



COMMISSION MEETING
100 E STREET, COLUMBIA CITY, OR 97018
JUNE 12, 2024

BUDGET HEARING

8:30 A.M.

**THE COMMISSION MEETING WILL BEGIN IMMEDIATELY
FOLLOWING THE BUDGET HEARING**

The Port Commission Meeting will be in person. In accordance with state law, the meeting will be accessible via telephone or Zoom. Members of the public may attend the meeting electronically by:

<https://us02web.zoom.us/j/85108350615>

Call-In: (253) 215-8782

Meeting ID: 851 0835 0615

Passcode: 741176

I. CALL MEETING TO ORDER (President, Robert Keyser)

- A. Flag Salute**
- B. Roll Call**

II. ADDITIONS TO AGENDA

III. CONSENT AGENDA (Items marked with an asterisk are adopted by a single motion unless a Commissioner requests otherwise.)

- A. * Minutes: April 10, 2024 and May 22, 2024 Commission Mtg. and May 8, 2024 Budget Committee Mtg.**
- B. * Finance Report: May 2024**
- C. * May 2024 Check Register (A) and electronic payments in the total amount of \$ 459,061.57.**

IV. COMMENTS FROM THE PUBLIC

(Limited to 2 min. per person unless prior authorization is obtained)

V. NEW BUSINESS

- | | |
|---|-----------------------|
| A. <u>Resolution 2024-09</u> | Guy Glenn, Jr. |
| SETTING THE PORT TAX | |
| B. <u>Resolution 2024-10</u> | Guy Glenn, Jr. |
| APPROVING THE FY 2024-25 BUDGET | |
| C. <u>Resolution 2024-11</u> | Bob Salisbury |
| ROTATING THE NOMINATION PROCESS FOR THE ELECTION OF PRESIDENT | |
| D. <u>Resolution 2024-12</u> | Elliot Levin |
| APPROVING AN AGRICULTURAL LEASE WITH CRAIG COLEMAN AT PORT WESTWARD INDUSTRIAL PARK | |



VI. OLD BUSINESS

A. Marina Update

Miriam House

B. Airport Update

Lacey Tolles

NO PENDING THROUGH-THE-FENCE (TTF) APPLICATIONS

C. Lignetics/Neighbors Update

Sean P. Clark

D. Donations Policy Discussion

Gina Sisco

VII. EXECUTIVE DIRECTOR'S REPORT

VIII. COMMISSIONER REPORTS

IX. EXECUTIVE SESSION

The Board will hold an Executive Session to consider exempt public records, including written legal advice from Port General Counsel, which is privileged under ORS 40.225 and exempt from disclosure under ORS 192.355(9)(a) and ORS 192.660(2)(f).

X. ADJOURNMENT

Upcoming Meetings and Events

June 19		Juneteenth – Port Office Closed
June 26	TBD	Port Commission Work Session
July 2	5:30 p.m.	Scappoose Bay Marina Advisory Committee
July 4		Fourth of July – Port Office Closed
July 10	8:30 a.m.	Port Commission Meeting
July 29	5:00 p.m.	Scappoose Airport Advisory Committee

Agenda times and order of items listed are estimated and are subject to change without notice. This facility is ADA-accessible. If you need special accommodation, please contact the Port office at (503) 397-2888 or TTY (800) 735-1232, at least 48 hours before the meeting.

Pursuant to ORS 192.640 (1) the Port of Columbia County Commission reserves the right to consider and discuss, in either Open Session or Executive Session, additional subjects which may arise after the agenda is published.



COMMISSION MEETING MINUTES

APRIL 10, 2024
100 E. STREET
COLUMBIA CITY, OREGON 97018

The Port of Columbia County held a Board meeting at 8:30 a.m. on Wednesday, April 10, 2024, at the Port office and via Zoom (*) video conferencing with the following present:

Commissioners

Robert Keyser	President
Chip Bubl	Secretary
Nancy Ward	2nd Vice President
Nick Sorber	Treasurer
Brian Fawcett	Vice President

Staff

Sean P. Clark	Executive Director
Robert Salisbury	Port General Counsel
Guy Glenn, Jr.	Executive Finance Manager
Miriam House	Operations Manager
Elizabeth Millager	Operations Coordinator
Elliot Levin	North County Ops. & Terminal Mgr.

Guests

Scott Jacobson	St. Helens Parks & Trails Commission
Jerry Belcher	St. Helens Parks & Trails Commission
John Walsh	St. Helens City Administrator
Ralph Culpepper	Scappoose
Alta Lynch *	Scappoose
Brady Preheim	St. Helens
Jan Schollenberger	Columbia City
Brenda Vassau	Agricultural Info. Committee
Kim Karber	Interim Columbia City Mgr.
Steve Nelson	Lignetics
Michael Sykes	Columbia River PUD

Gina Sisco	Comm. & External Affairs Mgr.
Christa Burns	Administrative Assistant II
Lacey Tolles	Data Res. & Projects Spec./ Interim Airport Manager
Susan Tolleshaug*	Administrative Assistant
Brittany Scott *	Finance Assistant
Sydell Cotton *	Assistant Finance Manager

Guests (cont.)

Jasmine Lillich *	Clatskanie
Natasha Parvey	NEXT
Bob Gadotti *	Scappoose
TKarchenes	

President Robert Keyser called the Port of Columbia County Commission Meeting to order at 8:30 a.m. All Commissioners were present.

Additions To Agenda

Robert Keyser asked the Commission if there were any additions to the agenda. Nick Sorber requested to add a discussion on marina fishing. The Commission supported the addition. Sean Clark requested to add a guest presentation from St. Helens Parks and Trails, which the Commission also supported. Commissioner Keyser added St. Helens Parks and Trails to the first order of New Business and a Marina Fishing Update to Old Business. Mr. Keyser also set the precedent for at least two Commissioners to add to the Agenda.

Consent Agenda

Mr. Keyser asked for a motion to approve the consent agenda. Chip Bubl moved; Nick Sorber seconded a motion to adopt consent agenda items A and B: February 28, 2024 Minutes and March 2024 Finance Report. Motion carried unanimously.

Brian Fawcett moved; Chip Bubl seconded a motion to adopt consent agenda item C: Approval of Check Register (A) and electronic payments in the total amount of \$381,310.05. Motion carried unanimously.

Comments From the Public

Brady Preheim, St. Helens, stated that he is concerned with the public comment timeframe being limited to two minutes and the Commission should hold night meetings.

Old Business

Marina Update

Port Operations Manager Miriam House gave an update on projects at the Scappoose Bay Marina. The upland project is moving along on schedule, plans are at 100 percent, and the Port is preparing to submit an Invitation to Bid (ITB). The upland work includes building new pay stations and the Port maintenance staff found it more affordable to build them from scratch. There has been no movement on dredging since the last update on March 13. The Port is still waiting for information from the Oregon Department of Environmental Quality (DEQ). Ms. House would like to discuss the next steps with the Commission and mentioned Railroad Avenue as a possible dredge site. The Department of State Lands (DSL) is not offering any financial assistance for dredging, so the Port is looking into the possibility of assistance from DEQ. The channel has a three-to-four-foot draft which could be an issue for larger sailboats. Commissioner Fawcett wanted to clarify that the state does not maintain the channel outside of Scappoose Bay, nor does the state have any plans to dredge the channel. Ms. House confirmed and explained that it is not a navigational channel. Commissioner Keyser stated that kayaking is rated one of the top tourist destinations in Oregon and suggested engaging the state legislature. The Port has a meeting set up with DEQ regarding the channel. Executive Director, Sean P. Clark, said more will be discussed on dredging during the staff budget recommendations. Lacey Tolles also came forward to inform the Commission that Peak Electric and MSR Concrete will be on site at the marina beginning April 23 to begin installing the Electronic Vehicle (EV) charging stations.

Airport Update - there are no pending Thru-the-Fence (TTF) applications.

Lacey Tolles, Interim Airport Manager stated the airport gate has a new sign and the gate is working. The emergency generator project is moving along. There are no pending Thru-the-Fence (TTF) applications.

Marina Fishing Update

Commissioner Sorber brought up concerns about the current fishing ban within Scappoose Bay and requested it be added to the agenda. Miriam House came forward again to discuss the Scappoose Bay Marina fishing ban. Commissioners Sorber and Fawcett shared their understanding that the intent of the ban was to prevent sturgeon fishing and boats anchoring in the bay, but not to keep kids and the public from fishing. Mr. Sorber suggested revisiting this with the Oregon Department of Fish & Wildlife (ODFW) and revising it to only ban sturgeon fishing. Ms. House said that fishing is not banned on the bank, only inside the marina within the Department of State Lands (DSL) leasehold. Ms. House stated that the marina needs to be safe for all users. Mr. Fawcett asked for a map of the marina to be displayed. Mr. Clark pulled up a map to show the areas affected by the temporary ban, and the bank where fishing is still allowed. Commissioners Fawcett and Sorber are concerned that a large section of the bank where people have historically fished is currently closed off, limiting public access. Ms. House stated that boat anchoring and fishing off the docks has been impeding traffic and causing unnecessary navigational hazards. Additionally, there are safety concerns with Port staff, tenants, and marina guests. Mr. Clark asked about conversations with the Scappoose Bay Marina Advisory Committee, and Ms. House responded that the Advisory Committee was in favor of the fishing ban. Mr. Fawcett stated he has attended those meetings for several years and that he had a different recollection. As he recalls from those discussions, the intent was to ban sturgeon fishing and not to ban the public from fishing in those areas. Mr. Clark said the Commission is giving direction to discuss revising the policy, so staff will go back to the Advisory Committee to work through it and determine the best resolution for all.

Port Westward Dock Update

Elliot Levin, North County Operations & Terminal Manager, updated the Commission on the dock restoration efforts at Port Westward. At the last Commission meeting on March 13, Mr. Levin stated that the product, vapor recovery and inert gas lines had all been repaired and returned to service. The permanent walkway is now in place and extends for the full length of the pipe bridge with safety lighting installed. The Portland General Electric (PGE) water discharge line has been rebuilt, the electrical conduit has been connected, and the heat trace is in place on the two water lines. Commissioner Keyser suggested having an official local gathering to acknowledge the re-opening of the dock.

Lignetics/Neighbors Update

Sean P. Clark, Port Executive Director, gave an update provided by Lignetics Plant Manager, Steve Nelson. Lignetics has issued purchase orders for the capital items that were discussed, site visits have been made by suppliers, and they are confirming construction details. DEQ has acknowledged their permit changes and final approval is anticipated for August 2024. Mr. Nelson said that Lignetics is on track to add the misters, close the hammer mill, and have the sawdust under cover by June 1. Discussions are ongoing about relocating the truck entrance, as it also requires personnel and operational changes. Mr. Nelson added that they are reducing operating hours, and the plant will not be operating on weekends. Ms. Schollenberger shared a picture taken on April 9 showing the product that is stored outside and stated there were more emissions in the air that day due to the wind. She requested the changes be instituted earlier than June 1 and asked the Commission to apply pressure on DEQ. Mr. Keyser said the Port would be happy to write a letter. Ms. Ward asked if Lignetics had heard anything back from DEQ. Mr. Nelson replied that they were only informed that their application had been received. Lignetics restricted their footprint last summer due to reaching the offloading limit. Mr. Nelson said they could get the misters in place before June 1 and provide an update on the timeline. Ms. Schollenberger also suggested Lignetics keep an eye on the wind and adjust the sprinklers based on the wind direction.

New Business

St. Helens Parks and Trails Commission

St. Helens Parks and Trails Commissioners Scott Jacobson and Jerry Belcher, and St. Helens City Administrator John Walsh gave a PowerPoint presentation to inform the Port of Columbia County Commission about a proposal to build a joint loop trail at Milton Creek. The proposed loop trail would be located on both City of St. Helens and Port of Columbia County property. In March 2024, Mr. Jacobsen and former City Councilor, Patrick Birkle, met with Port staff members Sean Clark and Lacey Tolles to gauge interest in pursuing the joint trail development project. The reaction was positive, and the St. Helens Parks and Trails Commission were invited to present it to the Port Commission. They would like feedback from the Port Commissioners and staff about project feasibility and to solicit input regarding key stakeholders and partnerships to involve in the process should the project proceed. The joint loop trail would be approximately three miles and would follow Milton Creek from McCormick Park to the riverfront.

Composting Facility Feasibility Study

Brenda Vassau, Project Manager for the Agricultural Information Committee, gave a PowerPoint presentation on a proposed composting facility on Port property in Clatskanie. The property is just over 194 acres and currently has hybrid poplar trees. This proposal incorporates keeping the trees on the land by using a thinning process rather than eradication to start clearing the land in a sustainable way. Ms. Vassau said the proposed facility would be a long-term solution for the agricultural community throughout the region. As part of the feasibility study, she reached out to local farmers, gardeners, and composting facilities throughout the state not related to ecology or waste control organizations. The purpose of the independent feasibility study was to compare with other independent composting facilities. Ms. Vassau described some composting resources and land management strategies, and explained why the composting facility is a suitable alternative. Farmers could avoid paying for a rendering service or sending animal waste to a landfill, neither of which are

viable options. The advantages also include job creation and keeping local resources in the county. Some of the challenges include DEQ and county permitting which could cause delays. Ms. Vassau proposed a ground lease with the Port maintaining ownership of the land and a rent-free period for sustainable land development. The other option would be a rent-to-own purchase agreement. She would like the Port to consider how the proposal works in alignment with the Port's strategic plan. Nancy Ward inquired about start-up costs. Ms. Vassau explained she did not have that information at this time and offered to put together a five-year plan to present to the Commission.

