



APPROVED 10-20-09

**MINUTES
OF THE
BOARD OF COMMISSIONERS
STRATEGIC BUSINESS PLAN WORKSHOP**

Tuesday, September 15, 4:00 p.m.

AT

Port of Tillamook Bay, 4000 Blimp Boulevard, Tillamook, Oregon.

The Workshop started at 4:04 p.m. Port Commissioners present were: Dove, Bell, Riedel and Young. Port staff present were: Michele Bradley, General Manager; Joanne Dickenson Business Manager; Robert Miller, Utilities Supervisor; and Aaron Palter, Project Coordinator. Present on behalf of The Benkendorf Associates Corporation were: Al Benkendorf (The Benkendorf Associates Corp.); Allan Rumbaugh (Community Development Consulting); and Jerry Johnson (Johnson Reid).

Mr. Benkendorf said we are here to discuss input on Draft 2 of the Plan from the Board towards preparation of the final report. Previous work was discussed.

(Commissioner Art Riedel entered the meeting room at 4:08 p.m.)

Allan Rumbaugh and Jerry Johnson discussed the recently concluded SWOT (Strengths, Weaknesses, Opportunities & Threats) analysis with the Board from Page 40 of the draft, and they also discussed the economic opportunities this could present to the Port, from Page 34 of the draft. The Port does not have much retail use; however, this could be gone after through a zoning change process. A discussion was held about the limitation of land disposition to lease-only and the Port's opportunity to maintain its land supply through sales and, if necessary, an acquisition.

Jerry Johnson discussed some opportunities for growth including RV Park improvements, digester expansion and other utility expansion and industrial park improvements. He discussed cost-basis segregation as a good way to improve the overall industrial parl. All of this could be done under a Master Plan process.

The Risk Analysis was discussed from Page 44 of the draft. It was discussed that the Port really needs to get to a depreciation piece towards a more accurately reflected financial statement. Mr. Johnson discussed the difficulty of obtaining an accurate appraisal of the overall property. He said

the use of an Opinion of Value appraisal function could be a good start for the Port to establish a base cost. Opinion of Value appraisals are not tied to appraiser rules. A discussion was held about the Port taxing authority and current rate levy not being reflective of a proper rate for the Port's purposes. However, the Port's debt ratios are in line. There was a discussion of the effect of depreciation on the Port and appraisals for this purpose.

Commissioner Young asked for a guesstimate of the cost for an Opinion of Value appraisal. \$80,000 was the given estimate. It was discussed and suggested the Port solicit bids for this purpose.

The Situational Analysis on Pages 40-42 of the draft was discussed. Commissioner Bell discussed Item J as a weakness of the Port because of the recurring slides on Highway 6 to Portland. Further discussion occurred on the critical issues from the SWOT identification on Page 43 of the draft. Mr. Johnson said that a Master Plan incorporation of price point segregation would be a good idea in attracting new business to the Port. A brief discussion as held about the opportunity to use the undeveloped Port land as a business park environment. A discussion was held about the makeup of a business park setting.

At this point, a "brainstorming" session was held on how best to improve the Port. The following was a list of items presented as a way to improve the Port over the next five (5) years: Clean up the Port property; the addition of infrastructure to the south end of the property; and adding an additional entrance from Highway 101; attracting more industry and manufacturing businesses to the Port; expend and/or enhance more opportunities at the airport (i.e. a new FOB); construction of the Resort Project; a new Master Plan for the Port.

(Commissioner Ficher entered the meeting room at 5:00 p.m.)

A brief recap was given for Commissioner Ficher's benefit.

Commissioner Bell said the Port should examine borrowing extra money for its future development. Commissioner Young added the digester should be utilized to its maximum potential.

There was a discussion about the Port's RV Park and its effect on competition in the surrounding area. It was said that some public agencies have raised their RV Park rates to the highest level in order to foster good competition among other parks.

Commissioner Bell spoke of the need for a pro forma on the digester. Commissioner Dove discussed the need for more aggressive grant writing and suggested the Port hire someone for this specific purpose.

Other five-year suggestions were getting a final determination on the Port's willingness to continue its operation of a railroad.

A discussion was held regarding the Port's current Mission Statement and how best to design a new statement more reflective of the Port's needs.

A discussion was held about the upcoming public workshop to be held at the Tillamook County Library. The Port will work with Benkendorf Associates on possible dates.

The Workshop was adjourned at 5:24 p.m.