

Board of Commissioners

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 Frank Spence – Secretary
 James Campbell – Treasurer
 Scott McClaine – Assistant Secretary/Treasurer

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Regular Session

November 1, 2022 @ 4:00 PM
 10 Pier 1, Suite 209, Astoria, OR*

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*This meeting will also be accessible via Zoom. Please see page 2 for login instructions.

Agenda

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. COMMISSION REPORTS
5. CHANGES/ADDITIONS TO THE AGENDA
6. PUBLIC COMMENT – for items on the agenda, when not covered by a public hearing
 This is an opportunity to speak to the Commission for 3 minutes regarding any item on the agenda.
7. CONSENT CALENDAR:
 - a. Meeting Minutes –
 - Finance Committee Meeting 09/07/2022 3
 - Workshop Session 09/20/2022..... 8
 - Regular Session 10/04/2022 11
 - b. Financials – September 2022 14
 - c. Event Calendar – November 2022 20
8. ACTION:
 - a. Enterprise Zone Approval Request – Keven Leahy Executive Director of CEDR 21
 - b. Request for Expenditure #0132 – RT 50-Ton Crane 58
 - c. Business Oregon Contract Amendment – Boatyard Feasibility Study..... 61
9. PUBLIC COMMENT – for non-agenda items
 This is an opportunity to speak to the Commission for 3 minutes regarding Port concerns not on the agenda.
10. EXECUTIVE DIRECTOR COMMENTS
11. UPCOMING MEETING DATES:
 - a. Workshop Session – November 15, 2022 at 4:00 PM
 - b. Regular Session – December 6, 2022 at 4:00 PM
 - c. Finance Advisory Committee – December 14, 2022 at 4:00 PM TENTATIVE
12. ADJOURN

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Board of Commissioners
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Online: Direct link: <https://us02web.zoom.us/j/86905881635?pwd=amhtTTBFcE9NUElxNy9hYTFPQTlzQT09>
Or go to [Zoom.us/join](https://zoom.us/join) and enter Meeting ID: 869 0588 1635, Passcode: 422

Dial In: (669) 900-6833, Meeting ID: 869 0588 1635, Passcode: 422

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**MEETING MINUTES
SEPTEMBER 7, 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 12 PM by John Lansing, Finance Committee Chairman.

Roll Call:

Committee Members Present: John Lansing; Cliff Fick; David Oser; Mindy Landwehr; Commissioner Jim Campbell; and Finance, HR & Business Services Manager Melanie Howard. Walt Postlewait was not present for this meeting.

Commissioners Present: Robert Stevens and 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: Grant Writer Shane Jensen and Ethan Myers of *The Astorian*.

Chairman Lansing briefly discusses the agenda for today's meeting. Lansing encourages committee members to think about the Finance Committee's purpose going forward and how the committee members can best serve the Port. Finance, HR and Business Services Manager Melanie Howard comments that operational updates from the Deputy Director, Matt McGrath, and grant updates from Port grant writer Shane Jensen are helpful to the committee, but otherwise Howard defers to the Finance Committee members as to how staff members can serve the committee. Mindy Landwehr finds the staff financial reports to be helpful. Cliff Fick notes that having an open mind to various opportunities is helpful. David Oser notes that the Finance Committee requested a number of reforms when it was first established. Port staff have implemented the recommended reforms, and now the committee can function in an advisory role. Oser continues that Port operations are complex and having an outside group convene on a regular basis to discuss finances for the Port's various revenue sources can be useful especially as the Port is a public entity with limited staff.

Appoint Committee Positions

Finance, HR & Business Services Manager Melanie Howard explains that each year in July after the new fiscal year begins, the Committee elects positions. Howard asks the Committee members if they'd like to defer this item to the next meeting as Walt Postlewait is absent. The Committee decides to continue with appointments. The floor opens for committee nominations:

- *Cliff Fick moved to nominate John Lansing to continue as committee chair. Mindy Landwehr seconded the motion. The motion was unanimously approved.*

Review of Boatyard Feasibility Study

Deputy Director Matt McGrath explains that the process with BST Associates and PBS Engineering began last year. The consultants studied the data and markets for boatyard haulouts for recreational and commercial fishing fleets. The feasibility study looked at boatyard expansion with the existing infrastructure and haul-out lift and with a larger lift. The Port received a grant from Business Oregon which

funded 75% of the feasibility study. The final results of the study were presented to the Commission yesterday. The first component of the study is to look at what can be done with the existing infrastructure and what support infrastructure can be provided. The second component is the feasibility of a larger lift. And finally, the development of the East Mooring Basin (EMB). The purpose of the study is to give the Port definitive next steps to move forward. McGrath refers to the Executive Summary on page seven of the packet. The summary explains the three components of the study and their findings. The early wins are identified on page two such as electrical upgrades, restroom upgrades, and building an environmental building. There is potential for a bigger lift, but that will need to be re-evaluated. The recommendation for the EMB is to seek a private partnership. The Port has the justifiable support to move forward with the existing infrastructure improvements at the boatyard. Committee members discuss the cost of EMB improvements and the potential revenues. Discussion highlights include:

- There are 40 acres that could potentially be developed at the EMB.
- Lansing inquires as to the cost of rebuilding the EMB causeway. McGrath answers that it would be 8 – 10 million dollars to build a concrete causeway to the breakwater. Commissioner Campbell notes that the wooden causeway has historically always been a problem.
- Cliff Fick inquires as to the original capacity of the EMB. McGrath answers that the EMB could hold up to 1,800 slips.
- The study recommends a private partnership for the EMB but did not specify a path forward. There is a range of options for the development of the EMB. David Oser notes that a partnership for the EMB is needed to make the numbers work.
- John Lansing suggests that the federal dollars coming from the Build Back Better program may be an option for the EMB.
- Campbell discusses the option of floating homes at the EMB.
- Lansing inquires if this could be approached from the perspective of building workforce housing. McGrath explains that low-cost housing is not usually built over water due to the cost.
- Fick notes there are modular floating home options. A riverboat could be used for seasonal workforce housing. Container housing is another possibility.

Status of Connect Oregon & Other Grant Opportunities – Shane Jensen

Shane Jensen introduces himself to the Committee Members via Zoom and shares a spreadsheet with grant updates.

Jensen discusses the following grant updates:

- An Environmental Protection Agency (EPA) grant application is in process; the grant will assist with the AOC4 cleanup. The grant will be submitted when the next round of grant funding is available.
- The airport tide gate grant was approved in the amount of \$99,600. The project is underway.
- A Maritime Administration (MARAD) grant was submitted under the Port Infrastructure Development plan last May, for the Pier 2 West Rehabilitation. Award announcements are expected by the end of the year. The Port requested \$19.8 million dollars with a Port match of \$1 million dollars.
- The Airport Master Plan grant was approved. The Port was awarded \$438,000 in Federal Aviation Administration (FAA) grant funds and \$36,500 in Oregon Department of Aviation (ODA) funds. The Airport Master Plan project is currently underway. The first reimbursement requests will be submitted in September.
- The Port has submitted Federal Emergency Management Agency (FEMA) grant applications for various security department projects. In total, \$162,000 has been requested for five projects including cybersecurity upgrades, security cameras, training materials, a backup generator for Pier 1, and a new security booth for Pier 1. Awards recipients have not been announced.

- The Port submitted an application for repair funds through the Connect Oregon VII grant program for the East Basin Causeway. The program funded 21 projects this year; the EMB was ranked number 30. This project was not funded.
- The Boatyard Expansion Feasibility Study is now complete. Final reimbursement requests will be submitted in September.
- A grant application is currently under development for a landside commercial building near the FBO Building. The tentative building plan includes commercial building space and 3 additional hangars.
- The Port submitted a Small Shipyard Grant through MARAD requesting \$523,000 for a rough terrain crane for the boatyard. The application was not approved.
- An application was submitted through the Critical Oregon Airport Relief (COAR) program requesting \$37,500 for T-Hangar fencing at the airport. The grant was approved, and the project is currently underway.
- The COAR grant for the backup generator at the airport fuel farm was approved, and the project is near completion. A reimbursement request has been submitted, and the Port will receive reimbursement within the next 30 days.

Jensen asks the Finance Committee members if they have any questions.

- Committee member Lansing inquires if there are any grant applications in progress that Jensen expects to be funded. Jensen replies that the grant application through the Columbia River Basin Restoration Funding Assistance Program for the AOC4 cleanup is a perfect project for that specific grant. Lansing inquires if Jensen is aware of additional revenue opportunities that are in conjunction with the Port's Strategic Business Plan and Capital Facilities Plan. Jensen replies that Pier 2 West is the number one priority for the Port to maintain existing revenue. The Boatyard expansion would be the second priority. Now that the boatyard expansion feasibility study is complete, Jensen will be identifying grant opportunities for those projects identified in the study. McGrath adds that the airport tide gate study results will impact the development of airport. Once the study is complete, the Port will have a better idea as to development opportunities.
- Regarding the new legislative session coming, Lansing inquires about what the Port will be doing for outreach. Jensen has looked at competing applications for the connect Oregon program. Reviewers were most concerned about the number of jobs created. The Port needs to tell a story. There will need to be active engagement at the federal level. McGrath adds that though the EMB does not create a lot of jobs it serves a community need.
- Commissioner Stevens inquires if, at the last legislative session, grant requests in this area were granted to smaller requests and not the Port's larger request. Jensen notes that under the Connect Oregon awards this past year there are three projects that accounted for 57% of grant funds.
- Commissioner Spence comments that the East Mooring Basin is in the Enterprise Zone and the Opportunity Zone which would provide tax credits for a private developer. The location is prime for development, and the Port should solicit interest.

Lansing notes the committee can discuss this again at the next Finance Committee meeting and define an action plan.

Presentation of Year-End Operating Performance Report – Melanie Howard

Finance, HR, and Business Service Manager Melanie Howard explains that the Year-End Operating Performance Report was compiled before the audit was complete; there may be slight differences once the audit results are received, though impacts are not expected to be material. Results are positive across the board. The report is a high-level overview of Port revenue centers. Highlights include:

- Year-over-year results are positive across the Port operations. Lease and rental gross revenue is up \$185,000. Dockage income is up \$421,600, due to cruise ship port of calls resuming. Boatyard

revenue is up \$118,979 and marina revenue is up \$175,474. The airport revenue is slightly under the prior fiscal year by \$2,363.

- New tenants and re-written leases account for increased lease income.
- The drop in income for Waterfront West from Fiscal Year 2019-2020 can be attributed to the departure of Astoria Forest Products.
- Dockage five-year trends show a drop in non-cruise dockage revenues though there are increased revenues from cruise ship dockage which surpassed the non-cruise dockage revenues for the past fiscal year.
- David Oser inquires if Harbor Fees are included in these numbers. Howard answers that Harbor Fees are included in the non-cruise dockage. Harbor Fee income will be recognized as a bad debt adjustment. Isom adds that there will be budgetary impacts to the harbor fee loss; one of the difficulties of budgeting for a public entity in an environment of uncertainty is that budgeting can be used against an agency. The Port is cognizant of the messaging put forth in the budget.
- Howard refers to the summary on page 76 of the packet. Marina fuel net revenues are up year-over-year by \$83,000. Year-over-year moorage revenues are up \$56,000 and expenses were up \$23,000. Operating expenses are fairly low.
- The Boatyard's 5-year trends show that gross haul-out income has more than doubled since 2018. Operating expenses have stabilized and are in line with projections.
- Though airport revenues are down year-over-year, there has been a lot of positive activity. Fuel sales are up. Oser inquires if management is looking for more profitability at the airport. McGrath answers that yes, the Port is completing various repairs and improvements to increase profitability. Operating expenses are up at the Airport, but not a significant amount.
- Year-end reports will be presented to the Commission in November.

Lansing asks if the staff has any additional comments. Isom thanks Howard for preparing the finance committee packet and spearheading the Boatyard BBQ. Isom continues that when he first came into the Interim Executive Director position there were significant changes at the Commission and staff level as well as a loss of trust in the Port from stakeholders and agencies. In taking on the Executive Director role, there was significant work to be done to improve the Port. The immediate goal was to address the internal issues for the Port. There is real evidence from the finance side that operationally there has been significant progress. The improvements at the Marina and the Boatyard cannot be understated, and the numbers speak to the work that the staff, specifically the department managers, have done. In terms of a process, Isom is focused on things that can bring the Port forward. In the past, it has been a fault of the Port to wait for the perfect opportunity to move forward with projects. It is important to be pragmatic and aggressive and take small steps forward to bring additional opportunities.

