

**PORT OF ASTORIA**  
**REGULAR COMMISSION MEETING MINUTES**  
**March 16, 2010**

**I. CALL TO ORDER/ROLL CALL**

Vice President Holcom called the meeting to order at 6:00 pm . Executive Director, Jack Crider, took roll call.

Persons present: Commission: Floyd Holcom, Vice-President, Dan Hess, Secretary; Lawrence Pfund, Treasurer; and Jack Bland, Asst. Secretary/Treasurer. William Hunsinger, President was absent due to a family emergency and on his way to Portland.

Staff: Jack Crider, Executive Director, Colleen Browne, Finance Manager, Esther Jones, Administrative Assistant, Herb Florer, Property Manager, John Overholser, Airport Manager, and Ken Smith, Harbor Master.

News media: Cassandra Profita, The Daily Astorian and Jeff Nelson, KAST Radio  
Guests: Thane Tienson, Landye Bennett Blumstein Law firm and Lori Durham. (Also: see sign-in sheet)

**II. CHANGES TO AGENDA**

Add: 1) East Mooring Basin causeway discussion 2) SeaPort Airline Ticketing agreement aspects after item #11 on the agenda as A & B. Hess asked to add one more item, the LNG lease to the agenda. Director Crider asked which lease? Hess answered the Department of State Lands' DSL (state) lease. It was decided to add it before and after the executive session. Holcom asked if there was any objection to the requests? None was mentioned. It will be added after the SeaPort item, making them 11 A, B, & C (DSL Lease). Commissioner Holcom asked if there were any more changes or additions. No concerns were mentioned.

**III. MINUTES**

Minutes considered for approval next: noting minutes that had a last name misspelled for the first and second time, finally correct. Before continuing, Lori Durham had a comment on the "public comment" section of the agenda. The chair recognized the public member, who commented she did not see the popular "public comment" item on the agenda. Director Crider added there were actually two "public comments" items on tonight's agenda. The meeting continued to approve of the minutes below. Calling for motions on the minutes to be approved were:

- Workshop Session, February 11, 2010 – Commissioner Bland made the motion to approve the minutes, seconded by Commissioner Hess and unanimously approved.
- Regular Meeting, February 16, 2010 - Commissioner Bland made the motion to approve the minutes with the spelling corrected of former Governor Atiyeh's name. The motion was seconded by Commissioner Hess and unanimously approved.

□ Budget Committee Meeting, February 19, 2010 - Commissioner Hess made the motion to approve the minutes, seconded by Commissioner Pfund. Minutes were approved by all present, except for Commissioner Bland, who abstained from the vote, as he was not at the meeting.

□ Special Meeting, February 19, 2010 - Commissioner Bland made the motion to approve the minutes, seconded by Commissioner Pfund and unanimously approved.

#### **IV. FINANCIALS – MONTH OF FEBRUARY 2010**

□ **Vouchers:** Discussion and/or questions for Colleen Browne:

Holcom questioned the Pedestrian Access Path – a direct pass through from the city. Crider explained it took a while, the bids came in less, being a match and the requirement was to deposit the funds (the 10%). End result, the city paid.

Holcom also questioned the Premium Financing Specialist payment. Browne explained it is an insurance payment. There is also another insurance payment, called AFCO. Holcom asked the Treasurer if there were additional comments on the vouchers. Pfund answered, no. Holcom continued to ask for a motion to approve the vouchers for the month of February. Hess made a motion to approve. Pfund seconded the motion the voted was unanimously approved.

□ **Financial Reports:** Discussion and/or questions for Colleen Browne:

Operating profit and loss having a pretty good month. We had a positive income from operations and a positive net income.

□ Year-to-date we also had a positive income from operation and negative net income. However, at the end of the year, we reclassified the capitol project based on the recommendations from the auditors. Also, there are five notes of unusual items referenced in the current month.

□ In the balance sheet she continues to do year-to-date reconciliations, nothing unusual.

□ Budget-to-actual have notes in case of any questions.

□ The A/R and A/P aging also included with their own notes for their information.

