



APPROVED 5/18/2022

MINUTES

BOARD WORKSHOP

**MONDAY, MAY 2, 2022, AT 6:00 P.M. IN PERSON
4000 BLIMP BLVD, MAIN CONFERENCE ROOM, OR**

VIA ZOOM LINK – <https://us04web.zoom.us/j/71569388766?pwd=ZRRziN2PvY085rkGkWaX1q06MYx-Vn.1>

1. Call to Order @ 6:07 p.m.

Recognition of Persons Present: Commissioners Sierra Lauder; Kevin Stoecker; Bill Baertlein; Jack Mulder (@ 6:30); Matt Mumford (@ 7:35)

Port Staff: Michele Bradley; Pami Boomer; Rita Welch; Duke Hellweg; Margaret Amick

FOTAM: Carolyn Decker; Jack De Swart; Dallas Adams; Gene Kyniston; Ann Richards

Tillamook Pilots Association: Mark Bowman; Tim Maynard; Deb Maynard

Public: Jerry Dove; Gus Meyer; Barry Mammano; Linda Buell
Near Space Corporation: Tim Lachenmeier

Zoom Attendees: Mark Donofrio, U of O; Mark Farrier; Shannon Farrier; Jeremy Rice; Dawn/Shane Richardson; Shiela Zerngast; Jackie Fox; Billy/Tiffany Cawley; Matt Petty; Jessi Coon; Erin Skaar;

EJ Blackstone; Suzanne Weber; Macie; Brett; Julie

2. Staff overview of Board Request for Hangar Information

- a. Building information and history – Sierra spoke of the board’s decision in 2010 not to use any of the \$43 million in FEMA funds received for storm damage to the railroad in 2007 to repair Hangar B. The repairs were estimated at \$20 million and the board determined that the funds were better invested in projects the would produce a higher amount of revenue for the Port and build infrastructure for future/current needs. The structures were built, the FEMA funds have been spent and the FEMA projects have all been closed out. The Port budget is healthier than it has ever been. In 2017 the Port

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established the Friends of Tillamook Air Museum (FOTAM) as a 501(c)(3) nonprofit; the by-laws integrate Port board members as two of the FOTAM board members and the POTB board appoints applicants to the FOTAM board. POTB provided seed funds to FOTAM and they used them to hire a consultant. During that time the consultant provided guidance in organization and marketing. When the funds ran out and Covid-19 hit, meetings stopped. The boards held a joint meeting and the Port board directed limited staff time to provide support to FOTAM with an MOU detailing what that support would look like. Museum Director Rita Welch has been providing that support which was limited to collecting change donations and media support (not creating). About 15 months ago the Port board directed Michele to prioritize helping the board understand what the options are for dealing with the hangar. The board is still gathering information on the Port's liabilities and responsibilities. Rita skimmed through the June, 2011 General Structure Assessment report of Hangar B. At that time, Western Architectural (WA) determined that the trusses appeared to be in good condition and that no significant fractures or indications of failure were observed in the primary truss members. WA calculated that roofing or coating weighing less than 1 lb./sq. ft. could be applied to the structure without raising structural concerns. They found that portions of the SW box beam have deteriorated to the point where they recommend that the SW doors remain closed in order to support the box beam at all times. The NE box beam has very heavily corroded steel angles and its remaining service life is relatively short. WA advises that the NE doors not be opened, at least not very far. The roof leaks along the monitor need to be stopped to prevent rot from developing in the future. In the summer of 2021 Rita solicited quotes for repairing the monitor on the top of the hangar. It is estimated that 80% – 90% of the leaks happen there. Rita had 7 roofing contractors inspect the roof and she received only 2 bids. Class A Roofing Consultants bid \$1.1 million to remove old and replace just the monitor. Dr. Roof, Inc. provided a more detailed bid document and gave 2 options – one with 80 mil. roofing @ \$869,592 and the other with 50 mil. roofing @ \$809,093. Rita estimates a cost increase to approximately \$2 million since the original bids in May 2021. An issue of concern to the Port has been the stability of the outside of the box beams, so Rita contacted FallProof Systems, LLC regarding debris netting for each end of the hangar. They provided an informal quote of \$155,000 per box beam. Mobilization will be a

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major cost for each of the repair projects; by constructing an equipment and labor elevator to move materials and workers to the roof of the hangar, the Port could reduce that cost in each subsequent project. Rita applied for a grant for the mobilization but it wasn't approved.