Confirm an upcoming meeting date

Howard asks the committee to add December 14th to their calendars as the tentative upcoming meeting date.

Adjourn

Chairman Lansing adjourned the meeting at 1:47 PM.

APPROVED:

ATTEST:

Dirk Rohne, Board Chairman
Board of Commissioners

Frank Spence, Secretary
Board of Commissioners

Respectfully submitted by:
Stacy Bandy
Executive Assistant/Administrative Coordinator

November 1, 2022
Date Approved by Commission

DRAFT

**MEETING MINUTES
SEPTEMBER 20, 2022**

**PORT OF ASTORIA
WORKSHOP SESSION
PIER ONE BUILDING
#10 PIER 1, SUITE 209
ASTORIA, OR 97103**

Call to Order:

Chairman Rohne called the Workshop Session to order at 4:00 pm.

Roll Call:

Commissioners Present: Dirk Rohne; Robert Stevens; Frank Spence; Jim Campbell, and Scott McClaine.

Staff Present: Executive Director Will Isom; Deputy Director Matt McGrath; and Executive Assistant / Administrative Coordinator Stacy Bandy.

Port Counsel: Eileen Eakins participated remotely via Zoom.

Also Attending: Ethan Myers of *The Astorian* and Cindy Yingst of the *Columbia Press*.

Pledge of Allegiance

Changes/Additions to the Agenda:

There were no changes or additions to the agenda.

Public Comment:

There were no requests for public comment.

Advisory Items

6a. CMGC Contract and Request for Proposal

Deputy Director McGrath explains that Pier 2 has been dilapidated for some time, and its reconstruction is the Port's highest priority. The Port has made temporary repairs, but further damage is ongoing. A subject matter expert is required for a project of this scope; a qualified marine operator will ensure that we choose the best long-term solution to keep costs manageable. This will also help to receive grant dollars. In the spring, the Commission held a public hearing to approve the CMGC method of proposal. Port counsel Eileen Eakins has guided the Port through the process of drafting the proposal documents. Included in the packet today are the Construction Manager/General Contractor Services Agreement and the Request for Proposal for Pier 2 West Rehabilitation. At this point, the Port does not have a defined timeline, as there are several potential alternatives. Having a marine contractor on board will allow for flexibility with the project. The RFP is expected to be posted within the next 30 days to allow proposers two months to prepare proposals. The project is expected to be awarded by the end of the year. Port counsel, Eileen Eakins, explains the process of the CMGC method of contracting. Conceptually it is a public service contract, but it is not traditional. Since the project is so large and complicated, it would be helpful to have an expert on board early on to guide the process. The CMGC concept is to hire an individual

to perform two functions. Initially, the contractor would help to develop criteria such as contracting specifications. Then, once the design process is complete, the contractor would shift focus to the project's construction phase. The contract negotiation phase will define the Guaranteed Maximum Price, and if the project costs exceed the GMP, the contractor will absorb those costs; this approach will limit the financial risk for the Port. Eakins worked with staff to draft the RFP, which is now complete. The RFP will go out, and a contract will be awarded by the end of the year. Eileen inquires if the Commissioners have any questions.

- Commissioners inquire when the construction phase will begin. McGrath answers that if the required permits are ready by the end of the next fiscal year, that would be an accomplishment.
- Commissioner Stevens inquires as to where the RFP will be published. McGrath answers that the RFP will be the Daily Journal of Commerce.
- Commissioner Spence inquires if there are funds budgeted for the project. McGrath answers that this is the highest-priority project in the region for Business Oregon.
- The commissioner thanks Eileen Eakins, Shane Jensen, and Port staff for their efforts.
- Executive Director Isom adds that he has spoken with Arian Columbo with ColPac this afternoon. ColPac recently hired a grant writer who can share resources with Port grant writer Shane Jensen.

Action Items:

7a. Request for Expenditure #0130 – HVAC Unit(s) for 422 Gateway Building

McGrath refers to the Request for Expenditure on page 80 of the packet. The current HVAC units at the 422 Gateway Building are failing and are in need of replacement. The total for each unit is \$14,212.67; the total cost is \$29,171.24.

Commissioner Spence moved to approve Request for Expenditure #0130 HVAC Unit(s) in the amount of \$29,171.24 for P & L Johnson. Commissioner Campbell seconded. The motion carried unanimously 5-0 amongst the Commissioners present.

Commission Comments:

Commissioner Campbell commented on the following:

- Inquires as to the situation at the airport regarding the roads. Isom met with the County Manager, Don Boone, and Assistant County Manager, Monica Steel, to put something together for the county commission to address. Initially, the port requested \$800k for specific improvements; what will be funded and at what level is under discussion.

Commissioner Stevens commented on the following:

- Attended Finance Advisory Meeting. The Finance Committee reflected on the committee's purpose. The Commission should consider the committee members' expertise and think of issues the committee can discuss.

Commissioner Rohne commented on the following:

- He appreciates the issues the Finance Committee dealt with in the past and the work they've done. Rohne adds that the recent recommendation identifying property to be sold is a perfect function of the committee.

Commissioner Spence did not have anything to report.

Commissioner McClaine did not have anything to report.

Executive Director Comments:

- The Port has been awarded a security grant. The Port has received this grant in the past but has not in several years. The grant funds will be used for security cameras, a Pier 1 guard shack, and a backup generator for Pier 1.
- The Port held an all-staff meeting last week for the first time since the pandemic.
- The Celebrity Solstice and Ruby Princess Cruise ships berthed at the Port this week.
- Met with Stacey Stahl, the president of the Uppertown Business Association, to discuss the Port and give her a high-level overview of Port operations. Stahl owns and operates several businesses at Pier 39.
- Met with City Councilor Tom Brownson to discuss City and Port news. There will be a new mayor, Sean Fitzpatrick, and a changeover for several city council seats. The discussion focused on a path forward between the City and the Port.
- Received an email from city attorney Blair Henningsgard regarding the timber revenue lawsuit; the Oregon Supreme court has opted not to review the appeal. The appeal stands in favor of the State of Oregon.
- Final audit fieldwork will be complete next week. The goal is to have the audit report by the end of October. There have been changes to the accounting standards regarding leases that have been causing Melanie great pain.
- The Scouler ribbon cutting is scheduled for Tuesday, October 18th.

Upcoming Meeting Dates:

- Regular Session – October 4, 2022 at 4:00 PM
- Workshop Session – October 18, 2022 at 4:00 PM

Adjourned:

Chairman Rohne adjourned the meeting at 4:36 PM.

APPROVED:**ATTEST:**

Dirk Rohne, Board Chairman
Board of Commissioners

Frank R. Spence, Secretary
Board of Commissioners

Respectfully submitted by:
Stacy Bandy
Executive Assistant / Administrative Coordinator

November 1, 2022
Date Approved by Commission

**MEETING MINUTES
OCTOBER 4, 2022**

**PORT OF ASTORIA
REGULAR SESSION
PIER ONE BUILDING
#10 PIER 1, SUITE 209
ASTORIA, OR 97103**

Call to Order:

Chairman Rohne called the Regular Session to order at 4:00 PM.

Roll Call:

Commissioners Present: Dirk Rohne; Robert Stevens; Frank Spence; Jim Campbell; and Scott McClaine.

Staff Present: Executive Director Will Isom; Finance, HR and Business Services Manager Melanie Howard; and Executive Assistant/Administrative Coordinator Stacy Bandy.

Port Counsel: Eileen Eakins was not present at this session.

Also Attending: Ethan Myers of *The Astorian*

Pledge of Allegiance

Commission Reports:

Commissioner McClaine reported on the following:

- Inquired when the restroom trailer will arrive at the boatyard. Howard responded that it is expected on the first of November.

Commissioner Spence had nothing to report.

Commissioner Stevens reported on the following:

- Met with Chris Connaway to discuss lumber and cargo operations on Pier 1.

Commissioner Campbell reported on the following:

- Stopped by the airport and noticed that the pavement is complete at Scoular.

Commissioner Rohne reported on the following:

- Scoular ribbon cutting is coming up on October 18th. Rohne is grateful to see the project is moving forward.

Changes/Additions to the Agenda:

There were no changes or additions to the agenda.

Public Comment for items on the agenda:

There were no requests for public comment.

Consent Calendar:

The Consent Calendar consisted of the following:

- Meeting Minutes – 08/16/2022 Workshop Session and 09/06/2022 Regular Session

- Financials – August 2022
- Event Calendar – October 2022

Commissioner Campbell moved to approve the consent calendar as presented. Commissioner Spence seconded. The motion carried unanimously 5-0 amongst the Commissioners present.

Action Items:

9a. Request for Expenditure #0129 Pump Station Repairs

Executive Director Isom refers to the Request for Expenditure in the packet. The total cost is roughly \$14,000. Isom notes that the Port has been bringing any expenditure over \$10,000 to the Commission for approval. The Variable Frequency Drive (VFD) is for one of the pumps for the Pier 3 stormwater system. The system operates on two separate pumps; if one pump fails the system is still operable. One of the VFD pumps has failed and it is no longer under warranty.

- Commissioner Campbell inquires as to the annual cost to operate the VFD system. Isom answers that the Port pays roughly \$100,000 in debt payments for the system annually and there are ongoing monitoring and maintenance costs associated with maintaining the system. Campbell notes this is a cost that pulls from the Port's revenue.
- Campbell inquires if there is copper runoff in the stormwater. Isom answers that Environmental Specialist, Erin Hawkinson, tests the runoff and there has not been any copper found in the last several years.
- Commissioner Rohne notes that the VFD is an electric motor with a pump that saves energy as it only runs when needed.

Commissioner McClaine moved to approve the Request for Expenditure #0129 Pump Station Repairs in the amount of \$14,054.20 for the replacement of VFD for the Pier 3 stormwater station. Commissioner Stevens seconded. The motion carried unanimously 5-0 amongst the Commissioners present.

Public Comment for items not on the agenda:

There were no requests for public comment.

Executive Director Comments:

- The Badger Crane hydraulics have worn out, and the repairs would be too costly. The Port is looking at purchasing options and may need to rent a crane as a short-term solution.
- Met with Bob Dorn of Hyak Maritime this week. Quarterly meetings are scheduled to maintain communication.
- Will be meeting with the Department of Environmental Quality this Thursday. The meeting will discuss the implementation of the new process of reimbursement to the Port for costs associated with the cleanup of AOC4.
- Final audit fieldwork is complete. Audit firm Talbot, Korvola & Warwick will present their findings to the Commission in November.
- SDAO Board Training and Board Leadership academy Commission requirements for the Best Practice program are needed to receive \$10,000 in discounts for the Port's SDIS insurance. Commissioners can watch SDAO training videos online if they have not attended an SDAO

conference this year. Additionally, two Commissioners are needed to sign up for the SDAO Board Leadership academy.

- The Port of Hood River’s longtime Executive Director, Michael McElwee, retired in July and interim Executive Director, Kevin Greenwood, has been promoted to Executive Director.
- The first televised Oregon gubernatorial debate is tonight.
- Commissioner Spence inquires as to the status of the central waterfront zoning amendments in progress with the City of Astoria. Isom answers that he has been in communication with consultants, Walker Macy, and with interim City Manager, Paul Benoit. There is support with the City to move forward with the plan in a timely fashion. Isom will inquire what the timeline is when he next speaks to Walker Macy. Cambell adds that the Port Commission should see a draft of the zoning amendments before they go before the City Council. Isom answers that the plan is to bring the draft amendments to the Commission.
- The Scouler ribbon cutting will be on October 18th at 10am. Isom will be making a short speech along with representatives from Da Yang Seafood, Bornstein Seafoods and Warrenton Mayor, Henry Balensifer.

Upcoming Meeting Dates:

- Workshop Session – October 18, 2022 at 4:00 PM
- Regular Session – November 1, 2022 at 4:00 PM

Adjourned:

Chairman Rohne adjourned the meeting at 4:32 PM.

