

MINUTES
PORT OF ASTORIA SPECIAL MEETING
JANUARY 11, 2011
PORT COMMISSION CHAMBERS

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

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

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

CHANGES/ADDITIONS. None

PUBLIC COMMENT. No public comment was given.

TONGUE POINT DEVELOPMENT PLAN.

Executive Director Jack Crider presented a draft conceptual development plan for Tongue Point to be used in connection with the on-going discussions between the Port and Korean investors (K-1) interested in development of the Tongue Point facility. Crider reviewed the timeline, beginning with the visit from K-1 in May 2010. Negotiations in June resulted in a Memorandum of Understanding to purchase with K-1 to secure shippers to use the crane. In October 2010 the Korean developers visited Astoria and another trip in November resulted in K-1 considering a different crane type and location and Busan Port Authority Joint Agreement. In December 2010 the Ministry budgeted funds and provided a Logistics Director for an extended visit. The Ministry is now requesting conceptual plans, cost estimates and permit timelines.

Director Crider emphasized that the Port having control (ownership) of the property is paramount to the development process. Discussion focused on the phase 1 concept to develop conceptual plans, cost estimates and permitting timelines for critical components. Phase 1 creates a 1,000 foot docking facility at the end of two existing finger piers for docking cargo vessels. This phase will only accommodate bulk cargos and topside repairs. The proposal calls for a 500 foot by 200 foot self-supporting dock between Finger Piers 2 & 3 with 2 dolphins in the centers of pier slips 1 and 3. Limited mitigation required, Federal funding for channel and turn-basin dredging. Rail improvements to upgrade the line to Wauna and road access improvements are also included. Potential cargoes include lumber, wood chips, rock/sand/coal and autos via roll-on/roll-off.

Phase 2 of the concept is to expand the phase 1 operation to accommodate a container operation. This will require additional property by filling in slip 2, creating 15+ acres. It will require huge mitigation to accommodate. Additional cranes will be needed and additional rail improvements. Phase 3 is to expand both phase 1 and 2 by filling slip 1; acquiring potential acreage from South Tongue Point, the Coast

Guard Buoy Station and the Job Corp facilities for additional industrial development. Crider explained the conceptual plans are being firmed up in order to have them professionally detailed and drawn up. Discussion followed. Chairman Holcom emphasized the need to get the government involved and on board. Commissioner Hess commented he thinks Director Crider has the concept well thought out with good ideas. Commissioner Hunsinger discussed the cargo components of the conceptual plan. Chairman Holcom requested the commission members look over the plans and make comments to the director as needed. Commissioners voiced consensus of agreement in going forward with the concept.

DSL PROPERTY PURCHASE REQUEST.

Executive Director Jack Crider reported the Department of State Lands (DSL) requires a \$750 fee to make a property purchase request to them. Staff is preparing a request to purchase 1.75 acres of disputed ownership property on pier three from DSL. There remain questions of ownership between the Port and DSL over the property. The first step is to request the purchase which will bring the dispute over the parcels to discussion. Commissioner Hunsinger recommended having former commissioner Nick Zafiratos into the discussion for his input from his past involvement in property negotiations during his tenure. Further discussion was held on certain DSL property ownership disputes. The request to purchase property from DSL will also include North Tongue Point property.

OLD OSU LAB BUILDING UPDATE.

Deputy Director Herb Florer reported in the fall of 2009 the Port of Astoria commenced a discussion with the director of the OSU Seafood Labor regarding interest in purchase of the land owned by OSU, in the middle of acreage owned by the Port in order to consolidate holdings. A quick timeline of the history is:

- January 1967 the property was owned by the Port and leased to OSU. To be deeded to OSU upon payment total of \$64,000. Deed to be a "conditional deed....for so long as OSU utilizes the premises for resource purposes of OSU's Seafood Laboratory".
- September 1978 the property was deeded from Port to OSU (Not recorded as conditional deed).
- September 2006 – OSU leasing portions of property to third parties.
- Fall 2009 – Discussions commence concerning Port purchasing of property from OSU.
- October 2009 – Agreement between Port and OSU to share cost of appraisal.
- February 2010 – Appraisal submitted to Port and forwarded to OSU.
 - 6,525 square foot industrial/office building
 - 1,200 square foot storage shed
 - .92 acres industrial parcel
 - **Valued at \$405,000**
- July 2010 – Current. Meetings with OSU continue.

Florer reported the property is mostly vacant and in disrepair. It is not being used as a seafood lab. OSU wants to hold onto the property for possible future use. Florer reported staff recommends continuing to pursue the purchase of the property, continue negotiation efforts with OSU, and determine possible legal recourse on ownership. Commissioners voiced concurrence.

COLUMBIA PACIFIC MARINE WORKS (CPMW).

Deputy Director Florer reported CPMW is leasing a .79 foot acre lot with facilities for commercial/industrial purposes at the Port of Astoria pier three area. The lease calls for an appraisal after the first five years to determine the next lease option period monthly payments. In lieu of a costly appraisal, port staff re-evaluated the current value of the building using local comparable properties and Clatsop County real market values to determine a fair market value. The rate is \$1,150 per month. Some discussion followed on the facility and history.

PIER ONE BUILDING UPDATE. Director Crider provided a brief update on the status of the administration office relocating to pier one building.

TIME CAPSULE – VIDEO ROOM UPDATE. A video recorder has been set up in the room adjacent to the board room. Crider encouraged board members to take time to record a message for the 100-year time capsule video.

PUBLIC COMMENT.

Lori Durham, 398 Atlantic, Astoria provided an update on the Lazy Spoon Café – that was displaced by the recent fire. They have relocated to the old Union Town Café. She also cautioned the Port to not give any land away that may be needed in the future. Durham recalled the Port used to have a fireboat and wondered if progress is being made to secure another. Crider responded that a Port Security Grant Program is available for fireboat funding. The Area Maritime Security Committee (AMSC) and Coast Guard are overseeing the grant proposal. They have hired a consultant to determine the best use of the grant funds for fireboat(s). If a fireboat is located in the area, the Port will request the assistance of the Astoria Fire Department to coordinate operations. Further discussion followed.

There being no further business, the meeting was adjourned.