Crider said Ken Smith, harbormaster was present to address efforts with collections that have been somewhat challenging. Smith reported there are 2-3 boats out of 500 in that situation, possibly because of the hard times. Crider added, two months ago, there was \$40,000 in the 90-day category. He continued to comment on the good job the marina had been doing. Calling it remarkable to hear, Holcom added how other harbormasters were having problems of their own. Calling for other concerns, none were mentioned.

Holcom called for a motion to approve the financial reports. Bland made a motion to approve the financial reports, including Tongue Point. Hess seconded. The vote carried unanimously.

#### **V. PUBLIC COMMENT**

□ **Al Rissman** - 5162 Cedar St., Astoria, Oregon has a 2-part comment. To the commissioners at the Port of Astoria: as a former port commissioner and closely follow

port activities. Even though he missed last Tuesday's meeting about the log exporters, he did speak to a person who did attend the meeting. He continued to comment on events years ago during the port's years of shipping and how the plans changed many times. Tenants were worried about the port changing the business plan. Nothing is set in concrete. Knowing most of the commission for years, he doesn't believe they will adopt a plan that will destroy the former plan. Although, they should look at the short-term effect of the log export plan and long-term possibilities.

Concern No. 2 is: where as the Port of Astoria depends on fisheries, marine service, and tourism to generate enough revenue to remain solvent and pay all debts, he proposed a resolution for the port to adopt. Also submitted.

□ **Bob Zakrzewski**, 92848 Hwy 202, Astoria, Oregon asked the commission who would pay for the improvements (sheet piling and fill) for the project, and how much will they cost. Holcom answered issues that were being discussed and nothing has been approved. Director Crider added we have 600 feet of sheet pile, with a cost of 1.3 million dollars to put in (tiebacks), a ConnectIII project. The balance of the fill and rock was part of the port's match (20%); hopefully the state (taxpayers) will pay for (80%).

Zakrzewski continued to ask who would pay for water? Crider answered, the port (taxpayers). Zakrzewski continued to comment when their company was recruited to move five years ago, they were required to pay for everything in the move, groundwork, power, water, everything.

How many jobs will be available for local people, the community? Not people from Bremerton or longshoremen. Holcom explained he get the same questions at home every day. He suggested taking questions like these to a separate public session with the log operation for Thursday, next week. Crider explained 50-60 jobs although he cannot say where they'd be coming from, the mix. Still a little too early.

How will the bark be disposed? Crider answered, the company is working with Tongue Point Investors, Trails End Recovery to keep the material picked up. Commissioner Holcom called for other public comments.

□ **Lori Durham**, 398 Atlantic, Astoria, Oregon – Thanked Commissioner Hess for adding the Oregon LNG item to the agenda. She continued to comment on her opinion of the project on the Skipanon and how she doesn't think the project is sound. She also thanked Commissioner Bland for bringing up areas of concern like if the company does not attain permits and the port could be left with paying the state for several years down the road.

□ **John Estoos**, 93174 Knappa Platt Lp, Astoria, Oregon - President of the local alongshore union, International Longshore and Warehouse Union Local 50 in Astoria commented on the log boom that lasted for several years and how the port thrived during those years. Estoos added how the members of the board would be "negligent" not to consider a lease with the log company.

Holcom offered to include his written comments in the minutes. Estoos declined. Holcom called for other comments, none were mentioned. The meeting continued with the next item.

**VI. RANGER FOUNDATION** – Commissioner Bland introduced Captain Peter Ogle, a retired naval captain and president of the USS Ranger Foundation and Ron Brockleman, executive Vice President of the foundation. The foundation was formed with the intent for the carrier to become a naval museum.

The carrier is up for adoption along with naval carrier USS Saratoga as a donation to the American public. During Phase I, the application, submitted to the navy has been approved. In Phase II, the 501C3 organization carries a purpose to secure, maintain, and operate the ex-USS Ranger as a museum, an educational center, and a military memorial.

The number one challenge is finding an appropriate permanently to moor the ship. Looking at sites in Portland and elsewhere. Before the effort to raise funds for the project, they have to know where she is going. The navy will donate at no cost, as is, where is. It will have to be brought from Bremerton, Washington and be reconditioned to visitor friendly. It will take 9 million to recondition the ship.