PGE Delay with Legal Agreements

Elliot Levin, North County Operations & Terminal Manager, informed the Commission about difficulties the Port has encountered working with Portland General Electric (PGE) to update the Port Westward legal agreements, including several use agreements and easements. Many of these agreements involve several tenants and the Port and need to be processed within a reasonable time, as delays by one party impact others and affect our ability to do business at Port Westward. The process started six years ago and in October 2019 the Port sent draft agreements to PGE. In November 2019, Port Staff and Commissioner Keyser met at the PGE office in downtown Portland to discuss the agreements. At that time, PGE promised to send revised documents within two weeks. The Port has been trying to get these agreements completed for the past three years. In an effort to get the agreements completed, the Port requested an in-person meeting between the Port Westward industrial tenants and Port staff. Participants flew into Portland from across the country for a 2-day meeting at PGE's Portland office in October 2023. Port staff including Elliot Levin, Sean Clark, Robert Salisbury, and Christa Burns attended those meetings. Ms. Burns ran the technology and modified documents in real time as the parties went over them. Each legal agreement was reviewed line-by-line. PGE, Columbia Pacific Bio Refinery (CPBR), and the Port divided up the agreements and set deadlines for each to circulate their drafts. CPBR and the Port met their deadlines. PGE chose to edit the Water Discharge Agreement. However, instead of modifying the agreement discussed at the in-person meeting, PGE proposed a different agreement describing their concept of what the water discharge agreement could be. On March 21, 2024, during the regular monthly phone call that has taken place for many years, PGE's sole representative was someone attending for the first time who had no knowledge of ongoing issues. PGE representatives promised to have the documents reviewed by the end of April. Port staff have brought this concern to the attention of the Commission to find a way to improve the process and finish legal agreements that involve PGE. Mr. Levin shared with the Commission some ideas from Port staff to consider in the future. The first option would be to remove PGE as manager of the water discharge system. Secondly, the Port could remove PGE from infrastructure agreements such as the Dock Use Agreement. The third option would be to reduce the PGE lease footprint on the industrial land surrounding the Beaver Plant in order to reduce the easements involving PGE and free up land for industrial tenants. The current process is not working, and while Port Staff does not have a recommended course of action at this time, we would like to discuss these ideas with the Commission to develop a better way to process the legal agreements in a timely manner.

Resolution 2024-05

APPOINTING RACHEL ARMITAGE, DANIEL GARRISON, RACHAEL BARRY, PAUL LANGNER, AND ROBERT GADOTTI TO THE BUDGET COMMITTEE

Budget Committee members serve as volunteers and play a vital role in advising the Commission on the budget. Currently, there are five vacant positions on the Budget Committee. Port Executive Finance Manager, Guy Glenn, Jr. recommends adopting Resolution 2024-05 to appoint Rachel Armitage, Daniel Garrison, Rachael Barry, Paul Lagner and Robert Gadotti to the Budget Committee. The first Budget Committee meeting will take place on May 8, 2024, when a presiding officer will be appointed. A second Budget Committee meeting will be held with the Commission on May 22, 2024. The Budget is scheduled to be approved on June 12, 2024.

President Keyser called for a motion to approve Resolution 2024-05. Chip Bubl moved; Brian Fawcett seconded a motion to adopt Resolution 2024-05. The motion carried unanimously.

Budget Priorities: Staff Recommendations: Impose the Port Tax

Sean P. Clark, Executive Director and Guy Glenn, Jr., Executive Finance Manager for the Port both came forward to present staff recommendations for the fiscal year 2025 budget. Mr. Glenn began by providing a recap of the discussion on capital budget priorities from the March 27 Commission work session. Mr. Glenn went over the reserves and cash position of the Port and explained they are only assumptions. His recommendation is to take a conservative approach to the Port's finances while seeking revenue-generating projects and investments. Staff is recommending that the Commission vote to impose the full amount of the Port tax. Mr. Clark stated that the seismic upgrades at Port Westward will be a priority at Port Westward due to being required by law. Multnomah Industrial Park is being considered for the Port maintenance shop. Priority projects at Scappoose Airport include westside pavement, emergency generator installation, and runway rehabilitation. For Scappoose Bay Marina, the recommendation by Port staff is to invest in upland improvements including access for ADA parking, a new kayak unloading area, improved lighting and landscaping, and increased safety for pedestrians. The Port will also install a new pay station at the marina and upgrade the existing one. Recommendations for the marina also include developing a plan for fiscal year 2026 and investing the port tax in upland improvements. There are no capital projects planned for McNulty Industrial Park, Railroad Avenue, or Clatskanie Business Center. Based on these staff recommendations, approximately \$4M has been cut from the fiscal year 2025 budget. Mr. Glenn also recommended the Port consider a financial policy on reserves. The formal budget process will include two budget committee meetings in May 2024 followed by a budget hearing with public comments, and then filing with the county by June 30, 2024.

Executive Director's Report

Provided and read by Sean Clark. Mr. Clark reported that he attended the Scappoose Annual Town Meeting last Saturday, April 6, with Commissioner Nancy Ward and Gina Sico. Later that day, he and Ms. Ward met with Senator Jeff Merkley. Mr. Clark and Amy Bynum are participating in the Columbia County Business Community Connection Project along with the Columbia Economic Team (CET), which is being led by Sierra Trass with the Columbia County Small Business Development Center (SBDC). He thinks it will be helpful to the Port and beneficial to the business climate of the overall area. They will attend the first task force on Thursday, April 11. Mr. Clark will also have lunch with Senator Wyden local representative, Ree Armitage, next Wednesday, April 17. The Executive Director's Report is on file at the Port Office.

Commissioner Reports

Brian Fawcett stated attendance has not been great at the second monthly Commission meetings, and suggested less frequent, higher value meetings. Mr. Fawcett stated that as the person who initially proposed having evening meetings, he feels strongly about giving the public opportunities to comment. He proposed the Commission establish quarterly evening work sessions in various locations in the district versus monthly.

Nick Sorber said he appreciates all the hard work by Port staff, and that he enjoys the PowerPoint slides and pictures.

Chip Bubl stated that he has enjoyed the quality of the materials over the past months and thanked the Port staff.

Nancy Ward seconded Commissioner Bubl's comments and stated the importance of being consistent and available to the public. Ms. Ward thinks the public should be given advance notice if there is a change to the meeting schedule. She also thanked Brenda Vassau for her presentation and said she is excited to see how the composting facility might work for both the Port and the community as a whole. Ms. Ward attended the Scappoose Town Hall meeting on April 6, 2024, and stated there was a huge amount of community support and input.

Mr. Keyser commended the Port maintenance staff for their work and their plan to build the pay

stations rather than farming them out. Saving money is appreciated, and he hopes the Port can find the funds to build a new maintenance shop. Mr. Keyser stated that he values the discussions and debates, which are reasons the Port has five Commissioners. He thanked the other Port Commissioners and said he appreciates everybody's point of view on the issues.

Port Executive Director, Sean Clark suggested holding off on Executive Session until after the Port receives a reply from PGE, and the Commission agreed. Mr. Clark also acknowledged Michael Sykes, General Manager of Columbia River Public Utilities District (CRPUD) attending.

Executive Session

Port General Counsel, Robert Salisbury announced that Executive Session was listed on the agenda, but the Commission decided there will be no Executive Session.

**THERE BEING NO FURTHER BUSINESS BEFORE THE COMMISSION, THE MEETING
ADJOURNED AT 11:23 A.M.**

President

June 12, 2024

Date Adopted by Commission

Secretary

The Port of Columbia County held a Board meeting at 8:30 a.m. on Wednesday, May 22, 2024, at the Port office and via Zoom (*) video conferencing with the following present:

Commissioners

Robert Keyser	President
Chip Bubl	Secretary
Nancy Ward	2nd Vice President

Guests

Tammy Maygra	Deer Island
Paul Langner	Rainier
Bob Gadotti	Scappoose
Howard Blumenthal	Scappoose Bay Marina Advisory Committee
Ralph Culpepper	Scappoose
Brady Preheim	St. Helens

Staff

Sean P. Clark	Executive Director
Robert Salisbury	Port General Counsel
Guy Glenn, Jr.	Executive Finance Manager
Miriam House	Operations Manager
Elizabeth Millager	Operations Coordinator
Elliot Levin	North County Ops. & Terminal Mgr.
Gina Sisco	Comm. & External Affairs Mgr.
Christa Burns	Administrative Assistant II
Lacey Tolles	Data Res. & Projects Specialist / Interim Airport Manager
Susan Tolleshaug*	Administrative Assistant
Brittany Scott *	Finance Assistant
Sydell Cotton *	Assistant Finance Manager

President Robert Keyser called the Port of Columbia County Commission Meeting to order at 8:30 a.m. Commissioners Bubl, Ward and Keyser were present. Commissioners Sorber and Fawcett were absent.

Additions To Agenda

Robert Keyser asked the Commission if there were any additions to the agenda. There were no additions. Mr. Keyser stated that any long-term agenda items requiring more discussion will wait until there is a full Commission, but any time-sensitive items will be addressed at the meeting.

Comments From the Public

Tammy Maygra stated the Port should not initiate the tax and that Next Energy (NEXT) should be held accountable for their rent payments.

Howard Blumenthal, Vice Chair of the Marina Advisory Committee, made the disclaimer that his comments do not represent the viewpoints of the Committee. Mr. Blumenthal stated that he is unsure where he stands on reimposing the Port tax. He objected to raising the rates at the marina and suggested the Port adjust the price for parking based on size and weight of the vehicle. He said he is unsure how much longer the marina will be viable with more people and larger boats and mentioned the possibility of building a new facility further down the bay. His stance is to either increase fees or impose the tax, but not both. With the marina usage being more widespread, he is concerned it may become less user-friendly for our local citizens.

Paul Langner stated that since the Budget Committee meeting on May 8, he had received six phone calls about the Port reconsidering the tax. Mr. Langer stated that five of those six callers said the Port should act self-sufficient and surrender taxing authority. Mr. Langner addressed

this by referencing ORS 777.430 to 777.510 which indicates the importance of ports having the ability to tax. He stated that foregoing the tax would not only affect the credit rating of the Port, but also the credit rating of the County and the Port's bonding authority. Impacting matters such as credit rating, bonding authority, and borrowing capacity would also limit certain long-term grant opportunities. Mr. Langner encouraged the Port to reinstate the tax and dedicate it to public waterways access across the entire Port district while keeping the Port's fiscal responsibility intact for bonding ability.

Brady Preheim objected to the evening meeting being rescheduled to a morning meeting. He stated that all Commissioners know the meeting schedule and need to show up or resign. Mr. Preheim also objected to the short public comment period. He suggested the Port focus on cost-cutting and charging NEXT for their full lease. He also pointed out that every tax measure on the most recent election failed, which is a clear indication that people are against being taxed. Mr. Preheim said he would not be opposed to bringing back the Port tax if it were put toward public access and NEXT was held accountable for what they owe.

Ralph Culpepper expressed his opposition to the Port tax and encouraged the Port to work harder on filling the buildings and growing its gross revenues.

Old Business

Port Tax: Why It is Needed

Executive Director, Sean P. Clark presented a PowerPoint to provide information for the Commission to consider in deciding whether to impose the Port tax for the 2024-25 fiscal year. Commissioner Keyser announced that no decision will be made at the meeting today, and the vote will take place at the next Commission meeting on June 12. Mr. Clark recommended the Commission impose the full amount of the Port tax at \$0.0886 per \$1,000 of assessed value and stated that imposing the tax is an investment in the future of the Port. After hearing a budget presentation at the May 8, 2024 Budget Committee public meeting and seeing the full financial picture of the Port, all five citizen members of the Budget Committee recommended imposing a Port tax of \$0.04 per \$1,000 of assessed value. Mr. Clark explained that the three main reasons the Commission should vote to support the tax are to maintain existing properties and infrastructure, to diversify our revenue stream, and to improve public waterway access. Mr. Clark stated that the Scappoose Bay Marine Park operates at a loss every year and the current cost of dredging is over \$2.7 million. Public waterway access and continued capital investment at the marina is unsustainable without public funding. According to recent figures from the Columbia County Tax Assessor, a tax rate of \$0.04 per \$1,000 would yield \$226,318 in annual revenue. A tax rate of \$0.0886 per \$1,000 would yield \$501,296 annually. The Port tax has a significant impact over time and would yield approximately \$1.9 million over a period of four years and \$5 million over 10 years. The Port of Columbia County is the only Oregon public port that does not impose a tax. Significant changes have also taken place since 2020 including a \$29 million seismic dock upgrade at Port Westward, \$20 million in site cleanup at Railroad Avenue, and \$3 million in dredging costs at the marina. Additionally, private security in 2023 and 2024 for Trestle Beach costs over \$50,000 while the Port charges no fees for public access to Trestle Beach. The Port tax revenue would fund improvements to public waterway access at properties like Scappoose Bay Marine Park and Trestle Beach. As part of the proposed FY 2024-25 Budget, the property tax levy assessment must be approved by the Port Commission before it is adopted and then voted on at the June 12 meeting.

