

**MINUTES
PORT OF ASTORIA
SPECIAL COMMISSION MEETING
DECEMBER 14, 2010
PORT COMMISSION CHAMBERS**

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

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

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

Others present: See sign-in sheet

PUBLIC COMMENT. Chairman Holcom read the Public Comment rules as defined under OS 193.630 (1). He remarked the Port Commission allows broader rules for public comment in meetings. *(The following public comments are not written verbatim, but intended to reflect the substance of the comments made.)*

Lori Durham, 398 Atlantic, Astoria. Commented the Port of Astoria 100th year video preview party was great – she counted 88 people. She asked where the 100-year time capsule will be entombed. Executive Director Crider responded the time capsule will be entombed in the Kiosk that is going to be built at the trails end by the pier one building. It will be filled with what we hope the public might want to see in 100 years from now.

Trinh Nghia, West/East Demolition stated he is present with 8 of his employees to find out what the port expectations are for his company. Discussion was held on the needs to clarify what the business is involved in, water quality issues, and the importance of keeping neat appearances to the public, staff and commission. Commissioner Hunsinger asked about possible vessel scrapping business. Trinh responded they want to do the right things, they are now operating with local scrap, not doing boat-scrapping but looking at buy-back vessels that are smaller that can be handled locally. The company hopes to eventually ship scrap by rail. Staff will work with West/East Demo to ensure compliance with Best Management Practices.

PIER 3 LEASE – WESTERLUND LOG HANDLERS. Deputy Director Herb Florer reported on the status of the proposed lease agreement with Westerlund Log Handlers (WLH). The lease has been reviewed by attorneys and now contains exhibits. He reviewed the specifics of the proposed lease as follows:

- Lease Rate: \$11,325.60 per month
- Lease Term: Five years; three 5-year renewal options
- Capital Improvements: WLH to advance funds for capital improvements – to be amortized over 5 years from vessel tariff charges.
- Right of First Refusal to expand: WLH has first right of refusal if adjacent areas become available for rent.

- Additional Cargo: If WLH has periods of curtailed activity, Port has right to allow storing and shipping third party cargo from premises – with compensation for WLH.
- Insurance Requirements: \$2,000,000 for injury to one person; \$5,000,000 for injury to two or more and \$2,000,000 for damage to property.

Discussion followed on the proposed terms and the current use of pier three for boat storage – including vessels just being stored that could be accommodated at the Tongue Point property. Also discussed: concerns voiced that WLH has a lease for pier one for staging and cargo activities and a promise made by the Port for lease of the pier 3 land. Director Crider clarified WLH controls the bulk of the properties and the clause for other uses will depend on WLH's curtailment periods. WLH's lease for pier one is also proposed for amendment to include a third-party use clause. At the present there is no third party requesting use of the facilities.

TONGUE POINT CLEAN-UP

Director Crider reported on clean-up efforts at the Tongue Point property. Sea Scouts are providing the labor to clean the piers of moss in exchange for moorage/haul-out of their vessel. The slide has been cleared and the dike and rail track have been repaired. Discussion followed on the use of Tongue Point property for re-loading of Hampton lumber to rail for shipment and the successes of the businesses the Port has been able to attract. Commissioner Hunsinger emphasized the need to advertise the property more aggressively. Crider summed up the clean up for Tongue Point, scheduled to be completed by this spring.

TONGUE POINT TRAILER BOAT LIFT.

Director Crider reported locating a travel lift at a Sea Lift sale for use at Tongue Point. The lift is available at a price of \$124,000. Amortizing the price over a 10-year period would equal \$2,000 per month; over a five-year period the cost would be \$3,400 per month. The lift will provide service to vessels under 30 tons; over 70% of vessels hauled at the Port are 30 ton or less. He asked for commission consensus to pursue purchase of the Travel Lift. Some discussion followed. Commissioners voiced no objections.

ADMINISTRATIVE OFFICES MOVE – PIER 1 BUILDING

Director Crider reported Dr. Katayama has decided not to lease space at the pier one building. In order to generate activity, show the building, and free up additional office space, the administrative offices are going to be moved into the building. He explained the particulars of the move – having the offices located on the second floor where the church area used to be located and having the administrative reception area and marina office located on the first floor on the southernmost side. One person could man the administrative/marina office reception area, providing for relief for each other if needed. This will also free up the area now being used as a Marina office. The only major expense to relocate will be the set up of the phone system. The security and maintenance offices will remain in their current location.

RED LION UPDATE.

Director Crider reported the details of the Red Lion street vacation, overflow parking area and utilities are being worked on. Red Lion wants to ensure there are no show-stoppers in development of a hotel.

Their tolling agreement is nearing expiration with no concept, no costs and no extension of the existing lease. In February the commission will need to decide the next step. Costs are needed for demolition of the existing building and construction of a new one. Additionally, other hotel developers are interested in the property. Questions followed. Commissioner Holcom asked if Urban Renewal Development funds could be used to assist. Crider stated there has been discussion about the possibility. Crider advised Red Lion continues to pay their monthly lease payment and utility charges. He will need direction from the Commission for further action.

KOREA TRIP

Crider reported on his second trip to Korea where he was present to observe the unloading of logs from the M/S Santa Pacifica. Roger Nance and Dave Westerlund of WLH were also present. The Port officials met with Busan Port Authority officials for the signing of the Cooperative Joint Agreement between the two ports. He presented a slide show highlighting the trip. Crider recommended a committee be formed to work with Busan port to exchange information and work on development issues.

LOG EXPORT SCHEDULE. Crider reported the M/V Santa Francisca arrived this morning to load a partial load for Korea. There have been some challenges with loading today. There are still learning curves to solve. Another log ship is due in January for a possible full load. Discussion followed on some issues with the line handling for tying up the log ship. Dave Brewer, ILWU Local #50, stated there is a need to establish better communications between the ship and the labor force securing the vessel to ensure adequate lines are used to tie the ship up. The ship crew also needs to monitor the lines more closely. (Additional line handlers were called out during the first loading shift to add additional lines due to winds.)

OTHER BUSINESS

Executive Director Jack Crider reported on the status of the 100-year celebration. There are now two series of videos. A video camera has been set up at port office for people to come and record a story or information about the port and its history that a viewer in 100 years might be interested in hearing. The video with the recordings will be placed into the time capsule.

Commissioner Holcom advised he received a call from Congressman Wu's office. His office staff has questions about the Joint Port agreement and log ship business. Holcom emphasized the need for a brief in the form of an Information Release or Press Release to keep the legislature and community updated.

Commissioner Hunsinger acknowledged the great work of news reporter, Jeff Nelson. He kept the community informed for 28 years. Lori Durham reported she and Ted Thomas recently visited Jeff.

PUBLIC COMMENT. Lori Durham, 398 Atlantic, Astoria commented she wondered if in 100 years from now whoever opens the time capsule will know how to play the electric equipment of today.

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



Port of Astoria

www.portofastoria.com

PORT OF ASTORIA

COMMISSION

MEETING ATTENDANCE SHEET

DATE: Dec. 14, 2010

NAME

PRINTED NAME

Daryl Patterson

Daryl Patterson

Lori Durham

Ram Hunsinger

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