



Minutes Approved 2/22/11

**OF THE PORT OF TILLAMOOK BAY
BOARD OF COMMISSIONERS REGULAR MONTHLY MEETING
TO BE HELD ON
TUESDAY, JANUARY 25, 2011 AT 6:00 P.M.**

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

1. Commissioner Dove called the Regular Board Meeting to order at 6:04 P.M.
2. Recognition of Persons Present
 - a. Commissioners: Jerry Dove (President); Jim Young (Vice President) *via telephone*; John Ficher (Secretary); Bill Baertlein (Treasurer); and Georgine Beveridge.
 - b. Staff: Michele Bradley (General Manager); Karin Gitchel (Office Administrator); Aaron Palter (Project Coordinator); John Lewis (Roadmaster).
 - c. Media: Samantha Swindler (Tillamook Headlight Herald).
 - d. Public: Jeff Bennett (Jordan Schrader Ramis PC /Legal Counsel); Mike Day (Day CPM); Eric Eckfield (Day CPM); Aaron Zorko (OCSR); Don Hurd (OCSR/Tillamook Urban Renewal District); Scott Wickert (OCSR); Sally Tuttle (EDCTC); Doug Rosenberg (OCSR); Michael Rohde (Railbiking); John O'Leary (City of Garibaldi); Rob Peacock (Kennedy/Jenks); Denny Pastega (OCSR); Gus Meyer (Private Citizen); Ken Werner (Werner Gourmet).
3. Public Comment
 - a. No public comment
4. Presentation by Michael Rohde: Rail Biking on the POTB Railroad
 - a. Mr. Rohde provided for the Board a brief video and presentation regarding his business of Rail biking. Rail biking utilizes the current railroad tracks, with a unique bike apparatus that allows people to ride safely upon the rails in a tour of the area. Mr. Rohde asked the board to consider giving him the right to use the rails in a multi-year lease agreement for tours and a lease for industrial property space to develop a manufacturing facility. Mr. Rohde shared that while he did not have funds in place at this time, he needed to secure the lease and that he felt he would have no problem with financing and insurance requirements. The Board agreed that this was a nice tourist attraction, and encouraged him to continue discussions with the Economic Development Council for Tillamook County (EDCTC) and revisit after a business plan and funding were in place.
5. Presentation by Doug Rosenberg on behalf of Oregon Coast Scenic Railroad
 - a. Mr. Rosenberg introduced the team of Oregon Coast Scenic Railroad (OCSR) volunteers that were in attendance and provided an overview of their goals for this meeting including requesting Ms. Tuttle to speak in the middle of their presentation as their EDCTC contact. As introduction the team indicated their interest in requesting full use of the railroad from the 12th Street junction to mile post 810.5 past

Salmonberry. The Board then heard a presentation by Mr. Zorko regarding the history of OCSR and how much the Port had already provided in assistance to OCSR developing their current business, along with sharing the amount of volunteer power that had been dedicated by staff to improve and create OCSR. The OCSR team then shared their opinions and desires of making this tourist attraction a bigger part of the community. Mr. Patsega shared his views as a local member and the interest that he has received from people regarding their desire to keep this an active part of the community. Mr. Rosenberg clarified that OCSR has completed some goal implementation, increased ridership, more trains, purchasing more equipment and the desire to hire full time maintenance for the railroad.

6. Presentation by Sally Tuttle: Tourist Economics in Tillamook County

- a. Ms. Tuttle clarified that her role at this meeting was as a member of the Economic Development Council for Tillamook County (EDCTC). That while she had spent time speaking with OCSR, her primary goal was to ask the Board to look at what they could do to add tourism to Tillamook County. Ms. Tuttle shared some recent statistics from the county and how there is a need for the overall County to become a team, involving all different groups to encourage tourism. She shared that EDCTC is looking at partnerships for advertising, inviting hotels and local businesses, and providing the community with an avenue to increase the assets and many different things to do around the area.