- b. Grants – the Ventilation Project SOW was completed in Dec. 2021 for \$13,000 using part of a \$75,000 TLT Facilities Grant awarded in 2020. Estimated costs for the ventilation work: Option A - \$260,000; Option B - \$550,000 (included mobilization). A Box Beam Structural Evaluation and SOW for repair/rebuild is in progress at an estimated cost of \$12,500. The Port received \$10,000 in funds from Oregon Parks and Recreation Department and the State Historic Preservation Office and the Port will use carryover funds from the TLT Facilities Grant from 2020 for the balance. Rita should receive the report by late June or July.
 - c. Cost to vacate premise – Rita received an informal quote of \$1.5 million to move out of the museum the aircraft on loan. There would be additional costs for the other exhibits and equipment and for relocating tenants.
 - d. Hangar B revenue – Pami provided a statement detailing revenues broken down between museum and non-museum revenues and expenses during 2015 – 2021. The museum revenue was \$414,717 in 2021; expenses were \$534,665. Michele received an email from Senator Merkley's office saying they would provide a letter of support if the Port applies for federal grants for the hangar. Last year Michele put in a request for a \$2 million federal earmark for the hangar but it didn't come through. Michele spoke with Peter Mieger, a historic architect who was familiar with the hangar, to assist in finding someone to buy or lease the hangar to repair it and what it would take to make it feasible. He worked with an aviation real estate broker to put out feelers for interest; there were no bites.
 - e. Rita provided an overview of FOTAM and minutes from several of its meetings. The Port received a letter from the National Park Service outlining how to proceed to the next phase in qualifying for listing as a National Historic Landmark. Rita has been working through the 50 pages of requirements and will keep the board posted.
3. Discussion and Consideration of next steps. Sierra reviewed the discussion points for dealing with Hangar B. #1 – keep ownership and take action to sustain it; #2 – find a buyer to repurpose it. What criteria would be required to assure the Port that the buyer has adequate resources to complete the project? or #3 – to actively

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dismantle it. Doing nothing is not acceptable because it is too much of a liability. Michele had a list of 5 options to discuss:

Option A – Go to the voters for a bond, estimated at \$40 million, with help from FOTAM in building community support; set goals and timeline for FOTAM; search for large grants for construction. The current revenue to POTB from property taxes is less than \$50,000 per year. The rest of its revenue is from rents and services so the Port doesn't have the resources to absorb the cost of saving the hangar and needs the support of the community.

Option B – Quick fix of SW box beam to address safety concerns; give FOTAM a list of tasks and goal dates; continue with TLT funding for venting/contracting.

Option C – set a timeline for vacating and deconstructing the building; work to relocate/build for displace tenants; decide whether or not to rebuild the museum at another location. Rita provided information regarding the blimp hangars built outside of the City of Tustin in Orange County, California. When the Marine Corp Air Station Tustin closed in 1994, Orange County proposed to develop the property that includes the North hangar as a county regional park. For various reasons, the plans have never advanced and in 2013 the hangar's roof partially collapsed. In approximately 2017, Orange County received preliminary estimates in the range of \$15 – 20 million to demolish the North hangar and clear the property. Both hangars are currently empty, with strictly limited use.

Option D – Work with UO/OSU to assess all the options; determine needs and timelines, including potential revenue from deconstruction and material reuse. Obtain assistance in preparing the Deconstruction Plan for SOW and engineer estimates for public procurement contracting.

Option E – Continue to search for an entity to lease/purchase the building and rehabilitate it. Hire a broker/advertise? Scope of mandatory requirements needed from POTB board.

- a. Introduction to Mark Donofrio with University of Oregon – He is an instructor at U of O and teaches architectural students who study how to repurpose historic structures. His students have been studying the hangar to develop projects to repurpose it and possibly create a source of revenue for the Port. Michele has been following their progress and projects over the last 4 years. Mark observed that the hangar is unique to Tillamook; its longevity and the many ways it has served the area makes its

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value hard to quantify. He said he is very interested in providing any assistance he can in continuing the conversation and helping to sort out all the facets in coming to a decision. Michele said that she and Mark had discussed what the value would be, in salvage and use of the site if it is decided to take down the hangar. Mark said it is important to assess the eventual effects of each option before settling on one.

