

MINUTES  
REGULAR COMMISSION MEETING  
PORT OF ASTORIA  
OCTOBER 19, 2010  
SEASIDE CITY HALL CHAMBERS

Vice President Dan Hess called the Regular Meeting to order. Roll call was taken.

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

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

Others present: See sign-in sheet.

Vice Chairman Dan Hess welcomed the audience members and thanked them for coming.

**CHANGES TO AGENDA.** Executive Director Jack Crider advised the Executive Session to follow after this meeting is cancelled and the Collateral Agreement is removed from the agenda.

**MINUTES:** Special Meeting, August 10, 2010; Regular Meeting, August 17, 2010; Special Meeting, September 14, 2010. *Commissioner Pfund moved to approve the aforementioned meeting minutes. Commissioner Bland seconded. The motion carried unanimously.*

**FINANCIALS – MONTH OF SEPTEMBER 2010**

**Vouchers.** Commissioner Bland reported he and Finance Manager, Colleen Browne, reviewed the vouchers for the month of September. He reported he finds them in order. *Commissioner Bland moved to approve the vouchers for the month of September. Commissioner Pfund seconded the motion. The motion carried unanimously.*

**Finance Reports.** Executive Director Jack Crider advised in Finance Manager's absence he will briefly review the finance reports for September. At September 30, 2010 there was \$678,000 in revenues; \$436,000 in expenses, with a net of \$221,000. There have been big capital projects including the repair at the East Basin and the addition of new staff. There is a need for another good two months or so of good numbers – including additional revenue from the log ship scheduled in. *Commissioner Bland moved to approve the financial reports for the month of September 2010. Commissioner Pfund seconded the motion. The motion carried unanimously.*

**PUBLIC COMMENT.** Vice Chairman Dan Hess called for public comment.

**Lori Durheim,** 398 Atlantic, Astoria. Noted Director Crider has signed the West/East lease and she wondered if Commissioner Hunsinger's and Holcom's questions were answered. Deputy Director Herb Florer reported on staff efforts to address the questions. Additional financial information has been received and in previous areas of operation staff inquired of the Landlords to determine if there were any issues with West/East. No financial or environmental issues were found. Not a lot of information regarding their past operations is out there.

Director Crider emphasized this is only a one-year lease; the principals have placed holding funds in a bank. The tenants have a lot to prove, including proving to the Port that they will be a good tenant.

John Dunzer, Seaside, Oregon. Mr. Dunzer gave a lengthy presentation on what he would do to bolster the local economy in the current economic downturn. His 5-page public comment is attached to and placed in the records. Director Crider advised he will ensure Mr. Dunzer gets plugged in on the CEDR program and acknowledged the Port of Astoria should be responsible for economic development for the County.

#### **CRUISE SHIP SEASON REPORT.**

Port of Astoria Cruise Ship Marketing Director, Bruce Conner introduced Marian Soderberg, the Director of Clatsop Cruise Hosts, Inc. (CCH) and her husband Mike. Conner briefed the audience on the 2010 cruise ship season; there were nine cruise ship calls including a new market – the NIPPON MARU, a Japanese cruise ship. For calendar year 2011 the Port now has confirmed 19 cruise ship calls including Oceania Cruises, an upscale, high-end cruise line. Their ship, the C/S REGATTA, is scheduled to call in Astoria 4 times in 2011. CCH Director, Marian Soderberg explained CCH is a non-profit organization with a board of directors and approximately 150 volunteers that enjoy assisting passengers on cruise ship call dates. Bruce Conner commented CCH is becoming known world-wide for its uniqueness in providing volunteer assistance for cruise ship passengers. President Soderberg commented favorably on the recent acquisition of shelters to protect the volunteers who are giving out area information and the volunteers selling bus shuttle tickets. She shared some examples of services the volunteers provide. Conner briefed the audience on the unique shore excursions being offered to passengers, which include tours to Seaside and Cannon Beach. The CCH also provides services for the crews of ships. They are especially pleased to be able to shop in our communities and not have to pay a sales tax. Some further information was shared.