History followed. The ship was commissioned in World War 2 and served in the Atlantic and built by Newport News Ship Building. A large ship, 7500 tons, 1,000 ft. long, and carries 5,500 people. It is known as the top gun of the Pacific fleet, serving active duty from 1957-1993. It also served in Desert Storm. Decommissioned in 1993. The material condition is excellent since it's been in Bremerton. The anchors were donated to the newer nuclear carrier, the USS Ronald Regan, where a plaque is on the ship thanking the Ranger. Discussion followed on the possibilities and the many opportunities for private companies to operate businesses, and also is a chance for educational and emergency operations to be staged on the ship operating in a self-supporting manner. The pier will have to be 1,100 ft. long and needs high visibility location, close to a ship yard a plus along with a strong supporting community.

After the presentation, Commissioner Holcom thanked the gentlemen for their presentation and their service to the navy. Captain Ogle answered a question from Holcom: considering the costs of the project to relocate, how much would the emergency operation center cost? It will be something to come aboard if they ask. Federal dollars cannot be applied for anything, as a condition in the application with the navy. If a state agency (OR) in an emergency operation, wishes to locate, it will be completely on the agency involved, all with private funding.

Holcom mentioned the item designated action (Yes) on the agenda and Director Crider explained that because the organizers are looking for a simple letter of interest. Commissioner Bland, who has spearheaded the task, thought it would attract tourism in the area. He continued to explain the area would be a natural place for the site, a port and a sea adventure, with a river five miles wide, a tall bridge, and a seafront everyone can see.

He is seeking a consensus of the commission to pursue and also for the public that is continually looking at the port to generate positive projects for the community.

Crider added he thought if the commission wished to move ahead, the next step is to spend staff time identifying sources of grants and other funds to pay for the \$40,000 feasibility study, through other resources. Holcom asked Bland if what he is looking for is consensus for the initial study and a staff report. Bland mentioned the Ranger Foundation would like to hear from the port in the sense of going forward with ultimately being placed on the list, with a deadline of September 4<sup>th</sup>. What the port has to consider is whether we will provide the mooring place.

The board voted 4-0 authorizing the port to hire a consultant to analyze the feasibility and research of the project (the study), through a Cambridge firm, who has done a number of studies to tell us whether this area will support a venture of this kind economically. Commissioner Bland made a motion to direct staff to investigate how to proceed with a consultant study. Commissioner Pfund seconded the motion; the vote carried unanimously. Discussion followed on when the USS Missouri came to the Port of Astoria. The motion also includes the search for funding.

**VII. ODOT – Mill Creek Project – Melissa Sutkowski**, project leader from ODOT in Astoria in charge of developing the project to replace the Mill Creek culvert on Highway 30, 5 miles east of Astoria began the presentation. The culvert there now, in place for a very long time, is an 8' box culvert built in 1914. More investigation is needed as to when it was built. Timber has begun to deteriorate in the areas harsh marine environment. It has moderate to severe decay. It has, in some places started to fail. Temporary jacking is in place to keep it from collapsing until it can be replaced.

It is a fish passage stream. When replaced they have to remove any impediment to fish habitat. Typically, culverts are impediments. Programmatics are set with Oregon Department of Fish Wildlife and National Marine Fisheries that state the measurement of the upstream channel width creates an opening one and one half times the width of the channel 25' and create a wide channel. The largest culverts are 12' wide. Replacement will have to be a bridge, not another culvert, in order to open up the channel to enhance fish passage. Director Crider asked how large the drainage basin is. Melissa did not have an answer.

Commissioner Holcom commented on three projects currently choking off the entire north coast. They are the tunnel project on Highway 26, the Highway 101 bridge project, and now the Highway 30 project. Looking at the largest 200-year celebration coming up in 2011 and all three major avenue approaches into the city are being choked off into the city.

Sutkowski explained with Mill Creek, ODOT is actually proposing to move the bridge and realign the road and closing the old Highway 30 access to Tongue Point. Most of the construction will be outside of the highway alignment. The existing alignment on the highway will be open during construction. The new bridge will be on top of the old highway 30 alignments, with significantly less traffic impact. Some traffic

delays will occur when the connections on either end into the existing alignments in 2012.