- b. Preemptive demolition/reduction of liability/similar costs - salvage value; use of site; repercussions of deconstruction
- c. Repair – costs, grants
- d. Meeting with FOTAM on expectation and goals

Bill Baertlein said the Port was not in a good financial position at the time it received the FEMA funds. The board had to decide how to leverage those funds to get the best bang for the buck and by investing in the warehouses the Port is now on solid ground. He said to go to the voters to see what they say about keeping the hangar for another 80 years. This is the start of the process, and then he asked what are the next steps?

Kevin said the individual commissioners could be liable for any injuries caused by falling objects in the hangar. He is concerned about safety and liability and doesn't think the Port can continue as is. He asked what is the cost of demolition and the value of 3,000,000 board feet of spruce.

Matt feels that the Port should defer to the public but would like to see it saved.

Sierra told of her support of the disposition of the FEMA funds. She feels that FOTAM was formed to fulfill a difficult task with minimal resources and that she intends as a commissioner to be a supportive partner. She would like to see all the hangar revenue used on the hangar.

4. Public comment –

Jerry Dove commented that he was a Port commissioner from 1999 through 2011 and that even then there was concern about the hangar roof. He urged caution.

Carolyn Decker is in favor of floating a bond measure to gauge the public's interest in saving the hangar. She suggested repeat attempts until it passes. Michele noted that it costs approximately \$20,000 for filing costs and a marketing strategy to build public support for a measure.

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Gene Kyniston asked if the Port has done any structural work on the hangar. Michele said that the Port has done structural work on the south end of the hangar and reroofed the top section. Could the Port use the remaining \$55,000 from the 2020 TLT grant along with additional Port funds to construct the elevator?

Deb Maynard asked why volunteers aren't allowed to perform work at the museum outside of public hours. She said that she had proposed to allow non-FOTAM volunteers have access to the hangar in the evenings after their day jobs but hadn't received permission. Sierra told her that the board welcomes her input and that they would like to have her at the table for discussion as this meeting is about the hangar, not the museum operations. Deb said that she can reach out to her military resources for funding. She asked where has the Port looked for funding and Michele ran down a list of grants pursued and government officials contacted. Bill Baertlein said that the Port has been pursuing grants for 12 years. Jack mentioned that FOTAM is always looking for help with fundraising and other projects. Matt Mumford said that he had reviewed a website for grants but found that the Port doesn't qualify for most of them. Deb said that there are a lot of military grants available; she and Matt will discuss more outside of the meeting.

Tim Maynard asked what is required to complete the process to be listed on the National Register of Historic Places. How will the hazardous materials be handled if the hangar is demolished? There is asbestos in the doors and lead paint. The quotes for the work include the cost of disposing of the asbestos and the lead painted materials will go into a landfill. Can FOTAM detach from the Port so they can function on their own. Sierra explained that the way FOTAM is chartered and structured they can't stand alone but that the Port board would be willing to consider it. There are specific requirements to be met to qualify as a 501(c)(3) and FOTAM has not always kept up with them without support from Port staff so it has been in their best interest for the Port to have a strong role. Sierra assured Tim that the Port board nor staff have in any way held FOTAM back in anything they tried to do. Does the hangar have to be returned to the Navy if it is closed? The Port has a deed restriction where the Navy can take it back at any time. Tim asked if the Port can offer the hangar to the Navy for a training facility for the SeaBees? Matt said he worked with them years ago and there are a lot of restrictions for doing that.

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Dallas Adams suggested using the 80th anniversary of the completion of Hangar B as a marketing tool to generate support for saving it.

Ann Richards said the public is still upset about abandoning the railroad which will make passing a bond challenging. She claimed that potential donors from out of the area are reluctant to commit due to problems with one person, but wouldn't explain further. She feels the Port board puts obstacles in front of FOTAM. Sierra said that she thinks that due to the turnover in members over the last couple of years the basic knowledge on the structure of FOTAM was lost and when the Port board tries to assert the by-laws and legal requirements of a 501(c)(3) it is perceived as being obstructive. She suggested that a joint meeting of the POTB/FOTAM boards to discuss the issues brought up at this meeting.

Jeremy Rice said that he and Phyllis put in a lot of work establishing the museum and that he would like to offer any help he can to FOTAM even though he is in Nevada now.

Mark Bowman suggested a press release by the Port about the meeting to reassure the community that the hangar isn't in immediate danger of being torn down.

5. Next steps and timeline – Kevin will consult with the FOTAM board at the next meeting for potential dates, focusing on July or August, to hold a joint POTB/FOTAM board meeting to discuss strategies and options.
6. Adjournment @ 8:31 p.m.

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