**FISHERMEN'S FESTIVAL REPORT.** Chairman Hess called on Fishermen's Fund Event Director, Ron Williams. Mr. Williams shared a power-point presentation of events and people at the 3<sup>rd</sup> Annual Fishermen's Festival held at Tongue Point this year. The first year of the event was held at the Astoria Sunday Market, the second at the Port of Astoria's pier one facility. The festival was very successful, attracting thousands of participants. He described events held this year and attractions, including captains and crew members of "The Most Dangerous Catch" boats and renowned chef, Graham Kerr.

The mission of the Commercial Fishermen's Festival is to offer fishermen and industry professionals an opportunity to bond and share information that will save lives, improve productivity, increase demand for seafood products, and promote job opportunities. The mission is also dedicated to educating the public about the fishing industry including the steps fishermen have taken to ensure a renewable resource for the future. Williams thanked the Port staff for their assistance, noting he is proud to be associated with the Port of Astoria. Director Crider responded with thanks to Ron Williams for his tireless, year-round work to put this festival together.

#### **PROPERTY MARKETING.**

Executive Director Jack Crider reported that staff is at a point with property information to request direction from the commission. Deputy Director Florer reported staff members Mike Weston and Jessica Long are looking at marketing possibilities and options. Options include listing with a real estate agency to get web service exposure and/or listing with an agent who will receive a commission. They are preparing property descriptions that can go on-line, looking into an ad that pops up on search engines during web searches.

Crider explained the port has a current resolution from 2000-2001 that addresses real estate policy. It will be of benefit to have a realtor do listings and go through an RFP to select a realtor. There are a lot of properties to market. Staff is looking for input on the RFP process. Commissioner Bland noted the Port has the property and needs to take steps to get it out to the public that it is available. Commissioner Hess agreed, stating it is more visible and a better market. Staff will put together information for future consideration.

#### **AIR SERVICE – FUTURE PLANNING.**

Commissioner Jack Bland reported the air service consortium is considering removing \$40,000 of the back-end of the Seaport Airlines subsidy to apply to local advertising to use to get community interest and support of programs to support the air service. Director Crider added the public is asking for more free-style, inexpensive tickets – for the airline to have more flexibility. The goal is to get the cost of the service down, pre-sell blocks of tickets that would be good for any date. The flights are too expensive. The group is trying to think outside of the box, using the promotional funds to sell the concept. More details will be provided. Staff is working with CEDR and will discuss the proposal with the Oregon Connect program to see if the approach is eligible for the funding.

#### **ECONOMIC IMPACT STUDY.**

Director Crider reported the Economic Impact Study is ready to distribute to folks in the community. Based on input from tenants and the community, the survey will be sent out to public and vendors who use port facilities. Staff will be distributing the survey. The Port has developed a mailing list. The survey will be distributed to different groups of generated mailing lists, through business associates, and Chambers, etc. Commissioner Hess noted he has reviewed the study and thinks the format is good.

#### **DIRECTOR'S REPORT.**

Dredge Season Report. Port maintenance staff has completed repairs and annual maintenance on the dredge ladder and work boat. The Corps of Engineers performed a Floating Plant inspection and found a dozen minor safety items on both the dredge and work boat, which have been addressed. Great Lakes survey boat is doing a triple beam sounding today on the face of pier 1 and turning basin to determine priorities before the log ship arrives, November 5<sup>th</sup>.

Tongue Point Large Vessel Haul-out. Staff has been working for the past several months on a business plan for a 30-ton trailer lift and wash (\$200,000 investment) at North Tongue Point, the concept being to gain access to the covered warehouse for vessel storage and winter vessel maintenance. J & H Boatworks has been approached by several large vessel owners interested in J & H working on their boat, but the vessels are in the 1150-200 ton range. J & H would be interested in partnering with the Port by jointly applying for a US Maritime Administration Small Shipyard Grant Program in 2011. Tim Hill, J & H Boatworks confirmed they are just now completing the painting process for a 72' x 28' vessel for crab season. They have follow-up customers, but it is not a practical process to get boats out and back into the water using their current method.

