

A special meeting of the Astoria Common Council was held at the above place at the hour of 6:15 pm.

Councilors Present: Nemlowill, Herzig, Warr, Price, Mayor LaMear

Councilors Excused: None

Staff Present: City Manager Estes, Assistant City Manager/Police Chief Johnston, Parks and Recreation Director Cosby, Finance Director Brooks, Fire Chief Ames, Public Works Director Cook, City Forester Mike Barnes, and City Attorney Henningsgaard. The meeting is recorded and will be transcribed by ABC Transcription Services, Inc.

PUBLIC COMMENTS (NON-AGENDA)

There were none.

CHANGES TO AGENDA

There were no changes.

CONSENT CALENDAR

REGULAR AGENDA ITEMS

Item 6(a): Carbon Credit Purchase (Public Works)

At the December 14, 2014 City Council meeting, Council approved a term sheet with The Climate Trust (TCT) for the proposed purchase of carbon credits from the City of Astoria Watershed and to initiate contract negotiations.

Over the past several months, TCT and City staff, with the assistance of legal counsel, City Forester (Mike Barnes), and carbon credit consultant (David Ford), negotiated an acceptable Emissions Reductions Purchase Agreement (copy attached). The Agreement has been thoroughly reviewed by City Attorney Blair Henningsgaard, with the assistance of environmental counsel, Christine Hein of Ring/Bender Law. This Agreement was approved by TCT Board of Directors on June 2.

The Agreement obligates TCT to purchase from the City of Astoria verified carbon credits in years 2016 and 2017 for estimated net revenue to the City of approximately \$1,918,340. Additional credits may be sold in future years to TCT or other carbon buyers.

Attached is a background document that provides a summary of the proposed carbon project, the commitments required of the City by the American Carbon Registry (ACR), and a summary of revenue and expenses over the next 20 years.

The key project costs are in developing the carbon project to ACR's standards and completing third-party verification prior to sale of the credits to TCT. This work will be initiated following approval of the contract by City Council.

It is recommended that Council authorize the contract to be executed and authorize Staff to prepare the credits for sale to The Climate Trust.

City Manager Estes noted the draft agreement included in the meeting packet was approved by TCT Board of Directors on June 2, 2015.

City Forester Mike Barnes noted this discussion of selling carbon credits began four years ago. He presented the Bear Creek Watershed Forest Carbon Project Proposal, which was included in the agenda packet. He and David

Ford of Lewis and Clark Carbon responded to questions from Councilors with these additional comments as follows:

- The contract with TCT is a two-year contract. After two years, carbon credits can be sold to TCT or another agency. TCT has agreed to purchase Astoria's 2015 vintage credits, which are currently standing in the forest. Payment for these credits will be divided over the two years of the contract. Astoria will grow more carbon credits each year and TCT has expressed a sincere interest in purchasing the future credits. However, the ACR's carbon credit program is a 20-year program. Monitoring and reporting will be conducted for the full 20 years of the program.
- The credits are so large in the first year because Astoria has so much standing inventory on its property, compared to its neighbors. This is a result of good management of Astoria's watershed over the last several decades. Carbon credits in future years will be less than the first year because the credits are what is grown minus what is harvested; net growth is monetized. Astoria must agree to maintain this growth for the next 20 years.
- Mr. Barnes confirmed that the Year 3 through 20 Projected NET Revenue on Page 9 of the agenda packet was for the entire period, not annual. The projected revenue was based on a conservative price, which will come from a separate agreement with a potential purchaser. Once these credits are listed on the registry for sale, entities other than TCT can purchase them.
- The TCT contract operates under the rules of the ACR, which provide for acts of God. ACR required a buffer pool to be withdrawn, which had already been withdrawn from the numbers presented to City Council. This buffer is about 20 percent of all carbon. If a force majeure ever occurred, Astoria would surrender the buffer account with no further responsibilities.
- An organization in Washington D.C. called Forest Trends produces an annual report called *The Ecosystem Services Marketplace Report*, which the consultants would forward to Staff. Two markets exist, a volunteer market and the California Cap and Trade Program. There is a range of carbon values in the volunteer market, but TCT knows the pricing structure well because they have been in business since 1997. Astoria received a little higher price than some in the volunteer market because of the quality of the project it offers buyers. The money that TCT is spending to buy these credits is coming from Oregon utilities under a State law passed in 1997, which requires utilities to offset new energy facilities. TCT toured the property and was very impressed, and this is a solid offer.
 - In California, the offsets are auctioned by the state, which is different than offsets generated by projects. Offsets generated by projects are generally discounted between 15 and 30 percent. The current base price in California for offsets is about \$11.50 for state-issued certificates to allow carbon pollution. However, the offset market is between \$8 and \$10. Astoria is participating in the volunteer market and is receiving a solid price.