Discussion followed on trucks maneuvering the corner and it's constant movement. Commissioner Hess suggested lay a brewer down and cut off the bad corner and bypass the moving ground. Why would ODOT cut off the east access to Tongue Point? ODOT is looking at improvement to the Tongue Point road. We are looking only to mock up the alignment on existing highway that is very poor and some removal of the alignment to put the bridge in. Widening in the corner and another side will allow trucks in and out of the access without having to enter the oncoming traffic lane.

Holcom mentioned how ODOT has done numerous studies, and the state has paid for engineer dollars to do overpasses and truck routes into Tongue Point. He suggested the subject tabled for another night. Director Crider mentioned how it was good news because of the new activity and the impact of eliminating the lower road. Holcom remembered the Department of State Lands had done a study to remove the intersection. He believes a work session would be better to go over the details with a public comment session directly for the project at a later date. He called for other comments. None were offered. Sutkowski left project information papers.

**VIII. OSU Old Seafood Lab property** – Director Crider wanted to make sure the commission wanted to move ahead with an agreement. Appraised at \$400,000 looking for a revenue source for over a ten-year period for payment. Interest rate can be negotiated, for example with a 5% rate and would be at around \$4400 a month. The port would have to have a use for the existing building, making our parcel next to it far more valuable. Keep in mind, work needed to be done would be cleanup, the boiler, and probably asbestos.

Holcom continued to ask about the history and how the port long ago donated the property and assisted in construction of the building. Crider added the port sold it for \$68,000 in the seventies. Crider added he was hoping to have a draft agreement, but he did not have one at the time. He wanted to make sure the board knew the port had some appraisal costs, although, OSU did split the cost of the fairly accurate appraisal. The port would not have to borrow money in order to accomplish the deal. Holcom asked for a motion to continue or table for an additional day. Crider agreed to move forward.

**IX. Land Partition, Harbor/Marlin Avenue** – Director Crider explained the commission had authorized him for the ODOT land partition process for the right-of-way of one acre (.84 acres) of property giving the city of Warrenton allowing them to take over. Oregon LNG will pay for the improvements. Once completed, the city will take of the roadway as a public right-of-way.

Commissioner Holcom questioned whether a land swap was possible. Discussion followed on the road and it's frontage. Crider explained since the details contained such important criteria, he asked for time to present to the board. OLNG had given the port more time and the company has also applied to ODOT for doing the improvement on King Street. Crider explained, although the port acknowledged interest in the access to ODOT as the first step, this is only the partition, the next step. Holcom asked if there

was any time line with the state and Crider answered, the port is fine with ODOT. The gas company is pushing because a decision needs to be made by them on which option to take, to come off of one road access or make the improvements on King Street.

A decision on whether the port is ready to participate is needed at this time and will cost the port the .84 acres. Discussion followed on how giving up the amount of land involved actually involves more than the specific piece of land. Giving the access would eliminate more than just the piece of land in question. It would prevent any building on the other side of the road, as Commissioner Hess added. Crider added it also gives the port's property an opening to the other side. Mitigation will also have to be considered for the wetlands by the company.

Holcom recommended a formal staff report be made on the impacts of the transaction and presented for a decision with more information. Crider added the bottom line would be for the port to give up some property. Holcom also asked the report to include directing Crider to talk to the city of Warrenton on a possible trade for the property or other options. The details were agreed upon by all and moved on.

X. **DSL Pier Lease** – Director Crider expressed he is not happy with the title report the port received after waiting so long and considering the cost involved. Components incorrect and comparing them with his records, he believed it proved the port may have better records. Unfortunately, attorney Tienson had not had time to look over. Attorney Tienson interjected explaining that he had forwarded the report to Jody Kelly, a partner in his office, and realized they were pretty confusing, unable to make a firm, definitive conclusion. Although, she did mention she understood there was a number of additional documents provided by the title company that would be helpful.

Crider continued to explain he was looking for the exceptions in the submerged lands. Citing the issue back in 1984, where the area was all upland, made him suspicious, and added how just looking into this on his own gave him a better understanding. The issue, now, is he would like to move ahead with the state (DSL) lease and avoid the trespass and the \$200 a day fine, although it still leaves open the issue of the title. Discussion followed on details still needing to be determined and certainly to be discussed with DSL. Crider added how he was unhappy with the situation and charges by the state and their rights to charge the port for the areas in question.