New Business

Resolution 2024-08

APPROVING WESTSIDE PAVEMENT MAINTENANCE CENTURY WEST SCOPE OF WORK
Lacey Tolles, Interim Airport Manager, presented Resolution 2024-08 for approval of the Westside Pavement Maintenance Phase II Scope of Work. Ms. Tolles informed the Commission that in 2023 the Port worked with airport engineer Century West to prepare a Federal Aviation Administration (FAA) Airport Improvement Program grant application. The grant was awarded to the Port for a 90% reimbursement. Following approval of Resolution 2024-08 the Port will open an Invitation to Bid (ITB).

Nancy Ward moved; Chip Bubl seconded a motion to adopt Resolution 2024-08. The motion carried unanimously, 3-0.

Donations Policy Discussion

Gina Sisco, Communications and External Affairs Manager shared the Port's current Donations Policy that was adopted in 2002 and amended through Resolution 2009-13. The Commission made a request to review the Port's Donations Policy and discuss the possibility of a revision. The discussion was tabled until the next meeting when all Commissioners are present.

Supporting Columbia River Anchorages

Elliot Levin, North County Terminal and Operations Manager, came forward to ask the Commission to support the Port writing a letter in favor of the U.S. Coast Guard's (USCG) effort to establish federally designated anchorages at Crim's Island, Port Westward (PWW) and Rice Island. This effort is supported by maritime organizations such as the Columbia River Steamship Operators Association (CRSOA) and the Maritime Fire and Safety Association (MFSA). The MFSA leads and coordinates responses on the Columbia River. In addition, river operators and service providers such as Shaver, Foss, various ship agencies, ports, Columbia River Pilots (COLRIP), Columbia River Bar Pilots, and others are supporting this effort. Mr. Levin explained that the increasing vessel size in the Columbia River Channel makes it necessary to create additional anchorages where vessels can wait for weather, tides, berths, and to anchor during an emergency. These anchorages provide a place of refuge with sufficient depth and keep the navigational channel clear. Mr. Levin noted that all three anchorages have been used since 2016 without being federally designated. The PWW anchorage is the farthest place down river where vessels can safely turn around before reaching Astoria. There have been no reported incidents or complaints related to vessels using the PWW anchorage. Increasing USCG oversight, prioritizing commercial vessel usage, and allowing the installation of stern buoys are some advantages of the federal designation. Currently, larger vessels must use standby tugs which would no longer be necessary if there were stern buoys. Eliminating the need for standby tugs would save monies and provide environmental benefits. Mr. Levin would like the Commission to authorize a letter of support in favor of this project. Comments are due by June 7, 2024. Nancy Ward asked why standby tugs are needed. Mr. Levin responded that they help to avoid the large vessels swinging into the channel due to having only one bow anchor. Mr. Keyser added that stern buoys work well in Rainier. The Commission came to consensus to proceed with a letter in support from the Port.

Executive Director's Report

Provided and read by Sean Clark. The Executive Director's Report is on file at the Port Office. Mr. Clark announced that a renewable diesel vessel will be arriving at Port Westward on May 23. The Port is still working with the Moore Rd. contractors at Scappoose Airport to install conduit for lighting and an 8-inch gas line along Airport Rd. for future development. The Port has a meeting set up with ORPET to discuss a preliminary enforcement notice. Lignetics in Columbia City received an unannounced inspection from DEQ a couple weeks ago. Lignetics and the Port are working together on some deferred maintenance items as well as reducing the sawdust. The Port received the \$2.6 million insurance settlement that is going into a dedicated account for the Railroad Avenue site cleanup. Mr. Clark will be attending the Pacific Northwest Waterways Association (PNWA) Summer Conference in Clarkson, WA in June. He also announced the Port will have a booth at Citizens Day in the Park in St. Helens on June 22, Columbia County Fair and Rodeo on July 18, and the Columbia City Celebration on August 10.

Commissioner Reports

Chip Bubl stated he did not have much to report since the last meeting except that he has continued to review the budget.

Nancy Ward announced that the Agricultural Information Committee meeting scheduled for Monday, May 20 was cancelled, so there will not be another meeting until July. However, there is work going on behind the scenes and there will be more to come.

Robert Keyser commented that he is open to discussion on the Port tax. Mr. Keyser affirmed that the Port's public speaking times have not changed in many years. He announced that the next Port Commission meeting will be on June 12.

Executive Session

Port General Counsel, Robert Salisbury announced that Executive Session was listed on the agenda, but the Commission decided there will be no Executive Session.

**THERE BEING NO FURTHER BUSINESS BEFORE THE COMMISSION, THE MEETING
ADJOURNED AT 9:13 A.M.**

President

June 12, 2024

Date Adopted by Commission

Secretary



**PORT OF COLUMBIA COUNTY
BUDGET COMMITTEE MEETING
May 8, 2024
10:00 A. M.**

Committee Members

Robert Keyser	Bob Gadotti
Nancy Ward	Paul Langner
Chip Bubl	Rachel Armitage
Brian Fawcett	Daniel Garrison
Nick Sorber	Rachael Barry

Staff Members

Sean P. Clark	Amy Bynum
Guy Glenn, Jr.	Bob Salisbury
Miriam House	Elliot Levin
Gina Sisco	Elizabeth Millager
Christa Burns	Brittany Scott (Zoom)
	Susan Tolleshaug (Zoom)

Guests in attendance:

Ralph Culpepper

The Port of Columbia County Budget Committee Meeting was called to order by Commission President, Robert Keyser at 10:20 a.m.

Mr. Keyser welcomed the committee members to the meeting and asked for introductions then called for nominations for the budget chairperson. Paul Langner moved to nominate Bob Gadotti as the Budget Committee Chair; Brian Fawcett seconded the nomination. There being no further nominations, President Keyser called for a vote. Motion carried unanimously, 10-0.

Executive Finance Manager, Guy Glenn, gave a PowerPoint presentation outlining each section of the budget.

Chairman Gadotti opened the floor for questions and comments from the audience.

A discussion was held on reinitiating the tax levy and the citizen budget committee recommended imposing the Port tax at 0.400% of assessed value for the proposed FY 24-25 budget.

Ralph Culpepper gave public comment in opposition of the tax.

Rachael Barry made a motion to approve the proposed FY 24-25 budget with changes to reallocate \$50,000 from the Scappoose Bay Marina boat purchase to the Scappoose Airport hangar demolition. Robert Keyser seconded the motion. Chairman Gadotti called for a vote and the motion carried unanimously, 10-0.

Daniel Garrison made a motion to set the tax levy rate at 0.0400% per \$1,000 of assessed value for the proposed FY24-25 budget. Paul Langner seconded the motion. Motion carried 8-2.

There being no other business, Mr. Gadotti adjourned the budget meeting at 12:45 p.m.

President

Date Commission Approved

Secretary



STAFF REPORT

Finance Report May, 2024

DATE: June 12, 2024
TO: Port Commission Board
FROM: Guy Glenn
Executive Finance Manager
RE: Finance Update: April 2024 – May 2024

Discussion:

This agenda item is a preliminary report of the Port's financial statements.

Income Statement and Balance Sheet: Due to the timing of this report, the May 2024 financial statements will be provided in July. The April Income Statement and April 30th Balance Sheet are included on the next two pages.

Cash and Investments as of May 30, 2024: \$13,479,292

Checks and electronic payments issued in May 2024 totaled: \$459,061.57

May Highlights:

The FY25 budget committee meeting was held on May 8th. The approved budget was advertised in advance of the budget hearing and final adoption, scheduled for today, June 12th.

The Port received \$2,562,144.86 from Great American Insurance Company regarding our Railroad Avenue property. These funds will be tracked separately but are included in the total cash and investments above. Our Fiscal Year End is approaching on June 30th. We have started working with our Auditors from Kern Thompson in preparation for our FY24 audit. Susan Tolleshaug will be retiring at the end of June. We will have a new temp-to-hire staff member joining our team the week of June 10th to cross-train with Susan. We plan to transition them into a fulltime permanent position upon completion of a successful trial period.



Income Statement For the period ending April 30, 2024

	Current	Yr To Date	Annual	%	Prior YTD
	Actual	Actual	Budget	Remaining	Actual
Resources					
Property Taxes	35	8,226	10,000	17.7%	10,407
Licenses and Permits	49,274	471,010	607,905	22.5%	457,529
Rents and Reimbursements	516,690	5,686,576	5,539,770	-2.7%	4,456,151
Terminal Services	46,128	365,591	718,925	49.1%	461,223
Bayport RVPark	10,500	89,058	161,757	44.9%	124,817
Parking Fees	16,797	44,114	35,191	-25.4%	26,410
Launch Fees	-	22,393	59,264	62.2%	32,818
Other Marina Fees	430	2,340	6,556	64.3%	2,644
Grants	-	377,292	400,000	5.7%	47,035
Loan Proceeds	-	-	400,000	100.0%	483,186
Interest Earnings	46,299	413,642	200,000	-106.8%	195,283
InterGovernmental Income	-	-	-	0.0%	-
Contributions	-	-	-	0.0%	-
Miscellaneous Income	12,710	90,225	30,000	-200.7%	58,712
				0.0%	
Total Resources	698,864	7,570,467	8,169,368	7.3%	6,356,216
Requirements					
Personnel Services	191,355	2,027,558	2,824,265	28.2%	1,765,369
Materials and Services	646,626	2,432,422	2,295,741	-6.0%	1,953,400
Capital Outlay	40,713	663,829	7,295,000	90.9%	483,697
Debt Service	-	695,851	785,664	11.4%	445,803
Contingency	-	-	3,062,743	100.0%	-
Total Requirements	878,694	5,819,660	16,263,413	64.2%	4,648,269
Ending Fund Balance	(179,830)	1,750,807		0.0%	1,707,947

Port of Columbia County Balance Sheet
Prior YTD Comparison
As of April 30, 2024

	Apr 2024	Apr 2023
ASSETS		
Current assets		
Cash and Investment	9,892,421	9,058,443
Cash restricted for debt payments	921,778	268,746
Receivables, net of allowances	429,549	99,049
Prepaid Expenses	27,796	995
Total current assets	11,271,544	9,427,233
Noncurrent assets		
Capital Assets	-	-
Depreciable capital assets	63,908,238	63,661,532
Non depreciable capital assets	12,090,960	11,807,769
Accumulated depreciation	(34,062,558)	(31,870,002)
Capital assets, net	41,936,640	43,599,300
Receivables from other organizations	1,593,711	7,593,270
Total noncurrent assets	43,530,351	51,192,570
Deferred outflows of resources	285,578	439,963
Total Assets and deferred outflows	55,087,473	61,059,765
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable	(3,851)	63,923
Accrued interest payable	77,291	141,698
Retainage Payable	-	-
Accrued payroll costs	(437)	(43,216)
Compensated balances	169,742	106,661
Deferred revenue	(108)	37
Deposits	681,298	672,306
Notes payable and assessment debt - current	268,196	740,167
Total current liabilities	1,192,131	1,681,575
Noncurrent liabilities		
Notes Payable	4,702,099	4,307,726
Special assessment debt with government commitment	1,455,970	6,975,063
Environmental Clean-up Liab. RR Ave	19,600,000	-
Net pension liability	865,616	948,408
Total noncurrent liabilities	26,623,685	12,231,197
Deferred inflows of resources	-	-
Net position		
Investment in capital assets, net of related debt	29,519,113	29,519,113
Unrestricted	(3,169,233)	17,359,135
Restricted for debt payments	921,778	268,746
Current Year Income (loss)		
Total net position	27,271,657	47,146,993
Total liabilities, deferred inflows and net position	55,087,473	61,059,765