Export Business update. The first log ship to load for Korea is scheduled to arrive November 5<sup>th</sup>, with a possible second vessel loading for China before the end of the year. Crider has been contacted by a large lumber company interested in shipping break-bulk lumber from the Port of Astoria to China. Korean contacts continue with questions of capacity, incentives, available resources for export and industrial land at the airport. Dr. Park's brother in Korea has agreed to be a point of contact for the port at no cost. The information will be posted on the Port's web site. Staff has drafted a joint agreement between the Port of Astoria and Port

of Busan, Korea. Staff is continuing work on information that clearly demonstrates the cost benefits for shipping out of Astoria. This will help us understand whether the best value of using our Port is lower product cost to the dock based on location of resource or vessel transportation cost. This information will be valuable in helping the Port marketing efforts.

Commissioner Bland brought to attention the Port has a new website up and declared it to be outstanding. Director Crider acknowledged the work done by Lesle Palmeri who designed it. Lesle Palmeri noted that the Port now has control of the website, where in the past it didn't. She asked for people to send her feedback and comments. It is still a work in progress.

#### **COMMISSION REPORTS.**

Commissioner Bland reported the draft feasibility study for locating a Naval ship museum in Astoria has been distributed to board members for review. He would like to get input on the report, acknowledging it will take a lot of money and effort by many. He would like to proceed and see what happens. Commissioner Hess commented it was a good report, functional and made sense. Commissioner Bland stated he believes we have a spectacular place for a museum, good visibility. It will be a tourist draw and generate full-time jobs. CRMM is on board on promoting the idea.

Commissioner Hess reported on the OCZMA meeting he attended. They discussed the ocean Sanctuaries and if they are needed or not. There was also discussion on this year's lack of funding for the Corps of Engineers to complete needed dredging.

#### **OTHER BUSINESS.**

Deputy Director, Herb Florer, announced National Fish & Wildlife in partnership with Covanta Energy will be installing a collection bin for old, abandoned or lost fishing gear from area fishermen. The event will be at the pier 3 boatyard on Friday, October 22, 2010 at 11:00 a.m. The gear will be recycled by Shnitzer Steel and Covanta.

#### **PUBLIC COMMENT.**

Ted Thomas, 398 Atlantic, Astoria. Mr. Thomas commended the effort of the Port to regain the port as an operating port. The Governor informed the Land Board that this year the least amount of timber was cut since the Great Depression and less milled lumber since records were kept. He commends the efforts to pursue lumber exports.

Roger Nance, Westerlund Log Handlers reported WLH has hired five operators from the local community to work in the sorting yard – all having been unemployed. Next week there will be longshore training on the equipment.

Vice Chairman Hess called for any other business. There being none, the meeting was adjourned.



PORT OF ASTORIA

COMMISSION

MEETING ATTENDANCE SHEET

DATE: Oct. 19, 2010

NAME

PRINTED NAME

LORI Durham

CHUCK MINER

Tim Hill J&H Boatworks, Inc Tim Hill

Chuck Hamerle J&H

Ted Thomas Ted Thomas

JOHN DUNZER

Don Larson

Tom Williams

Ruth Johnson

Mark Winstanley

Nite Soderberg

Maxine Soderberg

S BRUCE CONOVER PORT OF ASTORIA

KATHLEEN TEEPLE

Bill Teeple

LESLE PALMETTI Lesle Palmetti



Port of Astoria

www.portofastoria.com

PORT OF ASTORIA

COMMISSION

MEETING ATTENDANCE SHEET

DATE: Oct 19 2010

NAME

PRINTED NAME

ALAN SMILES

KEITH CHANDLER

MARLE POSALSKI

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*INPUT TO PORT by JOHN DUNZEE 10/18/10*

## WHAT I WOULD DO TO BOLSTER THE LOCAL ECONOMY IN THE CURRENT ECONOMIC DOWNTURN.

It should be recognized that the current downturn of the local economy started over 30 years ago for Clatsop County with the collapse of the lumber and fishing industries. During this last thirty year period, the economy of the area has been somewhat stabilized by the rise in tourism. Unfortunately this has resulted in an increase in lower paying service jobs replacing many of the formerly higher paying jobs in forestry and fishing.

Today the area is negatively impacted by the sluggishness of the overall Oregon economy. Both candidates for Governor impart the same message, "Oregon needs outside thinking and new ideas to grow the State". Certainly Clatsop County is a real case study in how difficult it is to even DISCUSS outside thinking and ideas. Given this environment and my 30 years of economic development experience as well as my six years of involvement in Clatsop County these are my short term ideas.

