

MINUTES
PORT OF ASTORIA
SPECIAL MEETING
JUNE 3, 2008
PORT COMMISSION CHAMBERS

Chairman Dan Hess called the Special Meeting to order and took roll call.

Commissioners present: Dan Hess, Bill Hunsinger, Kathy Sanders, Floyd Holcom.
Larry Pfund is excused.

Staff present: Ron Larsen and Rita Fahrney.

Others present: See attendance sheet.

CHANGES TO AGENDA.

Commissioner Sanders reported she has been requested by staff to stay on the in-house finance committee for now. Ron Larsen stated he would like to add a proposal by Martin Nygaard and consideration of approval to award the Lektro roofing contract under New Business. Commissioner Holcom moved to approve changes to the agenda. Commissioner Sanders seconded. Motion carried unanimously.

CONSIDER BORNSTEIN SEAFOODS – LEASE, PARKING. Chairman Hess reported Bornstein Seafoods has looked into four options for parking for the Oregon Fish Factory. Andrew Bornstein presented a power-point presentation highlighting the areas contained in the options, citing the advantages and disadvantages to each. Option #1, their preferred option is the area that was under negotiation with the Port during the construction of their processing facility, north of their building. Option #2 is the leased storage area that belongs to the Port that Bergerson is using. Ron Larsen explained Bergerson has a five-year pre-paid lease for the land. Discussion followed on the possibility of using that area for parking. Commissioner Hunsinger suggested taking the fencing out of the front area would provide a larger parking area, with the exit going out over the railroad tracks. He supports option #2. Jay Bornstein explained that the lease of the land by Bornstein will be the best use of option #1. It will provide a tenant for an area that has been vacant for years, providing the best use of the area for the near future. Commissioner Hunsinger added he has been approached by some taxpayers with an optional use for the vacant land north of Bornstein's plant that he would like to research more. Commissioner Holcom stated he's the new guy on the block and is seeing a "split" by commission members. Long-term issues need to be looked at. There are issues with the pier one area and a tenant that wants/needs the land. He supports a

compromise by both parties. Discussion followed. The remaining two options were reviewed briefly. Option #3 is located at the south end of pier two and option #4 is east of C.P.M.W. Bornstein explained option #3 and #4 are not feasible for their purposes. Lease approval of the land north of their building would provide improvements including blacktopping the surface and additional lighting. The Port would be able to access the area for temporary uses as it would be capable of being changed rapidly.

Chairman Hess stated he supports option #1. Commissioner Sanders stated the board voted to approve the sub-lease for Bornstein to build the Oregon Fish Factory, and she cannot see not giving the parking lot lease to Bornstein to support their expansion. Commissioner Hunsinger stated there was no guarantee and he does not support leasing out the last piece of property that can be used for water-related commerce. Further discussion followed about parking areas and approvals from the City of Astoria. Chairman Hess called for a short recess.

After the recess, the Special Meeting reconvened. Chairman Hess called for a motion to approve or deny the lease of the property north of Bornstein Seafoods. Commissioner Holcom questioned why the City of Astoria has authority to tell the Port where their tenants can or cannot park and their position on the building permit that the parking lot issue has to be resolved. Ron Larsen explained there is approval for Bornstein parking for their choice of parking area, north of their building. Jay Bornstein added they were issued a two-year permit that expired April of this year. Some further discussion followed on how the Port could provide parking for Bornstein to satisfy bank and city requirements, subject to decisions on a Master Plan for the port. Michelle Dieffenback, architect for Rickenbach Construction, explained a drawing submitted to the City for a parking plan. Rosemary, with the City of Astoria, is looking for a specific parking area plan. After further discussion Commissioner Holcom moved for approval of the Executive/Interim Director to have authority to negotiate a lease with Bornstein Seafoods for the parking Option #1. Commissioner Sanders seconded the motion. Commissioners Hess, Holcom and Sanders voted yes. Commissioner Hunsinger voted no. Motion carried with majority vote.

NEW BUSINESS

Warrenton Fiber. Ron Larsen reported Warrenton Fiber would like to obtain from the Port of Astoria a public right-of-way for an access road and utilities connecting to East Harbor Drive at the North side of the South East Neptune Drive near Costco and extending to the East side of Holbrook Slough. The new road will cross the Port's property, requiring a standard 60' right-of-way. Commissioner Holcom moved to authorize the Interim Director or successor to negotiate a right-of-way easement with Warrenton Fiber. Commissioner Sanders seconded the motion. Larsen explained the options proposed by Warrenton

Fiber. One option is for the Port to allow Warrenton Fiber to purchase the tax lots involved. Staff does not recommend selling the land. The other option is for Warrenton Fiber to build the road and bridge, with the port having the perpetual right to connect to the road for other uses. The Port could also have Warrenton Fiber give the Port its half of the road. Discussion followed on the options available. Commissioners agreed it would be a win/win situation for both parties to grant the right-of-way. Commissioner Holcom's motion carried unanimously.

Audit. Commissioner Holcom recommended the Port ask the State of Oregon to perform an audit of the Port. Ron Larsen explained the auditor, John Carlson, has requested another 30-day extension and recommended waiting to see if the audit is completed at that time. Additional information will be needed to determine the steps needed to request a state audit. Commissioner Holcom moved to direct the interim director to research with the State to conduct a port audit. Commissioner Sanders seconded the motion. Larsen explained the auditor knows the timeframe is unacceptable to the Port and he has requested to speak before the commission. There were a lot of problems associated with the process used to organize the past budget and the auditor is performing extra accounting functions usually not done during audits. Commissioner Holcom's motion carried unanimously.

Lektro Roof Contract. Ron Larsen reported Lektro received funding for roofing from OECDD in the amount of \$25,000 and a grant from the Governor's Reserve Fund. The Port sent out a Request for Proposals (RFP) for the roofing project. On March 27th, the proposals were opened. All proposals were above available funding. The scope of work changed and a new RFP went out. Proposals were opened on May 16, 2008. There were four proposals. Weatherguard was apparent low with a proposal of \$536,235. Bob Carlson Roofing was second with a proposal of \$578,920. The other two proposals came in at over \$700,000. A selection committee consisting of Ron Larsen, Chuck Godwin and Eric Paulson reviewed the proposals. Larsen explained the process used to evaluate the proposals. Bob Carlson's proposal was chosen due to his past roofing projects being of much larger scope than Weatherguard's. Weatherguard will likely file a protest while he is on vacation. Rita Fahrney will deal with the issue with the attorney in his absence. Staff recommends awarding the roofing project to Bob Carlson Roofing. Commissioner Holcom moved to send a notice of intent to award to Bob Carlson and notice of award to Bob Carlson Roofing. Commissioner Hunsinger seconded the motion. The motion carried unanimously.

Larsen briefed commission members on a proposal submitted requesting rental of area at the East Basin to place a taco stand. East End Coffee Shop owner, Theresa, has stated she has no objections. Staff will negotiate for a month-to-month rental. The owner of the stand will have to comply with any city requirements.

Ron Larsen read a letter of resignation by Port Environmental Compliance Manager, Lora Eddy. He stated there are real problems with staff moral and he has heard others are considering leaving. They are concerned with criticism of staff by commission members. Commissioner Sanders noted Lora did outstanding work given the conditions and the complexity of her job. Brief discussion followed.

Commissioner Holcom brought up repair needed at the West Basin. The ramp for the east side of the basin is on the verge of being damaged. Staff will follow up with the Marina Manager on the repair needed.

Commissioner Hunsinger moved to adjourn. Commissioner Sanders seconded. Motion carried unanimously. There being no further business, the Special Meeting was adjourned.