**Port of Columbia County
Vendor Check Register Report - A**

Check No.	Vendor ID	Vendor Name	Check Date	Amount	Voided
45142	BUBL001	Chip Bubl	5/2/2024	\$150.00	No
45143	FAWC001	Brian Fawcett	5/2/2024	\$150.00	No
45144	KEYS001	Robert Keyser	5/2/2024	\$150.00	No
45145	SORB001	Nick Sorber	5/2/2024	\$150.00	No
45146	WARD001	Nancy Ward	5/2/2024	\$150.00	No
45147	CITY003	City of St. Helens	5/2/2024	\$130.66	No
45148	DAHL001	VASA Hldgs LLC dba	5/2/2024	\$158.71	No
45149	GADO001	Robert Gadotti	5/2/2024	\$1,350.00	No
45150	PAUL001	Paulson Printing	5/2/2024	\$730.40	No
45151	VOYA001	Voya - State of Oregon	5/2/2024	\$4,434.00	No
45152	WARD001	Nancy Ward	5/2/2024	\$237.85	No
45153	WSPU001	WSP USA Inc	5/2/2024	\$173.37	No
45154	ACEH001	Ace Hardware - St Helens	5/9/2024	\$173.29	No
45155	ACEH002	Ace Hardware - Scappoose	5/9/2024	\$28.98	No
45156	AMBI001	Ambient IT Solutions	5/9/2024	\$1,657.00	No
45157	ASHC001	Ash Creek Forest Management, LLC	5/9/2024	\$3,600.00	No
45158	BANK001	BMO Financial Group	5/9/2024	\$6,544.94	No
45159	CARQ001	General Parts Distribution	5/9/2024	\$40.52	No
45160	CHRI002	Chris O Janitorial LLC	5/9/2024	\$2,738.66	No
45161	CINT001	Cintas First Aid & Safety	5/9/2024	\$108.00	No
45162	CINT002	Cintas Corporation No 3	5/9/2024	\$274.08	No
45163	CITY001	City of Columbia City	5/9/2024	\$248.57	No
45164	CITY005	City of Clatskanie	5/9/2024	\$85.50	No
45165	CLAT002	Clatskanie PUD	5/9/2024	\$964.54	No
45166	COMC003	Comcast Business-Ethernet	5/9/2024	\$7,042.04	No
45167	CONN001	Connecta Satellite Solutions LLC	5/9/2024	\$44.78	No
45168	HUDS001	Hudson Garbage Service	5/9/2024	\$840.76	No
45169	HUDS002	Hudson Portable Toilet Service	5/9/2024	\$422.00	No
45170	LAWR001	Lawrence Oil Company	5/9/2024	\$45.00	No
45171	LOOPN001	LoopNet	5/9/2024	\$660.00	No
45172	MARI002	Maritime Fire & Safety Association	5/9/2024	\$270.00	No

45173	MIKE001	Mike George Paving Inc	5/9/2024	\$25,610.00	No
45174	MILL004	Elizabeth Millager	5/9/2024	\$366.70	No
45175	MILN001	Adam Milner	5/9/2024	\$225.00	No
45176	MYSY001	My System Shield LLC	5/9/2024	\$3,106.00	No
45177	OAWU001	Oregon Association of Water Utilities	5/9/2024	\$75.48	No
45178	OREG004	Oregon Department of State Lands	5/9/2024	\$499.11	No
45179	OREI001	O'Reilly Auto Enterprises LLC	5/9/2024	\$32.98	No
45180	OTAK001	Otak Inc	5/9/2024	\$2,134.50	No
45181	PACI005	Pacific Office Automation	5/9/2024	\$357.00	No
45182	PORT001	American City Business Journal	5/9/2024	\$190.00	No
45183	QUIL001	Staples Inc dba	5/9/2024	\$161.75	No
45184	SAIF001	SAIF Corp	5/9/2024	\$3,480.39	No
45185	SDIS001	SDIS	5/9/2024	\$924.92	No
45186	SHRE001	Shred Northwest, Inc	5/9/2024	\$60.00	No
45187	SONI001	Sound Security, Inc	5/9/2024	\$567.32	No
45188	SUNS001	Sunset Auto Parts	5/9/2024	\$68.16	No
45189	WARD001	Nancy Ward	5/9/2024	\$16.48	No
45190	WAST002	Waste Management of OR, Inc.	5/9/2024	\$33.45	No
45191	WILC001	Wilson Oil Inc dba	5/9/2024	\$674.87	No
45192	NWNA001	NW Natural Gas Company dba	5/10/2024	\$8,044.00	No
45193	CABL001	Cable Huston	5/16/2024	\$1,017.50	No
45194	CENT001	CenturyLink	5/16/2024	\$243.54	No
45195	CINT002	Cintas Corporation No 3	5/16/2024	\$123.31	No
45196	COLU010	Columbia River Steamship Operators	5/16/2024	\$131.54	No
45197	CSAP001	CSA Planning Ltd.	5/16/2024	\$641.50	No
45198	GEOE001	GeoEngineers	5/16/2024	\$19,909.70	No
45199	KAIL001	Erik Kailiuli	5/16/2024	\$174.00	No
45200	ATTM001	AT&T Mobility	5/16/2024	\$985.26	No
45202	KOLD001	Culligan	5/16/2024	\$75.20	No
45203	LOWT001	Dayle Shulda dba	5/16/2024	\$425.00	No
45204	NUIS001	John A. Norvell dba	5/16/2024	\$175.00	No
45205	NWNA001	NW Natural Gas Company dba	5/16/2024	\$109.63	No
45206	PNWA001	Pacific Northwest Waterways Association	5/16/2024	\$520.00	No
45207	PORT002	Portland General Electric	5/16/2024	\$7,499.46	No

45208	PRES001	Forrest Preston	5/16/2024	\$225.00	No
45209	RAIN004	Rainier Days in the Park	5/16/2024	\$1,000.00	No
45210	SHER001	Sherwin-Williams	5/16/2024	\$15.70	No
45211	SHRE001	Shred Northwest, Inc	5/16/2024	\$60.00	No
45212	SONI001	Sound Security, Inc	5/16/2024	\$8,852.16	No
45213	STEW001	Stewardship Solutions, Inc	5/16/2024	\$7,934.99	No
45214	VOYA001	Voya - State of Oregon	5/16/2024	\$4,434.00	No
45215	ZIPL001	Zipty Fiber	5/16/2024	\$130.56	No
45216	CENT001	CenturyLink	5/23/2024	\$103.26	No
45217	CENT003	CenturyLink	5/23/2024	\$55.60	No
45218	CHAR001	Charter Communications	5/23/2024	\$217.04	No
45219	CINT002	Cintas Corporation No 3	5/23/2024	\$58.08	No
45220	CITY004	City Of Vernonia	5/23/2024	\$72.00	No
45221	COLU008	Columbia River PUD	5/23/2024	\$3,737.75	No
45222	COMC001	Comcast	5/23/2024	\$2,255.74	No
45223	COSC001	Cosco Fire Protection	5/23/2024	\$9,375.00	No
45224	DAHL001	VASA Hldgs LLC dba	5/23/2024	\$589.42	No
45225	FELT001	Felton's Heating and Cooling	5/23/2024	\$277.50	No
45226	MARI001	Maritime Commerce Club	5/23/2024	\$65.00	No
45227	METR001	Metro Overhead Door	5/23/2024	\$60.00	No
45228	MILL004	Elizabeth Millager	5/23/2024	\$364.00	No
45229	NWNA001	NW Natural Gas Company dba	5/23/2024	\$123.92	No
45230	QUIL001	Staples Inc dba	5/23/2024	\$44.78	No
45231	SCAP002	Scappoose Sand and Gravel	5/23/2024	\$195.78	No
45232	TJDS001	TJD Solutions, Inc	5/23/2024	\$135.00	No
45233	TOLL001	Lacey Tolles	5/23/2024	\$295.13	No
45234	WILC001	Wilson Oil Inc dba	5/23/2024	\$723.16	No
45235	BLUE001	Blue Heron Septic and Drain Service	5/30/2024	\$4,700.00	No
45236	BROW001	Harold Brown	5/30/2024	\$195.30	No
45237	CENT002	Century West Engineering	5/30/2024	\$17,751.00	No
45238	CHRI002	Chris O Janitorial LLC	5/30/2024	\$2,738.66	No
45239	CITY002	City of Scappoose	5/30/2024	\$1,965.20	No
45240	CITY003	City of St. Helens	5/30/2024	\$25,749.41	No
45241	CLAT002	Clatskanie PUD	5/30/2024	\$647.41	No

45242	COLU031	Columbia River Motorsports	5/30/2024	\$45.04	No
45243	COMC002	Comcast Business-Office Phones	5/30/2024	\$1,031.40	No
45244	COTT001	Sydell Cotton	5/30/2024	\$50.00	No
45245	COUN001	Country Media	5/30/2024	\$207.60	No
45246	GADO001	Robert Gadotti	5/30/2024	\$825.00	No
45247	LESS001	Les Schwab Tire Center	5/30/2024	\$74.98	No
45248	LUKI001	Clint Lukich	5/30/2024	\$225.00	No
45249	MCMU002	McMullen Water System	5/30/2024	\$50.00	No
45250	METR001	Metro Overhead Door	5/30/2024	\$52.50	No
45251	OREI001	O'Reilly Auto Enterprises LLC	5/30/2024	\$6.79	No
45252	ORKI001	Orkin LLC	5/30/2024	\$89.99	No
45253	SCOT001	Brittany Scott	5/30/2024	\$50.00	No
45254	SUNS002	watkins Tractor & Supply dba	5/30/2024	\$190.88	No
45255	VOYA001	Voya - State of Oregon	5/30/2024	\$4,434.00	No
113			Sub Total	\$214,893.13	

Electronic Withdrawals

WDL000006250	ADP001	ADP Payroll		\$63,039.68	No
WDL000006294	PERS001	PERS		\$10,244.20	No
WDL000006293	ADP001	ADP Payroll		\$65,184.33	No
WDL000006322	ADP001	ADP Payroll		\$64,263.49	No
WDL000006327	PERS001	PERS		\$9,422.77	No
DAJ000006282	REGE001	Regence		\$29,932.09	No
DAJ000006279	STAN002	The standard		\$2,081.88	No
SubTotal - Electronic Withdrawals				\$244,168.44	

Grand Total \$459,061.57

RESOLUTION NO. 2024-09

IMPOSING THE TAX

BE IT RESOLVED that the following ad valorem property taxes are hereby imposed upon the assessed value of all taxable property within the district for tax year 2024-2025 only:

At the rate of \$0.0400 per \$1,000 of assessed value for permanent rate tax.

CATEGORIZING

BE IT RESOLVED that the taxes imposed are hereby categorized for purposes of Article XI section 11b as:

Subject to the General Government Limitation

Permanent Rate Tax \$0.0400/\$1000

BE IT RESOLVED by the Board of Commissioners of the Port of Columbia County as follows:
The above resolution statements were approved and declared,

PASSED AND ADOPTED this 12th day of June 2024 by the following vote:

AYES: _____

NAYS: _____

Port of Columbia County

By: _____
President

Attested By:

Secretary

RESOLUTION NO. 2024-10

ADOPTING THE FY 2024-2025 BUDGET, MAKING APPROPRIATIONS

BE IT RESOLVED that the Board of Commissioners of the Port of Columbia County hereby adopts the budget for the fiscal year 2024-2025 in the total amount of \$17,791,288. This budget is now on file at 100 E Street in Columbia City, Oregon.

MAKING APPROPRIATIONS

BE IT RESOLVED that the amounts shown below are hereby appropriated for the fiscal year beginning July 1, 2024, for the following purposes:

Enterprise Fund

Executive	\$	1,193,132
Business Development & Planning		636,933
Finance/Administration		822,527
Facilities & Property Management		5,164,396
Terminal Services		2,666,574
<u>Not Allocated to Organizational Unit or Program:</u>		
Personnel Services	\$	21,480
Materials and Services		28,668
Debt Service		386,743
Contingency		6,870,835
Total	\$	7,103,168

Total Appropriations, All Funds 17,791,288*

Total Unappropriated, All Funds 0

TOTAL ADOPTED BUDGET \$ 17,791,288*

(*amounts with asterisks must match)

BE IT RESOLVED by the Board of Commissioners of the Port of Columbia County as follows: The above resolution statements were approved and declared

PASSED AND ADOPTED this 12th day of June 2024 by the following vote:

AYES: _____

NAYS: _____

Port of Columbia County

By: _____
President

Attested By:

Secretary



Res. 2024-11 STAFF REPORT

Officer Elections: Rotating the President

DATE: June 12, 2024
TO: Port Commission
FROM: Bob Salisbury, Port General Counsel
RE: **Officer Elections: Rotating the President**

Discussion

At the Commission's request, Port staff present a draft revised policy to rotate the nomination for the election of Commission President. The revision is meant to allow all Commissioners the opportunity to be Commission President.

ORS 777.140 (2) states that "a board shall choose from its number a president, vice president, treasurer and secretary, who shall hold their offices until the next election of officers . . ." Port Policy 008 requires only an annual election at the first meeting in July, so the rotating nomination concept would be new.

Please see the attached draft for purposes of Commission discussion and decision. Under this new Policy, the priority of nominations for President in July 2024 would be:

- 1: Chip Bubl
- 2: If Chip Bubl declines the nomination, Brian Fawcett.
- 3: If Brian Fawcett declines the nomination, Nick Sorber.
- 4: If Nick Sorber declines the nomination, Nancy Ward.
- 5: If Nancy Ward declines the nomination, Robert Keyser.

Other changes to discuss are (1) that the Vice President would automatically be the second priority Commissioner and (2) how to define the concept of seniority. This is defined in the attached draft as consecutive years of service for the current term and any directly preceding terms of office but excluding time prior to any re-election to the Commission.