APPROVED:

ATTEST:

Dirk Rohne, Board Chairman
Board of Commissioners

Frank R. Spence, Secretary
Board of Commissioners

Respectfully submitted by:
Stacy Bandy
Executive Assistant – Administrative Coordinator

November 1, 2022

Date Approved by Commission



SEPTEMBER 2022 FINANCIALS NARRATIVE

For July through September 2022, the Port is showing an operating gain of \$566,736. This operating gain is trailing prior-year profits by \$210,641 and is \$268,851 below budget projections. Operating revenue YTD is at 89% and operating expense is at 96% of seasonally trended budget. Non-operating income is at 93% and non-operating expense is 62% of budget. Total net income YTD is \$375,140, which is \$67,696 behind budget expectations.

The budget and prior-year deficits for dockage are \$(143,459) and \$(266,569), respectively. For the year-to-date budget, \$98,600 had been included for estimated Harbor Fee income; the total FY23 budgeted amount for Harbor Fee income is \$380,000, none of which is expected to be collected. Looking at the prior-year differences, for July through September of 2021 the Port had received \$276,000 from the docked Pride of America cruise ship and \$89,100 of Harbor Fee income.

Total Lease & Rental Income was \$211,416 less than budgeted, primarily as a result of an unbudgeted deferment of the Bornstein warehouse loan, which is paid through Bornstein lease payments, for the first three months of the fiscal year. The decrease in income will be offset by a decrease to debt service, with the first payment budgeted for September but not expected to be made until December.

Gross Marina revenues were roughly 100% of budget and prior year with Boatyard gross revenues at roughly 125% of budget and prior year. Net profits from fuel sales were up \$44,230 from prior year.

Personnel services and materials were both under budget, at \$(66,158) and \$(34,253), respectively.

Looking at non-operating totals, debt service expense was \$213,464 below budget, as a result of a new debt deferment agreement with Business Oregon. Capital spending in September was roughly \$188,000, of which \$63,000 is reimbursable through grant programs.

Fuel Sales Summary:

Marina Fuel	Unleaded Sales \$	Unleaded Sales Gal	Unleaded COGS	Unleaded Profit	Diesel Sales \$	Diesel Sales Gal	Diesel COGS	Diesel Profit
Jul - Sep 2022	\$ 413,428	60,215	\$ 292,288	\$ 121,140	\$ 108,664	16,771	\$ 74,305	\$ 34,359
Jul - Sep 2021	\$ 383,278	68,995	\$ 249,585	\$ 133,693	\$ 93,501	24,382	\$ 62,431	\$ 31,070
Airport Fuel	Jet A Sales \$	Jet A Sales Gal	Jet A COGS	Jet A Profit	100LL Sales \$	100LL Sales Gal	100LL COGS	100LL Profit
Jul - Sep 2022	\$ 361,884	59,392	\$ 254,045	\$ 107,839	\$ 69,518	9,696	\$ 55,574	\$ 13,944
Jul - Sep 2021	\$ 179,157	44,288	\$ 116,289	\$ 62,868	\$ 30,117	5,674	\$ 24,696	\$ 5,421

Port of Astoria
Profit & Loss Actual vs. Budget
September 2022

	Actuals Jul 2022 - Sep 2022	Actuals Jul 2021 - Sep 2021	Budget Jul 2022 - Sep 2023	Budget Variance Through Sep	% of Budget Through Sep	Full '22-'23 Budget
<u>Operating Revenues</u>						
Dockage & Vessel Service	216,582	483,151	360,041	-143,459	60%	1,226,657
Lease & Rental Income	581,035	577,501	792,451	-211,416	73%	3,118,224
Rebilled Expenses	618,818	514,652	597,001	21,817	104%	1,713,380
Boat Haulout	204,080	162,182	165,426	38,654	123%	665,527
Marina Revenues	278,008	281,611	281,963	-3,955	99%	680,780
Fuel Sales	953,493	686,053	987,015	-33,522	97%	1,882,280
Ticket Revenues	2,000	4,140	7,101	-5,101	28%	9,540
Other Income	8,847	42,172	41,127	-32,280	22%	148,266
Total Operating Revenues	2,862,863	2,751,462	3,232,125	-369,262	89%	9,444,654
<u>Operating Expenses</u>						
Personnel Services	656,694	611,104	722,852	-66,158	91%	2,820,490
Materials and Services	1,639,433	1,362,982	1,673,686	-34,253	98%	4,481,686
Total Operating Expenses	2,296,128	1,974,086	2,396,538	-100,411	96%	7,302,176
Income from Operations	566,736	777,376	835,587	-268,851	68%	2,142,478
<u>Non-Operating Revenues</u>						
Property Tax Revenues-Genl Fund	20,949	17,469	23,712	-2,763	88%	890,248
Timber Tax Revenues	0	0	0	0	0%	198,811
Other County Revenues	55	6,921	7,407	-7,352	1%	39,500
Grants*	139,305	1,833,360	139,305	0	100%	1,940,763
Interest Income	2,507	727	4,700	-2,193	53%	18,303
Total Non-Operating Revenues	162,815	1,859,014	175,124	-12,309	93%	3,087,625
<u>Total Non-Operating Expenses</u>						
Capital Outlay*	347,656	1,953,199	347,656	0	100%	3,959,368
Interest Expense	915	1,267	66,451	-65,535	1%	474,936
Principal Expense	5,840	7,822	153,768	-147,929	4%	1,135,728
Total Non-Operating Expenses	354,411	1,962,288	567,875	-213,464	62%	5,570,032
Net Income (Loss)	375,140	674,102	442,836	-67,696	85%	-339,929

*Capital Outlay/Grants year-to-date budget set to match Revenue/Expense, not seasonally adjusted.

Port of Astoria
Balance Sheet
as of September 2022

September 30, 2022

ASSETS

Current Assets

Cash & Cash Equivalents

Cash Funds	745
Operating Account #1442	1,497,838
Payroll Account #5344	15,981
Bornstein MMA #0004	63,317
Money Market #1259	262,476
Total Lewis & Clark Bank	1,839,612

Total Cash & Cash Equivalents 1,840,357

Accounts Receivable 572,120

Other Current Assets 1,494,136

Total Current Assets **3,906,613**

Fixed Assets 35,731,756

Other Assets

Long-term Receivables 19,261,139

TOTAL ASSETS **58,899,508**

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable 384,683

Other Current Liabilities 16,108,576

Total Current Liabilities **16,493,259**

Long Term Liabilities

Accrued Vacation Payable 142,253

Accrued Sick Leave 158,204

Notes Payable 13,785,573

Net Pension Liability 829,427

OPEB Liability 725,809

Lease Liability 85,017

Pollution Remediation AOC 4 Liability 2,966,175

Less Current Portion LT Debt -925,385

Total Long Term Liabilities **17,767,075**

Total Liabilities **34,260,333**

Equity

Retained Earnings 24,264,035

Net Income 375,140

Total Equity **24,639,175**

TOTAL LIABILITIES & EQUITY **58,899,508**



Capital Projects
September 2022
Budget to Actual

DEPARTMENT AND PROJECT			CAPITAL PROJECTS & GRANTS As Budgeted			CAPITAL PROJECTS & GRANTS Actual Spending To-Date			REMAINDER & PRIORITY	
Department	Acctg Ref #	Description	Adopted Capital Expenditure	Adopted Grant Funding	Adopted POA Expense	Expenses through 09/30/2022	Grants Received through 09/30/2022	Expenses through 09/30/2022 NET OF GRANTS	Budgetary Estimate of Remaining POA Expense	Priority (1-10) 9=Comp 10=Remvd
WFW	21	P2 West PS&E Documents; CM/GC work to 100% Design	250,000	-	250,000	3,070	-	3,070	246,930	1
Airport	03	Airport Master Plan	389,253	361,163	28,090	139,448	139,305	143	27,948	2
WFE - Marinas	16	West Marina Dredging	496,250	-	496,250	1,065	-	1,065	495,185	2
WFE - Marinas	17	West Marina Piling Replacement (25)	133,500	-	133,500	-	-	-	133,500	2
Administration	01	2022-23 IT Upgrades	30,000	-	30,000	19,042	-	19,042	10,958	3
Airport	04	Backfill and Site Prep Behind Overbay	30,000	-	30,000	-	-	-	30,000	3
Airport	05	Backfill and Site Prep Behind Recology	55,000	-	55,000	5,158	-	5,158	49,842	3
WFW	18	Fender Pile Replacement (25) Pier 1 West, Pier 2 East, Pier 2 West	221,875	-	221,875	-	-	-	221,875	3
WFW	27	Security Upgrades: Trident equipment; Pier 1 Generator; Pier 1 Booth; Cyber Security	200,000	150,000	50,000	2,200	-	2,200	47,800	3
Airport	02	Airport Generator	20,000	10,000	10,000	210	-	210	9,790	4
Airport	07	Hangar Maintenance	50,000	-	50,000	-	-	-	50,000	4
WFW	23	Pier 2 East - Repairs based on ODOT reports	50,000	-	50,000	1,762	-	1,762	48,238	4
Airport	10	T-Hangar Fencing	50,000	37,500	12,500	1,455	-	1,455	11,045	4
Airport	13	Vegetation Management	30,000	-	30,000	5,401	-	5,401	24,599	4
WFW - Boatyard	28	Boatyard Electrical Upgrades	10,000	-	10,000	-	-	-	10,000	5
WFW - Boatyard	29	Boatyard Stands	16,390	-	16,390	-	-	-	16,390	5
WFW - Boatyard	30	Boatyard Upgrades	650,000	455,000	195,000	136	-	136	194,864	5
WFW	19	Fire suppression/system upgrades - Pier 2	20,000	-	20,000	-	-	-	20,000	5
Airport	06	Gator Utility Vehicle	15,000	-	15,000	-	-	-	15,000	5
Airport	08	Industrial Park	250,000	225,000	25,000	500	-	500	24,500	5
WFE	14	Maintenance - Flatbed Truck	13,500	-	13,500	-	-	-	13,500	5
WFW	20	Maintenance - Flatbed Truck	31,500	-	31,500	-	-	-	31,500	5
WFW	22	Pier 1 Face Chip Seal	15,000	-	15,000	14,285	-	14,285	715	5
WFW	24	Repave Gateway Avenue / Restripe	110,000	110,000	-	-	-	-	-	5
WFW	26	Replace Cruise Ship Gangway Decking	15,000	-	15,000	-	-	-	15,000	5
Airport	09	Terminal Building Upgrades	150,000	142,500	7,500	2,305	-	2,305	5,195	5
Airport	11	Tide Gate Feasibility Study	99,600	99,600	-	1,620	-	1,620	(1,620)	5
Airport	12	Utility Trailer	7,500	-	7,500	-	-	-	7,500	5
WFE - Marinas	15	East Mooring Basin Causeway Design & Repairs	500,000	350,000	150,000	-	-	-	150,000	6
WFW	25	Repave Pier 2 Entrance to Gateway	50,000	-	50,000	41,500	-	41,500	8,500	9
		Misc				108,500	-	108,500	(108,500)	
TOTALS			3,959,368	1,940,763	2,018,605	347,656	139,305	208,351	1,810,254	

