



**MEETING MINUTES
JUNE 15, 2022**

PORT OF ASTORIA
FINANCE ADVISORY COMMITTEE MEETING
PIER ONE BUILDING
#10 PIER 1, SUITE 209
ASTORIA, OR 97103

Call to Order:

The meeting was called to order at 1 PM by John Lansing, Finance Committee Chairman.

Roll Call:

Committee Members Present: John Lansing; Walt Postlewait; Cliff Fick; David Oser; Mindy Landwehr; Commissioner Jim Campbell; and Finance, HR & Business Services Manager Melanie Howard.

Commissioners Present: Robert Stevens. Frank Spence, Dirk Rohne, and Scott McClaine were not present for this meeting.

Staff Present: Executive Director Will Isom and Deputy Director Matt McGrath.

Also Attending: Ethan Myers of *The Astorian*.

Chairman Lansing opens the meeting by explaining that three years ago, a memorandum was drafted by Walt Postlewait to recommend the creation of a Port of Astoria Finance Committee. This was the result of the Port trying to right itself. Staff and leadership have put together a lot of ideas to right the ship. This memorandum is a good working document that can continue to be a living document to use as a blueprint going forward. The strategic plan is finalized, and the waterfront plan is finalized. Today the committee will discuss a parcel of property that hasn't produced anything in 75 years. Lansing suggests the committee come up with innovative thinking regarding new tenants, potential business relationships, and other business opportunities. Now is the time to look to the future.

Status of Connect Oregon & Other Grant Opportunities – Shane Jensen

Grant writer Shane Jensen begins with a status update on the Connect Oregon grant. The Port submitted an application to the Connect Oregon program in 2021 for the East Mooring Basin Causeway. The review process is lengthy, initially consisting of modal review committees before they are taken into consideration by a final review committee. The Port's project going into the review process was ranked number 33 out of 49 projects, and it was ranked number 30 at the time of final review. Discussion by the final review committee centered around job creation and overall cost. Unfortunately, only 21 projects were funded. Total Connect Oregon grant submissions totaled \$125 million with only \$46 million in available funds.

- Postlewait asks what the median grant award size was. Jensen answers that many projects were under \$5 million, though other entities such as Hyak Maritime and the Port of Portland had large grant requests.
- Postlewait asks if Jensen can elaborate on the ranking process. Jensen explains each request is initially discussed by a committee such as aviation, rail, or marine, and then rankings are collated with the final review committee.
- Lansing inquires what lobbying the Port can do to increase our odds for the next grant application. Jensen explains that the Port has local support for the project but did not do any direct lobbying. The actual reconstruction of the causeway does not create many jobs, though the application did a good job explaining the causeway's impact on the marine businesses in the area.

- David Oser asks if the Port's application would have been stronger if it had more direct support from local entities such as the City or Chamber of Commerce. Jensen explains that he is not privy to the exact process, though local support will always help a grant application. Local support serves as a threshold for the review committee to focus on substantive metrics.
- Lansing asks if there is anything Jensen would like to address concerning the grant process. Jensen answers that based on the review committee meetings he attended, he'd like to focus on building a narrative to show the legislature and the review committee the larger picture of what this project means for the region. There are tangible economic benefits to repairing the causeway; looking at the project just in terms of job creation is too narrow of a scope.
- On the subject of grants, Isom has a conceptual issue with the process of private and public interests competing for the same pool of public money. Private interests are able to chase dollars in a much different way. It's wasteful for a public entity to use public dollars to go after funds. Almost without exception, ports along the coast operationally struggle and seek grants to fill gaps. As a public agency, the Port is tasked with maintaining infrastructure that may not pencil out financially but serves a public good.
- Lansing suggests Isom's thoughts should be encapsulated in a memorandum.
- Deputy Director Matt McGrath adds that though Hyak Maritime was rated number 16 in total projects, it was ranked number 1 for marine projects. One of the criteria for the grant application review is to have the matching funds; Hyak obtained \$7 million in matching grant funds through the Oregon legislature before the Connect Oregon grant was received.
- Postlewait inquires which grant opportunities the Port should be going after.
- Lansing inquires about federal funding opportunities. Jensen explains that Pier 2 West has been identified for federal grant opportunities.
- Postlewait asks how much involvement Kevin Leahy is with Clatsop Economic Development Recourses (CEDR). David Oser agrees that there are various entities to reach out to in the community for contacts and other support. McGrath adds that Hyak's strategy is a good model. The Port can pursue matching grant funds first through the legislature.

Lansing thanks Jensen for his presentation. Jensen reiterates that it may be a good strategy to direct lobby for matching funds for the East Mooring Basin and Pier 2 West.

