



## **MINUTES APPROVED 7/19/11**

### **OF THE PORT OF TILLAMOOK BAY BOARD OF COMMISSIONERS BUDGET HEARING AND REGULAR MONTHLY MEETING HELD ON TUESDAY, JUNE 21, 2011 AT 6:00 P.M.**

**Port of Tillamook Bay  
4000 Blimp Boulevard  
Tillamook, Oregon 97141**

1. Commissioner Dove called the meeting to order at 6:00 P.M.
2. Recognition of Persons Present
  - a. Commissioners: Jerry Dove (President); Jim Young (Vice President); John Ficher (Secretary); Bill Baertlein (Treasurer); and Georgine Beveridge.
  - b. Staff: Michele Bradley (General Manager); Karin Gitchel (Office Administrator).
  - c. Media: Samantha Swindler (Headlight Herald).
  - d. Public: Eric Eckfield (DAY CPM); Carolyn Decker (Commissioner Elect); Bob Olsen (Commissioner Elect); Doug Rosenberg (OCSR); Denny Pastega (OCSR); Don Hurd (OCSR); Scott Wickert (OCSR); Dave Proffit (OCSR); Aaron Zorko (OCSR); Steve Forster (City of Tillamook); Michelle Forster (Tillamook Air Museum); Chris Chiola (Tillamook County Department Community Development); Alene Allen (Private); Gus Meyer (Private); Merritt Tuttle (Oceanside); John O'Leary (City of Garibaldi); John Lewis (POTB-RR); Richard Sweeney (OCSR).
3. Commissioner Dove recessed the Regular Board meeting at 6:01 P.M.
4. Commissioner Dove opened the Executive Session at 6:02 P.M. per:
  - a. ORS 192.660 (2)(e) for real property transactions; and
  - b. ORS 192.660 (2)(h) to consult with counsel with regard to litigation likely to be filed
5. Commissioner Dove adjourned the Executive Session at 6:50 P.M.
6. Commissioner Dove returned to the Regular Board meeting at 6:50 P.M.
7. Public Comment
  - a. Don Hurd (OCSR) introduced the reason that the OCSR group was in attendance, as they are in need of advertising and continuing with the construction of the building on site in Garibaldi. The group is submitting a MOU that addresses the bullet points from what the Port Board.
  - b. Doug Rosenberg (OCSR) began by clarifying that from the first meeting they understood that the Port Staff were busy and that OCSR would need to do the majority of the work. He continued sharing that they worked through each of the bullet points provided from the Port Board and incorporated into the document as requested. He described the process in which his team had come to getting this agreement ready for that. Mr.

Rosenberg shared that there was only one disagreement remaining and that was the definition of gross revenue. There has been a compromise that they offer, that anything they do on Port property will be agreeable. But the additional sales done outside of the property line is considered theirs. He believes that there is compromise, and that the document that they are submitting is one that the Port can move forward. OCSR asked for a MOU and/or letter two months ago that they needed to gain financial support for their projects. Mr. Rosenberg stated that they are suffering because they are unable to get going on business.

- c. Commissioner Dove asked whether they had submitted to the Port Legal. Mr. Rosenberg indicated that he had sent a letter to Port council the day after the original board meeting and that he did not hear back.
- d. Mr. Hurd detailed that their entire purpose was to come to the board and make sure that the board was hearing their needs and they would be looking forward to hearing from the lawyer.
- e. Commissioner Dove told the attendees that the Port was approximately \$1.7 million in debt because of the railroad. He asked Mr. Rosenberg, as a businessman, what he felt the Port should do with a \$4.5 million offer to buy the railroad. Mr. Rosenberg shared that he would have a hard time with that thought.
- f. Commissioner Young began by stating that he wanted the public to know that the Port Board has had this \$4.5 million offer since January and that POTB has honestly been working with OCSR to keep this going, and have not been communicating with the offer. Commissioner Young stated that he sat on the Port-OCSR committee, and he wanted to make sure that everyone knew what had happened. That besides some tactics by OCSR through overwhelming us or sending a quick change and he felt that the team had tried to finalize several times, but continued to get changes or modifications out of agreement. He read through the document presented and said that he felt that the person that wrote it didn't take into consideration both sides in the partnership. He feels that going into a contract where the revenue is only on the Port property means that OCSR could in fact move their ticket sales. He also stated that right of way is a huge issue. The right of way is the Port's and still requires requests to use.
- g. Ms Bradley recommended that this should be moved to the legal counsel as is.
- h. Commissioner Beveridge asked what we can do in between to help them out. Ms. Bradley specified that we have helped them, that the permitting is currently occurring for the building in Garibaldi.
- i. Mr. Hurd agreed with Ms. Bradley that this needs to go to the legal departments. By finalizing this lease, OCSR would be protected on improving the Garibaldi building and any work on the line so that they could move forward.
- j. Commissioner Dove put the blame on OCSR for the underhanded dealings and that he would recommend to the Port Board to sell the property.
- k. Commissioner Young disagreed that the document was ready to go to legal, and said that more work would need to be done. Ms. Bradley understood but felt that the attorney could be writing it correctly first time. Commissioner Beveridge agreed that sending this to the Lawyer discussions would allow it to be done correctly.
- l. The Board directed Commissioner Young and staff to continue working on the document with OCSR staff, and once that was done, the document would be sent to legal.