Commissioner Holcom recommended the board direct Crider, with approval, to forward his questions back to the state, questioning their rights. If trespass threats still continue, he believes our attorney should then look into the situation. Tienson explained, investigating whether the agreement should or should not be entered into by the port with DSL, it would, in fact agree the port has not prejudiced their rights to contest the issue in the future. Crider added, understanding late fees and penalties would occur by failing to pay the state lease he would like to sign the lease without giving up the right to dispute the charges in the future. Tienson added he spoke to the state's attorney earlier and offered to speak to him again, if needed. Discussion followed on paying the state tax dollars while concerns are still unsettled and the history behind the agency's habits. The slips are not found in any of the documents related to the lease. Holcom asked if possibly the port is exempt? Crider answered no. Could the port ask the state to provide the

evidence it needs? Tienson, replied, we can certainly ask the state to provide the evidence citing the port being understaffed and not having the time to research, which could ultimately lead to agreements or suits between the two agencies, could lead to court. Holcom believed the port has the right to determine what is wharfage or not. Tienson answered how that is incorrect and the state has the right to define what the terms they administer state.

Later in the discussion, Crider hoped the board would allow himself and Tienson to deal with the state to come up with something equitable. Commissioner Holcom wished them good luck and asked for a motion to move ahead. Commissioner Bland made the motion, as long as it is understood to not forget about the issue, and the port needs to be out of the "hole" as to not be penalized and that the suggestion Crider made is proper. Commissioner Hess seconded the motion. The vote carried unanimously.

**XI. Pier One Building - Director** Crider explained he now knows who the two contractors left on the clouded title are and he will see one of them tomorrow. What the port is trying to do is avoid is the sheriff's sale on April 7<sup>th</sup>. The bank will bid for a judgment in full in excess of 2.3 million. The probability that someone will bid higher than that is minimal. After the bank incurred costs it could be higher. The contractors' total is \$15,000 if you add them together. Holcom asked how much the port has paid in attorney fees so far on this. That amount was not known at the time but could be looked up tomorrow, explained finance manager Colleen Browne. Holcom continued to question dollars that were budgeted in the special budget meeting to the amount of 1.7 million. Crider explained, since the bank had agreed to drop their law suit against the port the bank had agreed to sell it to us for the 1.7 million amount. On the day of the sale, the bank will buy the building for the 2.3 million amount and we will wait until the next briefing, which is a day-by-day deal. Commissioner Holcom asked if the board had other questions, none were offered and moved to the next item.

**XI-A. East Mooring Basin Causeway repairs** - Director Crider explained the definition of the causeway has now changed. Not a causeway or a bridge. It is now a wharf or a pier, in the definitions of the U.S. Coast Guard (USCG) and the Corps of Engineers (COE). Extremely cautious as not to be in a "bad light" of the Corps and what he is recommending to the board is a little delay. No USCG backing, who had jurisdiction of the structure. They've determined it didn't qualify because it did not go from land to land. If the USCG had jurisdiction, the port would not need a permit to do repairs. The Oregon Department of Transportation (ODOT) did not think we needed a permit. The USCG is now saying it is not a causeway or a bridge and they are going with the corps' definition (wharf or a pier) and that the COE has jurisdiction. The COE understands the dilemma the port is in, though, they want to take a 30-day review on the application because we are working outside the in-stream period.

Commissioner Holcom questioned Crider about the nationwide permitting process to protect infrastructure protecting wharfs and piers and that has been done at this port numerous times. He asked if the port had done that. Crider answered that is what we are doing right now. We thought the port was exempt. It will take only a little more time though.



In the interim, he would like to get the tenants back on the causeway. Ken Smith has plans are to install a gate with a key system allowing tenants (only) to reach their vessels after they sign a hold harmless release, a single sheet of paper. Discussion followed determining the process Crider is preparing to enter with the COE, naming the bridge a pier or a wharf, no longer restricted of ODOT and their classification (bridge). Moving forward, with the colonel at the COE and a letter that says the port has an emergency situation of our pier or wharf needing repair under the nationwide permitting. Application attached (also available for review of the board members) and hopefully will be expedited.

Crider explained how he did not want to delay tenants' access to their vessels in order for them to get to the breakwater with their supplies and water, although, no parking is allowed on the causeway. No decision by the board is needed at this time and no questions from the rest of the board were noted. Ken Smith, harbormaster, added explanation of the gate process, with his approval or disapproval.