Port of Astoria
Vouchers Paid -- Operating Acct

Type	Date	Num	Name	Memo	Credit
102-00 - Cash					
102-02 - CCB Operating #1442					
Bill Pmt -Check	10/04/2022	81536	A Coastal Lock & Key, LLC		30.00
Bill Pmt -Check	10/04/2022	81537	Airside Solutions, Inc.		324.12
Bill Pmt -Check	10/04/2022	81538	Anchor Graphics		413.00
Bill Pmt -Check	10/04/2022	81539	AT&T	Acct # 019 295 1870 001	24.19
Bill Pmt -Check	10/04/2022	81540	Builders First Source	Acct # 825101	2,248.55
Bill Pmt -Check	10/04/2022	81541	C-TechSolutions LLC		1,380.00
Bill Pmt -Check	10/04/2022	81542	Calhoun & DeJong, Inc.	Cust # PORT05	250.97
Bill Pmt -Check	10/04/2022	81543	Card Service Center		3,582.83
Bill Pmt -Check	10/04/2022	81544	CenturyLink	Acct # 497163267	208.65
Bill Pmt -Check	10/04/2022	81545	Charter Business - 0229	8787 14 680 0000229	2,115.09
Bill Pmt -Check	10/04/2022	81546	Charter Business - 5587	Acct # 8787 14 002 0105587	39.99
Bill Pmt -Check	10/04/2022	81547	Charter Business - 5595	Acct # 8787 14 002 0105595	179.97
Bill Pmt -Check	10/04/2022	81548	Cintas Corporation	10829	274.53
Bill Pmt -Check	10/04/2022	81549	City Lumber	Cust # 7259	142.72
Bill Pmt -Check	10/04/2022	81550	City of Astoria - utilities		832.78
Bill Pmt -Check	10/04/2022	81551	Clatsop Cruise Hosts.	GIFT BASKETS TO CRUISE SHIP CAPTAINS	292.75
Bill Pmt -Check	10/04/2022	81552	Columbia Steel Supply		43,160.58
Bill Pmt -Check	10/04/2022	81553	DEQ		217.81
Bill Pmt -Check	10/04/2022	81554	Drug Screens, Inc.		35.00
Bill Pmt -Check	10/04/2022	81555	Duane Mullins	1st Aid, CPR & AED Training	280.00
Bill Pmt -Check	10/04/2022	81556	Earthworx Excavation, LLC		3,248.44
Bill Pmt -Check	10/04/2022	81557	Englund Marine (Airport)		85.35
Bill Pmt -Check	10/04/2022	81558	Englund Marine (Boatyard)		72.52
Bill Pmt -Check	10/04/2022	81559	Englund Marine (Marina)		659.40
Bill Pmt -Check	10/04/2022	81560	EPIC Aviation, LLC - fuel	AST0770GP	45,900.80
Bill Pmt -Check	10/04/2022	81561	Equipment Rental Services	Cust # 205559	1,194.50
Bill Pmt -Check	10/04/2022	81562	Frank Spence, Commissioner	Reimb - Sep 2022	100.00
Bill Pmt -Check	10/04/2022	81563	Harold Culver (Retiree)		529.56
Bill Pmt -Check	10/04/2022	81564	Jackson and Son Oil		34,975.97
Bill Pmt -Check	10/04/2022	81565	Key Government Finance, Inc.	Acct # 581049019 Inv 4880716	50,633.33
Bill Pmt -Check	10/04/2022	81566	Larry Jones (Retiree)		794.34
Bill Pmt -Check	10/04/2022	81567	Lawson Products	Cust # 10075026	185.22
Bill Pmt -Check	10/04/2022	81568	Mead & Hunt	Project R3143900-202203.01 AST Master Plan and ...	35,617.82
Bill Pmt -Check	10/04/2022	81569	Northwest Insurance Group	Airport Policy	5,500.00
Bill Pmt -Check	10/04/2022	81570	Northwest Local Government Legal Advi...	Sept 2022	3,685.00
Bill Pmt -Check	10/04/2022	81571	NW Natural	Acct #2737126-9	132.71
Bill Pmt -Check	10/04/2022	81572	Pacific Power		7,814.50
Bill Pmt -Check	10/04/2022	81573	PacificSource Administrators	Employer ID: P00431	367.96
Bill Pmt -Check	10/04/2022	81574	Pape Machinery, Inc.	Cust # 101890	39.25
Bill Pmt -Check	10/04/2022	81575	PERS Health		529.56
Bill Pmt -Check	10/04/2022	81576	PetroCard, Inc.	01-0004280	1,642.44
Bill Pmt -Check	10/04/2022	81577	Platt Electric Supply (Rexel)	Acct #135946	97.17
Bill Pmt -Check	10/04/2022	81578	Precision Heating & IAQ, Inc.		1,620.26
Bill Pmt -Check	10/04/2022	81579	Recology Western Oregon		4,228.65
Bill Pmt -Check	10/04/2022	81580	RPD Services, LLC	Service Order: SO-T-10365	2,135.59
Bill Pmt -Check	10/04/2022	81581	S. Bruce Conner	October 2022	2,100.00
Bill Pmt -Check	10/04/2022	81582	Shane Jensen - Grant Writer	Grant Writing - Sep 2022	11,080.03
Bill Pmt -Check	10/04/2022	81583	Shred-It	Cust # 16971101	60.00
Bill Pmt -Check	10/04/2022	81584	Sierra Springs	928320221793628	386.52
Bill Pmt -Check	10/04/2022	81585	Special Touch Janitorial, Inc.	September 2022	4,598.75
Bill Pmt -Check	10/04/2022	81586	Spectrio, LLC	Acct # SPX755863	105.00
Bill Pmt -Check	10/04/2022	81587	Standard Insurance Co.	Policy # 00 158620 0001	1,847.15
Bill Pmt -Check	10/04/2022	81588	Staples Advantage		114.56
Bill Pmt -Check	10/04/2022	81589	Sunset Auto Parts - NEW	Cust # 76004	28.89
Bill Pmt -Check	10/04/2022	81590	Trails End Recovery		55.00
Bill Pmt -Check	10/04/2022	81591	ULINE	Cust # 21657453	2,603.10
Bill Pmt -Check	10/04/2022	81592	VenTek International	Cust # PORTASTORIA	380.00
Bill Pmt -Check	10/04/2022	81593	Verizon Wireless #7705-1	270297705-00001	562.46
Bill Pmt -Check	10/04/2022	81594	Wells Electrical Contracting, Inc.		332.99
Bill Pmt -Check	10/04/2022	81595	Whitney Equipment Co., Inc.		1,339.00
Total 102-02 - CCB Operating #1442					283,417.32
Total 102-00 - Cash					283,417.32
TOTAL					283,417.32

JTC
10-4-22
OK

Port of Astoria
Vouchers Paid -- Operating Acct

Type	Date	Num	Name	Memo	Credit
102-00 - Cash					
102-02 - CCB Operating #1442					
Bill Pmt -Check	10/19/2022	81596	✓ Advanced Remediation Technologies, Inc.		2,275.00
Bill Pmt -Check	10/19/2022	81597	✓ America's Phone Guys		577.80
Bill Pmt -Check	10/19/2022	81598	✓ Arctic Wire Rope & Supply	Cust # 0063655	2,175.90
Bill Pmt -Check	10/19/2022	81599	✓ Astoria Ford	W/O#2197	912.37
Bill Pmt -Check	10/19/2022	81600	✓ Bayview Asphalt, Inc.	Cust # 119613	60.00
Bill Pmt -Check	10/19/2022	81601	✓ Burl (Bud) Shoemaker II		225.00
Bill Pmt -Check	10/19/2022	81602	✓ Calhoun & DeJong, Inc.		401.23
Bill Pmt -Check	10/19/2022	81603	✓ Campbell Environmental		3,480.00
Bill Pmt -Check	10/19/2022	81604	✓ Charter Business - 0590	8787 14 001 0420590	39.99
Bill Pmt -Check	10/19/2022	81605	✓ CHS Inc/Cenex		452.87
Bill Pmt -Check	10/19/2022	81606	✓ Cintas Corporation	10829	183.02
Bill Pmt -Check	10/19/2022	81607	✓ City of Warrenton		3,473.36
Bill Pmt -Check	10/19/2022	81608	✓ Clatsop County Assessment & Taxation		2,275.66
Bill Pmt -Check	10/19/2022	81609	✓ Columbia Fire & Safety, LLC		1,218.00
Bill Pmt -Check	10/19/2022	81610	✓ Daily Journal of Commerce	Acct # 10029290	113.74
Bill Pmt -Check	10/19/2022	81611	✓ DEQ		4,090.52
Bill Pmt -Check	10/19/2022	81612	✓ Englund Marine (MX)		337.85
Bill Pmt -Check	10/19/2022	81613	✓ EPIC Aviation, LLC - fuel	AST0770GP	85,295.21
Bill Pmt -Check	10/19/2022	81614	✓ Haglund Kelley LLP		1,072.50
Bill Pmt -Check	10/19/2022	81615	✓ Home Depot	6035 3225 3191 4798	368.24
Bill Pmt -Check	10/19/2022	81616	✓ Focus Consulting, Inc.		5,487.00
Bill Pmt -Check	10/19/2022	81617	✓ Jackson and Son Oil		23,234.32
Bill Pmt -Check	10/19/2022	81618	✓ Jim Varner's Automotive		2,947.45
Bill Pmt -Check	10/19/2022	81619	✓ Joey Gochis (A/P)	Reimb for Safety Boots	80.00
Bill Pmt -Check	10/19/2022	81620	✓ Jordan Ramis PC	Client ID 43046	427.50
Bill Pmt -Check	10/19/2022	81621	✓ KPFF, Inc.	Project # 10182100009	930.03
Bill Pmt -Check	10/19/2022	81622	✓ Lawson Products	Cust # 10075026	175.03
Bill Pmt -Check	10/19/2022	81623	✓ Maritime Fire & Safety Assoc.	Cust ID: PORAST02	1,890.00
Bill Pmt -Check	10/19/2022	81624	✓ Maul Foster & Alongi, Inc.	Project: 0475.02.17	6,741.25
Bill Pmt -Check	10/19/2022	81625	✓ NATA	2022 Membership renewal	395.00
Bill Pmt -Check	10/19/2022	81626	✓ NW Natural		267.92
Bill Pmt -Check	10/19/2022	81627	✓ Pacific Power	Acct #09996911-015 6	1,984.94
Bill Pmt -Check	10/19/2022	81628	✓ PERS Health		529.56
Bill Pmt -Check	10/19/2022	81629	✓ Quadient (postage)	X3391	296.85
Bill Pmt -Check	10/19/2022	81630	✓ Rachel Johnson (A/P)		24.75
Bill Pmt -Check	10/19/2022	81631	✓ Sierra Springs	928320221793628	206.46
Bill Pmt -Check	10/19/2022	81632	✓ Solutions YES, LLC	Acct # PO03	320.05
Bill Pmt -Check	10/19/2022	81633	✓ Special Districts Health Premiums	Cust # 03-0016324	47,019.95
Bill Pmt -Check	10/19/2022	81634	✓ Special Touch Janitorial, Inc.	October 2022	3,970.00
Bill Pmt -Check	10/19/2022	81635	✓ Sunset Auto Parts - NEW	Cust # 76004	216.54
Bill Pmt -Check	10/19/2022	81636	✓ Sweet Septic and Portable Service	September 2022	260.00
Bill Pmt -Check	10/19/2022	81637	✓ Talbot, Korvola & Warwick, LLP	Client # 7770000.501	28,000.00
Bill Pmt -Check	10/19/2022	81638	✓ Terry's Plumbing LLC.	W/O 211164	66.74
Bill Pmt -Check	10/19/2022	81639	✓ The Daily Astorian	Account # 12928	117.60
Bill Pmt -Check	10/19/2022	81640	✓ THE LOFT AT THE RED BLDG.		925.00
Bill Pmt -Check	10/19/2022	81641	✓ United Rentals		1,089.89
Bill Pmt -Check	10/19/2022	81642	✓ Walter E. Nelson Co.	Cust # 1629	1,157.65
Bill Pmt -Check	10/19/2022	81643	✓ Wells Electrical Contracting, Inc.		270.00

Total 102-02 - CCB Operating #1442

238,059.74

Total 102-00 - Cash

238,059.74

TOTAL

238,059.74

*Scott L Mc Don
19 Oct 2022*

W

November 2022

November 2022							December 2022						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
6	7	1	2	3	4	5	4	5	6	7	1	2	3
13	14	8	9	10	11	12	11	12	13	14	15	16	17
20	21	22	23	24	25	26	18	19	20	21	22	23	24
27	28	29	30				25	26	27	28	29	30	31

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Oct 30	31	Nov 1 4PM Regular Session 6PM CB City Council Mtg	2 7PM Gearhart City Council Mtg	3	4	5
6	7 7PM Astoria City Council Mtg	8 6PM CB City Council Work Mtg 6PM Warrenton City Council Mtg	9 6PM Clatsop Cnty Commission	10 10AM Col-Pac EDD Mtg 10AM NWOEA Mtg 1PM NW ACT Clatsop Comm College	11 Veteran's Day (Port office closed)	12
13	14 7PM Seaside City Council Mtg	15 4PM Regular Workshop Session	16	17	18	19
20	21 7PM Astoria City Council Mtg	22 330PM CEDR Board Mtg 530PM Astoria Planning Commission 6PM Warrenton City Council Mtg	23 6PM Clatsop Cnty Commission	24 Thanksgiving Holiday (Port office closed)	25	26
27	28 7PM Seaside City Council Mtg	29 7:30AM AWACC Breakfast Mtg	30	Dec 1	2	3



CLATSOP ENTERPRISE ZONE SPONSOR WORK SESSION

LONG-TERM RURAL ENTERPRISE ZONE BENEFIT.

