

MINUTES
PORT OF SIUSLAW COMMISSION
MEETING
Wednesday, August 16, 2006

President Greene called the Regular Meeting of the Port of Siuslaw Board of Commissioners to order at 7:00 p.m. in the Port office conference room located at 1499 Bay Street, Florence, Lane County, Oregon.

ATTENDANCE: Commission: Commissioner Joshua Greene (Greene), Commissioner John Scott (Scott), Commissioner Lynnette Wikstrom (Wikstrom), Commissioner John Buchanan (Buchanan), Commissioner Frank Casazza (Casazza). Staff: Port Manager Tom Kartrude (Kartrude), Recording Secretary Teresa Weaver (Weaver).

OATH OF OFFICE: President Greene administered the Oath of Office to Casazza, newly appointed to Position 5 on the Board of Commissioners. The sitting commissioners and staff welcomed him aboard.

MINUTES: MOTION: Buchanan made a Motion, seconded by Wikstrom, to approve the Minutes of the meeting held on July 19, 2006, as mailed. Discussion: Greene stated that during the conversation in the meeting when Scott was talking about Casazza and DURAC, there was a comment that was made that isn't in the Minutes—he doesn't think it needs to be added to the Minutes, he is just stating it for the record—but there was a conversation between he and Scott, where he (Greene) stated that in DURAC's point of view it is not meant so much that the Port can't find the money, it's that the Port has so many projects it is invested in that money is scarce and hard to find. In other words, urban renewal is there as a tool. **On Call for the Question, Motion carried unanimously.**

REMARKS FROM CITIZENS/GROUPS: None.

FINANCIAL REVIEW & PAYMENT OF BILLS: Before beginning the financial review, Kartrude requested that New Business item #2 be eliminated from the agenda as the concession request had been withdrawn.

Kartrude reported that the cash balance at the end of July is \$335,181. July revenues were \$60,378, led by camping fees of \$30,889. Audit-directed adjustments will clear the negative balance in the General Service Grant Fund. Interest was the only activity in the Capital Maintenance Fund. **MOTION: On the Motion made by Scott, seconded by Casazza, the Board unanimously approved payment of bills as presented in the amount of \$32,770.20**

OLD BUSINESS: Needs & Issues Rankings. Wikstrom reported on the proceedings of the Lane Economic Committee (LEC) regarding the ranking of projects on the Needs & Issues list. She stated that the Maple Street Landing project was ranked at #2. Projects have to be ready to go. Casazza asked if the Old Town Wharf Rehabilitation project estimate was current. Kartrude answered that it is not; the \$778,000 is the most recent engineering number and is from the last strategic plan. Casazza asked if there was a local process for ranking projects and Wikstrom stated that each entity does their own ranking which is then submitted to the LEC for ranking at the COG level.

NEW BUSINESS: Resolution No. 8-16-06. Kartrude stated that this resolution is necessary as recent changes to the IRS Code required amendments to the original Cafeteria Plan document. The Port has offered a Section 125 cafeteria plan employee benefit since 1999. **MOTION: On the Motion made by Buchanan, seconded by Scott, the Board unanimously voted to adopt Resolution No. 8-16-06, A Resolution Adopting an Amended Cafeteria Plan for the Port of Siuslaw.** Said resolution is attached and made a part of these Minutes.

Other Items by Commission. Greene asked the Commission to consider having a retreat to go over the strategic plan, look over the coming year, have Kartrude come make a presentation at the

beginning and then the Board getting down to a brainstorming session on the coming period. He thought it would be a chance to all get on the same page. Weaver stated that the retreat would need to be open to the public. Kartrude stated that the Board has had retreats in the past and they work fine. Casazza asked if there was an opportunity for an executive session. Kartrude answered that if there is a specific need for executive session it would be possible. Weaver added that the topics that can be discussed in executive session are very narrow. Buchanan suggested that later in the fall would be the best time for a retreat.