Staff anticipated the revenues would be deposited into the Capital Improvement Fund, just as timber sale revenues have in the past. The Budget Committee has discussed the possibility of using the revenue to assist in the purchase of an aerial ladder truck for the Fire Department.

City Council Action: Motion made by Councilor Price, seconded by Councilor Warr to authorize the contract to be executed and authorize Staff to prepare the carbon credits for sale to The Climate Trust. Motion carried unanimously. Ayes: Councilors Price, Warr, Herzig, Nemlowill, and Mayor LaMear; Nays: None.

Mr. Barnes confirmed Astoria is the only city in Oregon selling its carbon credits. Mr. Ford added that other cities are watching Astoria to see how well the program works.

Councilor Warr confirmed participating in the program would incur ongoing expenses, so some of the revenues would be needed to offset these expenses. City Manger Estes explained that Staff would budget for these expenses each year. Councilor Warr noted money should be set aside in case the market price for the credits falls.

Mayor LaMear called for a recess at 6:39 pm.

The special City Council meeting reconvened at 7:00 pm.

DISCUSSION BETWEEN ASTORIA CITY COUNCIL AND PORT OF ASTORIA COMMISSION

Mayor LaMear called the joint meeting of the Astoria City Council and the Port of Astoria Commission to order. President Raichl called the joint meeting of the Port of Astoria Commission and Astoria City Council to order.

Mayor LaMear said the City Council did not have a specific agenda for the joint meeting other than to learn more about what the Port does and to see if any difficulties between the City and Port needed to be addressed. She noted Staff had provided copies of the 2007 Port of Astoria Master Plan, which were distributed to the City Council, and asked if the 2007 Master Plan had any relevance.

Bill Hunsinger, Vice-President, Port of Astoria Commission, clarified the Port does not currently have a master plan. In 2010, the Port replaced its master plan with a new Strategic Plan to make the Port a working port, which is one of three deep-water ports in the State of Oregon. Senator Betsy Johnson helped the Port develop its Strategic Plan so that it could be approved by the State, allowing the Port to get back into the import/export business. The 2007 Master Plan was obsolete. He clarified the new Strategic Plan provides for industry and does not call for the landscaping, trails, or other amenities shown in the 2007 Master Plan. Areas for trails could be put to better use if the Port has more cargo or more shipping.

Councilor Nemlowill said she enjoyed attending the Port's meeting. She believed that in order for Astoria to remain an authentic place, economic development that honors heritage jobs, like fishing and logging, should be embraced. Astoria is shifting toward the service industry. However, she believed both industries could exist in Astoria harmoniously. She believed people want to visit Astoria because it is a working town. She noted the publicity the Port generated today and asked for details about the Port's work with the fake orca.

Mr. Hunsinger said this morning the Port had a great news conference where they explained how they planned to mitigate the problems with the saturation of sea lions on their docks. At the news conference, Jack Marincovich gave a speech on the history of the Columbia River and the commercial fishing industry; Steve Fick gave a speech from the processor's point of view, and Jim Wells addressed Salmon for All. Predation is out of control, causing the Port to lose revenue. He described the problems that occurred when moving the orca down from Tongue Point to the East End Basin, where it was put into the water. The orca was now operational and he hoped it would work to resolve the sea lion issue. The orca is operated by a man who sits inside as it plays the orca's feeding song in an attempt to scare the sea lions away. No one from the sea lion group attended the news conference. The Port must take care of public property and must keep the sea lions off the docks for insurance purposes.