Service class jobs compose the biggest share of all Clatsop County jobs and are projected to be the primary job growth category for the County in the future. We can no longer be content to see service class jobs as only low-skill, low-paid work. A strategy must be developed to make a major portion of service class work in the County into better jobs. This should be done by putting more emphasis on developing more attractions for our visitors and second home owners. CEDR on it's web page lists 75 activities that are available in this area. Less than 15 of these activities are packaged such that visitors who are in the area can easily participate in these activities.

In order to make the catch phrase "more than a day at the beach" actually work, Clatsop County should have a much stronger visitor attractions sector. Speaking from personal experience, the reason the cooking school failed at the OSU Seafood Center was that it was not effectively marketed. Ditto the Astoria aquatic center and the County Fairgrounds. Where are the promised business plans??? The more successful our attractions are, the more visitors will prolong their stays and the more healthy our economy will become. Mother Nature has done her job, we have all the basic infrastructure in place, the markets are nearby and what is needed is for the community to intelligently develop visitor attractions and put forth the effort to do more than just pick the lowest hanging fruit off the tourism tree.

In terms of long term job development, the County Commission identified as one of it's yearly goals, the development of a renewable and alternative fuels business cluster. The County, a number of years ago, approved a modification of the State Planning Goal for energy conservation to include requirements for the study of total energy system planning in its project approval process. Unfortunately County Commissions have not followed their own law. If such a requirement was made a part of the approval process for the Oregon LNG facility planned for Warrenton, then over 100 additional family jobs would be generated and the overall economics of plant operations would be much improved. FERC has asked for this information but Oregon LNG refuses to address the question.

CEDR has refused to hear anything to do with LNG and the energy conservation issue. If the Bradwood site was to be redesigned to be primarily an industrial gas and hydrogen production facility and avoided the environmental problems(see attached proposed modification plan) created by the greed of Northern Star, then it could furnish hundreds of green jobs in the County. In particular this would support the major new Intel plant and existing solar panel and semiconductor plants in Oregon.

The County and City General Plans do not address any role for CEDR in implementing the State Planning Goal for Economic Development. The County, the cities and CEDR do not recognize that the State has two working groups which study and propose economic development opportunities for counties like Clatsop. They are the Biomass Working Group and the Forest Cluster Development Group. I attend their meetings but am not invited, encouraged, or authorized by any Clatsop County organization to share information. In particular, there is a good opportunity for a hemlock moldings manufacturing business to be economically viable in our area as well as a real opportunity to establish a Certified Green Sustainable framing lumber manufacturing source. Unfortunately wood biomass combustion facilities opportunities are going to be regulated out of business by new Federal EPA air quality regulations.

This dysfunction in economic development functions within the County's government, business community, environmental community and media has in the past negatively affected long term job growth in the County and must be fixed before an outside firm would consider any major business investment. I am capable of fixing it with the support of the CEDR Board of Directors.



# CHANGES TO BRADWOOD TO GAIN APPROVAL AS ALTERNATIVE ENERGY (HYDROGEN) MANUFACTURING PLANT

PROVIDE ACCESS FACILITIES FOR STANDARD SIZED SHIPS (150,000 CU METERS) (37.5 FT MAX DRAFT) INSTEAD OF SUPER SHIPS (225,000 CU METERS) (41 FT MAX DRAFT)

DREDGE 10 ACRES OF SHORELINE "AD" ZONE TO 40 FT. NO DREDGING OF RIVER "AC" ZONE REQUIRED SINCE RIVER ALREADY AT 40 FT DEPTH FOR SHIP TURNAROUND.

DREDGE SPOILS ON 55 ACRES OF EXISTING INDUSTRIAL ZONING ONLY TO RAISE ABOVE 100 YEAR FLOOD LEVEL

SHIP ARRIVES EVERY 3 DAYS AND TIES UP TO SHORE FOR UNLOADING. NO MOORING FACILITIES REQUIRED IN "AC" ZONE

UNLOAD OVER A ONE AND 1/2 DAY PERIOD (100,000 CU METERS/ DAY) TO TWO MUCH SMALLER (DIAMETER 150 FT INSTEAD OF 259 FT) STORAGE TANKS.- NO REROUTING OF RAILROAD REQUIRED. NO REZONING OF "AN" ZONE REQUIRED

VAPORIZE 50, 000 CU METERS A DAY USING CYROGENIC ENERGY RECOVERY SYSTEM RATHER THAN SCMS. USE THIS RECOVERED ENERGY TO. PRODUCE VERY INEXPENSIVE INDUSTRIAL GASES FOR USE BY LOCAL HIGH TECH INDUSTRIES INTEL SOLAR ETC. INCREASING THEIR ECONOMIC VIABILITY. SHIPPED OUT BY RAIL.

