

Minutes
Port of Astoria
Special Commission Meeting
August 10, 2010
Port Commission Chambers

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

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

Staff present: Jack Crider, Rita Fahrney, Herb Florer and John Overholser

Others present: See attendance sheet.

CHANGES TO AGENDA. Chairman Holcom asked that a new item be added after Agenda Item #4 to review the Regatta Calendar. He also wants a new line item monthly for commissioners to address redline issues.

PUBLIC COMMENT. Chairman Holcom called for public comment.

Lori Durheim, 398 Atlantis, Astoria. Submitted an e-mail and a written comment addressing the business of ship scrapping and West/East Demolition proposal for scrapping vessels at Tongue Point. Her comments voiced concern about the viability of the company and the need for the Port to be vigilant about any contract with the company having no loop-holes. (See attached, submitted for the record.)

Roger Rocka, 362 Duane St. Astoria. Voiced concerns about the new tenant the Port is negotiating with that will break up vessels for scrap recycling at Tongue Point, voicing a myriad of concerns about the business. (See attached, submitted for the record.)

Jean Dominey, 3647 Duane St. Astoria. Stated she supports the comments of Lori Durheim and Roger Rocka. The community has been through the “disassemble of ships before”. The Port is not waiting for public comment. She has it confirmed customers are from Korea. “Who calls the shots?” Mr. Crider responded the Port is leasing to the proposed tenant. The materials will go into containers and will be trucked to Portland for export. Chairman Holcom stated Oregon does a lot of business with international companies and questioned Dominey’s concern. Dominey responded she has concerns with any Asian or foreign companies. Some discussion followed.

Patricia Shannon. Asked about the age of the ships. Chairman Holcom explained the company will be disassembling fishing vessels. The intent is to scrap “buy-back” vessels. There are a lot on the River.

Sue Skinner, 511 Jerome, Astoria. Stated a decision has already been made in the past to not allow scrapping. Chairman Holcom responded a decision is not being made at this time. This is the discussion period. The lease will be on the Regular scheduled meeting for a decision at that time.

NEWSTAFF ANNOUNCEMENTS Executive Director Jack Crider introduced Herb Florer, the Port’s new Deputy Director. To replace Herb Florer’s position as Property Manager, staff has hired Mike Weston. Jessica Long has been hired as a Property Specialist. With the addition of these staff, there will be significant difference in preparation of commission packets for meetings, staff reports and property issues. Chairman Holcom stated for public knowledge, Herb Florer has an impressive resume. Mr. Weston was the former County Planner and Jessica Long worked as an appraiser for the County. Commissioner Hunsinger noted that there are now a “few more chiefs and not enough Indians”. There is a need for more maintenance and security personnel. The last administration didn’t take care of the bottom-side. Director Crider noted the Port has also filled three more

maintenance positions. Commissioner Bland added the Port has strong people coming on board.

WEST/EAST LEASE AGREEMENT. Director Crider reported that Deputy Director Herb Florer has been working on gathering information and determining what is involved in this lease agreement. Admitting it is a sensitive issue for some, he has addressed concerns with the company and ascertained they have done what is required of them. The structure of the lease is short-term. This will enable them to prove they can do the work in an environmentally sensitive way. Florer advised that the meeting on July 20th made clear the public concerns of vessels being hauled out and breaking on land. There is interest in having a site for residual metals to be recycled. The company has confirmed their business is limited to small vessels. Fishing vessels provide more environmental damage remaining in water than on land. Florer went on to state that Best Management Practices (BMP's) are attached to and part of the lease requirements. Any violations of BMP's would be a default in their lease agreement. He reviewed the terms of the lease agreement. Discussion followed. Chairman Holcom noted on the exhibit, he would like to see property delineations and a list of permits from the company. The lease will be placed on the agenda for the Commission's Regular monthly meeting the following week.