Discuss Financial Implications of the Harbor Fee Loss

Executive Director Isom explains that the Port is in the process of working with the Columbia River Steamship Operators' Association (CRSOA). The Port Commission met last night in an executive session with counsel to discuss a path forward. Under advisement from Mike Haglund, he's asked Port leadership not to speak publicly on the matter.

Discuss Port Property across from Fred Meyer

Executive Director Isom begins the discussion by asking the committee to think of the memo that was drafted in 2019 for the Ad hoc Finance Committee. There were several bullet notes to evaluate the Port's assets. The Finance Committee could be helpful in developing parameters for the consideration of selling assets. One challenge, as a quasi-governmental agency, is that the Port does operate and maintain certain assets that do not turn a profit. Still, Isom would make the case that there is a public interest in operating these assets. How to identify what the funding source is? How does the Port decide if and when to sell land to a private interest? At this point, the Port does not have a developed strategy to make these decisions. There have been a number of entities over the years that have expressed interest in Port properties. Discussion points included:

- Lansing inquires which properties the Port would like to develop parameters for. Isom explains that several of the Port's large tenants have expressed interest in purchasing their building or land. Historically the Port has not sold land assets, but maybe it should be considered.

- Commissioner Campbell notes that the airport property in question is highly visible, and it isn't doing the Port any good. The profits of leasing or selling the land could be used for matching funds.
- Lansing notes that it may be short-sited to sell waterfront land. It may be reasonable to discuss selling land up river away from core activities. Lansing asks as the property fits in with the Strategic Development Plan for the airport. McGrath answers that looking at the property could be included in the Mead and Hunt agreement for the Airport Master Plan.
- Postlewait notes that down the line, it would be wise to develop the land to produce revenue. The Port could put out a Request for Proposal (RFP) to develop a two-acre parcel. This could be used to evaluate the process and see what works before developing a twelve-acre parcel.
- Commissioner Campbell advises clearing the land before leasing or selling the land.
- David Oser advises selling the parcel. Market conditions are more favorable now than they will be in the next couple of years.
- Cliff Fick advises seeing which option (sale or lease) makes more sense when the discussion becomes meaningful. It will need to be a win for both parties.

Finance Committee General Discussion

- Cliff Fick discusses the idea of a cruise ship or other vessel for low-income housing. Postlewait agrees that this may be an opportunity and could allow the Port to go after housing grant dollars.
- The Commission approved the Memorandum of Understanding (MOU) with Astoria, Crab & Fish Co. at last night's Commission meeting. This falls in line with the Astoria Waterfront Master Plan (AWMP). Initial concepts include a fishermen's welfare area, an interpretive center, and a fresh seafood market. Isom has met with Andrew Bornstein, and he is in support of this project.
- The Commission also approved a contract with Maul Foster for the cleanup of AOC4. This is the first step in getting a work plan together. DEQ will be the custodian of the pollution funds, funded by the Partially Responsible Parties (PRPs), though the Port will have the authority to submit for reimbursement as costs are incurred.
- The new Local #50 ILWU contract has been approved. The contract will run through June 30th, 2027, with a re-opener clause in three years to renegotiate salary and benefits. Isom thanks the representatives from the local 50 hall and the local bargaining unit for their cooperation.
- The Port of Astoria FY 2022-23 budget was approved by the Commission, as well as a supplemental budget for FY 2021-22. A supplemental budget was required due to a budget exceedance in materials and services due to an increase in fuel sales.
- Deputy Director McGrath explains that Port leadership has spent a lot of time and energy in the last eighteen months planning. McGrath uses a vehicle analogy to explain that momentum is beginning to build. McGrath and Isom have been working with Astoria, Crab & Fish Co. for over a year. On the development side, there has been discussion to develop a common area between Astoria, Crab & Fish Co., and Bornstein Seafoods.
- Isom stated that it was laid out early in the process that any development would need to be a net gain for the community.

Chairman Lansing notes the Finance Committee will meet next in mid-September. This has been one of the most productive meetings. Lansing asks if any committee members have any additional topics to discuss. Lansing thanks all for their time and efforts. Isom asks the committee if they would like to memorialize the recommendation for the 12-acre airport property.

Walt Postlewait makes a motion to entertain putting a "For Sale/For Lease" sign on the 12-acre parcel on the east side of HWY 101 at 101, and Neptune Dr. The motion was seconded. The motion passed unanimously.

Adjourn

Chairman Lansing adjourned the meeting at 2:40PM.

APPROVED:



Dirk Rohne, Board Chairman
Board of Commissioners

ATTEST:



Frank Spence, Secretary
Board of Commissioners

Respectfully submitted by:
Stacy Bandy
Executive Assistant/Administrative Coordinator

August 2, 2022

Date Approved by Commission