OCTOBER 6, 2022

Standard Enterprise Zone

-Enterprise zones were formed in 1986 to help foster employment opportunities and increase local competitiveness. These zones offer tax relief on new private capital in exchange for investing and hiring in the enterprise zone. Qualifying businesses receive exemption from local property taxes on new plant and equipment for three years (but up to five years) in the standard program.

-The Clatsop Enterprise Zone was created in 2015, with four sponsors: Clatsop County, City of Astoria, City of Warrenton and Port of Astoria.

-There are currently 76 enterprise zones across Oregon: 58 rural and 18 urban. Local governments are responsible for creating, amending, managing, and renewing most of these zones, until June 30, 2025.

-CEDR is Clatsop County's zone manager.

Business Eligibility

-New buildings/structures, structural modifications or additions, or newly installed machinery and equipment located in the zone qualify for the tax exemption. Only the increase in assessed value attributable to the additions or modifications is exempt in the case of a building or structure.

-Eligible businesses include manufacturers, processors, shippers and a variety of operations that serve other organizations, as well as call center and headquarter-type facilities. Hotel/resort businesses also are eligible in some of the enterprise zones, with local approval (City of Astoria does not currently allow hotel/resorts enterprise zone benefits). Otherwise, retail, construction, financial and certain other defined activities are ineligible.

Qualified Property

Land, previously used property value, and other miscellaneous personal property do not qualify.

Criteria for Qualifying Projects

For the basic, three-year enterprise zone exemption period, the business needs to:

- increase full-time, permanent employment of the firm inside the enterprise zone by the greater of one new job or 10% (or less with special-case local sponsor waivers);
- generally have no concurrent job losses outside the zone boundary inside Oregon;
- maintain minimum employment level during the exemption period;
- enter into a first-source agreement with local job training providers.

Employment to Qualify

Oregon's enterprise zones are intended to create new jobs, for which there are two basic requirements that an authorized business must satisfy to receive the standard exemption on property.

Increase by First Year of Initial Exemption (gateway requirement)

- Authorized business must increase its employment within the enterprise zone by the **greater of one person or 10%**.

Maintain Increased Employment Level

- For each assessment (calendar) year of the exemption period, the business' annual average employment must likewise be at least 110% of (and one job more than) the pre-application annual average.

Jobs That Are Counted

Persons working full-time—employed more than 32 hours per week (not full-time equivalents or part-time employees).

- Permanent/year-round positions, and thus not anyone hired temporarily, seasonally, or solely to construct/install property.
- Employees working mostly (anywhere) inside the enterprise zone.
- Jobs that primarily perform or support eligible operations/activities.

May include contract or leased employees.

NOTE: When an Enterprise Zone expires, those businesses that are already qualified will continue to receive the exemption until their qualified term expires.

Extended Enterprise Zone

For the four or five year exemption period, the business must satisfy the above criteria for the three-year period and:

- receive special local approval “Before authorization application is approved” in the form of a written agreement between the business and local zone sponsors, and:
- the average of new employees' compensation (including benefits), needs to be at or above 130% or 150% (In Clatsop County it is 130%) of the county average wage as set at the time of authorization.
- wages must be equal to or greater than the current county average wage in that fourth/fifth year.
- All other requirements of standard enterprise zone apply.

Long-term Rural Enterprise Zone Facilities

Available in most rural enterprise zones, the long-term zone program offers a property tax abatement of 7–15 years, compared to the standard 3 to 5 years.

There are few opportunities in rural Oregon to use long-term enterprise zone benefits because special criteria limit the use based on the size of the investment in terms of minimum investment costs and minimum number of new hires by the company.

Incentives

7 to 15 consecutive years of full relief from property taxes on new facility property, starting in the year after it is permitted for use and occupancy.

Qualifying Projects

The facility must meet the following three criteria:

1. In Clatsop County the minimum investment is \$12.5 million.
2. Within 3 years of commencing operations, the business must hire TBD new, full-time employees to work at the facility, and must be maintained during the tax abatement period.
3. By the fifth year after the year when new facility operations commenced, average annual compensation (including benefits) for all workers at the facility must be at least 130% the county average annual wage, based on the latest, final figure, and then for every subsequent calendar year over the rest of the exemption period:
 - Average compensation needs to be at least that high relative to the county wage when first met.
 - The average wages (taxable income) received by those workers also must equal or exceed the latest year's figure for the county average wage.

Certification Process

Prior to beginning construction, improvements, or hiring at the facility, a business must submit an application to the local enterprise zone manager and county assessor, who will approve the business for certification pursuant to the following two steps:

Step 1: The business and all local government sponsors of the enterprise zone enter into a written agreement, for which Business Oregon will provide documentation of concurrent county eligibility. This local agreement determines the exemption period (7 to 15 years) and may specify additional requirements to be met by the business/facility.

Step 2: The county board of commissioners (and the city council, if within city limits) specifically adopts a resolution approving the property tax exemption.

Impacts of an enterprise zone

-Combined with upgrading local capacity (e.g., infrastructure, industrial sites), an Oregon enterprise zone is meant to induce additional private-sector investment and jobs by signaling a receptive business climate, primarily through a significant but short-term infusion for the project's cash flow, in order to:

- encourage homegrown entrepreneurs and businesses to start up and grow
- prompt bigger re/investment than might otherwise occur
- accelerate investments and hiring compared to an ordinary rate
- expand employment (business must increase full-time, year-round jobs in the zone)
- help regions overcome economic dislocations and structural deficiencies
- retain and attract operations that would move or locate elsewhere
- buttress the early success of traded-sector business projects, and
- stimulate higher levels of employee compensation with the 5-year abatement.

Enterprise zone exemptions do not necessarily affect available resources for local public services, depending on statewide equalization of school funding and prevailing limitations on tax rates and levies that pertain to new industrial property in particular tax codes. Enterprise zone incentives can even enlarge the local tax base, which under the current property tax system would increase future revenues, due to the introduction of new property that is taxable for many years after the period of exemption.

WCT Marine – Hyak Maritime, Tax Estimates for 15 Year Enterprise Zone Exemption

Tongue Point Existing Property and Projected Tax Collection (15 Year Period)			
Billing Rate per Thousand of AV \$19.3767			
		1st Year Taxes	Cumulative Taxes
		\$84,668.78	\$1,395,387.19
City of Astoria	\$34,969.18		\$576,310.96
4H & Ext Svc	\$228.53		\$3,766.31
Clatsop County	\$7,262.74		\$119,693.91
Clatsop County Local Option	\$305.87		\$5,040.96
Port of Astoria	\$537.46		\$8,857.68
Clatsop Care Center	\$754.63		\$12,436.76
Clatsop Care Center Local Option	\$1,005.01		\$16,563.14
Clatsop Comm College	\$3,936.15		\$64,869.91
NW ESD	\$658.06		\$10,845.26
School 1	\$32,848.17		\$541,355.53
Sunset Transportation	\$693.46		\$11,428.57
Astor East Urban Renewal	\$1,469.50		\$24,218.20
		\$84,668.78	\$1,395,387.19

Tongue Point New Property and Estimated Exempt Taxes (15 Year Period)

Billing Rate per Thousand of AV \$19.3767

	1st Year Taxes		Cumulative Taxes
	\$425,298.94		\$5,416,011.46
City of Astoria	\$175,653.35		\$2,236,875.04
4H & Ext Svc	\$1,147.93		\$14,618.45
Clatsop County	\$36,481.41		\$464,576.15
Clatsop County Local Option	\$1,536.43		\$19,565.81
Port of Astoria	\$2,699.73		\$34,379.92
Clatsop Care Center	\$3,790.59		\$48,271.64
Clatsop Care Center Local Option	\$5,048.27		\$64,287.66
Clatsop Comm College	\$19,771.65		\$251,784.00
NW ESD	\$3,305.52		\$42,094.44
School 1	\$164,999.31		\$2,101,200.13
Sunset Transportation	\$3,483.30		\$44,358.48
Astor East Urban Renewal	\$7,381.44		\$93,999.73

\$425,298.94

\$5,416,011.46



HYAK TONGUE POINT ASTORIA, OREGON

WORLD'S LARGEST
ALL-ELECTRIC MOBILE LIFT

COMING
SUMMER 2024

MOBILE LIFT CAPABILITIES

- Vessels weighing up to 1500 metric tons
- Vessels up to 300' long x 65' wide, including:
 - All U.S. and Canadian offshore and river commercial tugboats up to and including the Crowley 'Legacy' 750 Class ATB tugboats
 - All Columbia River freight and grain barges
 - All large offshore commercial fishing vessels
 - All USCG patrol vessels and buoy tenders up to and including the 210' 'Reliance' class cutters
 - Offshore deck barges to 300' long x 65' wide
 - American Cruise Lines' new 'Project Blue' passenger vessels

ADDITIONAL YARD FEATURES

- New vessel construction: tugboats; fishing boats; deck barges
- 100 tons floating barge crane service and 150 tons land crane service
- 450 tons capacity vessel haul-outs with boat trailer on 60' wide boat ramp
- Barge loading bulkhead, accommodating 120' wide deck barges
- Covered work pads to 80' wide, 200' long, with 60' air height
- Uplands work pad area able to work on up to 12 vessels at a time
- Properly credentialed employees of our customers are allowed to work on their vessels while on site
- 120,000 square feet of covered hangar space
- 12,000 linear feet of barge mooring space
- Past Site Projects: North Slope Oilfield modules and Vandenberg AFB/SpaceX Rocket Gantries





ECONOMIC IMPACT

of 1500 Ton All-Electric Mobile Lift at Hyak Tongue Point

Hyak Tongue Point (Hyak) is a 34-acre shipyard facility along the Columbia River in Astoria, Oregon, and a key provider of maritime services in the area providing haul-out services, repairs, construction as well as porting and moorage to customers in the Pacific Northwest. Hyak is looking to expand its service offerings with the purchase of a 1500 ton all-electric Cimolai Mobile Lift.

The lift's all-electric function allows it to operate with a net-zero carbon footprint, positioning Hyak to be the first to employ this technology in North America and invest directly in environmentally conscientious capital. Proactive investment in environmentally compliant infrastructure supports high environmental standards within the regional maritime industry and incorporates sustainable operations at Hyak, and consequently, their users.

Economic Impact

The purchase and operation of a high-capacity all-electric mobile lift poses significant economic impacts to the maritime economy in the region:

- Total site investment of \$35M at Tongue Point.
- Upfront operational investment in the mobile lift will generate \$14.4M in local business spending.
- Total construction employment is estimated at 175 jobs with an estimated \$9.5M in short-term Clatsop County labor income.
- An additional 51 full-time jobs at Hyak with annual average salaries of \$78,400, resulting in \$6,086,340 in total payroll. By year five, on-site workforce is expected to grow to 126 jobs equating to \$11.3M in total payroll.
- Local and state annual tax revenue collection will increase by close to \$400,000 in 2025 and by nearly \$700,000 in 2030.
- By year five, total employment is expected to increase by more than 300 regional jobs and \$21M in wages and benefits.

Oregon and Washington have seen 16 shipyards cease operations within the last 15 years. Several factors have contributed to shipyard closures including bankruptcy, high costs, company consolidation/acquisitions and surrounding land development pressures. Nearly every year for the past decade and a half has marked the loss of a small to medium-size shipyard.

Hyak contracted with Columbia Pacific Economic Development District (CPEDD) for an independent, third-party analysis of the economic impacts of the proposed mobile lift and upland environmentally secure workpads.