Councilor Nemlowill understood the sea lions were causing serious problems for the Port's infrastructure and she hoped the orca was effective. The City and Port share boundaries that include a river, land, and roads. However, most importantly, they share people. The City and the Port can be stronger if they work together for the benefit of the people. During the first phase of Riverfront Vision Plan implementation, she realized they had not been working together. She wanted to know how the City and the Port could move forward in a more positive way.

Stephen Fulton, Secretary, Port of Astoria Commission, agreed that most of the Port's assets, and all of its maritime assets, neighbored the city. He noted the Port is responsible for managing its property under a different set of rules and a different mission statement as they are tasked with being promoters for economy within the County. The Port also represents the people in the County because the Port District and the County have the same boundaries. Astoria represents about 26 percent of the population of the Port District. Astoria is a very important neighbor that has a long history with the Port, including that the Port donated land to the City for the Maritime Museum. He believed there was a lot of misunderstanding during the visioning process. The Port must look out for the economic feasibility of the property in the future. However, there are many things the Port and the City have in common and can agree on. He understood the City was very interested in attracting two new Coast Guard cutters, and so is the Port. While he would like the cutters on Port property, the most important thing was that the boats come to the area. The Coast Guard has been a great benefit to the community, they make good neighbors, and Coast Guard families have provided great family values to the community. He believed the Port and the City could work together on bringing the Coast Guard cutters to the area.

John Raichl, President, Port of Astoria Commission, added the 17th Street Dock was originally built in partnership with the Port and the City.

Mr. Fulton said it is important for the Port to have the most flexibility with its property. The Port has a \$15 million budget this year, \$10 million of which is their operating budget. They have received a \$5 million grant to pave the airport runway. Their tax base is only \$630,000, which is the lowest tax base in Clatsop County. Only about \$75,000 or \$80,000 of their tax base comes from Astoria. Revenues come from renting their properties, dockage and wharf fees, and reselling their water and electricity. The water and electricity cannot be marked up, but it does add to their budget. The Port makes \$100,000 in revenue when one log ship docks at the Port. Cruise ship revenue is about \$20,000. The log ship contains cargo that originates in Clatsop County, which creates local jobs. Every log ship carries 5 million board feet of logs, which requires about 35 full time jobs. He anticipated the Port would receive more than 20 logs ships this year, which is quite a few jobs that the Port is contributing to Clatsop County. On Port property, there are between 1,800 and 2,000 jobs, which have a big impact on the County's economy.

Mr. Hunsinger said by changing from a master plan to a strategic plan, the Port has been able to average 16.5 log ships and 18 cruise ships per year. The master plan did not allow the Port to handle the export of Oregon logs. The logs are cut in Oregon, trucked to the Port on Oregon trucks, and loaded to a ship in Oregon. Without the strategic plan, 22,000 loads of logs would have gone through the middle of Astoria to Longview. If anyone deserves an Oregon Department of Transportation (ODOT) grant, it is the Port of Astoria for taking those log trucks off the highway between Astoria and Longview. Now, an Oregon port gains the revenue that a Washington port was getting. Although Astoria did not want the log trucks driving through town, the State of Oregon was now reaping the benefits and the Port was no longer broke.

Mayor LaMear said she had originally objected to the log ships because she believed they would interrupt the cruise ships. Now, she understands that the cruise ship passengers love the logging operation, which was something they did not get an opportunity to watch.

Mr. Hunsinger noted only two City Councilors and the Mayor have attended Port meetings. He believed the Port Commissioners and City Councilors would have a better idea of what is going on if they attended each other's meetings.

Mr. Raichl added the Port Commission has decided each member would start attending various meetings throughout the County, and he has personally attended City meetings.

Mayor LaMear said Astoria did not like to see John Englund and Andrew Bornstein leave downtown Astoria and go to the Port. Astoria wants to make sure they are being treated well. She asked if Mr. Bornstein would be able develop the fish factory he has discussed where people could watch the canning process.