Recommendation

Discuss the attached draft and make revisions as necessary. If no revisions, adopt Resolution 2024-11, amending Policy 008 Organization of the Commission.

RESOLUTION NO 2024-11

A RESOLUTION ROTATING THE NOMINATION PROCESS FOR THE ELECTION OF PRESIDENT

WHEREAS, at the Commission's request Port staff drafted a revised policy to rotate the nomination process for the election of Commission President annually; and

WHEREAS, ORS 777.140 (2) gives the Commission full authority to decide the manner of choosing its President and Port Policy 008 only requires an annual nomination and election at the first meeting in July; and

WHEREAS, the order of priority outlined in the new Policy 008 would now be to nominate the Commissioner who has (a) the most seniority and has never served as President; (b) the most seniority and the longest period of time since they served as President; or (c) not been President for the longest period of time since they last served as President; and

WHEREAS, under the revised Policy 008 the Vice President shall be selected based upon the Commissioner second in priority; and

WHEREAS, under the revised Policy 008 seniority is defined by consecutive years of service as a Commissioner for the current term and any directly preceding terms of office (excluding time prior to any re-election to the Commission); Now, therefore

BE IT RESOLVED by the Board of Commissioners of the Port of Columbia County as follows:

The Board approves the proposed revisions to the attached Port Policy 008 so that the President will be nominated on a rotating basis.

PASSED AND ADOPTED this _____ day of June 2024, by the following vote:

AYES: _____ **NAYS:** _____

ABSTAIN: _____

PORT OF COLUMBIA COUNTY

By: _____
President

Attested By:

Secretary

Organization of the Commission

1. At the first Commission meeting in July of each year, there shall be elected a President, Vice President, Secretary, Treasurer and Assistant Secretary Treasurer. **The President shall be selected by a majority vote on a rotating basis at each election, subject to a Commissioner accepting a nomination. In the election of President, nominations shall be made in the following order of priority: (a) the Commissioner with the most seniority who has never served as President shall be nominated first; (b) the Commissioner with the most seniority who has not been President for the longest period of time since their term as President concluded shall be nominated second; (c) the Commissioner who has not been President for the longest period of time since their term as President concluded shall be nominated third. The Vice President shall automatically be selected based upon the Commissioner second in priority under the above order of priority. Seniority is defined by consecutive years of service as a Commissioner for the current term and any directly preceding terms of office. If a Commissioner leaves office and is later re-elected, the time prior to re-election does not count towards seniority for purposes of the election of President.** Each officer so elected shall take office immediately and shall serve until his/her successor is elected and qualified to serve. In order for a member of the Commission to be eligible for nomination for office of President or Vice President, he/she shall have served one previous year on the Board of Commissioners.

2. If the President should resign or for any reason be unable to fulfill his/her obligation during his/her term of office, the Vice President shall automatically fill the position of President. In the event any other office becomes vacant, the position found vacant shall be filled at the next regular meeting of the Board of Commissioners by nomination and vote of the remaining Commissioners.

3. The duties of the President shall be to preside at all meetings/work sessions of the Commission, to sign all documents which require a formal signature of the Commission, to create special committees, and to appoint Commissioners to those special committees. Commission concurrence will be required on the creation of special committees and the appointment to those committees. The President shall be called upon for the final individual vote on roll-call votes.

4. The Vice President shall preside in the absence of the President and shall perform such duties as may be assigned by the President.

5. A person who shall not be a member of the Board of Commissioners shall be hired to take the minutes of all Commission meetings.

6. Legal Reference: ORS 777.140



Res. 2024-12 STAFF REPORT

Approving an Agricultural Lease with Craig Coleman

DATE: June 12, 2024
TO: Port Commission
FROM: Elliot Levin, North County Operations & Terminal Manager
RE: **Approving An Agricultural Lease with Craig Coleman**

Discussion

Port Staff has been negotiating with Craig F. Coleman for the lease of 118 acres at Port Westward. This land has recently become available to lease as it is no longer subject to the Timber Reservation Agreement.

Craig Coleman started farming and renting agricultural land in 1982. Their operation consists of 1,800 acres in the Hermiston area, and they are now establishing an operation in the Port Westward through the purchase of about 300 acres in the Beaver Drainage Improvement Company (BDIC).

Over the first year, they will work on improving the land for agriculture by grinding stumps and removing woody debris. Initially, they will plant grass seed, and then over time, they will add crops depending on future market demand. This lease allows them to grow crops and graze livestock.

The term of the lease is four years. Initial Rent will be \$30.00 acre/year (\$3,540 annually). This increases to \$150.00 acre/year during the third and fourth year (\$17,700 annually). If the lease is extended after four years, rent increases to \$175.00 acre/year (\$20,650 annually).

Recommendation

Adopt Resolution 2024-12, authorizing the Board President to sign the attached Lease with Craig F. Coleman Inc.

RESOLUTION NO 2024-12

**A RESOLUTION APPROVING AN AGRICULTURAL LEASE WITH
CRAIG COLEMAN AT PORT WESTWARD INDUSTRIAL PARK**

WHEREAS, Craig F. Coleman Inc. (CCI) a farming company, has been working with Port Staff to lease 118 acres for their agricultural operations at Port Westward; and

WHEREAS, CCI has agreed to an initial Rent of \$30.00 per acre per year (\$3,540 annually), which will increase to \$150.00 per acre per year after two years (\$17,700 annually). Should the lease be extended beyond the initial four-year term, the rent will further increase to \$175.00 per acre per year; and

WHEREAS, Port staff recommends the adoption of the attached lease; Now, therefore

BE IT RESOLVED by the Board of Commissioners of the Port of Columbia County as follows:

The Board authorizes the Board President to execute a new lease with Craig F. Coleman, Inc. as presented.

PASSED AND ADOPTED this _____ day of June 2024, by the following vote:

AYES: _____ **NAYS:** _____

ABSTAIN: _____

PORT OF COLUMBIA COUNTY

By: _____
President

Attested By:

Secretary

AGRICULTURAL LEASE AGREEMENT
BETWEEN

PORT OF COLUMBIA COUNTY

AND

CRAIG F. COLEMAN, INC.

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AGRICULTURAL LEASE AGREEMENT

This Agricultural Lease Agreement ("Lease") is effective the _____ day of _____, 2024, ("**Effective Date**") by and between The Port of Columbia County, a Municipal corporation of the State of Oregon ("**Port**"), and Craig F. Coleman, Inc. as Tenant or Lessee ("**Lessee**").

1. Lease

Subject to the terms and conditions herein, the Port hereby leases to Lessee, and Lessee leases from the Port, the real property "AS IS" as described in the attached **Exhibit A** ("Premises"). Lessee shall be liable for the breach of any representation or warranty herein as well as any liability or obligation to the extent incurred after the Effective Date and throughout the Term, including any Extension Terms, of this Lease.

2. Term: 4 Years

The Premises are leased for a term ("Term") commencing on the Effective Date and ending on November 1, 2028.

3. Rent

A. July 1, 2024 – June 30, 2025

Rent to be paid by Lessee to Port, shall be set for the first lease year will be at the fixed amount of \$30 per acre per year, and based upon the 118 acres outlined in **Exhibit A**, the first annual payment due to the Port shall be **\$3,540.00**. The \$3,540.00 payment, as well as all Rent thereafter under this Lease, is due and payable annually on or before June 30th of each year of the Term or Extension Term, as the case may be.

B. July 1, 2025 – June 30, 2026

Rent will continue at the rate of **\$30** per acre per year but will be subject to the Rent Adjustment outlined in Section 7 and 8.

C. July 1, 2026 – June 30, 2027

On July 1, 2026 Rent will increase to **\$150.00** per acre per year (\$17,700) but will **not** be subject to the Rent Adjustment in Section 7 and 8.

D. July 1, 2027 – June 30, 2028

Rent will continue at the rate of **\$150.00** per acre per year but will be subject to the Rent Adjustment outlined in Section 7 and 8.

E. July 1, 2028 – June 30, 2029 (If Applicable)

If the Lease is extended pursuant to Section 5, Rent will increase to **\$175.00** per acre per year but will **not** be subject to the Rent Adjustment outlined in Section 7 and 8.

F. July 1, 2029 – June 30, 2030 (If Applicable)

If the Lease is extended pursuant to Section 5, Rent will continue at the rate of **\$175.00** per acre per year and will be subject to the Rent Adjustment as outlined in Section 7 and 8.

Failure to pay Rent is an immediate Event of Default per Section 20.

4. Extension Terms

Starting annually in 2027, the Lessee shall submit a written request to the Port between January 1st and March 31st for a one-year extension of the then-current Term ("Extension Term"). If the Port approves Lessee's request for an extension, the Extension Term will begin on July 1st each year with the lump sum payment due on or before June 30th of the then-applicable Extension Term. If the parties do not agree to such an extension, this Lease will terminate on November 1st following the expiration of the current Term to allow Lessee to harvest the current crop. Should the lease terminate, Lessee shall make a lump sum payment for all Rent due at the then-current rate for the period from July 1st to November 1st. Such Rent shall be paid prior to June 30th, failing which the lease will terminate on June 30th and Lessee must vacate. If Lessee fails to vacate by June 30th, Lessee will be considered a Holdover Lessee pursuant to Section 25 of this Lease. ,

For example, if the parties agree to an Extension Term on March 31, 2027, the Lease expiration date will be extended one year from November 1, 2028 to November 1, 2029, and if the parties do not agree to an Extension Term by March 31, 2027, the Lease will terminate on November 1, 2028 (provided the Lessee pays July 1 – November 1st Rent by June 30th) and Lessee must vacate the Premises.

5. Conditions of Extension

The terms and conditions of the Lease for each Extension Term shall be the same as those for the Term except that: (a) Approval of any Extension Term shall be in the Port's sole discretion (b) Rent shall be increased at the beginning of each Extension Term in accordance with the formula set forth in Section 7; (c) the Security Deposit will be adjusted to reflect the adjustment in Rent; (d) insurance provisions will be updated if requested by the Port in the Port's sole discretion; and (e) the Port will require any modifications or changes legally required to bring the Lease into compliance with then-current law (collectively, "**Extension Amendments**"). Should the Port approve Lessee's request for an Extension Term, the Port shall have thirty (30) days thereafter to notify Lessee, in writing, of the proposed Rent, any proposed adjustments to the Security Deposit, including the basis for the adjustment, and any Extension Amendments (including the proposed Rent). Lessee shall then have thirty (30) days to accept the Extension Amendments or the Lease terminates.

6. Rent Adjustment

Beginning on July 1, 2025, and continuing throughout the Term and any Extension Term thereafter, the amount of Rent will be adjusted annually to reflect the effect which inflation has had on the purchasing power of the dollar, but in no event will said

rent be less than the Rent paid during the immediately preceding Term ("Rent Adjustment"). The Rent Adjustment will be based upon the change, if any, from the CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U) EXCLUDING FOOD AND ENERGY FOR WEST REGION as published by the U.S. Bureau of Labor for the month of December preceding the Rent Adjustment, as compared with the same Consumer Price Index published as of the period preceding the expiration of the preceding year of any Extension Term (the "CPI Rate").

7. Effective Date of Rent Adjustment

Lessee acknowledges that adjustments to Rent will be effective as of July 1 of any then-applicable Term or Extension Term. Lessee agrees to (i) begin paying the increased Rent upon notification by the Port; and (ii) pay any difference between the Rent actually paid to the Port and the adjusted Rent due for the then-applicable Term or Extension Term under the schedule outlined in Section 4. In the event that proration of Rent is required under this Lease, Rent shall be prorated based upon a thirty (30)-day month.

8. Use by Lessee

8.1 Allowed Use. Lessee shall use the Premises for planting and harvesting of grass and other purposes directly related thereto, as well as grazing of livestock and all federally approved farming and ranching, specifically excluding marijuana and/or hemp farming ("Allowed Use"). Lessee shall further comply with all applicable state, local and federal laws, rules and regulations and Lessee must conduct his operations in a way that does not impact adjacent agricultural or industrial landowners and/or Tenants. No use other than the Allowed Use may be made of the Premises without the prior written approval of the Port, which approval shall be given or denied in the sole discretion of the Port.

8.2 Hazardous Substances. The Port and Lessee recognize that as part of Lessee's Allowed Use, Lessee will use some Hazardous Substances as defined by state and federal law ("Hazardous Substances"). Lessee agrees not to materially violate any legal requirements regarding Hazardous Substances and Lessee shall furnish to Port, upon request, all information regarding such alleged material violation of legal requirements in the use of Hazardous Substances. Failure to provide information to Port upon request, or any finding in Port's sole discretion of a material violation of the use of Hazardous Substances, shall be considered an Event of Default by Lessee.

