

A work session of the Astoria Common Council was held at the above place at the hour of 9:00 am.

Councilors Present: Brownson, Herman, Rocka, West, and Mayor Jones.

Councilors Excused: None

Staff Present: City Manager Estes, Finance Director Brooks, Library Director Pearson, Public Works Director Harrington. The meeting is recorded and will be transcribed by ABC Transcription Services, Inc.

PRESENTATION FROM CRAIG HOPPES, ASTORIA SCHOOL DISTRICT BOARD

Craig Hoppes, Superintendent, Astoria School District introduced school board members David Oser and Jimmy Pearson, who were in the audience. He and Mr. Oser gave a brief presentation on the bond that passed during the most recent election. The presentation included details on the sale of the bond and the financial benefits the district and tax payers received as part of the sale, updates on the projects being funded by the bond, and outreach efforts. They thanked the Council for their support and commended Staff for being so helpful and easy to work with.

Councilor Brownson said it was important to note that bond money stays in the community.

PRESENTATION FROM JIM KNIGHT, PORT OF ASTORIA

Mayor Jones shared about the role of the Port and its importance to the community.

Jim Knight, Executive Director, Port of Astoria, said his views as the Executive Director did not necessarily reflect the views of the Port Commission, but it was important to maintain a good relationship between the City and the Port. He gave a detailed and comprehensive presentation on the current state of the Port, which covered the Port's loss of funding and revenue, failing infrastructure, the impact of threats of tariffs, and the Port's focus for the future. His presentation included the following key comments:

- Pier 2 is where most job opportunities are located. Efforts to get grant and FEMA funding failed due to circumstances that were out of the Port's control and through the Port's efforts to maintain a healthy relationship with Oregon Department of Transportation (ODOT). However, repairing the west side of the Pier will be necessary in order to prevent the buildings from collapsing. The repair work is estimated to cost between \$150,000 and \$200,000. Additionally, the most recent ODOT inspection found more necessary repairs that will impact weight restrictions if not fixed. The total estimated cost to repair all of Pier 2 is \$4 million.
 - Port Staff can do some repairs, but the Port has a narrow window to do their annual dredging, from November through February. The Army Corps of Engineers (USACE) is now requiring the Port to pump the sediment past the shipping channel, but the Port does not have the equipment to do so.
 - Additionally, Staff must work to stay ahead of infrastructure failures at Pier 1 where the cruise ships come in.
- Onerous rules to protect endangered species in the river have not increased the salmon population, so the National Marine Fishery Services (NMFS) has decided to implement more stringent rules. NMFS will not authorize repairs of the storm damage to the dock in the East Mooring Basin until October. However, the dock is Astoria's primary launching site for fishing boats. Staff has been working with NMFS and USACE, but has unable to find a solution.
 - He provided a detailed overview of the presumed impact of pile driving on salmon, and the calculated impact of being denied the permit on the economic development to the community. Cruise ships, restaurants, hotels, and tax revenues would all experience a loss in income.
 - He described temporary fixes, which would be too costly, so the Port has decided to put money into getting the permit. Congresswoman Bonamici's office is now assisting with negotiations.
- He explained the impacts of anticipated tariffs on China, which have shut down the logging industry and associated businesses, and resulted in negative financial consequences.

- He read from the Port's original charter, explained why the Port was developed and noted the authority of Port. No part of the charter has been rescinded, but the Port has strayed from its original intended mission.
 - He provided handouts that included the original design renderings of the East Mooring Basin and Pier 39 and compared the original design concepts to what was actually built. He explained that the original designs were never fully built out because the use of certain areas of the Port changed over time in reaction to industry changes, revenue opportunities, and salmon protection rules.
 - The Port has adapted to changes in an attempt to maximize the benefits of their assets. The Port should be self-supporting and not have to tax the citizens, but every square foot of Port property would need to be maximized.
 - Repairing the causeway would cost between \$4 million and \$8 million and repairs must be completed before anything can be done with Pier 39.
 - The East Mooring Basin could create revenue opportunities, but the Port would have to get rid of the sea lions and find a way to get the bridges, pilings, and docks repaired during the short in-water work period.
- He discussed accommodating more cruise ships, but questioned whether the community really wanted that. The population of cruise ship guests would equal population of entire community. His staff would enact and enforce any policy decisions made by Port Commission on behalf of the community, but they need more communication about the direction the Port should go.
 - The Port, owned by Clatsop County, is the second lowest taxing district in the County, so taxes are a not major source of revenue. Most of the Port's revenue must come from the highest and best use of its lands.
- He provided more handouts on the West Mooring Basin and pier structures. He explained how Pier 3 was converted from a boatyard to accommodate logging, which accounted for 25 percent of the Port's revenue until November 2018. The Pier is falling apart and could require several million dollars to repair and maintain.
- Mr. Knight considered charging anchorage fees, but must prove the service provided by the fees is appropriate. The Port's tenants are already providing the services and the Port cannot compete with their own tenants.
 - The Port is charged with ensuring safe passage and safe place to moor. Pier 1 is the only safe place on the Columbia for large ships and only has two slips. So, the Port will charge a fee to vessels that will allow Port to maintain Pier 1.
 - The Riverwalk Inn needs a lot of work, but the appraisal was high. The Port was discussing selling the inn to pay for Pier 2 repairs. Eliminating building management frees up the Port to focus on infrastructure.
- He displayed a map on the screen and provided details on the properties owned by the Port. He listed some uses for several of the properties that could benefit the community and noted those uses would require money to develop.
 - He provided details about a concept he had been discussing with Mark Hollander—a marina village that could be used by the Parks Department and for special events and include walkways that enhance the Riverwalk Trail.
 - It was important for Mr. Hollander and the Marriott group to be instrumental in addressing needs of the entire community, but that will not be possible unless his hotel generates money. Mr. Hollander had been surprised at how difficult it was to build the hotel. [1:15:30] In order to get funding, hotels must prove there is a need in the community for a hotel and Mr. Hollander had to prove to Marriott his hotel would have 85 percent occupancy.
 - The value and worth of jobs created by hotels are understated. Hotels that try to pay minimum wage are shutting down because most hotels pay good money.
- Compromise is necessary for the Port to develop the right waterfront, one that is financially self-supportive, produces revenue for its property owners, and produces tax revenue for the City. The potential imposition of building heights along the waterfront will continue to endanger the Port. If the Port cannot be developed, no outside money will come in and the infrastructure will fall apart.
 - Waterfront property owners have made investments, pay taxes, and created jobs. However, the imposition of restrictive rules that prohibit development will result in properties that lie fallow. He will not be able to recruit suitable businesses that create sustainable jobs. Additionally, it will be difficult for him to maintain the protected and open view corridors without resources.