Jim Knight, Executive Director, Port of Astoria, said it was a bit premature for a public announcement; however, during his first week as Executive Director, he met with the Borensteins to discuss the possibility of resurrecting the fish factory. Since then, they have met three or four more times to discuss it and he promised Mr. Borenstein he would continue to create opportunities. He believed the fish factory is close to being developed. However, in addition to the fish factory, the entire area from the Red Building westward to the Bornstein building needs to be addressed, which incorporates the Riverwalk Inn. The inn's change of ownership the Port announced this week was a real impetus for the Port and the City to take a hard look at the plan to resurrect the fish factory. He believed the fish factory was definitely a possibility.

Mr. Fulton noted when Mr. Knight was hired, the Port had some immediate needs to address which he described. One was to improve the Port's relationships with the State and local governments, while respecting former agreements that tenants had with the Port. Mr. Knight immediately began holding tenant meetings. Recently Kurt Englund, retired Coast Guard Commander Doug Kaup and Steve Fick volunteered to work with Mr. Knight to develop a better parking plan for the Port and have offered to help Mr. Knight with other projects. There is good dialogue and the Port's relationship with the Englund's is one of respect. Many members of the Astoria community chastised the Port when it was discussing how to address the water outflow issue when copper was found in the runoff from the boatyard, and the community turned that decision around. There was a lot of activity from Astoria's citizens.

Robert Mushen, Assistant Secretary Treasurer, Port of Astoria Commission, believed there was a lot of misunderstanding about the Enterprise Zone. He understood some Councilors believed they had a conflict of interest with this issue. However, the procedure was initiated by the County, not the Port. The Port had no interest in starting the project, but wanted to support the County's interests. He asked City Council to reconsider

the Enterprise Zone in the future because he believed it would be valuable for the County, City of Astoria, and the Port.

James Campbell, Treasurer, Port of Astoria Commission, believed it was necessary for the City and the Port to have a good relationship and work together because the Port is one of the biggest landowners within the city limits. The Port rebuilt the breakwater at the East End Mooring Basin, which cost about \$30 million. The roadway, which is the City's 36th Street, is condemned. He believed the City may have vacated this roadway, but the Port needed help from the City to reconstruct the roadway and plan the use of the mooring basin. If the right viaduct were built in the mooring basin, it would accommodate a beautiful cruise ship landing. He believed the Port and the City could develop a fine facility in the East End Mooring Basin. He noted having Life Flight in Astoria also provided opportunities for more activity at the airport. He reiterated that the City and the Port need to work closely together so the Port can power up its economic engine and the City could benefit from that, too.

Mr. Knight added the East End Mooring Basin provides access to the river. Accessing the river is problematic for Astoria's citizens as the only other places to access the river are at the Yacht Club or the east end markets. He wanted the dog park next to the water so his dog would also have access to the water. Mayor LaMear asked if the Port had property available for a dog park. Mr. Knight responded a partnership was possible, but there was a deed issue was still being negotiated on the old Oregon State Seafood Plant property, which may become available.

Mr. Raichl said the Clean Air Act would impact the entire maritime industry. In order to comply with the Clean Air Act, vessels in California and Puget Sound will transfer to liquefied natural gas (LNG) fueling and the Washington State Ferry System is on a 12-year plan to convert to LNG. Usually, what happens in California occurs a few years later in Oregon. The Clean Air Act requires vessels approaching the coast from a certain distance out to transfer to LNG power to keep the air pollutant levels down. In order for the Port to compete, the Port will need LNG fueling stations. He did not know if fueling would take place from barges or dockside, or whether the fueling would be done by private entities. He understood this issue was controversial, but the issue is not about an LNG plant in Astoria. He was unsure what kinds of facilities would be needed for LNG fueling, but he understood the facilities would be nothing like what created such controversy a few years ago. LNG is simply a new type of fuel that all marine vessels will eventually transfer to and the Port will have to face this issue in the future.

Mr. Campbell listed several shipping, transportation, and ferry providers that have begun converting their ships to LNG power. He also noted that one company has begun developing portable fueling stations on barges. He anticipated an LNG cruise ship would arrive in Astoria by next year because Norway and Turkey are already building ships with LNG power. San Francisco is worried they will lose all of their steam ship business if they are unable to comply by the 2016 deadline. Fueling the barges is the biggest issue with this right now. He explained that the barges have all of the LNG equipment on board. They pull up next to a ship to recharge it with LNG, which is no different than the bunkering that already occurs with diesel. However, the Commission was a long way from understanding how the refueling process occurs. The Port receives information through technical publications and as they learn more about the process, they will share what they learn with the City.

