

MINUTES
SPECIAL COMMISSION MEETING
FEBRUARY 8, 2011
PORT COMMISSION CHAMBERS

Chairman Floyd Holcom called the Special Meeting to order. Roll call was taken.

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

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

Also present: John Lansing, Seaport Air.

CHANGES TO AGENDA

- Deputy Director Florer: Addition Westerlund Log Handlers office lease review, J.M. Browning office lease review and Martin Alvey office lease review.
- Executive Director Crider: ORS 777 Comments
- Commissioner Hunsinger: Lower Columbia Solution Group meeting
- Chairman Holcom: Update – 36th Street Causeway, Beltline Rail

PUBLIC COMMENT None.

WEST BAY FISHERIES, LEASE REVIEW

Deputy Director Herb Florer reported the West Bay Fisheries lease has been consolidated, with re-statement of multiple amendments made over the past. He reported Property Specialist, Jessica Long, has worked with West Bay on the lease. West Bay is currently leasing warehouse space, apron space and pier space for seafood processing. The lease has become complicated with four amendments between 2002 and 2007 and additional parcels now being included in the lease. Chairman Holcom reported for the record that he is a waterfront property owner; however, he does not believe his involvement in the lease review will affect his interest.

Discussion was held on the lease rates. It was acknowledged that West Bay pays taxes, supporting the county coffers and there is a certain expectation for the Port to work with to attract businesses for economic development. Commissioner Hunsinger voiced concerns the apron area space lease amount is low at \$0.05 cents per square foot. It is highly valued property. Commissioner Pfund stated he is well aware that the west side of the pier two dock facility is in poor condition. Director Crider noted that West Bay has contributed one-third of the cost of the fire system upgrade. Dana Ferguson, West Bay, added that West Bay has also financed significant repairs to the facility. Deputy Director Florer advised

the lease is presented for review and comments. It will be brought back to the commission to consider for approval at the Port's regular meeting.

JM BROWNING LEASE

Deputy Director Florer reported JM Browning was displaced by the recent fire at #10 Sixth Street. They are interested in a one- year lease with an option for another year. They will occupy 270 square feet of office space at the #10 Pier One Building. Monthly rent is \$418.50 plus taxes and utilities.

MARTIN ALVEY

Martin Alvey's lease is for 410 square feet of office space at the #10 Pier One Building. The lease is for one-year with an option for an additional year. Monthly rent is \$600 plus taxes and utilities.

WESTERLUND LOG HANDLERS.

Westerlund Log Handlers office space lease is for 1,790 square feet on the third floor of the #10 Pier One Building. Given the length of the term (five years and one five-year option) and that they are pre-existing customers, their monthly rate is a little lower per square foot, \$3,000 per month plus taxes and utilities. In addition, tenant is doing needed improvements.

PIER ONE VENDOR FEES

Executive Director Jack Crider reported staff is working toward establishing a schedule of fees for use of port facilities. For several years now the Never on Sunday Market (ASM) has helped in promotion of cruise ship calls, providing a market. Mitch Mitchum, board member of Astoria Sunday Market (and Clatsop Cruise Hosts) explained how the market works and collects funds during cruise ship calls. They assess each vendor \$35. Staff has negotiated with ASM to collect 10% of vendor fees. Crider stated Astoria Sunday Market will act as agent to manage all vendors. Vendors not registered will pay \$50 fee and provide proof of insurance. This will solve open access and provide additional revenue. Crider explained the variances in the fees, noting Clatsop Cruise Hosts is also non-profit, making revenue on bus ticket sales. Staff is working to create a fair fee for use of the property for CCH. A committee consisting of Bruce Conner, Rita Fahrney and Cyndi Mudge has been created to review vendor applications for appropriateness at the cruise ship market, giving some control to the Port.

BELTLINE RAILROAD HISTORY

Chairman Holcom advised he found documents from the 1990's indicating property right-of-way's did not have clear titles. He has questions on right-of-ways and what is on the books. Director Crider responded the information is not easy to figure out. The title companies have been ignoring port requests for title information. Holcom explained Pacific Power easement and right-of-way for rail lines have big value. He voiced appreciation for the good job done by Property Specialist, Jessica Long on her research.