(DRAFT) Enterprise Zone Work Session
October 6, 2022
Potential 'Public Benefit' Bullet Points

- 51+ new trades jobs will be created immediately at WCT by the Big Top Tent and the Mobile Lift Project
- 126 new trades jobs will be created by WCT by 2029
- Additional local jobs created by supporting businesses to WCT; the site has potential for new tenant companies providing engine repair, hydraulic repair, machine shop, and similar services
- Will partner with the adjacent Tongue Point Job Corps and Clatsop County MERTS Campus to train and hire their students
- Will provide training opportunities and develop additional programs for area High School students
- Will be able to lift and service all local USCG vessels—including the cutters 'Alert' and 'Steadfast'—as well as the new Fast Response Cutters sited at the new CG base next door
- Will be able to lift and service all the Job Corps and MERTS training vessels



ECONOMIC IMPACT OF

Hyak Tongue Point

1500 Metric Ton All-Electric Mobile Lift

Project Background

Hyak Tongue Point (Hyak) is a 34-acre shipyard facility along the Columbia River in Astoria. Since the purchase of the site in 2017, Hyak and its tenants at the site, WCT Marine & Construction, Bergerson Construction and American Cruise Lines, have collectively invested nearly \$4.5 million into site improvements.

Hyak is a key provider of maritime services in the Astoria area providing haul-out, repairs, construction as well as porting and moorage to customers in the Pacific Northwest. With ongoing relationships with the Coast Guard, the Tongue Point Job Corps, Clatsop Community College Marine and Environmental Research and Training Station (MERTS) and the PNW maritime industry, Hyak is looking to expand its services by the purchase of a 1500 metric ton all-electric Cimolai Mobile Lift.

The investment in a mobile lift of this size would be an unprecedented purchase both in terms of environmental stewardship and scale of operations for a private enterprise in the Pacific Northwest. The lift's all-electric function allows it to operate with a net-zero carbon footprint, positioning Hyak to be the first to employ this technology in North America and invest so directly in environmentally conscientious capital. Moreover, this investment comes at a time when shipyards and accompanying maritime support are critically low, not only along the Columbia River but throughout the Pacific Northwest.

The purchase and operation of a high-capacity mobile lift poses significant economic impacts to the maritime economy in the region¹:

- Total site investment of \$35 million at Tongue Point.
- Hyak is committed to using local suppliers and contractors for construction and materials. Upfront and operational investment in the mobile lift will generate \$19 million in local business spending, equating to 76% of total lift investment/expenditure being local suppliers/services.
- Temporary construction employment estimated at 135 on-site jobs with indirect and induced jobs totaling an additional 40 jobs. Total construction employment is estimated at 175 jobs with an estimated \$9.5 million in short-term Clatsop County labor income.
- An additional 51 full-time jobs at Hyak with annual average salaries of \$78,400, resulting in \$6,086,340 in total payroll. By year five, the on-site workforce is expected to grow to 126 jobs (equating to \$11.3 million in total payroll).
- Local and state annual tax revenue collection will increase by close to \$400,000 in 2025 and by nearly \$700,000 in 2030.
- Indirect and induced employment in Clatsop County is expected to result in 90 additional employees equating to \$4.6 million in total annual payroll.
- Indirect and induced employment in other counties in Oregon and Washington is expected to increase by as much as 100 additional employees as a result of the project within the five years after installation.
- Due to indirect and induced employment, local and state annual tax revenue collection will increase by more than \$900,000 by 2030.
- By year five, total employment is expected to increase by more than 300 regional jobs and \$21 million in wages and benefits.

Shipyards & Services

SHIPYARD:

Ships are built and repaired.

DRY DOCK:

Narrow basin or vessel that is flooded to allow a load to be floated, then drained to allow load to come to rest on a dry platform. Only one vessel can be accommodated within a dry dock.

HAUL-OUT WITHOUT MOBILE LIFT:

Boat hauled out with a trailer that backs into the water. Boat is secured onto the trailer and pulled out of the water. Typically requires eight people, one day of prep, ½ day to haul and ½ day to return boat to water.

HAUL-OUT WITH MOBILE LIFT:

Boat is secured to hoist system, lifted out of water and transported to work area. Typically requires three people and one hour.



Given the economic benefits expected in the region from the purchase of the mobile lift, there is a demonstrable and imperative need for public investment. *In a statement prepared for a 2019 hearing on the U.S. Maritime and Shipbuilding Industries "Strategies to Improve Regulation, Economic Opportunities and Competitiveness", it was noted that significant public/government subsidies are crucial in shipyard profitability and a key reason for international shipyard advantage.* In addition to financial necessity, public investment signals an important dimension of community investment. The maritime industry is a mainstay of the North Coast and the greater Pacific Northwest economy and public investment in shipyard operations, particularly those that promote new and more efficient technologies and allow for greater environmental standards, not only supports local businesses, but also lays the foundation for sustainability and innovation development in the region's maritime economy.

Within the first year of mobile lift operation, Hyak will be able to provide haul-out services to 13% of Oregon and Washington's tugboat fleet every year and by 2030 it will be able to provide haul-out to 25% of the fleet every year. Given new requirements for towing vessels to be hauled-out every 2.5 years for Coast Guard mandated inspection, this service will be critical to the region's fleet. Hyak's mobile lift would primarily serve the 488 tugboats and push boats located in the Pacific Northwest, but could provide service to the other small and medium commercial vessels, including Coast Guard, commercial fishing, and passenger vessels too large for existing lifts.² Currently, any vessels larger than 660-tons must either seek limited haul-out services in California, Washington, Canada or beyond or must experience several months of repair delays, forcing fleets to change their regular operating schedules.

Hyak's proposed mobile lift reintroduces foundational maritime infrastructure to the Pacific Northwest and thereby brings much needed capacity and services to commercial vessels in the PNW. With greater operational capacity and state-of-the-art infrastructure, the mobile lift will also contribute to the resiliency of the region's supply chains, emergency management and national security.



An aerial photograph of a river, likely the Columbia River, showing a dam structure with several spillways. The water is a deep greenish-blue. In the foreground, there are stacks of lumber and other industrial materials on a concrete pier or dock. The background shows a lush green forested area.

Industry Overview

The U.S. transportation system is comprised of a delicate balance between roads, rail, air and maritime, four sectors that serve both industrial/commercial freight traffic as well as household and tourist travel. Maritime transportation, the network of infrastructure and services that allow for the movement of goods and people through waterborne transportation, is the least visible to most U.S. residents but just as critical as roads, rail and air transportation. For perspective, more than 70% of total end to end international supply chain transportation occurs over water.

Nearly every U.S. industrial sector is dependent on maritime services for the flow of materials and goods to and from their operations. Domestically, maritime services along the nation's navigable waterways, including rivers and coastal routes, are responsible for the survival of our energy, farm and food, and construction sectors. The Pacific Northwest's coastal routes and the Columbia River, the only significant navigable waterway on the west coast, play a significant part in our regional and national economy. Over 56 million tons of freight pass through the Columbia every year carrying products such as energy, food and farm, building materials, machinery and finished goods.³ The Columbia River alone facilitates over \$21 billion of economic activity from foreign trade on an annual basis.⁴

Not only is maritime transportation the most cost-effective mode of transportation for large volumes and long distances, but it is also the safest and most fuel-efficient means of freight transportation. For every nearly 700 injuries from trucking accidents, there is only one in maritime travel. Similarly, for every one tow and barge carrying goods, over 500 trucks are not required to travel on our highways.⁵

The maritime industry and its continued existence is completely dependent on shipbuilding and repair services located at private shipyards and public ports. The typical shipyard activities include ship construction, repair, conversion, alteration, regulatory inspections, as well as the production of prefabricated ship and barge sections and other specialized services. Shipyards depend on manufacturing and other facilities outside of the shipyard, which provide parts and services for shipbuilding activities within a shipyard.⁶

From data recorded in 2019, the nation's 154 private shipyards still capable of building ships, located on the east and west coasts as well as along major navigable waterways, provide more than 107,000 jobs and contribute \$9.9 billion in labor income to the national economy. On a nationwide basis – including direct, indirect, and induced impacts – the industry supports 393,390 jobs, \$28.1 billion in labor income, and \$42.4 billion in GDP.⁷ *In Oregon, Washington and Alaska, there are twelve shipyards capable of building ships.⁸ Shipyards in the Pacific Northwest employ nearly 4,500 and contribute \$440 million in labor income and are responsible for \$1.2 billion in direct, indirect, and induced labor income.⁹*

The most common customers of shipyards are the U.S. Navy, U.S. Army, and U.S. Coast Guard, commercial vessels, yachts as well as other larger recreational boats. The U.S. Navy accounts for the majority of demand for shipbuilding industry products. Moreover, approximately

76.7% of the maritime industry's revenues were derived from the routine repairs and maintenance of maritime vessels.

Given the importance of maritime transportation and the critical role of shipyard services, the current trajectory of closures and consolidation poses significant risk to local and national economic activity. For example, between 1953 and 2016, the number of major U.S. shipyards declined from thirty to six.¹⁰ This astounding collapse was years in the making, but many in the industry point to the removal in 1981 by President Ronald Reagan of a long-standing federal program which provided direct construction subsidies without a complementary demand that Asia and Europe also remove their extensive shipbuilding subsidies.¹¹ Since that time, the U.S. shipbuilding and ship repair industries have been competing with subsidized foreign companies.



As a result, tens of thousands of skilled and high paying American jobs have been lost. U.S. commercial shipbuilders, once the world's leaders, now account for less than one percent of the global market.¹²

A 2018 interagency task force formed by the White House found that there are numerous challenges to what's left of the shipbuilding sector, including boom-and-bust demand cycles, skill shortages and a fragile supply chain. For instance, only one domestic forge remains that can make large propeller shafts for oceangoing vessels.¹³

What the industry is facing is indicative of what has unfolded in many domestic, often natural resource based, industries with exposure to competition from global trade, under investment in public infrastructure and to our shifting perspective on environmental stewardship. Today, the shipbuilding and repair industry is still confronting a trajectory of decline and atrophy and attempts to compete with low-cost foreign competitors (including heavily subsidized, state-owned fleet operators) has led to countless shipyard mergers, acquisitions, and closures.¹⁴

The Pacific Northwest maritime industry has not been immune to these larger industry trends. Oregon and Washington have seen 16 shipyards cease operations within the last 15 years. Several factors have contributed to shipyard closures including bankruptcy, high costs, company consolidation/acquisitions and surrounding land development pressures. Nearly every year for the past decade and a half has marked the loss of a small to medium-size shipyard.

Environmental Regulations

Alongside competitive pressures, the costly nature of increasing environmental regulations is changing the financial incentives of ship operators to seek more regular servicing involving either haul-out services or dry docking.

Environmental regulations applicable to the maritime industry are increasingly requiring more stringent and specialized inspections and demanding vessel and equipment alterations. The U.S. Coast Guard's implementation of Subchapter M has had significant impact on the commercial towing vessel industry, requiring vessels to be hauled out of water for inspections and maintenance no more than every 30 months.¹⁵

However, due to the decline in shipyards in recent decades, current shipyard dock availability cannot accommodate the increase in mandatory haul-out service on top of already backlogged emergency service requests. The issue is no different for the Pacific Northwest, only six facilities in the region have the capacity to service haul-out needs with lifts ranging from 330 to 750-ton capacity. There is zero capacity for boats needing haul-out capacity above 700 tons, forcing larger vessels to go elsewhere or absorb long-wait times. Both scenarios are leading to increased business risk, lower production and higher costs.

Other federal and state regulations to limit emissions and reduce environmental impacts are or will be impacting the maritime industry's demand for haul-out service. Regulations, such as the EPA and California Air Resources Board's Tier 4 or Zero-Emission measures, are likely to become standard for vessels traversing U.S. coasts or inland waterways. Tier 4 standards provide a comprehensive national program to reduce emissions from nonroad diesel engines by integrating engine and fuel controls as a system to gain the greatest emission reductions.¹⁶ To meet these Tier 4 emission standards, engine manufacturers will produce new engines with advanced emission control technologies applicable to new engines found in off-road equipment including construction, mining and agriculture equipment, **marine vessels and workboats**, locomotives and stationary engines.

Maritime industry insiders expect that the U.S. Coast Guard will implement additional regulation on vessels in the next five years, spurring even more demand for dock space and expert trades to perform specific maintenance review requirements. Vessel owners and operators acknowledge how the new regulation is driving out older technology and prompting growth opportunities for the new shipbuilding markets - a source of growth that would support and be facilitated by Hyak.