Mr. Mushen said he was glad the Council softened their stance on bridge views in the Civic Greenway Area of the Riverfront Vision Plan because it greatly impacts the Port's ability to develop its property. The Port would like to discuss its position with City Council to see if a compromise can be agreed upon.

Mayor LaMear asked what kind of development plans the Port had.

Mr. Mushen said the Commission recently voted to change the operator of the Riverwalk Inn. Currently, there are no plans to rebuild the inn, but that could happen in the future. He believed a developer would want to rebuild the inn as high as the zoning permits. Much of the Port's property is along the shoreline where very strict limits on building heights would hamper development. While the Port does not have much development planned, it wants to protect its rights consistent with not blocking views.

Mr. Hunsinger added a new dock has been built on Pier 2, which has been completely paid off. The Port is also considering purchasing Tongue Point because the Columbia River is the only one of eight major rivers in the world without a seaport at its mouth. It is possible that the river will have a major seaport in the future. If the Port purchases Tongue Point, the rail system could be integrated into future projects. The Port secured \$79,000 in luxury tax for the City by saving the hotel. It would have cost the Port \$2.6 million to tear down the hotel and build

a new one, but the Port turned a \$70,000 deficit into a \$300,000 gain. There is a lot of nostalgia in the hotel, which is still in pretty good shape, and many ideas for redeveloping the hotel have been discussed. The Port of Astoria is an economic engine, tripling the jobs on public property in eight years. The jobs are quality jobs, not temporary positions. The Commission has discussed at length the need for good quality jobs in the area that allow families to be self-sufficient. Two-thirds of Clatsop County's small businesses are at risk under the Governor's plan. He urged everyone to attend an Oregon Fish Commission meeting on September 1, 2015. The Commission wants to protect the families that live in the area, so the Port is trying to create more jobs. The newspaper does not always print the right things, but the State's report on economic impact showed that the Port was doing well.

Councilor Warr understood the Columbia River is the number one port or area on the West Coast for fish landings. There are more commercial fish landings on this river than in Los Angeles, San Francisco, Newport, or anywhere else along the West Coast. He asked where most of those fish were processed.

Mr. Hunsinger said the largest processor is now a tenant of the Port of Astoria, confirming that most of the commercial fish is processed on Port property. Half a million pounds of fish is processed each day, seven days a week during the season, and the processor employs 350 people who work around the clock. Fish processing was why public cold storage is needed at the Port. Numerous entities have offered the Port a million dollars to get into a \$13 million cold storage facility to eliminate trucking their fish from various cold storage locations to the refrigerator container barges, which is now the cheapest shipping method. Currently, there was not enough room at the various cold storage places, and then, they also have to sort and put their product in a container to ship it. The entire process could be done at the Port, which would enable the processors to process even more fish.

Mayor LaMear understood the Port had an offer to build a cold storage. Mr. Knight explained this offer was to build the facility on the pier that was recently rebuilt. The Port wanted to reserve its right to allow ships to tie up at the pier instead of filling it with buildings. The Port Commissioners confirmed the ideal location for cold storage would be at the airport or Tongue Point.

Mr. Raichl noted the Commission had a joint meeting with the Airport Advisory Committee, where he heard some exciting news about the airport. A pilot at the meeting said the airport was one of the best small regional airports in the area and was very underutilized. The Port would like to market the airport and consider the possibility of having a pilot school.

Mr. Hunsinger said each processor markets their fish to different markets around the world. To protect marketing information, the processors want secure cold storage facilities. At one time, the Port met with two cold storage companies that were willing to build facilities if the Port could pay for half of the costs. However, the Port decided to use their funds for other things. Tuna boats are sitting at the dock for ten days running their refrigeration while waiting to get their fish delivered. If the Port had cold storage, the tuna boats could just deliver their fish to the storage facility. Fish is trucked June through September, when families are visiting and the traffic is congested. All of the processors need the refrigerated trucks at the same time. There are many great ideas that should be pursued and the Port needs be marketed better.