8.3 Property Leased "AS IS." Lessee acknowledges and agrees that Lessee has made its determination to lease the Premises based upon Lessee's inspection and investigation of the Premises, and is leasing the Premises "AS IS," without any representations or warranties by Port. Lessee specifically acknowledges that Port makes no representations or warranties regarding environmental matters or hazardous substances, as defined under state and federal law. Lessee has, prior to the execution hereof, had the opportunity to conduct all tests and inspections deemed necessary or appropriate by Lessee with respect to the Premises and the suitability of the Premises for Lessee's intended use. Port shall have no liability because of, or as a result of, the

existence of any law, regulation, or condition, either on the Premises or on adjacent land, that might affect Lessee's intended use of the Property. Notwithstanding the foregoing, Lessee shall not be liable for any costs or required actions related to any cleanup or remedial action required by any governmental agency under any statute or regulation for any hazardous material on the Premises which existed prior to the date of possession by Lessee.

9. Lessee's Duties

In addition to the obligations set forth herein, Lessee, at Lessee's expense, shall provide all necessary labor and take all action necessary to accomplish the following:

9.1 Fences and Facilities. Lessee will be responsible for all fencing required to keep livestock within the Premises. Any existing fencing and like farm infrastructure on Port property will be maintained by Lessee. Use of existing infrastructure, replacement of, and/or amending of any such existing infrastructure requires Port approval. Installation of additional permanent fencing requires Port approval. Use of real property (including, but not limited to, barns, sheds, utilities, and the like) within the Premises is not inherent in this agreement. Additional terms, conditions, and rental may be required as Port dictates.

9.2 Grazing Practices. Best Management Practices (BMP) shall be used by Lessee for the care of the livestock and forage resources within the Premises. BMP shall include, but not limited to, protection of sod cover on levees and ditch banks and immediate removal of carcasses. Lessee shall keep materials and supplies commonly used for agricultural grazing operations in a neat and orderly manner when such items are stored in any manner on Port property. Trash, refuse, and/or used materials must be immediately removed. Creation of ruts and/or damage to access roads, levee embankments, levee crowns, and ditch banks are prohibited. If such damage occurs immediate notification to Port is required. Additional fencing may be required by Port to exclude areas within the Premises where grazing will not be permitted. In Port's sole discretion, Lessee may be required to add additional fencing to create a buffer area between the Premises and other Port tenants and/or Port property.

9.3 Water Management. Maintain contouring and level the ground to be a slope necessary for efficient run off and minimal topsoil erosion. Ditch cleaning and ditch maintenance (including repair and maintenance of culverts) shall be the responsibility of the Lessee. Ditch cleaning and ditch maintenance (including the repair and maintenance of culverts) shall be split equally by Port tenants on both sides if a ditch acts as a boundary between two leases. Spoils are considered beneficial and costs to spread them will be borne by the parties who elect to take them. In the event of any disagreement between Port tenants, the Port retains sole authority to resolve all disputes regarding any such costs.

9.4 Weed Control. Control the weeds on and along the boundaries of the Premises, roadways, driveways, and drainage ditches. Maintain a high level of weed control in the field employing sound agricultural practices and registered herbicides.

9.5 Beaver Drainage Improvement Company ("BDIC"). Port will pay all annual assessments owed to BDIC and Port will retain all voting rights related to the acreage on the Premises. Lessee is otherwise responsible for compliance with all BDIC requirements and restrictions, including but not limited to, compliance with requirements regarding access roads, field surfaces, levee embankments, levee crowns and maintenance of all BDIC-owned and Port-owned ditches on the Premises.

9.6 NRCS Payments. Lessee is entitled to all receive all payments from the Natural Resources Conservation Service ("NRCS") for agricultural enhancement programs on the Premises. The Port is under no obligation to apply for any such NRCS grant funding or benefits.

10. Liens Not Permitted

Lessee shall not suffer or permit any liens (excluding agricultural liens attached to Lessee crops) to attach to the interest of Lessee in all or any part the Premises by reason of any work, labor, services, or materials done for, or supplied to, or claimed to have been done for or supplied to, Lessee or anyone occupying or holding an interest in all or any part of the Premises through or under Lessee. If any such lien shall at any time be filed against the Premises, Lessee shall cause the same to be discharged of record within thirty (30) days after the date of filing the same, by either payment, deposit, or bond. Nothing in this Lease shall be deemed to be, or be construed in any way as constituting, the consent or request of Port, express or implied, by inference or otherwise, to any person, firm, or corporation for the performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration, or repair of or to the Premises, or as giving Lessee any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that might in any way give rise to the right to file any lien against Port's interest in the Premises or against Port's interest, if any. Lessee is not intended to be an agent of Port for the construction of Improvements on the Premises. Port shall have the right to post and keep posted at all reasonable times on the Premises any notices that Port shall be required to post for the protection of Port and of the Premises from any such lien.

11. Taxes, Security Deposit, Attorney Fees

11.1 Taxes. Lessee shall pay all taxes and assessments levied against the Premises or upon any taxable interest of Lessee acquired pursuant to this Lease or any taxable possessory right Lessee may have in or to the Premises or the improvements located thereon, as well as all taxes on all taxable Premises, real or personal, owned by Lessee in or about the Premises, including any other tax or charge levied wholly or partly in lieu thereof (together, "Taxes"). Lessee shall make all payments on or before the date payment is due. Lessee shall supply the Port with proof that Taxes have been timely paid. In the event that Lessee fails to pay Taxes on or before their due date, then, in addition to all other remedies set forth herein, the Port shall automatically have the right, but not the obligation, to pay the Taxes and any interest and penalties due thereon, with no notice to Lessee, and Lessee shall immediately reimburse the Port for any sums so

paid. Lessee understands and agrees that should this Lease expire or be terminated prior to the end of any given fiscal tax year ("Tax Year") that Lessee will nonetheless be responsible to pay Taxes assessed for the entire Tax Year. The Tax Year for Columbia County is currently July 1 through June 30.

11.2 Security Deposit. On or before the Effective Date, Lessee shall deposit with the Port **\$3,770.00** as a Security Deposit, defined as the sum of three (3) months of prorated Rent and one year of estimated taxes. The Security Deposit shall be in the form of cash or letter of credit in favor of the Port without penalty and without approval of Lessee, in a form and bank acceptable to the Port. The Security Deposit shall secure Lessee's full and faithful performance and observance of all of Lessee's obligations under this Lease and under any other written agreement between Lessee and the Port. The Security Deposit shall not be considered to be held in trust by the Port for the benefit of Lessee and shall not be considered an advance payment of Rent or a measure of the Port's damages in the case of an Event of Default by Lessee. The Port may, but shall not be obligated to, draw upon and apply the Security Deposit to: (a) pay any Rent or any other sums due to the Port by Lessee and not paid on or before the date it is due and the Port shall not be required to give notice or opportunity to cure before drawing on the Security Deposit; or (b) to pay attorney fees and costs for any legal work which has been requested by Lessee as outlined herein and **Exhibit B**; or (c) to remedy any other Event of Default of this Lease, after Lessee has received notice and opportunity to cure, if such notice and opportunity to cure is required under this Lease. If the Port applies any of the Security Deposit to any of the above, Lessee shall, immediately upon demand, replenish the Security Deposit to its full amount. If Lessee fully performs all of its obligations under this Lease, the Security Deposit, or any balance remaining, will be released within thirty (30) days from the Expiration Date or termination of this Lease and delivery of the Premises to the Port. However, if any question exists concerning Lessee's full compliance with the Lease or if there is any obligation under this Lease to be performed after the Expiration Date or earlier termination of this Lease, the Port shall be entitled to require that the Security Deposit remain in place until the Port is fully satisfied that there has been no Default of the Lease and all obligations due under this Lease have been fully performed. In addition to any other remedy provided in this Lease or at law, the Port shall have the option but not the obligation to use the Security Deposit or a portion thereof to offset any costs or damages incurred as a result of Lessee's failure to perform its obligations at the termination or expiration of the Lease. The Security Deposit will be adjusted at any Extension Term in the sole discretion of the Port, but in no event less than the most recently adjusted Security Deposit. Notwithstanding the above provisions of this Section, the Port shall have the right at any time during the Lease Term or any Extension Term to require Lessee to deposit an additional Security Deposit with the Port and/or provide additional financial assurance reasonably acceptable to the Port, in an amount or amounts reasonably determined by the Port to be commensurate with any increased risk associated with any of the following events: (i) as a condition of Port approval of Lessee's use, storage, handling, processing, manufacturing or recycling of Hazardous Substances not authorized; (ii) if the Port has given notice of violation of any provision of this Lease more than two (2) times during any consecutive twelve (12) month period; or (iii) upon Lessee's exercise of the Renewal Option, to adjust for added risks such as increases in basic rent, property taxes, and other additional rent.

11.3 Attorney Fees to be Paid by Lessee. Lessee hereby acknowledges and agrees that, in the event Lessee requests that the Port incur attorney fees for legal work which is solely the result of Lessee requesting that such legal work be completed, then Lessee shall bear the responsibility to pay for any and all Port legal costs associated with such a request made by Lessee. Prior to the commencement of any legal work, Lessee agrees to sign an Agreement to Pay Costs for Attorney's Fees (attached example as **Exhibit B**, incorporated by reference). Under this arrangement, if the funds are unavailable or the Port chooses not to withdraw the funds directly from the Security Deposit, Lessee will pay a deposit to the Port prior to commencement of any legal work. The Port General Counsel or other Port legal representative ("Port Attorney") will then bill against the deposited funds at an hourly rate established by the Port Attorney. If the deposited funds are exhausted or are otherwise unavailable to be withdrawn from the Security Deposit, Port Attorney may cease legal work until such time as Lessee makes an additional deposit for legal costs as determined by Port in consultation with Port Attorney. Any such additional deposit(s) shall be paid immediately by Lessee in order for any legal work to continue. In the event any legal costs remain unpaid by Lessee after legal work is completed and such funds cannot be withdrawn from the Security Deposit, Lessee shall pay all such additional legal costs in full to Port within 30 days after receiving notice from the Port. If there are funds remaining upon completion of the legal work, any remaining balance will be returned to Lessee at the sole discretion of Port. Port will provide an itemized billing summary upon request by Lessee.

12. Insurance

At all times during this Lease, Lessee shall provide and maintain the following types of coverage. Insurance requirements set forth below do not in any way limit the amount or scope of liability of Lessee under this Lease. The amounts listed indicate only the minimum amounts of insurance coverage the Port is willing to accept to help insure full performance of all terms and conditions of this Lease. All insurance required by Lessee under this Lease shall meet the following minimum requirements. The Port requires and shall be entitled to any broader coverage and/or higher policy limits maintained by the Licensee. Any and all available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be made available to the Port.

12.1 General Liability Insurance. Lessee shall maintain an occurrence form commercial general liability policy or policies insuring against liability arising from premises operations, independent contractors, products completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract) occurring on or in any way related to the Premises or occasioned by reason of the operations of Lessee in an amount of not less than TWO MILLION DOLLARS (\$2,000,000) per occurrence.

12.2 Property Insurance. Lessee shall throughout the Lease Term keep the Premises and all other buildings which are owned by Lessee on the Premises insured against loss by fire and other hazards by such policies as determined by the Port. The amount of the insurance shall be equal to the full insurable replacement cost of the building and all other Improvements located on the Premises. If the coverage is available and

commercially appropriate, the policy or policies must insure against all risks of direct physical loss or damage, including coverage for debris removal and the enforcement of any applicable requirements requiring the upgrading, demolition, reconstruction, or replacement of any portion of the Property as the result of a covered loss. Lessee shall bear the expense of any insurance insuring the property of Lessee on the Premises against such risks.

12.3 Automobile Liability Insurance. In the event that automobiles are used in connection with Lessee's business or operations at the Premises, Lessee shall maintain an automobile liability policy or policies insuring against liability for bodily injury, death, or damage to Premises, including loss of use thereof, and occurring in any way related to the use, loading or unloading of any of Lessee's automobiles (including owned, hired and nonowned vehicles) on and around the Premises. Coverage shall be in an amount of not less than TWO MILLION DOLLARS (\$2,000,000) for each accident.

12.4 Workers' Compensation Insurance. Lessee shall maintain in force Workers' Compensation insurance for all of Lessee's employees in accordance with all requirements of Oregon law. Lessee shall also maintain employer's liability coverage in an amount of not less than ONE MILLION DOLLARS (\$1,000,000) per accident and ONE MILLION DOLLARS (\$1,000,000) per employee for disease.

12.5 Personal Property Insurance. Lessee will be responsible to insure all Lessee's own Personal Property such as removable decorations, detached floor coverings, signs, blinds, furnishings, improvements, betterments, and trade fixtures, which items will not be covered by Port's insurance and for which Port and its insurance carriers will have no liability.

12.6 Lessee's Risks. Lessee shall be responsible for obtaining any insurance it deems necessary to cover its own risks, including without limitation: (a) personal property, and/or (b) automobile physical damage and/or theft. In no event shall the Port be liable for any: (i) business interruption or other consequential loss sustained by Lessee; (ii) damage to, or loss of, personal property; or (iii) damage to, or loss of, an automobile, whether or not such loss is insured, even if such loss is caused by the negligence of the Port.