**XI-B SeaPort Airlines – Interline agreement** – Director Crider explained the interline ticketing agreement has been one year into the process. More important is the goal of being e-ticketing compliant. Although the deadline was March 15<sup>th</sup> and additional time was given to the airline, the port felt the key to the operations' success is the ability to purchase a ticket on the internet that connect to other flights from Portland International Airport. Crider was still unable to purchase a ticket on Expedia. The city council of Newport did not want to wait either and took advantage at their meeting tonight. The Consortium will meet on Friday. A copy of the letter from the city to the airline company (available to the board) only puts them on notice and does not terminate or defaulting agreements in any way. We are looking for concessions. The Port of Astoria board of commissioners needs to take a similar path, and if the consortium agrees, we will not have to bring it back to the individual bodies. By taking it to the boards first, the consortium cannot make any contract changes, this enables the decision can be made on Friday. Crider's believes this is a fair approach at this time, having the full support of the both city council and the port commission.

Commissioner Bland made a motion to accept the commendation of the city of Newport part of the consortium, and the port commission. Commissioner Hess seconded the motion. The vote carried unanimously.

**XI-C Oregon LNG Lease** – Before beginning the discussion, Commissioner Holcom gave attorney Thane Tienson the opportunity to speak in public first before the executive session. Commissioner Hess is wishing to add a statement on the issue and adding it to the agenda, before and after the executive session. Tienson briefed the board on the details of the court's call for a conference call coming up Thursday at 3:00 p.m. and we will know a lot more then and what is expected.

After that being said, Holcom gave Hess the floor. Hess explained his surprise, speaking about the legal document he received at home the other evening, served by the courts in Oregon LNG's behalf. He continued to express his concerns with the charges the company is planning to impose on each of the board members. His share of the legal fees would be around \$120,000. This kind of an amount would break him, financially.

He is not very happy, since the issue has been on going for the last 6-7 months. The port is in exactly the same place they started, only a little poorer. Beaten 4-5 times, he would like to make a motion to authorize the executive director to sign the lease and move on. He believes the funds could be used for anything we would like to name. He understands there is a phone call Thursday, though, the document mentions there is little time to decide. He would like to move further with his motion authorizing the executive director to sign the lease with Oregon LNG. Crider corrected him: sign the lease with the state. Holcom acknowledged the motion on the floor that was seconded by commissioner Pfund.

At the time, Holcom asked for other discussions by the board and he would like a rebuttal by attorney Tienson, because he has questions himself. Commissioner Bland suggested wait and enter into the executive session because he is not prepared to vote until after the session is over. Commissioner Pfund added his concerns reading from the legal document.

Acting chair Holcom, continuing with his own comments, interrupted by Director Crider asking if it was time to call Chairman Hunsinger. Holcom agreeing, continued on and added his comments. Promising the public four things when starting with this process and was agreed on by the entire board of commissioners:

- ❑ answer legal questions of improprieties and to be prudent not to make any decision during any investigation, he explained the result of the criminal investigation. The next three still out there. Question answered.
- ❑ the second one asked by Commissioners Hess and Pfund when the port agreed to sign the lease agreement to Oregon LNG from Calpine, certain promises were made to the commission to cover costs or changes that never occurred, Pfund agreed, although, he mentioned that the company came to make an offer although, the board thought it to be not adequate;
- ❑ changes to the lease at the last moment, containing a discrepancy that the agreement was made to build an LNG facility and the change that allowed for marine industrial facilities that would compete with the port, not remembered to be in the original agreement by the two board members on the board at the time;
- ❑ who owns the land we leased it from, still not answered.

Only one of the four questions that the public was promised has been answered, that the port is never involved and does not conduct illegal activities. He asked if he was correct. Pfund and Hess answered, yes. Difficult for Holcom, he feels the port is not any different than day one. The port did not file a lawsuit, Oregon LNG did. It was never the port's intent to stop the company from doing what they're doing. The port asked four simple questions that never were answered, except for one. It's the decision of the commission to give them what they want, a lease. He believes, although, the port really does not have the decision, because the port has to apply to the state for the lease. In the legal order as he understands it, how can the port make the decision, when the decision is in the hands of the division of state lands? Attorney Tienson added what the judge ordered is slightly different in what the company asks in the lawsuit. They ask that the port sign the master lease, not ordered by the judge, which the document is a carefully worded.

