



**APPROVED 5/22/18**

**MINUTES**

**BOARD OF COMMISSIONERS**

**SPECIAL MEETING**

**THURSDAY, APRIL 12, 2018, 2:00 P.M.**

**POTB MAIN OFFICE – CONFERENCE ROOM**

**4000 Blimp Boulevard, Tillamook, Oregon 97141**

1. Call to Order: Bob Olsen @ 2:00 p.m.  
Recognition of Persons Present: Commissioners Jack Mulder; Gerry Opdahl; Carolyn Decker; Bob Olsen; and Jim Young  
Port Staff: General Manager Michele Bradley; Pami Boomer; Margaret Amick; Phyllis Rice; Mike Christie; James Peak and Aaron Palter (@ 2:30 p.m.)  
Mary McArthur – Columbia-Pacific Economic Development District (Col-Pac EDD)
2. Public Comment: None
3. Workshop to Review and Discuss Strategic Business Plan – Mary McArthur wanted to cover these items at the meeting: the updates to the Plan; the profile of the district with updated industry trends/economic development components; and mainly looking at the assets of the Port and how the Port will be allocating the assets in the future and asked for input from the Board. She supplied an updated draft of the SBP to the board and briefly covered the changes incorporated into it from discussions at previous meetings. She proposed a new Mission Statement that refocused the mission outwardly where the Port will benefit the community by providing the needed land, facilities and infrastructure to encourage industrial development and job growth. She lined out steps the Port needs to take to facilitate the Strategic Vision of contributing to the county's and state's economic development and aiding in the creation of jobs and businesses.

Mary continued to review the draft of the SBP touching on the Port Goals, the Plan Organization, and the Planning Process. Then she went over the Demographic Profiles for the county and state. Mary said the ratio of potential workers to the non-working population considered minimally desirable is 1.5 to 1. It is projected that by 2040 Tillamook County's ratio will be 1.1 to 1

due to lower population growth and the aging of the current population. Tillamook County is at a disadvantage in practically all areas; income, housing, poverty level and level of education. Tillamook Bay Community College is active in providing education in fields of work that are in growing demand.

Additional areas reviewed included a Demand Analysis which detailed the advantages the Port has in attracting businesses; such as location next to Hwy 101, available land, upgraded facilities; and the airport.

Then she reviewed a summary of Strategic Plan Guiding Principles discussed at the December 7, 2017 meeting and she discussed how the health care service jobs for the aging population in Tillamook County do not pay the wages that allow people to better their lifestyles. The Port can help the community by providing the facilities for small industries to grow and add higher paying jobs which can attract other similar industries.

Michele presented to the Board a spreadsheet, pie chart, and bar graph that Pami had prepared to show the condition of most of the buildings on the Port. Minimum standards were defined for the condition of the buildings and each building was categorized by the cost to bring it up to the minimum standard. They were also divided into high, mid and low rent rates by condition. The spreadsheet listed each building's address and square footage; whether it is rent ready, some work needed, or not rentable; and the occupancy percentage. The pie chart showed the percentage of buildings by condition; 32% rent ready, 41% some work needed; and 27% not rentable.

Mary asked if the Port will get to a point of having standardized rental rates. Michele replied that as a building is upgraded the rent is increased for the new tenant and that staff continues to evaluate and compare to the local market rate.

Michele asked the board for guidance on how they want Port funds to be used. Do they want to construct a new building, wait for a tenant and then add another unit? Other options would be to improve current buildings and raise the rents; or demolish some of the worst buildings to make the land build ready. Jim Young asked if Port staff could perform most of the needed improvements to the buildings and James Peak said they could. There was discussion of the buildings that need improvements and the kind of improvements needed in order to be fully occupied. Carolyn asked where the funds would come from for the improvements and Michele said Pami has been setting aside money from rents into the pool fund for maintenance and improvements. There was discussion about whether the cost of demolishing one of the original buildings and constructing on the property would create a good enough rate of return on investment since the demolition costs would be higher due to hazardous materials used when the structures were first built. Aaron suggested that it would be more cost effective for the Port to contract with a firm certified in

hazardous material abatement to demolish and dispose of the whole building at the same time instead of having 2 separate projects.

Michele asked the Board if they were satisfied with the Strategic Business Plan. Jack talked about having a policy for budgeting maintenance as a block and then using those funds for repairs or construction, requiring Board approval for projects over a specified amount. Carolyn said she would like to know of projects being planned just to keep up. Mary said that the Port needs a 5 year Capital Plan to help in determining the needs and priorities for maintenance and improvements. The Port would also need a financial plan to project the available revenue to go along with the Capital Plan. Michele talked about how the Port would have to assume debt service for any new construction and Jack said constructing the units in stages as they are rented would help minimize the risk even if that cost more in the long run.

Mary recommended that for the next meeting the Board put together a draft 5 year Capital Plan so the Port has a better idea of where the funds for improvements should go. She suggested the Board develop a list of goals for the Port properties and to have a sense of the financials involved. The Port should document its good stewardship of its assets and its fiscal capability to position itself for future efforts at increasing its tax base. Michele wants enough flexibility in the Capital Plan to allow for unforeseen vacancies or opportunities.

It was brought up that the Port facilitates job growth even by providing warehouse space by allowing the tenant to expand production at their main location.

#### 4. Communications

- a. Next Regular Meeting - Tuesday, April 17, 2018 @ 6:00 p.m.
- b. Budget Committee Meeting – Thursday, May 3, 2018 @ 4:00 p.m.
- c. Next Special Meeting – Strategic Business Plan meeting Thursday, June 7, 2018 @ 2:00 p.m. (to be verified)

#### 5. Adjournment: Bob @ 4:10 p.m.