7. Cont. Presentation by Doug Rosenberg on behalf of Oregon Coast Scenic Railroad

- a. Mr. Rosenberg then provided the Board with information regarding how this could benefit the Port of Tillamook Bay. He briefly outlined the cost savings of removing the insurance premiums, the testing and mandatory requirements that the Port Railroad currently has, in addition to OCSR taking over the maintenance costs of the railroad. He continued by sharing that there were railcars that they could bring down if the portion of rail was cleared, that by their removing debris and damage, the Port would have access to their rock pit. Mr. Rosenberg stated that there is a need to get this process completed so that they can move forward with purchasing of equipment, and developing stops for tourism, but that they cannot do any of this until they take over full responsibility of the railroad. It is OCSR's intention to double their revenue by running more trains instead just 4 trips a week, 9 weeks out of a year. That they desire to add a trip to Tillamook accessing from Blue Heron French Cheese, and by doing so they anticipate quadrupling the revenue within two years. He finalized his presentation by stating that they request the Board grant them full access of the railroad to move forward.
- b. Commissioner Dove shared that the Port has always been behind this 100%, and that as a Board, they would like to see this program grow. But he wanted OCSR to understand that there are many other things to consider with the current status of FEMA Alternate Projects, staff time and the overall need for the Board to clearly state their intentions for the railroad. He also wanted to clearly state that the Board has actively committed to only moving forward with projects that result in revenue and that there is a strong desire to stop losing money.
- c. Commissioner Baertlein concurred and reiterated that the Port staff was committed to handling the FEMA Alternate Projects he wanted to say that working on the details of this plan should not take them away from doing their current jobs.
- d. Commissioner Beveridge shared that she felt the Board was not going to put up roadblocks to this idea.
- e. Commissioner Dove stated again, that the Board is very supportive of OCSR, but that this cannot lose money and that staff time should not be taken. He then asked the Port legal counsel to provide input.
- f. In summary, Mr. Bennett felt that he would not suggest that this be a hurried process that there would be a need for a committee to discuss the issues and how to resolve them. He felt unprepared to address this situation, and encouraged another meeting to allow for preparation and team discussion.
- g. Mr. Rosenberg identified that they would like to have a commissioner and a staff person, along with whomever else they felt necessary to join a committee.
- h. Commissioner Dove and Commissioner Young volunteered their time to sit on the committee, and directed Ms. Bradley to assign a staff member (s) at her discretion.
- i. Commissioner Dove concluded the presentation by thanking the OCSR team. No action was taken, as the board waits for information from the committee.

8. Commissioner Dove recessed the Regular Board meeting for a break at 7:35 P.M.

9. Commissioner Dove reconvened the Regular Board meeting at 7:46 P.M.

10. Consent Agenda (**Action**)

- a. Port & Railroad Financial Report
 - i. Ms. Bradley shared with the Board the current status of staff time and rollout of new computers, networks and accounting software. She identified that the OEM Audit is coming in and that staff have actively prepared to have this information ready. She then reviewed the financials, updating the commissioners on the December financials.
 - ii. Commissioner Baertlein expressed concern of the continued losses in the Railroad and asked for clarification on how much had been sold and what else could be sold to cover these debts. Ms. Bradley stated that there were still items for sale. Commissioner Beveridge inquired about the potential sale on the east side, and Ms. Bradley shared that they were in the valuation process in this project.
- b. Minutes from 12/10/2010, 12/14/2010, 12/30/2010, and 1/14/2011
 - i. Commissioner Beveridge asked that the minutes from 1/14/11 be consistent with the minutes from 12/14/10 in indicating absent Board members. Ms. Bradley shared that the error was simply a mistake and that correction had already been completed. Commissioner Beveridge also asked for clarification on item #9 on the Regular Board Meeting agenda.
- c. **ACTION: Commissioner Dove entertained a motion to accept the Consented Agenda. The motion was moved by Commissioner Baertlein. Commissioner Fischer seconded the motion. There was no further discussion. The motion was approved by a 5-0 vote (those in attendance and on phone).**

11. FEMA Alternate Projects Update

- a. Monthly Report
 - i. Ms. Bradley updated the Board regarding the IFA Grant, that the executed copy was received now purchases could be made.
- b. Monthly Update – DAY CPM Services
 - i. Overview of team
 - 1. Mr. Eckfield, the Port Owner's Representative shared with the Board that all teams were developing as expected and with much progress on all projects. He indicated that he was very satisfied with how team development was happening and that there was active engagement with meetings and communication.
 - 2. He then provided the Board a quick snapshot of several projects. After a recent meeting, SHPO and FEMA had been engaged to discuss the Headquarters refurbishment. It is the team's goal to be aware of what can and cannot be done with regards to retaining historical value. Mr. Eckfield reviewed the current process with Project 3.2, Industrial Business Park. In addition, Mr. Eckfield shared that during the next few weeks, the team has scheduled to have the blimp hangar evaluated by an envelope specialist. He described the process of an unmanned mini-helicopter videoing the entire roof and allowing the team to get a close up look at its condition before finalizing a plan of repair. Issues that impair this are the current wind conditions and rainy weather, but it was anticipated that when a clear day occurred this would be accomplished. Commissioner Dove requested that the team inform the Headlight Herald and Board members when this occurs so that it can be observed if desired. Mr. Eckfield included an update on the pending bond sale, which the team has been preparing the budgets and will submit on requested dates to DAS for finalization. He finished with the news that the team anticipates a request for proposal (RFP) being finalized next week regarding civil engineering for Roads, Septage, and the Water Loop projects.
 - ii. Schedule
 - 1. Mr. Eckfield then shared the first draft of the Master Schedule being developed on an overhead. He showed key projects tied to the bond sale, and timelines that would provide active revenue sources for the Port over the next few months and years.