The last question from Holcom to the director and the commission is also asked by one of his family members, equally concerning to him. What is the personal jeopardy everyone upholds? Commissioner Bland suggested these subjects should be discussed in executive session.

Attorney Tienson agreeing with Bland although, Holcom continued to follow the rules in order, a motion and a second is on the floor, and he has to call for the question that the motion will be withdrawn in order to go into the executive session, and of course welcome to re-motion after coming out of the session. He added he does not have enough information tonight to vote without the questions answered by the attorney. Attorney Tienson added legal points that the company has no ability to charge the port for anything, individually, only a judge can hold the members in contempt. A judge has not done that. Again, Holcom will have to call for the question, or ask for the motion and second to the motion to be withdrawn. Hess and Pfund agreed to withdraw the motion. The motion actually can be tabled, asked for by Hess, and the second can be withdrawn. It was agreed to table the motion, still standing, until out of executive session.

Holcom will make a quick change, Commission reports and comments and concerns will have to be done after the executive session.

#### XIV - RECESS TO EXECUTIVE SESSION IN ACCORDANCE WITH ORS 192.660 (2)(e) TO CONDUCT REAL PROPERTY TRANSACTIONS AND ORS 192.660 (2)(h) CONSULT ATTORNEY REGARDING LITIGATION

The Regular meeting was reconvened after the executive session and Director Crider took roll call. The motion that was tabled for after the executive session was brought back. Holcom asked for further questions or comments by the board of commissioners. Commissioner Hess withdrew his motion with the consent of the second until next Tuesday, or whatever date is decided on. Commissioner Pfund withdrew his second to the motion. Other discussions? Attorney Tienson added to address Hess's point earlier, as to when the motion should be re-brought up. He believed, depending on the results of the conversation of on Thursday, March 3<sup>rd</sup>, and will report immediately to Mr. Crider, it may require a special session earlier than next Tuesday.

Holcom added the commission to direct, with consensus, the attorney and the director will conference after the court discussion on Thursday, and the director will immediately notify whether or not have a public session announced, which would be as early as Monday or Tuesday. Director Crider answered it may be Friday.

## XII. COMMISSION

### A. Reports

#### Commissioner Bland:

CEDR – on the 11<sup>th</sup>, the new CEO of SeaPort Airlines made a presentation. They've asked us to change the type of aircraft serving Astoria to Portland and Newport to Portland from the Pilatus (a 9-passenger pressurized aircraft) to a caravan Cessna (a 9-

passenger non-pressurized aircraft). It will save a third of the operating cost of the airplane, making the subsidies go further, though, the Cessna not as fast as the Pilatus.

SeaPort has cancelled the early morning flight meeting eastbound departures, without talking to the port. Going from what we thought we were going to have, to less. Currently, the fares are the same as Newport to Portland.

CEDR has been approached for an earmark for Tongue Point Investor money. Crider added, it's too little, too late. A large earmark, although, more possibility for the port to participate in Build America bonds.

Commissioner Pfund:

*No committee items.*

Commissioner Hess:

No committee items. Except he was excited to see the letter that ODOT had decided not to lower the tunnel.

Commissioner Holcom:

In the last week and a half, he's received numerous calls of support. Spoke to former Commissioner/Representative/Assistant Director of the Port of Astoria, Ted Bugas on the history of log exports. Bugas would encourage the director and the commission to tell the tenants and prospective log exporter to move immediately and move forward with the project.

Adding to that, Holcom has had many calls from constituents at home and work. Two calls were against the project and more than forty calls for the export deal. He continued to report how the community is struggling in this community. Individuals have asked him and port to be more aggressive with economic development and the log export deal. He has not yet decided on it, but he believes we need to be move forward and work together with our tenants. Also, the urgency is we need to make this work, and it is the job of the commission to get these guys together and work it out. It is not the best interest of the port to have our tenants be against anything and we need to work together to move forward.

Executive Director Jack Crider:

He left the city council meeting very positive, with exactly the same comments, although, it failed to get in the local paper.