8. **Budget Hearing**

- a. Open Hearing
- b. Public Comment
  - i. There was no public comment.
- c. Close Hearing

9. Consideration of POTB Budget for Fiscal Year 2011-2012 per POTB Resolution 2010-2011 #17

- a. **(Action) Commissioner Dove entertained a motion to accept POTB Budget for Fiscal Year 2011-2012 per POTB Resolution 2010-2011 #17. Commissioner Young so moved the motion. Commissioner Baertlein seconded the motion. There was no further discussion. The Motion was carried by unanimous vote of all Commissioners present (5-0).**

10. Consent Agenda **(Action)**

- a. Port Financial Report
- b. Railroad Financial Report
- c. Minutes from 5/17/11 (Regular) and 5/27/11(Special/Budget)
- d. **(Action) Commissioner Dove entertained a motion to accept the Consent Agenda. Commissioner Young so moved the motion. Commissioner Baertlein seconded the motion. There was no further discussion. The Motion was carried by unanimous vote of all Commissioners present (5-0).**

11. FEMA Alternate Projects Update

- a. Monthly Update – Day CPM Services
  - i. Admin 2.1, Industrial Park 3.2, Airport Business Park Site 9, Truck Scales – Priority projects
    - 1. Project 2.1 has been submitted for permitting, and will be out on the street for bids to the general contractor pool to be due on July 14. Construction is still targeted to start mid-August.
    - 2. Project 3.2 New Industrial Park is in the final cost analysis and should be going to permitting by end of July with bids going to the general contractors. Project starting late-August.
    - 3. Site 9: Airport Business Park has some issues with wetlands and flood plain area that the architect is currently reconfiguring the building location should be finished soon. The LOI was signed by Near Space and the Port legal has 45 days to get the lease signed. The site utility package to bid will be in July and then the construction will be bid late August/Sept to follow the sequence.
    - 4. Truck Scale bids are due next week, with July 11 ground breaking utilizing both Port staff and hours.
  - ii. Review of other FEMA projects on hold because of the potential Pelican project, until the Board makes a decision on where to go with the funding. Digester bids were accepted and the team is making a decision this week.
- b. Discussion of Project – Water Loop Connection
  - i. **(Action) Commissioner Baertlein entertained a motion to go ahead with the full Water Loop connection, removing FEMA dollars from other projects already in place, and create the infrastructure necessary whether or not Pelican project occurs. Commissioner Ficher seconded the motion. There was no further discussion. The Motion was carried by unanimous vote of all Commissioners present (5-0).**

12. Break 8:10 P.M.
13. Back in session at 8:21 P.M.
14. Board Member Recognition:
  - a. Ms Bradley took a moment to honor Commissioner Dove and Commissioner Ficher, for their years of service. She presented to each member a thank you and provided cake for all attendees.
  - b. Mr. Ficher thanked the Board and said he would miss it.
  - c. Mr. Dove was moved to say thank you and that he felt that his years of service had been fantastic.
15. Industrial Park Update and General Business
  - a. Quilt Trail
    - i. The Quilt has been put on the Port main office and is now a part of the 81 quilts on display in Tillamook County.
  - b. Update on Tillamook Lightwave (Commissioner Jim Young)
    - i. Commissioner Young shared a brief history of the TLW for the people in the room unaware of what they were and will provide more after the next meeting.
  - c. OPPA – OR Dept of Energy
    - i. Ms. Bradley shared about a recent opportunity that is available for us to using energy efficient upgrades. Ms. Bradley has asked Mr. Eckfield to talk with Oregon Department of Energy about utilizing these funds to use in Project 2.1 building, upgrading lighting not being remodeled in the project.
16. Railroad Division Reports
  - a. Vegetation in Banks has been taken care of.
  - b. Property at Roy – Valuation
    - i. The valuation was received and PNWR is now going to move forward with negotiations. This will proceed with legal counsel.
17. Airport Division Report
  - a. FAA-AIP Updates
    - i. Fencing/Drainage
    - ii. Airport Master Plan
    - iii. Runway Overlay
  - b. Ms. Bradley provided a brief mention of the projects in place, with further updates to come at a later time.
18. Discussion and Consideration of Resolution 2010-2011 #18 Accepting Grant Offer from US Department of Transportation – Federal Aviation Administration for Improvements to Tillamook Airport for AIP Project Number 3-41-0060-012, Contract Number DOT-FA11NM-0015 for Airport Runway Overlay.
  - a. **(Action) Commissioner Dove entertained a motion to accept Resolution 2010-2011 #18 Accepting Grant Offer from US Department of Transportation – Federal Aviation Administration for Improvements to Tillamook Airport for AIP Project Number 3-41-0060-012, Contract Number DOT-FA11NM-0015 for Airport Runway Overlay. Commissioner Young so moved the motion. Commissioner Beveridge seconded the motion. There was no further discussion. The Motion was carried by unanimous vote of all Commissioners present (5-0).**
19. Lease Orders
  - a. Werner Gourmet Meats, Building 11, Unit D. Month to Month.
  - b. **(Action) Commissioner Dove entertained a motion to accept the lease order. Commissioner Ficher so moved the motion. Commissioner Baertlein seconded the**

**motion. There was no further discussion. The Motion was carried by unanimous vote of all Commissioners present (5-0).**

20. Communications

- a. Next Regular Port Board Meeting, Tuesday, 7/19/11, 6:00 pm
- b. Board Member Training (with other Special Districts) 7/20/11 9:30 am – 12:30
- c. Tentatively Scheduled Special Board Meetings, if needed, Fridays at 10:00 am
- d. Special Board meeting Monday, 3 P.M.
- e. General Manager Vacation July 5<sup>th</sup> - 12<sup>th</sup>.

21. Other Business

- a. Ms. Bradley introduced Chris Chiola, assisting as interim Tillamook County Community Development Director. He quickly said hello and that he would be working with the Port during this time.

22. Commissioner Comments

- a. There were no additional commissioner comments.

23. Commissioner Dove adjourned the meeting at 8:50 P.M.