Case Study

Impacts on Trucking Industry due to new Environmental Regulation

In the last two years, California, Oregon, Washington, New Jersey and Massachusetts have approved rules requiring new trucks sold to be zero-emission starting in 2025. These six states cite achieving zero-emission technology in the transportation sector as one of their highest policy priorities. These rules are already being established for vessels traveling in coastal and inland waterways.

IMPACTS

- Demand for truckyard/shipyard services
- New engine technologies & demand for new skills in workforce
- Demand for renewable fuels
- Demand for engine alterations/conversions in older engines

Oregon Maritime Industry Opportunity: Hyak

The Pacific Northwest maritime industry is defined by the extensive network of transportation vessels along the Columbia River and traversing the Pacific Ocean, comprising Coast Guard boats, tug and barge vessels, cruise ships and commercial fishing vessels.

Clatsop County, positioned at the mouth of the Columbia River where inflow and outflow vessel traffic is consistent and valuable, is an ideal geographic location for maritime services.¹⁷ Despite the high volume of vessels and economic activity, there are currently only six Oregon shipyard facilities that can perform haul-out services and none that can accommodate vessels greater than 660 tons. The region's lack of shipyard services capable of accommodating the tug and tow fleet, numbering at 488 in the Pacific Northwest, poses a significant reduction and loss of economic activity for Oregon's shipyards.

Until its closure in 2017, vessels in the region could be serviced by Astoria Marine Construction Company (AMCCO). However, indicative of shipyard operations across the Pacific Northwest, the company closed its doors due to higher costs, the burden of a changing environmental landscape and shifting market forces within the industry. According to industry insiders, the closure of AMCCO marked a momentous shift in Oregon's maritime economic landscape, signaling a decline in shipyard capacity and jeopardizing the prominent role Astoria had in the shipbuilding and repair industry.

Interviews with regional fleet owners revealed that ships traversing and ported in Oregon and Washington are now forced to travel considerable distances, including to Alaska, and in some cases Canada, due to the lack of robust servicing options in the immediate Columbia River region. Faced with long servicing wait times and the continued closures of regional shipyards, vessel owners and repair businesses are facing higher costs associated with the travel time spent and fuel used to accommodate trips to farther shipyards would be significantly reduced and would be recaptured by Hyak and other local vendors. This phenomenon of "economic leakage" of the regional maritime customer base is a considerable missed opportunity for local vessel owners, for shipyards and for the complementary maritime businesses providing materials and services.

In the immediate future, just a decade or less, the shipyard industry points towards one of continued business consolidation and shrinking service diversification. As described by a PNW-based cruise line operator, the Northwest shipyard market is comprised of a variety of vessel types that each require a different scale, intensity and frequency of shipyard services. As shipyard operations consolidate and consequently reduce the number and array of shipyard services and infrastructure available, small to medium vessels will be pushed further out of the market and the Northwest will continue to lose critical local and diversified businesses. Larger shipyards will continue to capitalize on the shrinking options for vessels of all sizes, without having to amend their pricing model.

In the Pacific Northwest, dry docks remain the primary haul-out option, often characterized by their aging quality and inherent lack of environmental compliance with no option but to dispose of refuse directly into the water.

While “clean” machinery is not yet an industry mandate, the proposed all-electric mobile lift with accompanying environmentally secure upland workpads at Hyak puts Oregon in an ideal position to support maritime compliance with environmental regulations. Given the pace of regulatory changes that has been observed in the trucking and shipping industry, the decision

to proactively invest in environmentally compliant infrastructure supports high environmental standards within the regional maritime industry and proactively incorporates sustainable operations at Hyak, and consequently, their lift users.

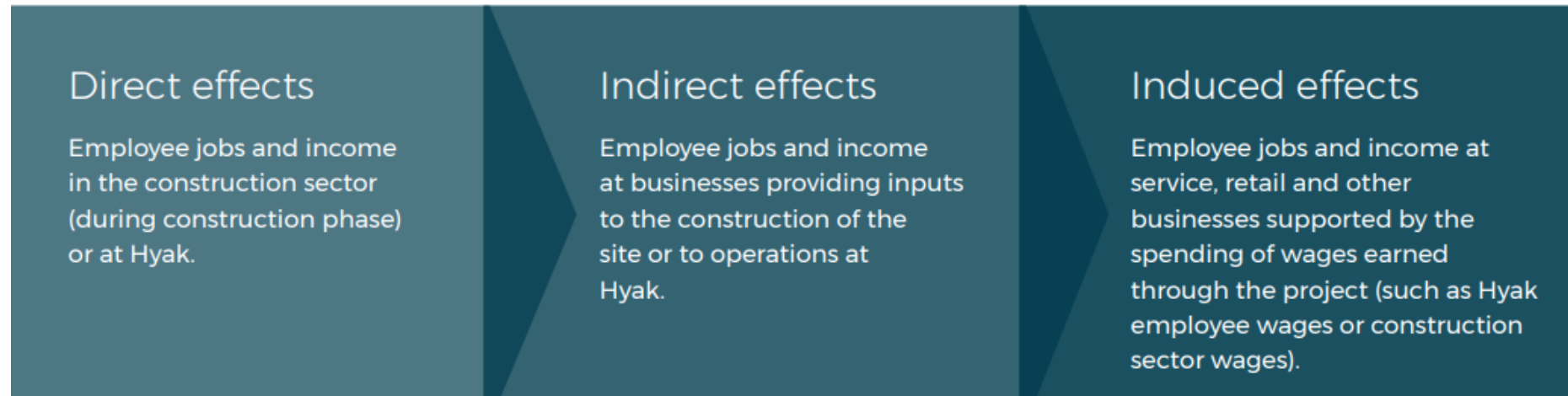
As environmentally conscientious technology is increasingly prioritized and required in the transportation and trade industry, Hyak’s proposal for an all-electric lift positions Oregon’s North Coast maritime industry overall to perform at a more sustainable and competitive level among users and in the long run.

¹⁷ Over \$21 billion in cargo value travels on the Columbia River. Columbia-Pacific EDD. “Kate Mickelson-Columbia Steamship Operators Association.” Interview. 4 Feb. 2022.

Potential Economic Impact of Hyak's All-Electric Mobile Lift

Among industry representatives interviewed for this study, the overwhelming opinion was that the installation of a 1500 metric ton mobile lift in Astoria, Oregon would add much needed shipyard repair capacity and contribute significantly to the regional economy through jobs created and local spending spurred by on-site operations.

This analysis estimates the annual total economic contribution, in terms of jobs and income supported, of the proposed project to the Clatsop County economy during both construction and at full operation. Total economic contribution includes not just the direct jobs and income at Hyak, but also jobs and income supported throughout other, linked sectors in the Clatsop County economy. Specifically, total economic contribution includes direct, indirect, and induced effects.



The total economic contribution of the project was estimated using a 2019 IMPLAN model of the Clatsop County economy, a standard economic model used for estimating economic contribution. While many jobs and income supported by the project are expected to be in Clatsop County, jobs and income are likely to also benefit residents of other nearby Oregon or Washington counties. Employment impacts presented below are full and part-time jobs supported by the project. Income impacts include total labor income supported by the project, including wages and benefits to employees and proprietors, expressed in 2022 dollars.

Total economic impacts expected during the next two years, by the time the mobile lift is operational and within five years after operation:

- Total site investment of \$35 million at Tongue Point.
- Hyak is committed to using local suppliers and contractors for construction and materials. Upfront and operational investment in the mobile lift will generate \$19 million in local business spending, equating to 76% of total lift investment/expenditure being local suppliers/services.
- Temporary construction employment estimated at 135 on-site jobs with indirect and induced jobs totaling an additional 40 jobs. Total construction employment is estimated at 175 jobs with an estimated \$9.5 million in short-term Clatsop County labor income.
- An additional 51 full-time jobs at Hyak with annual average salaries of \$78,400, resulting in \$6,086,340 in total payroll. By year five, the on-site workforce is expected to grow to 126 jobs (equating to \$11.3 million in total payroll).
- Local and state annual tax revenue collection will increase by close to \$400,000 in 2025 and by nearly \$700,000 in 2030.
- Indirect and induced employment in Clatsop County is expected to result in 90 additional employees equating to \$4.6 million in total annual payroll.
- Indirect and induced employment in other counties in Oregon and Washington is expected to increase by as much as 100 additional employees as a result of the project within the five years after installation.
- Due to indirect and induced employment, local and state annual tax revenue collection will increase by more than \$900,000 by 2030.
- By year five, total employment is expected to increase by more than 300 regional jobs and \$21 million in wages and benefits.
- Within the first year of mobile lift operation, Hyak will be able to provide haul-out services to 13% of Oregon and Washington's tugboat fleet every year and by 2030 it will be able to provide haul-out to 25% of the fleet every year. Given new requirements for every 2.5 year haul-out for Coast Guard mandated inspection, this service will be critical to the region's fleet.

Thank you to our partners for their contribution to this study

American Cruise Lines
American Waterways Operators
Bill Cook
Business Oregon
Clatsop Economic Development Resources
Coast Diesel
Columbia River Pilots
Columbia Steamship Operators Association
Cook Inlet Tug & Barge
D Borders Diesel
Dave Harlan
Derecktor Shipyards

Englund Marine & Industrial Supply
Foss Maritime
Fred Wahl Marine Construction
U.S. Job Corps at Tongue Point
Pacific Northwest Waterways Association
Port of Astoria
Port of Toledo
Sause Bros.
Seaview Shipyard
Shaver Transportation
WCT Marine

PO Box 1535 St Helens Oregon 97051 | www.nworegon.org



Questions?

Scheduled Enterprise Zone Sponsor Meetings

City of Astoria – October 17th

Clatsop County – October 26th

Port of Astoria – November 1st

City of Warrenton – November 22nd

AGREEMENT FOR LONG-TERM RURAL ENTERPRISE ZONE ABATEMENT

This agreement for Long-Term Rural Enterprise Zone Tax Abatement ("Agreement") is executed by and among CLATSOP COUNTY, OREGON ("Clatsop County"), the CITY OF ASTORIA, OREGON ("City of Astoria"), the CITY OF WARRENTON ("City of Warrenton"), the PORT OF ASTORIA ("Port of Astoria") and WCT Marine & Construction ("WCT"), herein collectively referenced in this Agreement as "Parties."

RECITALS

Clatsop County, the Port of Astoria, the City of Warrenton and the City of Astoria are Sponsors of the Clatsop County Enterprise Zone pursuant to Oregon Revised Statute (ORS) 285C.045, *et seq.*

With the aid of tax incentives from the Sponsors, WCT, intends to lease new and redeveloped property from Hyak Tongue Point LLC (Hyak) located at 300 Railroad Way, Astoria, OR in the Clatsop County Enterprise Zone. The investment in new and redeveloped property is approximately \$22,000,000.00 with a projected in-service date of August 1, 2024.