BAR PILOTS LEASE AGREEMENT. Director Crider reported the Port has been working for two years on this lease. The facility needs improved. The Port makes money off of providing fuel for the Bar Pilots. Ascribing to get market rate for facility; however, won't get to at the current condition. The Bar Pilots have agreed to make improvements and design for their needs. Deputy Director Florer explained where the negotiations are at currently. Airport Manager John Overholser noted the Bar Pilots have been on a month-to-month agreement. The building is not suited for them. It was built as a terminal. The Bar Pilots conduct 24/7 operations. He explained some of the needed updates and the benefits to the Port of the jet fuel

sales. The Bar Pilots also provide 12 family wage jobs. It is a win/win situation. Chairman Holcom stated Return on Investments should be prepared for all port leases.

REGATTA CALENDAR. Commission and staff reviewed the events of the Regatta and the Port's participation as sponsor and in conjunction with the Port's 100 year celebration.

NORTH TONGUE POINT BOAT LIFT. Discussion was held on the opportunities and costs to place a boat lift at North Tongue Point. The Port's Travelift on pier three has 68% of lifts done on boats under 30 tons. The Tongue Point area has warehouse space, a ramp, capability of providing for the demand of inside storage, and for winter vessel work. There is a need for a larger boat lift that would be sufficient for the larger fishing vessel fleet. A preliminary study indicates a cost of \$150,000 for a Sealift, \$40,000 for a wash-down area and \$10,000 for boat stands approximate total of \$200,000. Current boat yard storage rates and rates for Portland and Puget Sound were reviewed. Discussion followed on potential revenue source of acquiring a larger boat lift for the Tongue Point area. Staff will continue to work through the project information and come up with a proposal at a later date.

WESTERLUND LOG HANDLERS UPDATE. Director Crider called on Roger Nance, VP Westerlund Log Handlers to provide an update noting Mr. Nance will be the speaker at a Chamber of Commerce breakfast meeting on August 31st. Mr. Nance reported \$80,000 has been spent on pier one improvements. The yard is being set up, with skids and equipment on site. Due to the pier three site not being available for lease at this time, WH leased area at the old Lewis & Clark yard. This will provide benefits of 1) allow WH to be good neighbors and tenants by conducting the de-barking operation at that site. Roger added WH has also assisted staff with the Tiger Grant requirements for the pier three improvements by providing information on cost/benefits. The ROI proves very viable.

Discussion followed on work with the State for clearing pier three for the lease and labor discussions involving the union, stevedore and port.

COMMITTEE ORGANIZATION. Director John Crider reported the By-Laws for the Port include committees for the airport and marina. Chairman Holcom has requested reactivating them. The Airport Committee continues to meet with airport users holding lunch meetings the third Wednesday of each month. The meetings are informal with no minutes recorded. Chairman Holcom stated committee meetings that meet to take recommendations to the commission should have meeting notices submitted for the public. Recommendations for members to serve on the Marina Committee were discussed. No action taken. Holcom explained the purpose of the Marina Committee will be to discuss issues and get input from the public on marina issues. It was agreed Chairman Holcom, Commissioner Hess and the Port's Marina Manager should serve on the Marina committee.

Chairman Holcom voiced support of the staff presenting commission issues to them at a meeting a week before any decisions are to be made, thus enabling the commission time to review and discuss with staff. He also noted an agenda item for Commission Redline items would be appropriate. Commissioner Bland agreed, noting he also is making a point, as treasurer, to meet with the finance manager to review financial reports before the meeting.

PUBLIC COMMENT.

Jean Dominey. Stated she liked the openness of this meeting and clarity of response to questions. The Deputy Director's reports are more clear. She would like to hear financial questions discussed during commission meetings. She also asked what the West/East stands for in the name of the vessel scrappers business. Commissioner Hunsinger thought it stood for "East" being Portland and "West" being Tongue Point. Staff will follow up on the inquiry. Ms. Dominey had

more questions regarding the company that were answered. She reiterated she is against the “foreign” ownership.

Amy Lewis, 388 Alameda. State she believes the public should be involved in the process of who sits on the committees. With the commission appointing members, it appears to be a “good old boys” set up.

Patricia Shannon. Her view is that the scrapping lease has already been voted on. She voiced concerns the company has no web site, there is no financial information available and not much is known about the company. Chairman Holcom responded due diligence will be done before any commitments.

James Lewis. Lewis asked about asbestos and environmental status of Tongue Point with regards to contamination issues. Some discussion followed.

There being no further business, the special meeting was adjourned.