



APPROVED 11/20/18

MINUTES

BOARD OF COMMISSIONERS

SPECIAL MEETING

FRIDAY, OCTOBER 19, 2018, 12:30 P.M.

POTB MAIN OFFICE – CONFERENCE ROOM

4000 Blimp Boulevard, Tillamook, Oregon 97141

1. Called to Order at 12:31 p.m.
Recognition of Persons Present: Commissioners Bob Olsen; Jack Mulder; Jim Young; Carolyn Decker - Gerry Opdahl absent
Port Staff: General Manager Michele Bradley; Pami Boomer; Aaron Palter; Mike Christie and Margaret Amick
Gus Meyer, Port taxpayer; Jason Maas, Farm Power NW
Mary McArthur, Columbia-Pacific Economic Development District (Col-Pac EDD)
2. Public Comment: Gus said the Port is making a great effort; that industry wants to build to suit and he would like to see that happen. He thinks ODOT should put in an interchange at the south entrance to the Port from Hwy 101 and that there are Rural Utilization Service Funds grants available.
3. Discussion and Consideration of the Power Purchase Agreement (PPA) between the POTB and Tillamook People's Utility District (PUD), and give General Manager the authority to sign PPA and other Associated Digester Documents. Michele informed the Board that the PPA is between the Port and Tillamook PUD because utility rules require the agreement be with the owner and not the operator. The Port agrees that 25% of the Port's electric consumption will be at PUD's Green Energy Program rate through the term of the agreement. Port legal counsel is incorporating the PPA terms into an amendment to the lease between POTB and TBG which will shift all operational function and responsibility to TBG. PUD will pay \$.07/kwh for power generated by the digester. The Port will receive the payment from PUD, deduct an administration fee, and forward the remaining funds to TBG. TBG will continue to be invoiced for rent and utilities. Bob asked who would receive any carbon credits and Michele replied they would go to TBG. Michele recommended that the Board sign the PPA, conditioned on TBG signing the amendment. **Carolyn Decker moved to approve the Power Purchase Agreement (PPA) between the POTB and Tillamook People's Utility District, and give the General Manager the authority to sign PPA and other**

Associated Digester Documents. Bob Olsen seconded and the motion carried (4-0); Gerry Opdahl absent.

4. Discussion of GSI Report of POTB Self-Supply of Water. GSI provided an evaluation of the Port's water resources and the feasibility of developing them. Mike said the report shows that with the Tillamook City Water rate increases going into effect over the next few years the Port will quickly break even by developing and distributing its own water. Michele asked the Board for permission to write to the City about reducing the Port's rate to the same as the commercial businesses inside the City or the Port will make plans to develop its water sources and approach the small water districts south of town to combine in to one district. There was discussion of what steps are needed to move forward on developing the system. Mike told the board there is a limit to the amount of water available to develop and that might restrict some businesses from locating on the Port. There was a consensus of the Board for Michele to move forward with contacting the city.
5. Workshop to Review and Discuss Strategic Plan – Mary McArthur, Columbia-Pacific Economic Development District (Col-Pac EDD). Pami presented graphs and charts dividing the buildings into different categories by condition. She listed the minimum standards for a building to be rentable and also divided the buildings by whether it could command a high, medium or low rental rate. She worked with staff to estimate the cost of upgrading some of the buildings in order to charge higher rents and what would be the rate of return on the investment.

Mary McArthur gave the Board a list of issues the Port needs to address and to consider regarding the use of any net revenues. Should they be used for new development; upgrades to buildings; set aside in a rainy day fund or operations; debt service; or a combination of these? Jack would prefer to borrow rather than to lay out all the funds if a potential tenant wants the Port to build to suit. It would eliminate the need of a bid process for the Port if the Port could lease property to a tenant who would develop it himself. The Board is very interested in researching the process needed to develop affordable housing on areas of the Port not suitable for industry. Mary will add that to the Strategic Business Plan (SBP) along with emergency resiliency via the intertie with the City of Tillamook; support for the Oregon Coast Scenic Railroad; and participation in PUD's Green Energy Program. She will have the final draft for the December meeting and urged the Commissioners to review the draft provided at this meeting, especially the new passages highlighted in yellow. Mary pointed out that the Future Land Use Plan needs to be implemented. Michele will identify properties available for sale – Brickyard property? Jack summarized the discussion: the Port needs to be in a position to respond quickly to potential tenant's needs; the Port is perceived as a land base and the public expects the Port to develop it. Michele said she

will write an article for the Headlight-Herald detailing the development from the FEMA funds and the plans for the future.

6. Communications

- a. Next Regular Meeting - Tuesday, October 23, 2018 @ 6:00 p.m.
- b. If needed - Next Special Meeting – Thursday, November 1, 2018 @ 12:30 p.m.

7. Adjournment: 3:07 p.m.