- If the work to implement the Riverfront Vision Plan had been done well, the conflict with waterfront property owners would not exist. He agreed these property owners should have been more vocal about their needs a long time ago. However, it is not too late for the City to do the right thing.
- If the City wants to control development along Port property and restrict the Port's ability to create revenue to maintain itself, perhaps the only option is for the City to purchase the Port.
- The Port needed the City's assistance for better opportunities to address the issues. If Astoria is going to have open space along the waterfront that can be enjoyed by citizens, the concerns of the Port must be addressed.

After the presentation, discussion between Mr. Knight and the Council was as follows:

- The Port's Strategic Plan will prioritize the Port's top ten needs, identify revenue sources, the Port's marketing and financial capacity, potential industries to recruit, the types of cargos the Port can accommodate, and potential partnerships. The plan will also include an evaluation of the community's perception of the Port and what the community would like to see the Port accomplish.
 - He described the Port's efforts to work with the State on the Strategic Plan over the last several years, noting that the State will not provide funding until the plan is implemented.
- Councilor Rocka believed the public did not trust the Port since Pier 2 was converted to accommodate logging. Mr. Knight explained that the logging at Pier 2 supports the rest of the Port, including the airport which is a very expensive facility to operate. The airport is critical to the community and Coast Guard, particularly for emergencies.
 - There are locations at the Port where height restrictions can be imposed with minimal impact. However, in other locations, the height restrictions will restrict the amount of money that can be generated to support the rest of the facilities. The Codes need to be more flexible, so that development can be appropriate for each site.
 - Councilor Rocka said he wanted the Port to be successful but needed to a reason to trust the Port and to believe the Port would follow through with its Strategic Plan. He believed the State's involvement with the Strategic Plan would help regain a sense of trust in the community by insisting the Plan be followed. Mr. Knight stated he would keep the Council and community updated on the process.
 - Councilor West believed the public understood that Mr. Knight inherited a lot of problems and was genuinely trying to get the Port on the right track by incorporating the community's perspectives.
- A master plan approved by the Council will be necessary before certain development can occur at the Port, including public/private partnerships, selling and leasing properties, and outsourcing the dredging.
- More than 80 percent of the Port's debt is owned by the State. The Port breaks even after taking care of debt service and day to day operations, but there is no money left over for infrastructure. The most recent audit was the best audit the Port had ever had and there were no findings.
- Mr. Knight said he planned to pursue a local improvement district for the central waterfront, which would allow the Port to charge certain property owners a maintenance fee. Additionally, the Strategic Plan will guide the Port's focus and obligate the Port to provide updates to the public on their progress.
- The State does not want to take over the Port of Astoria at this time, but the State has made it clear that no funding would be provided to the Port until the Strategic Plan is implemented.
- Councilor Herman believed that earning revenue by leasing property to hotels would only provide short term gains to the community. People do not believe that hotels pay living wage jobs and Astoria does not have a place for the employees to live. She was not sure that 10,000 cruise ship passengers invading the city would benefit the community.
- Fiber optics coming to Clatsop County will play a huge role in economic development and the creation of high-end jobs in the community.

Mayor Jones commended Mr. Knight for all the work he had done and said he looked forward to partnering with the Port.

CITY COUNCIL GOAL DISCUSSION

City Manager Estes and the Council discussed postponing the discussion of City Council's goals. The discussion would be rescheduled to a date in the latter half of March.


Councilor Brownson announced that the League of Oregon Cities would host a mini-conference in April.

Mayor Jones noted that the Friends of the Astoria Column had contacted him to invite Councilors to attend the grand opening event after the April 15th City Council meeting. He explained plans to light the Column with multiple colors at the top of each hour and received consensus that the Council supported the idea.

ADJOURNMENT


There being no further business, the meeting was adjourned at 11:00 am.

ATTEST:



Finance Director

APPROVED:



City Manager

