

MINUTES
SPECIAL COMMISSION MEETING
SEPTEMBER 14, 2010
PORT COMMISSION CHAMBERS

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

Commission members present: Floyd Holcom, Larry Pfund, Bill Hunsinger, Jack Bland. Dan Hess is excused.

Staff members present: Executive Director – Jack Crider, Terminal & Administrative Services Manager – Rita Fahrney, Airport Manager – John Overholser and Property Manager – Mike Weston.

Others present: See sign-in sheet.

CHANGES TO AGENDA. An Executive Session for property negotiation will be held after the Special Meeting is adjourned. Executive Director Jack Crider introduced Mike Weston, the Port's new Property Manager to the audience and board.

PUBLIC COMMENT. *(The following public comments are not written verbatim, but intended to reflect the substance of the comments received.)*

John Raichl 3712 Jergenson Lane, Astoria. Raichl stated he is a member of the Airport Advisory Committee and also a tenant/user of the airport. He is here to support John Twiss's Lease. He recalled Mr. Twiss built the facility he occupies. Due to a reversionary clause the building is now owned by the Port. He does not know when the building changed ownership; however, during the storm of 2007 the building was damaged. Mr. Twiss completed all repairs without requesting help. Twiss has provided good service at fair prices. Most who are renting hangars struggle to keep their planes. If the services provided by John Twiss were lost, the price for the local aircraft owners for inspections would be detrimental. There is a need for ground support at the airport. It is critical and vital to keep the services that John Twiss provides the aviation industry. Chairman Holcom noted there is an effort to re-activate the Airport Advisory Committee. Raichl explained the committee exists; however, meetings are informal with no chair person.

Brad Heill, 346 Skipanon Drive, Warrenton. He is a commercial fish spotter working out of the Astoria Regional Airport. It is important for those in his business to set up where there is a mechanic available. Twiss is relied on for all his maintenance needs. Twiss is reliable, accommodating and pleasant to work with. He requested the Board accommodate John Twiss's needs in order to enable him to help survive in his line of work.

Phil Bales, 1185 Alameda, Astoria. Bales voiced agreement with the past two speaker's statements. John Twiss taught him to fly, and maintenance of his aircraft – he has three planes. He has a hangar and buys gas. It is imperative that John Twiss is available. It is difficult to recruit aircraft mechanics. He shudders to think where it would be without him and the impact on the rest of the business at the Airport.

Gary Kobes, P.O. Box 251, Chinook, WA. Has a plane at the Astoria Regional Airport. The points have been well covered. John Twiss has improved the physical aspects at the airport. The airport is not large enough to support a large fbo operation. He has prepared a letter of support (attached) for Mr. Twiss and the need for other considerations for determining the lease rate.

John Overholser, Airport Manager, read an e-mail from Jack Cullimore,(attached) a supporter of John Twiss and a tenant at the airport who asks from the board “a fair and just settlement”. Overholser also stated he is an airport tenant and was involved with the airport before being hired on as staff. He recalled the history of Mr. Twiss’s involvement at the Airport, beginning in 1968 at “Freddy’s Flying Service”. Twiss built the fbo building by scratch in the late 1970’s and the lease at the time was not based on the value of the building. Overholser noted Twiss ‘s high integrity and echoed other speakers sentiments. As a staff member he recommends a compromise. If the Port does own the building the Port has not done any maintenance on it.

John Lansing, SeaPort Air, stated Twiss Air is a wonderful neighbor, always available to SeaPort for information and support – John created professionalism in this industry and Lansing hopes it does not go unrewarded.

David West, 767 Lexington, Astoria. He has known John Twiss for 8-9 years. Twiss taught him to fly and be an aircraft mechanic. He has his airplane because of John Twiss. The amount of money Mr. Twiss makes in his profession does not support his family. It would be a shame for him to give up what he does so well because of a lease he can’t afford.

John Twiss. Stated at the time he first began his business and built his hangar in 1979, it was a “handshake agreement” – things were easier then. He confirmed he has done all repairs to the building, believing it was his responsibility. He spent \$25,000 on repairs the past five years. He stated the lease as proposed is increased 400% from \$157/month to \$913/month. With other increases, he cannot afford to stay in business. He agrees the lease rate should be increased, but not to the degree it was. He would understand if the lease rate doubled. He keeps his rates low at \$50 per hour so that aircraft owners can afford his services. He hopes to be able to continue to be a benefit to the airport.

LEASE APPROVALS

Twiss Air. Commissioner Hunsinger stated he knows that Mr. Twiss’s impact to the Community is tremendous and how important people like Mr. Twiss are. He would support an increase that works for the Port and Mr. Twiss. Commissioner Pfund noted his lease has not been a commission issue until this meeting. He also understands Mr. Twiss’s commitment to the community. Chairman Holcom assured Mr. Twiss that they will be able to come to a mutual understanding. What Twiss has done and can afford will be taken into consideration. Executive Director Crider stated Twiss’s lease is not an action item at this meeting. The lease was adjusted based on staff’s understanding that direction is to achieve a 10% return on value of assets. The lease has gone from a ground lease to a ground/building lease. This is why it is now before the commission for future consideration. Property Manager Mike Weston explained some of the background and basis of values used by port staff. Staff will work with Mr. Twiss to come up with a mutual agreement to bring to the commission. Chairman Holcom thanked the audience that came to speak on behalf of Mr. Twiss.