Councilor Warr said the Port's mission is economic development. In order for the local economy to be successful, the Port needs to be successful and Astoria should be a part of this. He believed this meeting provided a wonderful opportunity for the City to better understand that the City and the Port need to work together.

Councilor Price said some of the ideas the Commission has presented are fabulous, adding ports can be successful in a variety of ways. However, many citizens in the county are spending a great deal of time and money to keep LNG out of the area because they believe it is inappropriate for Astoria. The resources going in to defeat LNG could be used to build the community, which is heartbreaking. She believed this issue was a wall between the Port and the community that will not go away. The best thing for the Port to do is to be as community oriented as possible. Many of her constituents believe the Port does not listen to their concerns. This is why the boatyard and the parking at the end of Rivertrail became so important to people. She thanked the Port for their work.

Councilor Herzig understood the Port's concerns were economic, but the Council's concerns are for the well-being of the citizens of Astoria and sometimes, those concerns may come in conflict. The economy is evolving to include more tourism, but quality of life is critical. Astoria does not own the river, nor is it a steward of the river;

Astoria is a beneficiary of the river. Decisions are made about the proper use of City property, which may come in conflict with the Port. He asked that the Port refrain from threatening the City with lawsuits in the future. A good partnership does not begin with threats. He asked that the Port discuss issues with the City before reaching out with legal representation.

Mr. Raichl said that was in the past and the current Commission would not threaten the City with a lawsuit.

Mayor LaMear asked for an update on the Port's compliance with pollution guidelines.

Mr. Fulton explained that in July of 2014, the Department of Environmental Quality (DEQ) changed the stormwater standards, decreasing the amount of metals that could be released into the outflows. In order to meet the requirements, the Port must test its outflows four times a year at various locations. They discovered two outflows that contained more metals than allowed. The Port has hired a consultant to design a stormwater system that will be built at Pier 3 to treat the water so it meets the new standards. The Port has discussed this issue with Staff. This will be a very difficult task for the Port and in order to keep the boatyard operating, it may have to partner with the City to provide an alternative to putting the water, pre-treated by the Port, directly into the river by allowing the water to be distributed into the City's sewer system. He understood the City is spending a lot of money on its sewer upgrades, but noted the Port must do upgrades for the same reason as the City. Therefore, the Port is currently considering all options.

Mr. Raichl said the Port believes the levels of copper were arbitrary because they were settled by a lawsuit instead of science. He has calculated that pouring tap water into the Columbia River would be in violation of the new DEQ standards. However, the Port must comply with the law. He confirmed that the Port must distribute water with 20 times less mercury than the level of mercury that exists in natural water. The Port is not trying to pollute the river, but they are trying to operate an industrial operation and comply with the law.

Mayor LaMear asked what the Port had planned for the boatyard.

Mr. Raichl said in response to public outcry, the Port formed a citizens committee to study the boatyard and find out what the community wants. The Commission is looking forward to hearing their recommendations. Volunteers representing stakeholders, fisheries, and yacht owners signed up for the committee.

Mayor LaMear invited public comments, asking speakers to keep their comments to five minutes.

Lorrie Durham, 398 Atlantic, Astoria, said that for many years in Los Angeles and Santa Monica, busses have run on LNG. She called to ask questions about the LNG and learned that trucks fill the busses with LNG because there are no terminals. She believed LNG fueling would be okay in Astoria. She was also glad the City and the Port Commission had this meeting together because it important for them to work together. Open public conversations like this meeting will help.

Mr. Fulton said the *Marine Digest* is a great source of information about what the maritime industry is doing. The magazine is available online for free.

Shel Cantor, 1189 Jerome, Astoria, said he attended an informational meeting about the Enterprise Zone, where a representative from the State acknowledged that an Enterprise Zone would not allow a municipality to do things it could not already do. He asked Mr. Mushen to explain why he believed the City should change its position on the Enterprise Zone.

