the need to find some answers to property ownership – need to unravel mystery of ownership of properties. Commissioner Holcom added port attorneys could easily read through the same documents he has been researching. He recalled in the past the Port had in-house attorneys. This provided for continuity. Since then there have been strong changes with directors and commission members, losing the continuity. He has found no one who is familiar with the Oregon Statutes 777.095.

PUBLIC COMMENT

Lori Durham, 398 Atlantic, Astoria thanked Commissioner Holcom for his efforts to clear up ownership issues and archival work. She can understand his frustration.

Steve Fulton, City of Warrenton provided an update on the Warrenton and Port of Astoria levees. Engineer inspection/certification was received two weeks ago; Coast Guard needs to be involved. It is likely to be certified with minor corrections. Corps of Engineers will also do inspection. Port of Astoria and City of Warrenton will be responsible for corrections. Legal expense expected to be approximately \$20,000.

There being no further business, the Special Meeting was adjourned.