USE VAPORIZED GAS TO PRODUCE ALTERNATIVE ENERGY HYDROGEN FUEL FOR VEHICLES. ALSO SHIPPED OUT BY RAIL.

PROVIDE ON-SITE 25 MW ELECTRICAL GENERATION PLANT FOR PLANT ENERGY NEEDS USING ALTERNATIVE ENERGY (CONSTRUCTION WOOD WASTE FROM METRO AND HOG FUEL FROM SLASH RECOVERY) BROUGHT TO SITE ON RIVER BARGES TIED UP AND STORED IN MILLPOND. USE WASTE HEAT FROM ELECTRIC GENERATION TO VAPORIZE CYROGENIC GAS. ASH SHIPPED OUT BY RAIL AND USED FOR FERTILIZER.

NO ZONING CHANGE REQUIRED FOR POWER LINES SINCE ALL POWER NEEDED IS GENERATED ON SITE.

USE EXISTING RAIL LINE FOR ACCESS OF CONSTRUCTION MATERIAL AND WORKERS FROM EXISTING WAUNA CONSTRUCTION AREA. NO NEED TO WIDEN ROAD OR IMPROVE BRIDGE OR PARKING LOT FOR LATER FACILITY OPERATIONS..

PROVIDE EXCESS VAPORIZED GAS TO WAUNA AND THEN TO EXISTING MIST NATURAL GAS STORAGE FACILITY ELIMINATING PIPELINE CONNECTIONS

ELIMINATE PROBLEMS CITED BY LUBA. "PROTECT SALMON" ISSUE ELIMINATED BY NOT DREDGING IN "AC" ZONE. PROJECT SIZE REDUCED TO 70 ACRES (55 acres of industrial land + 10 acres of dredging In "AD" zone + 5 acres for on-site pipeline). 70 ACRES IS WELL UNDER THE MAXIMUM 100 ACRE FACILITY SIZE LIMITATION SET BY THE CLATSOP COUNTY NORTHEAST PLAN.

NO ZONE CHANGES SO NO IMPACT ON PUBLIC SERVICES

*SUBMITTED TO PORT ASTORIA  
OCTOBER 19, 2010*

*JOHN DUNZER  
(503) 738-6885  
JOHNDUNZER@MSN.COM*

January 14,2010

Mayor  
City of Seaside

Dear Mayor,

At its December 16, 2009 meeting, the Port of Astoria reviewed a draft of its Strategic Plan. It should be noted that the only areas being studied by the Port for future Port District involvement are in the Astoria-Warrenton area.

Since the South Coast area of Clatsop County provides the majority of tax support for this Agency and this agency is charged with County-wide economic development, this plan is unacceptable.

The Seaside City Council is the elected organization that represents the majority of taxpayers in the South Coast area of Clatsop County. It is your responsibility to ensure that our area receives benefits from this agency. I would suggest that your agency prepare a list of projects for this area for inclusion in this port strategic plan including developments for the seaside airport and for a new modern industrial park to surround the airport. This industrial park would be designed specifically for secondary manufacturing of hemlock interior and exterior building specialty products which is the area recommended by the state for the Oregon North Coast. I would also suggest that the port be involved with the redevelopment of the historic seaside pier.

Also your city government should get behind the redistricting plan for county commissioners and port commissioners that will be prepared after census results are available. As you are aware the present district lines constitute gerrymandering under Supreme Court decisions. The County Commission is on record as being aware that their present practice of skewing commissioner district lines to favor representation for rural areas over incorporated areas is illegal. I have prepared a new redistricting plan which would provide one district that would encompass the city limits of Seaside which has been submitted to your organization previously.

John Dunzer  
738-6885

Cc: Port Commissioner Bland  
County Commissioner Mushen  
Seaside City Councilor Barber