Mr. Mushen believed the success of Enterprise Zones varies greatly across the country. Some have been very successful while others have failed, so he understood it was a controversial topic. However, he did not see much of a downside. While the Enterprise Zone would not allow a municipality to do more than it already can, he would like to try it out. The only downside would be that the taxing entity would not receive taxes. However, the taxing entity would receive a greater tax base when development improved. He did not believe a failed Enterprise Zone would be the end of the world, so Enterprise Zones should be attempted in areas where economic development is needed. He was not trying to tell City Council how to vote, but was simply asking them to reconsider.

Mr. Knight believed an Enterprise Zone would give certainty to a potential developer. An Enterprise Zone brings together a variety of taxing districts that must agree to forgo their taxes for three years with the proviso that the new project would increase the tax base. This arrangement is made before the project is proposed. Without an

Enterprise Zone, a project would have to appeal to each taxing district individually and negotiate to forgo their taxes.

Mr. Cantor noted the taxing districts would not be allowed to deny any project that qualifies for participation in the Enterprise Zone.

Mr. Knight said the zoning could be changed prior to the project to prevent an unwanted project from being developed.

Mr. Cantor disagreed. He asked Mr. Knight to keep in mind this was one downside of an Enterprise Zone.

Councilor Price asked when Business Oregon was going to make a decision on the application for the Enterprise Zone. Mr. Knight said a decision would be made in the next couple of days.

Chris Farrar, 3023 Harrison Avenue, Astoria, said he was happy this meeting took place. He was very concerned about environmental issues, but he did not believe most of the Port Commission was concerned.

Mr. Knight replied that is not true.

Mr. Farrar thanked the Port for cleaning up the metals that had been distributed on the ground. He understood the Port was correcting what had been done in the past, but believed this was only because they had been compelled to do so. He wanted the Commission to realize the importance of engaging in the clean up without a lot of whining. None of the current Commissioners made the mess, but it is now their responsibility to work with people who are concerned. The problems have been identified and the Commission appears to be working on them. However, the absurd claim about pouring tap water into the river was a bad mathematical calculation. He encouraged the Commission to work with the people to clean up the mess.

Mr. Fulton added that the Port is dealing with the contamination from the oil spill in a very positive way.

Mayor LaMear thanked the Commissioners for attending, noting that City Council appreciated the opportunity to meet with them.

Mr. Hunsinger said he did not know what happened, so he did not understand why Councilors Herzig and Price did not trust the Port Commission, as reported in the newspaper. However, the Port is really trying to accomplish the same things as the City. The Commissioners are elected officials that are constantly trying to do the right thing. He also appreciated this joint meeting and was glad it turned out so well.

Mr. Fulton thanked Councilor Nemlowill for attending the Port Commission meeting and inviting the Commission to meet with City Council.

Mayor LaMear asked for more information about the meeting on September 1st.

Mr. Hunsinger said the Oregon Fish Commission would be meet on September 1st in Seaside to discuss commercial gillnet fisheries. The Port needs all elected officials to attend and speak at the meeting because the current plan will have a huge and terrible impact on the county, resulting in the loss of many jobs. He explained that 95 percent of the people in Oregon do not buy sport-fishing licenses and the 5 percent that do purchase licenses support the plan. Fishing may be the oldest industry in Oregon and four counties, two in Oregon and two in Washington, will be devastated by the plan. He would provide an update at a future City Council meeting.

Floyd Holcom announced that as a cargo ship passed, the orca in the East End Mooring Basin was flooded. The man operating the orca got out safely, but the orca is sinking.

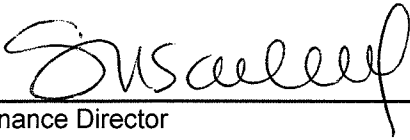
NEW BUSINESS & MISCELLANEOUS

REPORTS OF COUNCILORS

ADJOURNMENT

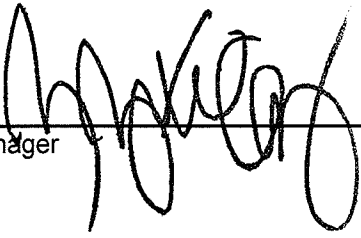
There being no further business, the meeting was adjourned at 8:20 pm.

ATTEST:



Finance Director

APPROVED:



City Manager