NOW, THEREFORE, in recognition of the foregoing recitals, in consideration of the covenants contained herein, and in accordance with ORS 285C.400 through 285C.420, the Parties hereby agree as follows:

AGREEMENT

- I. **Exemption:** The Sponsors jointly acknowledge and agree that, upon timely submission by WCT of an application for certification, and upon certification by the Sponsors and the Clatsop County Assessor, and conditioned upon the satisfaction of other requirements under ORS 285C.400 to 285C.420 and this Agreement, the Facility will be exempt from *ad valorem* property tax on the Facility as provided in ORS 285C.409(1). The property tax exemption granted by this Agreement will to the maximum extent permitted by this law exempt from all *ad valorem* property taxation the real property improvements, personal improvements, and tangible and intangible personal property (excluding land, as set forth in ORS 285C.409(5)(a)) comprising or installed, constructed, added or otherwise placed at the Facility, all as set forth in ORS 285C.409 and OAR 123-690-0100 and 123-690-6200.
- II. **Term of Exemption:** Pursuant to ORS 285C.409(1)(c), and conditioned upon the satisfaction of other requirements under ORS 285C.400 to 285C.420 and this Agreement, the Facility will be exempt from *ad valorem* property tax for a total of 15 consecutive property tax years ("Exemption Period") and shall commence as of the first tax year in which the Facility is in service as of the assessment date.
- III. **Scope of Exemption:** Pursuant to ORS 285C.409(1)(a) and (b) and subject to Section I, WCT is entitled to exemption from *ad valorem* property tax with respect to all qualified property leased from Hyak and used in connection with the redevelopment of the property.
- IV. **Obligations of WCT:** WCT will comply with the following conditions as certified under ORS 285C.403(3)(c), which constitutes consideration for the extension of the

exemption beyond seven years:

- A. **Statutory and Administrative Requirements:** WCT agrees to comply with the requirements of ORS 285C.409 and 285C.412(2) as well as those provided in Oregon Administrative Rules ("OAR") Chapter 123, Division 690, including:
 - 1. **Minimum Facility Investment:** As provided in ORS 285C.412, by the end of the year in which the Facility is placed in service, the total cost of the facility will be approximately \$22,000,000.00.
 - 2. **Minimum Employment:** At the time of application, WCT employed an annual average of 22 employees. WCT will hire 50 additional employees and thereafter continue to employ during the term of this exemption at least 72 full-time employees at the Facility by the end of the third calendar year following the year in which the Facility is placed in service.
 - 3. **Minimum Employee Total Compensation:** WCT agrees that the annual average total compensation for all of WCT employees at the new Facility will be at least equal to or greater than 130 percent of the [Clatsop County average annual wage](#), in accordance with the definitions and guidelines in OAR Chapter 123, Division 690. This requirement may be initially met in any year during the first five years after the year in which operation of the Facility begins, and thereafter is met if the annual average total compensation is equal or greater than in the year this requirement was initially met.
 - 4. **Minimum Employee Wage:** WCT agrees that the average annual wage for all employees at the new Facility will be at least equal to or greater than the [then-current Clatsop County average annual wage](#), in accordance with the definitions and guidelines in OAR Chapter 123, Division 690.
 - B. **Community Benefit:** The Sponsors are not imposing additional requirements under ORS 285C.403(2)(e) and (3)(c).
- V. **Obligations of Sponsor:** Sponsor will comply with the following conditions:
- A. **Resolutions:** Within 30 days of the Effective Date (as that capitalized term is defined below), the governing body of Clatsop County and of the City of Astoria will adopt resolutions approving and certifying the execution of this Agreement. Such resolutions will serve to approve the Facility for a property tax exemption under ORS 285C.409 and constitute the resolutions described in ORS 285C.403(3)(a).
 - B. **Certification:** Within 30 days of satisfaction of the criteria set forth under ORS 285C.403(3), Sponsor and the Assessor will approve and countersign the application submitted by WCT, thereby certifying WCT as eligible for the property tax exemption contemplated by this Agreement.

- C. **Tax Exemption:** Sponsor hereby sets the period of the property tax exemption for purposes of ORS 285C.409(1)(c) to be 15 consecutive years.
- D. **Sponsor Support:** Sponsor will support WCT in WCT's efforts to qualify for and obtain other tax incentives in connection with the Facility, including by promptly executing such letters or other documentation of support as may be reasonably requested by WCT, but Sponsor makes no warranty with respect to its ability to affect any outcome in such regards.

VI. **Termination Rights:** Each party may terminate this Agreement as follows:

- A. **WCT Termination Right:** If any condition contained in the Agreement fails to be satisfied for any reason, WCT may elect to terminate this Agreement by delivery of written notice thereof to Sponsor. Upon delivery of any such notice, this Agreement will be of no further force or effect and no party will have any further rights or obligations hereunder, except for obligations owing and unpaid on the date of termination.
- B. **Sponsor's Termination Right:** If WCT fails to fulfill any Statutory obligation of this agreement within 30 days of written notice specifying the obligation which is in default, Sponsor may terminate the Agreement upon written notice to WCT. Such written notice, however, must provide an additional 60 days in which WCT may cure any such deficiency or default. Upon the expiration of the 60 days, this Agreement will be of no further force or effect and no party will have any further rights or obligations hereunder, except for obligations owing and unpaid on the date of termination, and all aspects of the Facility will become subject to the usual *ad valorem* property tax.
- C. **Mutual Termination Right:** The parties may terminate this Agreement at any time upon mutual written agreement of termination.

VII. **Miscellaneous Provisions:**

- A. **Effective Date:** This Agreement becomes effective on the date at which this Agreement has been signed by all of the Parties.
- B. **Assignment:** WCT may assign, upon written notice and authorization in the name of the assignee, its rights and obligations under this Agreement to a new entity without any further consent of Sponsor.
- C. **Amendment:** This Agreement may be amended only by a written document signed by the party against whom enforcement is sought.
- D. **Waiver:** No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. A party's waiver of a breach of a provision of this Agreement will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision. This Agreement constitutes the entire agreement between the Parties on the subject matter hereof.

- E. Severability:** The Parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provision shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.
- F. Governing Law:** This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement.
- G. Venue:** Any action, suit, or proceeding arising out of the subject matter of this Agreement will be litigated in courts located in Clatsop County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Clatsop County, Oregon.
- H. Attorney's Fees:** If any arbitration, action, suit, or proceeding is instituted to interpret, enforce, or rescind this Agreement, or otherwise in connection with the subject matter of this Agreement, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, action, suit, or proceeding, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.
- I. Entire Agreement:** This Agreement contains the entire understanding of the Parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the Parties with respect to the subject matter of this Agreement.
- J. Signatures:** This Agreement may be signed in counterparts. A fax or electronic transmission of a signature page will be considered an original signature page. At the request of a party, the other party will confirm a fax-transmitted signature page by delivering an original signature page to the requesting party.

IN WITNESS WHEREOF, the Parties, by their respective duly authorized representatives, have executed this Agreement on the date shown below.

**CLATSOP COUNTY
BOARD OF COMMISSIONERS**

Name, Title

Date: _____

Attest:

Recording Secretary

CITY OF ASTORIA

Name, Title

Date: _____

Attest:

City Recorder

CITY OF WARRENTON

Name, Title

Date: _____

Attest:

City Recorder

PORT OF ASTORIA

Name, Title

Date: _____

Attest:

Recording Secretary

WCT Marine & Construction, Inc.

Name, Title

Date: _____

Attest:

RE# 0132

REQUEST FOR EXPENDITURE

SECTION A	Date:	10/25/2022	Department:	Maintenance
	Staff Contact:	Joe Tadei	Vendor (if determined):	Natt McDougall Co.
	Description of Product or Service being requested:	Replace Badger crane with New-Used RT50 ton crane.		
	Purpose of Product or Service being requested:	The Badger RT45 ton crane has failed and needs to be replaced with a newer machine due to it's age and availability of parts and service for the crane.		
	Cost Estimate:	\$79,000.00		
SECTION B	1. Does this expenditure exist within the current budget? (Original Budget Amount)			
	<input checked="" type="checkbox"/> No (Skip to Section C-2) / <input type="checkbox"/> Yes (Proceed)		\$	
	2. Does this expenditure exceed \$5,000?			
<input type="checkbox"/> No (Skip to Section D) / <input type="checkbox"/> Yes (Proceed to Section C-1)				
3. Will services be performed on Port of Astoria property? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes				
SECTION C	1.		TOTAL NET OF GRANTS	
	Account # for Budgeted Item (ex: XXX-XX)			
	FY 2022-2023 Budget for this Account		\$	\$
	Amount Spent Year-to-Date for this Account		\$	\$
	Amount Available to Spend for this Account		\$	\$
	Does this Request for Expenditure require Commission Approval (>=\$25,000)?		<input type="checkbox"/> Yes / <input type="checkbox"/> No	
	2.			
	If Not included in the current budget or the current budget for this account # has been spent:			
	Does this Request for Expenditure require Commission Approval (>=\$5,000)?		<input checked="" type="checkbox"/> Yes / <input type="checkbox"/> No	
	3.		TOTAL NET OF GRANTS	
Account # to deduct funds from to reallocate & accommodate this expenditure (ex: XXX-XX)		710-00		
FY 2022-2023 Budget for the Account being reduced		\$ 3,959,368	\$ 2,018,605	
Amount Spent Year-to-Date for this Account		\$ 348,511	\$ 209,206	
Amount Available to Spend for this Account		\$ 3,610,857	\$ 1,809,399	
What is being given up to accommodate the reallocation of funds for this expenditure?				
SECTION D	3. If Commission approval is required, please specify date Request for Expenditure will be submitted to Commission for approval.			
	(Specify date of Commission meeting when item is scheduled to be heard/approved)			
11/01/2022				
SECTION E	Signature of Department Head		Signature of Operations Manager	
	Date		Date	
	Signature of Finance Manager		Signature of Executive Director	
	Date		Date	

(over for Quotation Analysis)

Project: Replace Badger Crane

Project Manager: Joe Tadei

Quotes obtained by: Joe Tadei

Procurement Method: Small procurement Intermediate procurement Request for Bid
 Sole source Emergency Request for Proposal

Solicitation Method: Verbal quotes (informal) Requests for written quotes (informal) Public solicitation (formal)

Vendor	Amount	Description	Availability	Specific expertise	Other information
Triad Machinery (Link Belt)	\$698,000.00 - New \$380,000.00 - Used	New RT65 ton crane Used RT50 ton crane	06/23/2023 - New 11/15/2022 - Used	Local crane dealer located in Portland, Oregon since 1992.	High Quality product line manufactured in the United States.
Bigge Crane (Tadano) (Terex)	\$572,000.00 - New	New RT55 ton mobile crane	03/01/2023 - New	Dealer is located in Arlington, WA.	Dealer supports the Tadano / Terex product lines of cranes.
Western Pacific (Grove)	\$585,000.00 - New	New RT55 ton mobile crane	08/01/2023 - New	Local crane dealer located in Portland, Oregon.	Dealer supports the Grove product line of cranes.
Natt McDougall Co. (Link Belt)	\$79,000.00 - Used	Used RT50 ton mobile crane	Ready for immediate purchase.	Machine is located in Portland, Oregon.	Used machine in very good condition.

Vendor selection & justification: (REQUIRED)
 Recommend purchase of Link Belt - RT50 ton crane from Natt McDougall Co. Machine is in very good condition, meets all required specs. and is ready for immediate transport.



Amendment Number 1

Project Name: Port of Astoria Boatyard Expansion Feasibility Study

This amendment is made and entered into by and between the State of Oregon, acting by and through the Oregon Infrastructure Finance Authority of the Oregon Business Development Department (“OBDD”), and the Port of Astoria (“Recipient”), and amends the Grant Contract between Recipient and OBDD, Project Number 521886, dated 23 November 2021, (“Contract”) for the above-named Project. Capitalized terms not defined in this amendment have the meanings assigned to them by the Contract.

Recital: The purpose of this amendment update the project description.

The parties agree to: Amend I. Project Description in Exhibit B of the Contract as follows (deletion in ~~strike through~~; addition in double underline):

“I. PROJECT DESCRIPTION

Recipient will hire a qualified consultant to develop a written feasibility study that includes the following elements:

- Stakeholder interviews including management/owners of other regional boatyards, fishermen, city and county commissioners.
- Financial analysis and examination of market feasibility for expansion opportunities for the boatyard and East Mooring Basin.
- Preliminary engineering analysis to determine preliminary project cost estimates.”

OBDD will have no obligation under this amendment, unless within 60 days after receipt, the Recipient delivers to OBDD the following items, each in form and substance satisfactory to OBDD and its Counsel:

- (i) this amendment duly executed by an authorized officer of the Recipient; and
- (ii) such other certificates, documents, opinions and information as OBDD may reasonably require.

Except as specifically provided above, this amendment does not modify the Contract, and Contract shall remain in full force and effect during the term thereof. This amendment is effective on the date it is fully executed and approved as required by applicable law.



STATE OF OREGON
acting by and through its
Oregon Infrastructure Finance Authority
of the Oregon Business Development
Department



PORT OF ASTORIA

By: _____
Edward Tabor, Manager
Programs & Incentives

By: _____
Dirk Rohne, Commission President

Date: _____

Date: _____

APPROVED AS TO LEGAL SUFFICIENCY IN ACCORDANCE WITH ORS 291.047:

Not required by OAR 137-045-0050