SEAPORT VOUCHER PROGRAM UPDATE

John Lansing, Seaport Air, reported on the status of the Seaport Voucher Program on behalf of Bruce Conner who was not able to attend. He advised Bruce Conner is at this time making a presentation .

Presentations have been made to Cannon Beach City Council & Merchant meeting, Seaside Chamber and SDDA, Astoria Chamber and City Council and Long Beach City Council. Advertising is underway in the newspapers and radio markets. Follow up meetings have been scheduled. Lansing added interest in the Voucher Program continues to snowball. The selling point is the flexibility, ease of use, discount and that the vouchers are transferable. Chairman Holcom stated he is very impressed with the work and questioned whether Seaport is showing any commitment to the program. Lansing responded the company is young without a large amount of funding available to sustain service. Discussion followed. Director Jack Crider explained the Port now has a lot of data to present to future markets – all is not lost if air service does not continue.

LOWER COLUMBIA SOLUTIONS GROUP (LCSG)

Commissioner Hunsinger reported he and Director Crider attended the LCSG meeting. A list is made up for a pile dike study. The group is trying to figure out the cost. Past information is generated with old data. They plan to hire for a flow-lane study – modeling for construction of the pier three dock. It will be a combination of Port of Astoria and Corps of Engineers (COE) project. The study will determine if pile dikes are feasible before spending money on engineers. Hunsinger stated it is imperative that the COE comes down to see the site. Their support of the Port's efforts carries a lot of weight with other entities. Hunsinger added LCSG and others are all involved with sediment issues into the channel. The Port of Astoria needs pile dikes to resolve our dredging issues. He reiterated the key is to get the COE to Astoria to talk. Commissioner Pfund noted the Port of Astoria moves more sediment than other Lower Columbia ports.

VESSEL SEIZURES

Deputy Director Herb Florer reported Marina Manager Janice Burk has prepared a staff report on recent seizure and auction results for two vessels with overdue moorage at the marinas. A public auction was held February 2, 2011 at the Port to auction off two boats that were foreclosed on: the F/V Cap'n Oscar, a 69' steel fishing vessel with an amount owed of \$5,867.90. The starting bid was \$6,147,90 which included foreclosure costs. The second vessel was the F/V Crazy Dane, a 55' wood fishing vessel owing \$4,069.82 for storage. The starting bid was for \$4,349.92 which also includes foreclosure costs. There were no bids on either vessel. The Port of Astoria is now the owner of the two vessels. Burk's staff report continued on to report there are several other vessels that have had paperwork started to seize. Chairman Holcom advised he looked at one of the boats – it had no engine, transients living in there and is a good candidate for scrapping. Discussion was held on disposal and legal requirements to dispose of the vessels.

RED LION UPDATE.

Commissioner Pfund noted that he knows of a local group of investors interested in the Red Lion Inn. They are asking for a contractual obligation. Executive Director, Jack Crider, advised the Tolling Agreement with the Red Lion is ending. Crider stated he has also spoken to other entities interested in the Red Lion. Chairman Holcom stated an Executive Session is in order to strategize. Crider will set one up.

EAST BASIN CAUSEWAY

Chairman Holcom reported he is receiving calls with questions concerning the East Basin Causeway ownership. There is talk the City of Astoria may have ownership to a certain section of the causeway. He requested the Port Property Specialist research this possibility. Director Crider recalled a previous agreement on responsible parties for the causeway included only the Corps of Engineers and the Port of Astoria. Staff will meet with the City to discuss the status.

ORS 777'S

Director Crider reported Oregon Public Ports Association (OPPA) is putting together a punch-line list of ORS777 statutes that need to be updated and/or revised. He cited a couple of examples. Other ports are also reviewing the statutes, looking for sources of revenue. The review is next Monday. Chairman Holcom stated it would be smart to have a federal attorney review proposed changes to be sure changes don't impact federal obligations.

PUBLIC COMMENT

Chairman Holcom called for public comment. Lori Durham, 301 Atlantic, Astoria reported the State Land Board told the public in December, they would come out and meet publicly with areas with DSL issues or rulings that affect these areas. The State Land Board oversees the DSL . Chairman Holcom will notify Senator Johnson to keep the Port informed.

Director Jack Crider reminded commission members to provide their input for inclusion in the Port's time capsule.

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