12.7 Waiver of Subrogation. Lessee waives any right of action that it and/or its insurance carrier(s) might have against the Port (including the Port's commissioners, employees and agents) for any loss, cost, damage, or expense (collectively "**Loss**") covered by any property insurance policy or policies maintained or required to be maintained pursuant to this Lease. Lessee also waives any right of action it and/or its insurance carrier(s) might have against the Port (including the Port's commissioners, employees and agents) for any Loss to the extent such Loss is a property loss covered under any applicable automobile liability policy or policies required by this Lease. If any of Lessee's applicable insurance policies does not allow the insured to waive the insurer's rights of recovery prior to a Loss, Lessee shall cause such policies to be endorsed to allow the waivers of subrogation required by this Section.

12.8 Periodic Review. The Port shall have the right to periodically review, the

types, minimum coverage, limits and terms of insurance coverage for consistency with then current types, minimum coverage, limits and terms of insurance coverage for similar operations. If the Port determines that certain types of insurance are not generally available in the marketplace at reasonable terms and pricing for similar operations, Lessee shall not be required to carry such insurance until such insurance becomes available for similar operations. In the event the Port reasonably determines that such types, minimum coverage, limits, and/or terms should be changed to be consistent with then current types, minimum coverage, limits and terms of insurance coverage generally available in the marketplace at reasonable terms and pricing for similar operations, the Port will give Lessee a minimum of thirty (30) days' notice of such determination and Lessee shall modify its coverage to comply with the new insurance requirements of the Port. Lessee shall also provide the Port with proof of such compliance by giving the Port an updated certificate of insurance within fifteen (15) calendar days of Lessee's receipt of such updates. Lessee shall have the right to periodically request the Port to conduct a review of the then current types, minimum coverage, limits and terms of insurance coverage generally available in the marketplace at reasonable terms and pricing for similar operations if Lessee believes the current types, minimum coverage, limits and terms of insurance coverage generally available in the marketplace at reasonable terms and pricing for similar operations have changed. The Port shall reasonably consider such request to determine if Lessee's current coverage comports with what is generally available in the marketplace at reasonable terms and pricing for similar operations, and make changes to the insurance requirements under this Lease accordingly.

12.9 Certificates; Notice of Cancellation. On or before the Effective Date and thereafter during the Lease Term (and any extension thereof), Lessee shall provide the Port with current certificates of insurance, including a copy of the additional insured endorsement, executed by a duly authorized representative of each insurer, evidencing the existence of all insurance policies required under this Section. The Port shall receive at least thirty (30) days' written notice prior to cancellation, non-renewal, or material change in any policy required under this Section. Insurance must be maintained without any lapse in coverage during the Lease Term. The Port shall also be given copies of Lessee's policies of insurance, upon request. Failure of the Port to demand such certificates or other evidence of full compliance with these insurance requirements or failure of the Port to identify any deficiency or noncompliance with coverage requirements shall not be construed as a waiver of Lessee's obligation to maintain the insurance required by this Lease.

12.10 Additional Insured; Separation of Insureds. The Port shall be named as an additional insured in each general liability policy, other than employer's liability. Such insurance shall provide cross liability coverage equivalent to the standard Separation of Insureds clause published by the Insurance Services Offices ("ISO") or a successor organization.

12.11 Primary Coverage. The required policies shall provide that the coverage is primary and will not seek any contribution from any insurance or self-insurance carried by the Port.

12.12 Company Ratings. All policies of insurance must be written by companies having an A.M. Best rating of "A" or better, or equivalent. The Port may, upon thirty (30) days' written notice to Lessee, require Lessee to change any carrier whose rating drops below an "A" rating.

12.13 Deductibles and Retentions. Any deductible or self-insured retention of the per occurrence or per accident limit of a required policy in excess of the following is subject to approval by the Port: FIFTY THOUSAND DOLLARS (\$50,000) for any other coverage required in this Section.

13. Port Rights and Responsibilities

13.1 24 Hour Notice for Port Access. Excluding emergencies, upon providing twenty-four (24) hour notice to Lessee, Port and Port's agents shall have unlimited access to the Premises. Port shall not be required to furnish to Lessee any facilities, utilities, or services of any kind whatsoever, such as, but not limited to, water, steam, heat, gas, hot water, electricity, light, and power, and the like, nor does Port make any warranty or representation in any way associated with the ability of Lessee to obtain such utilities or services from third parties. Lessee shall permit Port to enter the Premises for the purpose of inspecting the same and making any repairs or performing any work that Lessee has neglected or refused to make in accordance with the terms, covenants, and conditions of this Lease.

13.2 No Obligations. Nothing in this Lease shall imply any duty or obligation on the part of Port to do any such work or to make any Improvements of any kind whatsoever to the Premises (including, but not limited to, repairs and other restoration work made necessary due to any fire, other casualty, or partial condemnation, irrespective of the sufficiency or availability of any fire or other insurance proceeds, or any award in condemnation, which may be payable). The performance of any work by Port shall not constitute a waiver of Lessee's default in failing to perform the same.

13.3 Port Right to Perform Lessee's Covenants. If Lessee at any time fails to pay any Tax in accordance with the provisions of this Lease or fails to make any other payment or perform any other act on its part to be made or performed, then Port, after ten (10) days' notice to Lessee (or without notice in case of an emergency) and without waiving or releasing Lessee from any obligation of Lessee contained in this Lease or from any default by Lessee and without waiving Port's right to take such action as may be permissible under this Lease as a result of such default, may (but shall be under no obligation to):

13.3.1 Pay any Tax payable by Lessee pursuant to the provisions of this Lease; or

13.3.2 Make any other payment or perform any other act on Lessee's part to be made or performed as provided in this Lease, and may enter the Premises for any such purpose, and take all such action, as may be necessary.

13.3.3 All sums so paid by Port and all costs and expenses incurred by Port, including reasonable attorney fees, in connection with the performance of any such act, together with, if Lessee does not pay the same within the thirty (30) day period after notice from Port, interest from the date of such payment or incurrence by Port of such

cost and expense until paid, at the annual rate of twelve percent (12), shall constitute Additional Rent payable by Lessee under this Lease and shall be paid by Lessee to Port on demand.

13.4 Port's Option to Reduce Acreage or Terminate Lease. The Port shall have the right and option in the Port's sole and absolute discretion to reduce the acreage constituting the Premises or terminate this Lease with not less than one (1) year notice provided to Lessee.

14. Indemnification

Lessee agrees to indemnify, hold harmless, and defend Port, including its Commissioners, officers, employees, agents and volunteers (using legal counsel acceptable and approved by Port) for, from and against any and all costs, claims, actions, liabilities or expenses (including, without limitation, all costs, demands, charges, suits, judgments, fines, penalties, liabilities, debts, attorneys' fees and causes of action), of whatsoever nature of character, including without limitation, claims, losses and expenses for property damage, bodily injury or death, which may be imposed upon or claimed against or incurred by the Port and which arise from any of the following, except and to the extent of any Port gross negligence or willful misconduct:

- (a) any act, omission or negligence of the Lessee or Lessee's partners, officers, directors, agents, employees or invitees;
- (b) any use, occupation, management or control of Port property by the Lessee or the Lessee's employees, agents, subcontractors, or suppliers, whether or not due to the Lessee's own act or omission;
- (c) any condition created on Port property by the Lessee or the Lessee's employees, agents, Subcontractors, or suppliers, and any accident, injury or damage arising from the condition;
- (d) any breach, violation, or nonperformance of any of the Lessee's obligations under this Lease or
- (e) any damage caused by the Lessee or the Lessee's employees, agents, subcontractors, or suppliers on or to any Port property.

The provisions of this Section shall survive the expiration or termination of this Lease or of Lessee's right of possession with respect to any claim, loss, damage, liability or cause of action accruing or occurring prior to such expiration or termination and shall remain fully enforceable thereafter.

15. Port Control and Services

It is understood that the Port, as a municipal corporation created as a Port District under the laws of the State of Oregon, has certain legislative control and authority over all of its properties and within its geographical boundaries. None of such legislative authority is hereby ceded, delegated, or diminished. It is expressly recognized by the parties that the Port shall have authority to determine rules regulating the use and conduct upon such Premises, penalties therefore and other matters not involving the direct management and operation of the facility. Nothing herein contained shall be deemed to constitute the Lessee an agent, employee or other representative of the Port; the status of Lessee with respect to the Port is strictly that of Lessee and the Port reserves no power to control or direct

Lessee in the manner of performance of its duties and obligation, other than through its legislative authority and its right to enforce the provisions of this Lease.

16. Condemnation

16.1 General. In the event any public or private entity having the power of eminent domain exercises its right or power of eminent domain, the parties' rights and obligations shall be governed by the common law of the State of Oregon, the applicable Oregon statutes, and this Lease. To the extent allowed by law, in the event of conflict among the statute, common law and this Lease, this Lease shall prevail. If the condemning authority is the Port, Lessee agrees that it will not contest the Port's right to condemn the Premises, or any portion thereof, for whatever purpose the Port deems necessary, but Lessee may contest the value payable to Lessee due to such condemnation. In cases where the condemning authority is an entity other than the Port, Lessee and the Port agree to cooperate, in good faith, to resolve any issues relating to value and/or authority to condemn.

16.2 Definitions. As used in this Lease, the following definitions shall apply:

16.2.1 Partial Taking. "Partial Taking" ("Partial Taking") means the taking by right of eminent domain or other authority of law, or a voluntary transfer under the threat of the exercise of the right of eminent domain or other authority, of any portion of the Premises which does not constitute a Total Taking.

16.2.2 Total Taking. "Total Taking" ("Total Taking") means the taking by right of eminent domain or other authority of law, or a voluntary transfer under the threat of the exercise of the right of eminent domain or other authority, of so much of the Premises as is necessary for Lessee's occupancy that the Premises, after the taking, is no longer suitable for Lessee's intended use.

16.2.3 Taking. "Taking" ("Taking") refers to either a Partial Taking or a Total Taking.

16.2.4 Date of Taking. The "Date of Taking" ("Date of Taking") means: (i) the date on which the condemning authority takes legal ownership or actual physical possession of the Premises being condemned; (ii) the date given in a written notice from the condemning authority as the date that it is deemed to have taken possession or is granted possession by a court; or (iii) such date as is agreed to, in writing, in the event of a sale in lieu of condemnation.

16.2.5 Premises Award. The "Premises Award" ("Premises Award") shall mean the Fair Market Value of the Premises, including the Premises and all infrastructure improvements made to the Premises by any party and including the Port's Reversionary Interest in Lessee Improvements, but excluding the Leasehold Award, which Lessee shall be entitled to claim. The Premises Award shall also include any consequential damages to any part of the Premises that may not be taken. The Premises

Award is payable solely to the Port.

16.2.6 Leasehold Award: The "Leasehold Award ("Leasehold Award") shall mean the sum of: (i) the present value, determined as of the Date of Taking, of Lessee's Improvements; (ii) the present value, determined as of the Date of Taking, of Lessee's interest in the leasehold estate, including any claim for reimbursement of any prepaid Rent including prepaid Basic Rent; and (iii) provided the Lease is not terminated, any consequential damages such as the cost of any alterations, modifications, or repairs which may be reasonably required by Lessee in order to place the remaining portion of the Premises not taken in a suitable condition for the continuance of Lessee's occupancy. The Leasehold Award is payable solely to Lessee. No portion of the value attributable to the Premises or improvements owned, made by, or paid for by the Port or other government authority, or any infrastructure improvements, or the Port's residual interest in other improvements, shall be considered a part of the Leasehold Award.

16.2.7 Port's Reversionary Interest: The "Port's Reversionary Interest" ("Port Reversionary Interest") shall mean the present value, determined as of the Date of Taking, of any right of the Port under this Lease to receive the taken Lessee Improvements at the end of the Lease Term.

16.3 Distribution of Takings Award. The Port shall have the right to and shall be entitled to receive directly from the condemning authority, in its entirety and not subject to any trust, the entire Premises Award. Lessee shall have the right to and shall be entitled to receive directly from the condemning authority, in its entirety and not subject to any trust, the entire Leasehold Award. It is the intent of the parties that the Premises Award and the Leasehold Award will equal the total amount of the award paid as a result of a Taking of the Premises.

16.4 Total Taking. If a Total Taking occurs during the Lease Term, this Lease will terminate as of the Date of Taking.

16.5 Partial Taking. If a Partial Taking occurs during the Lease Term, this Lease shall terminate as of the Date of Taking as to the portion of the Premises taken. The Lease will continue in full force and effect as to the remainder of the Premises unless Lessee reasonably determines that the remaining portion of the Premises is inadequate for Lessee's purposes, in which event Lessee may elect to terminate the Lease within thirty (30) days of the date of the Taking by providing the Port written notice of termination. If notice of termination is not received by the Port within thirty (30) days of the Partial Taking, the Lease will continue in full force and effect as to the remainder of the Premises. Unless the Taking is by the Port, there shall be no refund of any prepaid Basic Rent by the Port to Lessee, but Lessee may make a claim for such prepaid Rent against the condemning authority, as part of the Leasehold Award. Lessee shall promptly make, at Lessee's sole expense, all necessary repairs or alterations to restore the remaining Premises after a Partial Taking.