12. Lease Orders and Issues

- a. Werner Gourmet Meat Snacks – Rail Crossing near Third Street Property
 - i. Grant the right to use the right-away – encroachment.
 - ii. It was the consensus of the Board that they did not have any changes or modifications, and that staff could proceed with documentation for authorizing this process.
- b. IP-11-02, Dennis Cornish –Bldg. 26 - RV Storage – \$72/mo.
- c. IP-11-03, Don Bacon – Bldg. #69 – \$450/mo.
- d. **ACTION: Commissioner Dove entertained a motion to accept the Lease Orders. The motion was moved by Commissioner Young (via phone). Commissioner Baertlein seconded the motion. There was no further discussion. The motion was approved by a 5-0 vote (those in attendance and on phone).**

13. Industrial Park Update and General Business

- a. C-POD (Community Points of Distribution) for Oregon Emergency Management
 - i. The Port has offered blimp circle near the airport in the event of a very large emergency event. This will allow the OEM team to drop supplies and organize a system of delivery.
- b. Tillamook County Annual Prioritization for Federal Funding Requests
 - i. Ms. Bradley updated the Board on projects that were granted funding, sharing how Port of Garibaldi had successfully made the top spot with funding for South Jetty.
- c. Thank you from Port Staff to Commissioners
 - i. The Board members all received a signed thank you card from the Port Staff, appreciating their support and donation to a successful Holiday Event.
- d. Update on Tillamook Lightwave (Commissioner Jim Young)
 - i. There was no update available at this time.
- e. Road Patch -32 tons
 - i. Ms. Bradley shared that the Industrial Maintenance staff had been actively patching the roadways with the purchase of 32 tons of patch. This process will be ongoing as affordable to maintain the roads for tenants and traffic until the entire road system is updated with a full rebuild as a FEMA Alternate Project.

14. Railroad Division Reports

- a. Rail Line Evaluation after Flood Events
 - i. Mr. Lewis provided the Board with an update on the recent heavy rains and flooding in regards to the railroad. He shared that all were manageable and clean up was in process.

15. Digester Update

- a. Status of Operations
 - i. Ms. Bradley shared the Digester status of continuing repairs and pushing forward on getting as much production as possible.
- b. Closed to public tours – signage
 - i. Due to the continued work, Ms. Bradley shared that the Digester has been closed to public access, and that the Industrial Park staff would be placing signage to inform the public.

16. Airport Division Report

- a. AWOS Annual Report
 - i. Commissioner Beveridge indicated that there might be a method to automate a message to air traffic regarding birds and issues in the area. Ms. Bradley indicated that she would follow up on this.

17. Commissioner Dove recessed the Regular Board meeting at 8:43 P.M. to Executive Session. Executive Session per ORS192.660 (2)(e) for Real Property Transactions and ORS 192.660 (2)(h) to consult with counsel with regard to litigation likely to be filed

18. Commissioner Dove began the Executive Session 8:48 P.M.

19. Commissioner Dove closed the Executive Session 9:26 P.M.

20. Commissioner Dove reopened the Regular Boarding meeting Session at 9:26 P.M.

- a. **ACTION:** Commissioner Dove entertained a motion to have legal counsel and management work on a Tolling Agreement and for the Manager to sign agreement. Commissioner Young moved the motion. The motion was seconded by Commissioner Baertlein. There was no further discussion. The motion was approved by a 5-0 vote (those in attendance and on phone).
- b. **ACTION:** Commissioner Dove entertained a motion for legal counsel and management to continue with negotiations regarding the NSC build along Long Prairie as a FEMA Alternate Project. The motion was moved by Commissioner Baertlein. Commissioner Ficher seconded the motion. There was no further discussion. The motion was approved by a 5-0 vote (those in attendance and on phone).

21. Property Sale

- a. It is the consensus of the Board to be open to discussions on selling property if the circumstances are right. Prior Board consensus was a strict “no sell” policy.

22. Communications

- a. Next Special Board Meeting/LCRB Hearing Friday, February 4, 2011 at 10:00 A.M.
- b. Next Regular Board Meeting: February 15, 2011, 6:00 P.M.
- c. Tentatively Scheduled Special Board Meetings, if needed, Fridays at 10:00 A.M.
- d. SDAO Annual Conference, February 11-13, 2011.
- e. Reminder: General Manager Evaluation – February 2011
 - i. Ms. Bradley accepted the request to resend the Manager Evaluation via email for the Board to complete and discuss at the February Regular Board Meeting.
- f. Reminder to renewing Commissioners that March 17, 2011 is the deadline for applications in their re-election to the Board of Commissioners to the Port of Tillamook Bay.

23. Commissioner Comments

- a. There were no additional Commissioner Comments.

24. Commissioner Dove adjourned the Regular Board meeting at 9:38 P.M.