REPORTS: President. Greene stated that at some point the Board needed to discuss the validity of the 40 acres and getting a marketing plan in place. Kartrude stated that the county conditions on the parcel are meant to insure that the parcel is developed in accordance with the purpose of providing economic development in western Lane County. Greene reported that he is going to discuss a trial market weekend on the Port's boardwalk property with Richard Wiget of the Eugene Saturday Market. The Chamber of Commerce Board is supportive of acting as the concessionaire on this venture. Manager. Kartrude requested the Board hold a special meeting on September 6th for the purpose of adopting a resolution in support of an e-commerce designation in the enterprise zone. After a brief discussion, a special meeting was scheduled for noon on Wednesday, September 6th. Kartrude reported that the Port and City jointly hosted a tour of the community for LCDC members and staff when they were here last week. Division of State Lands conducted an audit of the Port's marina waterway lease. ODOT ConnectOregon rejected the Port's project application. He has submitted the project to OECDD for gap funding. Buchanan and Weaver will be attending the Oregon Ports Representative Group meeting in Newport tomorrow. A deed amendment request by the Port regarding condition #7 on the 40 acres is being considered by the County. The partnership agreement with the Corps to conduct sediment sampling under the Planning Assistance to States (PAS) has been executed. Kartrude reported that there will probably be a request from a Marine Reserves advocacy group to be on the September meeting agenda asking the Board to issue a position statement on marine reserves. Greene stated that he thinks the Port should be proactive early in the process and name what they would like to see in the way of marine reserve designations. Kartrude stated that OCZMA is working very hard to provide the big picture on this issue and is the best venue for getting information on this subject. Kartrude reported that the 2nd annual Heceta Head Conference is scheduled for October 28th at the FEC. Kartrude stated that he would be on vacation now until August 25th and then again September 18th through the 22nd. Greene reminded the Board that Congressman DeFazio will be holding a town hall meeting at the FEC on August 30th.

CORRESPONDENCE: Casazza asked to discuss the letter Kartrude sent to John Becker of Newport Pacific Corporation dated July 26, 2006. In reference to the Siuslaw News article Kartrude mentioned in the letter, Casazza stated he wanted to clarify that everyone was on the same page as no one wants to mislead the public in any way. He said he remembered that when he met with Kartrude months ago they discussed the wharf, among other things, and that Kartrude indicated that the wharf was failing and at the end of its life cycle. He remembered it being stated that if significant grants or outside funding aren't found, then the logical conclusion is that it would in fact be condemned. Kartrude stated that in general context that probably is accurate, but it needs to be clear that it is public property and can't be condemned, so as a term, condemnation shouldn't be used and that what he was concerned about is that the news coverage would have implied to John Becker that the Port was thinking about condemning the property. Greene stated the Port could close it though. Kartrude stated yes, but someone else could not condemn it and that is what he wanted John to understand. Kartrude stated he didn't think he would have used the term condemned because he is trained not to. The real issue is that the Port has two leases that are due to expire—one in 2011 and one in 2013. We have notified both of those tenants that we do not intend to extend those lease terms beyond that expiration date because the wharf is at the end of its service life and have opened discussions with both of them to look at other alternatives. One alternative is that they could fund the restoration of the facility

themselves. Kartrude stated that it is important to convey that the Port—this Commission—this agency--negotiated reasonable business leases with these people early in the game and those terms will come to an end. Those lease rates have not provided sufficient revenues to do proactive maintenance or create a reserve fund. The tenants have benefited from having low lease rates. At this point, the Port can't just continue the current relationship. If it's going to go forward they are going to have to show some initiative or we need to start thinking about getting them relocated. We have had that conversation going with them for some time. The intent of this letter was to remind John not to wait until 2011 to start thinking about this. Casazza stated his concern is that if the Port is going to state that another agency is making incorrect statements, then it is incumbent upon the Port to call up that agency and tell them that it is incorrect or to not make these statements. He added that the information he had up to now was that the wharf was at the end of its useful life, that as of today there has not been a funding solution identified, that if the urban renewal agency took that on as a project, it could be a way of working with the Port to solve that problem. Kartrude stated that was accurate and he brought it to the attention of the Board that there are three sitting Commissioners that were part of DURAC right until the plan was completed. This has been open discussion before the Port Commission on a regular basis at public meetings and that there were at least two elected Port officials on DURAC that participated in this process that could have conveyed that message if he (Kartrude) didn't. Kartrude stated that from a staff perspective, the letter is a very accurate representation of a situation that needed to be communicated to the tenants. Casazza stated he just wanted to make a point that the wharf might be condemned were words that Kartrude shared with him. If they are inaccurate, then the Port needs to get the word back to the urban renewal agency that they are inaccurate. Kartrude clarified that there is no intention on the part of the Port to allow another agency to condemn that property. If those leases terminate, the Port has a responsibility to DSL not to leave a derelict structure in the waterway and the Port would find the resources to cure that condition. He does believe it is a serious concern for the community as those two tourist related businesses are an important part of the economy. He does not want to convey to the public an image of abandoned, derelict waterfront structures. Kartrude stated that there is a fix, it just has to be done in some other way than just extending those lease terms. Kartrude also clarified that he has said in the past that when the Port first starting talking about this issue a few years ago, the Coho was still a threatened species and there was a very serious concern that those restaurant uses technically don't qualify as water-dependent uses and would likely not have been able to get permits to get reconstructed.

ADJOURNMENT: There being no further business to come before the Board, President Greene adjourned the meeting at 8:07 p.m.

President

Secretary