Columbia River Bar Pilots. Property Manager, Mike Weston, reviewed the staff report with the commission. The Bar Pilots currently are on a month-to-month rental basis, paying a monthly rent of

\$800 per month. The Bar Pilots would like to make improvements to the terminal building and institute a long-term lease with the Port. The proposed 10-year lease draft incorporates \$233,000 of improvements amortized over an 8 ½ year period at a 5% annual interest rate. The new lease rate would be \$3,500 per month, with the tenant improvements to be applied as credit to the monthly lease payments. The lease is for a ten-year period with two ten-year options.

John Carlson, CPA. Property Manager Weston reported Mr. Carlson's agreement is for month-to-month. He is not interested in a one-year lease. Chairman Holcom announced as a waterfront owner he probably will not be involved with decisions on waterfront leases.

Martin Alvey, Attorney. Mr. Alvey is a current tenant of the newly acquired pier one building. Port staff met with Mr. Alvey and have a proposed lease for office space at 10 Pier One Building, consisting of 270 feet on the third floor. Monthly lease rate of \$500 for a one-year period with an option for an additional one-year period.

BOAT TRAILER PARKING. Chairman Holcom advised this item was brought to his attention by phone calls from people parking boat trailers at the Red Lion. The Commission needs to come up with a solution on parking for direction for staff. The need for an updated ordinance was discussed. The ordinance will provide tools for policies and procedures and control of parking and enforcement. There is currently no procedure in effect for the public to register or pay parking fees. Staff is preparing an updated parking ordinance for future consideration.

LEASE UPDATES

West/East Demolition. Executive Director Jack Crider reported he signed the lease with West/East Demolition today, on behalf of the Port of Astoria. Binders were received, there is \$10,000 in an escrow account and a bond will be here in the next week. Funds will be available to draw from in the event of any default. West/East is also renting office space – 630 feet @ \$.75/ft/month. Adjustment will be made for monthly rent for improvements to office space they are occupying.

Westerlund Log Handlers. Director Crider reported on an excellent meeting with the ILWU and Westerlund. A draft agreement is in place between Westerlund and the Union. Roger Nance, Westerlund Log Handlers expressed his appreciation to Union members John Estoos and David Brewer in the labor negotiation process. WLH is anxious to work through the issues on pier three. They will not schedule a ship in until inventory is in place. The market dictates how the sales work. Director Crider provided an update on the negotiations with the state. The first draft from the Attorney General is not well received. Phone calls have not been successful. The next option is for the Port to meet with the State officials face-to-face. The State is adding collateral to the proposed agreement. There was some discussion on holding an Executive Session to determine the course of action. Chairman Holcom clarified this meeting is a meeting for deliberating for decisions that will come at the regular monthly meeting that will be held next week. Holcom stated he believes the Port has the right to conduct interstate commerce and it is not proper for the state to delay interstate commerce. Commissioner Pfund stated it is as if the Port is being held hostage.

TONGUE POINT PLAN UPDATE. Chairman Holcom stated he is concerned that after 10 ½ months of control of Tongue Point he is hoping to see some direction from staff for the next six months to a year.

Director Crider responded on the timeframe. Profit/Loss is calculated, rent is due to increase in November. Staff hopes to get to a cash neutral state with Tongue Point. Piling installation is needed before showing the docks. 250' of camels are in place for fishing vessels. Discussion followed on needs for piers to enhance revenue efforts and DSL's lease lands at Tongue Point.

EAST BASIN CAUSEWAY UPDATE. Director Jack Crider reported 20 vents have been repaired. Goal is to get a single-lane roadway opened back up to the public.

DREDGE SEASON. Director Crider advised the ladder for the dredge is completed and will be placed back on the dredge Wednesday. Discussed with J.E. McAmis their schedule for how they could help with the turning basin dredging. The Corps of Engineers will authorize dredging of the humps; however, their safety manual is 1,000 pages and difficult to adhere to. The Port needs to get our dredge ready for the "punch list" of dredging needed for the season. McAmis's "broadcast" method of dredging could work the turning basin project in a matter of days doing what it would take port staff about a month to complete.

RAILROAD REPAIR UPDATE. Executive Director Jack Crider announced repairs have been completed on the railroad. It is now ready for railroad ties.

CRUISE SHIP SET UP PLAN. Crider advised notices were sent out early to tenants and vehicles parked on pier one to advise them of the restrictive parking on pier one with the new set up for cruise ships. There is a cruise planning meeting on Wednesday, the 15th.

PUBLIC COMMENT.

Sarah Myer, Astoria. She attended the recent Astoria Forestry Tour and noted no City or Port officials were in attendance. Director Crider reported representatives from Westerlund Log Handlers attended.

There being no further business, the meeting was adjourned.