Commissioner Bland:

Bland mentioned the calls he has received at home on the log export deal. Numbers for the project: 16; against: 2; don't know enough to have an opinion: 5.

**XIII. OTHER BUSINESS - none**

The commission offered no other comments

**XVI. CONSIDER ACTION ITMES, IF ANY - none**

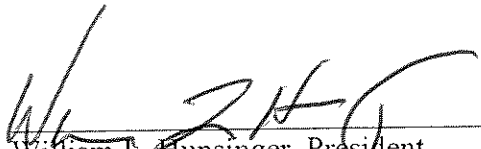
**XVII - PUBLIC COMMENT**

**Lori Durheim** – People against the log handling, what were their reasons? Commissioner Holcom answered, they were upset about changing the strategic plan of the port and not informing tenants. He felt that, from the beginning, every attempt was made to inform everybody what was going on. Lori added, she hoped the port does get it. She remembers, when there was that kind of operation, port stuff, instead of being a real estate agent. She believes we can work it out.

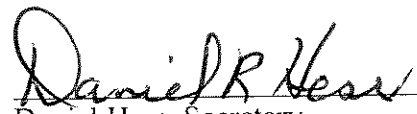
**Cassandra Profita**, reporter from the Daily Astorian – advice in the public relations arena. Their door is open, call Steve Forester, or her, talk to them, register complaints; someone needs to tell her if stories are inaccurate. Commissioner Bland added he thought she was doing a good job. Holcom added he has known Forester for many years and he has never come to Holcom's office, that why does someone always have to go to his office, which he has been to his office twice.

**XVIII. ADJOURN at 9:00 PM**

APPROVED

  
\_\_\_\_\_  
William L. Hunsinger, President

ATTEST:

  
\_\_\_\_\_  
Daniel Hess, Secretary

Submitted by Esther Jones, Administrative Assistant

Port of Astoria  
COMMISSION MEETING

SIGN IN SHEET

DATE: March 16, 2010

NAME

PRINTED NAME

Lori Durheim

Jeff Nelson  
Cathy Bussman

JEFF NELSON

Ron Brockelman

Peter Osle

Bob Zakrzewski

Bob Zakrzewski

Cheryl Zakrzewski

Melissa Vedenoja

Melissa Vedenoja

Lane Veborg

Melissa Sat

Melissa Satkowski

M. Jay Bornstein

M. J. Bornstein

Pete Johansen

PETE JOHANSEN

John Estroff

JOHN ESTROFF

March 14, 2010

To the Commissioners of the Port of Astoria,

As you know, I'm a former Port Commissioner and closely follow the activities of the Port.

I missed the meeting Tuesday when the log export issue was discussed. However, I did talk to a person who attended the meeting.

Some port tenants complained to the commissioners about changes in the port's business plans. In the operation of a port, nothing is set in concrete. Port goals and plans have changed many times. Way back in 1935 the Port of Astoria was engaged in shipping logs. Later it was container ships. I drew up the goals for the Port. A 250-acre fill west of Pier Three was the plan.

Tenants' worries about the impact of log traffic are a little overblown. Englund Marine Supply is one of a kind, and I don't believe log trucks will have any impact on their business. Mr. Bornstein's concern about the environment was addressed years ago when logs were taken out of the water and land shipped.

Shipping logs to China, in addition to being revenue for the port, helps level off the trade balance with China. The United States ranks fourth in export trade to China.

I have known most of the commissioners for years, and I believe the commissioners are not going to adopt a plan that is going to destroy the former plan. However, the port should look at the short-term effect of the log export plan and the long-term possibilities. If this project pans out, there's a possibility it could lead to other business opportunities for the port.

Al Rissman  
5161 Cedar Street  
Astoria, OR 97103

PROPOSED RESOLUTION  
for the Port of Astoria

WHEREAS, the Port of Astoria depends on fisheries, marine services, and tourism to generate enough revenue to remain solvent and pay all legal and other debts;

THEREFORE, the Commissioners of the Port of Astoria adopts this resolution making clear our objection to any development on the Columbia River that could be detrimental to the restoration of fishery runs on the Columbia River.

Submitted by  
Al Rissman  
5161 Cedar Street  
Astoria, OR 97103