16.6 Claims Against Condemning Authority. In any case where the Port is not the condemning authority, Lessee and the Port agree to work together, in good faith,

in making their respective claims against the condemning authority, in accordance with the provisions of this Section. The Port also agrees to work together, in good faith, with any of Lessee's Permitted Leasehold Mortgagees, in making their respective claims against the condemning authority, in accordance with the provisions of this Section. Each party shall be responsible for making its own claim for court costs and attorney fees incurred in the condemnation proceedings.

16.7 Adjustment of Award. To the extent that the court does not distribute the Takings award in accordance with the distribution rights set forth in this Section, the parties agree, upon receipt of the award, to promptly pay to the other any amount of the award belonging to the other in accordance with the distribution set forth in this Section. If the parties cannot agree upon the distribution within twenty (20) days of the date the judgment or decree is entered in the condemnation proceedings, the controversy shall be resolved in the same court as the condemnation action was brought. The cost of resolving any such controversy, including the prevailing party's attorney fees, shall be paid by the losing party, as determined by the court. The award allocation may also be resolved by mediation or arbitration if the Port and Lessee both agree to submit the issue to mediation or arbitration.

16.8 Effect of Termination. If this Lease is terminated pursuant to the provisions of this Section, then all charges payable by Lessee to the Port under this Lease, if applicable, will be paid up to the Date of Taking. In the event of termination as a result of a Total Taking, the Port and Lessee will then be released from all further liability under this Lease or, in the event of a Partial Taking, from all further liability under this Lease with respect to the portion of the Premises so taken, except such liability which survives termination.

16.9 Notice of Taking. Either party receiving any notice of intended taking, any service of legal process relating to condemnation, or any other notification in connection with any taking, condemnation, or sale or transfer in lieu of condemnation, shall promptly give the other party notice of such receipt. No sale, transfer, agreement, or settlement with the condemning authority shall be made without the written consent of the Port and Lessee.

17. Port Condemnation Rights

Nothing in this Lease shall in any way limit the powers and rights of the Port to exercise its governmental rights and powers, including its powers of condemnation and eminent domain. Lessee hereby agrees to waive any right it may have to contest the Port's right or authority to condemn, or its rights of condemnation based on a qualifying public purpose. Lessee agrees that it shall limit any contest with the Port relating to the Port's condemnation/eminent domain rights or authority only to the issue of Lessee's interest in the value of the Premises being condemned. Lessee hereby agrees that the Port will have the full right and authority to condemn this Leasehold interest as long as Lessee is paid for its value.

18. Assignment and Subletting Prohibited

Lessee shall not, either voluntarily or by operation of law, assign all or any part of Lessee's leasehold estate hereunder, permit the Premises to be occupied by anyone other than Lessee or Lessee's employees, sublet the Premises or any portion thereof, or encumber or pledge all or any portion of this Lease or Lessee's leasehold estate hereunder, without Port's express prior written consent in each and every instance, which consent may be withheld or issued subject to conditions, in Port's sole discretion. Any assignment, encumbrance, pledge, or Lease without Port's prior written consent shall be void and shall constitute a default hereunder. This provision shall apply to all mergers and changes in control of Lessee of any type or nature, each of which shall be deemed assignments for the purposes of this Section. Regardless of Port's consent, no subletting or assignment shall release Lessee's obligation or alter the primary liability of Lessee to pay the rent and to perform all other obligations to be performed by Lessee hereunder. The acceptance of rent by Port from any other person shall not be deemed to be a waiver by Port of any provision hereof. Consent to one assignment, encumbrance, pledge, or subletting shall not be deemed consent to any subsequent assignment, encumbrance, pledge, or subletting. If any assignee of Lessee or any successor of Lessee defaults in the performance of any of the terms hereof, Port may proceed directly against Lessee without the necessity of exhausting remedies against such assignee or successor. Port may consent to subsequent assignments, encumbrances, pledges, or subletting of this Lease or amendments or modifications to this Lease with assignees of Lessee, without notifying Lessee, or any successor of Lessee, and without obtaining its or their consent thereto, and such action shall not relieve Lessee of its liability under this Lease. If Lessee assigns this Lease, encumbers, pledges, or sublets all or a portion of the Premises, or requests the consent of Port to any assignment, encumbrance, pledge, or subletting, or if Lessee requests the consent of Port for any act that Lessee proposes to do, then Lessee shall pay Port's reasonable attorneys' fees incurred in connection therewith.

19. Default and Remedies

19.1 Event of Default. The occurrence of any one or more of the following Events of Default ("Event of Default") constitutes a material breach of this Lease by Lessee:

19.1.1 If Lessee fails to pay any monetary obligation required under this Lease and such failure to pay is not cured within ten (10) days of written notice from Port, except that a failure to make an annual Rental Payment is an automatic Event of Default, without any notice required from Port to Lessee; or

19.1.2 If Lessee dies or becomes disabled to the extent that Lessee is unable to fulfill the purpose of this Lease; or

19.1.3 If Lessee (or, if more than one person or entity constitutes Lessee, then by or against any such person or entity) shall: (i) make a general assignment for the benefit of creditors; (ii) admit in writing its inability to pay its debts as they become due; (iii) file a petition in bankruptcy; (iv) be adjudicated as bankrupt or insolvent; (v) file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation; (vi) fail to timely contest the material allegations of petition filed against it in any bankruptcy proceeding; (vii) seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Lessee or any material part of its properties; or (viii) is dissolved or Lessee's existence as a going business is terminated; or

19.1.4 If Lessee shall file a petition in bankruptcy or be the subject of involuntary proceedings in bankruptcy not vacated within thirty (30) calendar days, or if a receiver or trustee shall be appointed of Lessee's property, or if Lessee shall make an assignment for the benefit of creditors, or if this Lease shall, by operation of law or otherwise, pass to any person or persons other than Lessee. For purposes of this Subsection, "Lessee" shall mean and include the Lessee named herein (or: if more than one person or entity constitutes Lessee, then by or against any such person or entity), any assignee or sublessee, and any partner, co-Lessee, or guarantor in or of such Lessee or any assignee or sublessee; or

19.1.5 If this Lease or any estate of Lessee hereunder shall be levied upon under any attachment or execution and such attachment or execution is not vacated within ten (10) calendar days of the issuance of such attachment or execution; or

19.1.6 If Lessee, whether by action or inaction, is in default of any of its obligations under this Lease (other than a default in the payment of Rent by Lessee) and such default continues and is not remedied within thirty (30) days after Port has given Lessee a notice specifying the same, or, in the case of a default that can be cured but not within a period of thirty (30) days, if Lessee has not (1) commenced curing such default within such 30-day period; (2) notified Port of Lessee's intention to cure the default; or (3) continuously and diligently completed the cure of the default.

19.2 Port Remedies Upon Default. Upon the occurrence of an event of default, Port may exercise any one or more of the remedies set forth in this section or any other remedy available under applicable law or contained in this Lease, including the following:

19.2.1 Port or Port's agents and/or employees may immediately or at any time thereafter reenter the Premises either by summary eviction proceedings or by any suitable action or proceeding at law, or by force or otherwise, without being liable to indictment, prosecution, or damages, and may repossess the same, and may remove any person from the Premises, to the end that Port may have, hold, and enjoy the Premises.

19.2.2 Port may relet the whole or any part of the Premises from time to time, either in the name of Port or otherwise, to such Lessees, for such terms ending before, on, or after the expiration date of the Lease Term, at such rentals and on such other conditions (including concessions and free rent) as Port may determine to be appropriate. To the extent allowed under Oregon law, Port shall have no obligation to relet all or any part of the Premises and shall not be liable for refusal to relet the Premises, or, in the event of such reletting, for refusal or failure to collect any rent due on such reletting; and any action of Port shall not operate to relieve Lessee of any liability under this Lease or otherwise affect such liability. Port at its option may make such physical changes to the Premises as Port, in its sole discretion, considers advisable and necessary in connection with any such reletting or proposed reletting, without relieving Lessee of any liability under this Lease or otherwise affecting Lessee's liability.

19.2.3 Whether or not Port retakes possession or relets the Premises, Port has the right to recover its damages, including without limitation all lost rentals, all legal expenses, all costs incurred by Port in restoring the Premises or otherwise preparing the Premises for reletting, and all costs incurred by Port in reletting the Premises.

19.2.4 To the extent permitted under Oregon law, Port may sue periodically for damages as they accrue without barring a later action for further damages. Port may in one action recover accrued damages plus damages attributable to the

remaining Lease Term equal to the difference between the Rent reserved in this Lease for the balance of the Lease Term after the time of award, and the fair rental value of the Premises for the same period, discounted at the time of award at a reasonable rate not to exceed ten percent (10%) per annum. If Port has relet the Premises for the period that otherwise would have constituted all or part of the unexpired portion of the Term, the amount of rent reserved on such reletting shall be deemed; prima facie, to be the fair and reasonable rental value for the part or the whole of the Premises so relet during the term of the reletting.

19.3 No failure by Port to insist on the strict performance of any agreement, term, covenant, or condition of this Lease or to exercise any right or remedy consequent upon a breach, and no acceptance of full or partial Rent during the continuance of any such breach, constitutes a waiver of any such breach or of such agreement, term, covenant, or condition. No agreement, term, covenant, or condition to be performed or complied with by Lessee, and no breach by Lessee, shall be waived, altered, or modified except by a written instrument executed by Port. No waiver of any breach shall affect or alter this Lease, but each and every agreement, term, covenant, and condition of this Lease shall continue in full force and effect with respect to any other then-existing or subsequent breach.

19.4 Port shall only be deemed to be in default under the terms of this Lease in the event Port shall fail to observe, keep, or perform any covenant or agreement that is not observed, kept, or performed by Port within thirty (30) calendar days after the receipt by Port of written notice from Lessee of such failure, which notice shall specifically set out the failure. Port shall not be considered in default so long as Port commences to cure the failure in a diligent manner and Port shall thereafter be allowed such additional time as reasonably necessary to correct the failure. Lessee specifically agrees to look solely to Port's interest in the Premises for the recovery of any personal judgment from Port, it being agreed that Port, including its Commissioners, directors, agents, or employees, shall not be personally liable for any such judgment. Lessee agrees that Port shall in no event and under no circumstances be responsible for any consequential damages.

19.5 In no event shall Port be liable to Lessee for any lost or prospective profits or any other special, punitive, exemplary, consequential, incidental, or indirect losses or damages (in tort, contract or otherwise) under or in respect of this Lease or for any failure or performance related hereto howsoever caused, whether or not arising from Port's sole, joint or concurrent negligence. To the extent any payment required to be made under this Lease is agreed by the parties to constitute liquidated damages, the parties acknowledge that the damages are difficult or impossible to determine and that such payment constitutes a reasonable approximation of such damages, and not a penalty. The obligations of Port under this Lease shall not be personally binding on, nor shall any resort be had to the private properties of, any of its trustees or board of directors and officers, as the case may be, the general partners thereof, or any beneficiaries, stockholders, employees, or agents of Port, or its property managers. It is expressly understood and agreed that any money judgment against Port resulting from any default of other claim arising under this Lease shall be satisfied only out of the rents, issues, profits, and other income actually received from the operation of the Premises from and after the accrual of said default or claim. No other real, personal or mixed property of Port, wherever situated, shall be subject to levy on any such judgment obtained against Port. If such income is insufficient for the payment of such judgment, Lessee shall not institute any further action, suit, claim, or demand, in law or in equity, against Port for or on account of such deficiency. Lessee hereby waives,

to the fullest extent waivable under law, any right to satisfy said money judgment against Port except from income received by Port from the Premises during the Term hereof.

19.6 Each right and remedy of Port provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Port or Lessee of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the party in question of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

20. No Abatement of Rent

Except as otherwise specifically provided in this Lease, no abatement, refund, diminution, or reduction of Rent or other compensation shall be claimed by or allowed to Lessee, or any person claiming under it, under any circumstances, whether for inconvenience, discomfort, interruption of business, or otherwise, arising from work on Improvements, by virtue or because of Legal Requirements, or the occurrence of any matters referred to in this Lease regarding casualty damage and/or condemnation, or for any other reason, cause, or occurrence. Unless caused by Port, if any adjoining Premises or structure encroaches on the Premises, no claim, demand, or objection of any kind shall be made by Lessee against Port by reason of such encroachments; no claim for abatement of Rent due under this Lease shall be made by reason of such encroachments or acts of, or in connection with, removal of the encroachments. The rights, liabilities, and obligations of the parties shall be the same as if there were no encroachments. In any related legal proceedings, the Premises may properly and without prejudice be described according to the description previously used without reference to any such encroachments. Port agrees to cooperate with Lessee in any proceedings sought by Lessee to remove such encroachments, provided such cooperation does not cause Port to incur any expense.

21. Transfer of Interest by Port

Port may sell, exchange, assign, transfer, convey, contribute, distribute, or otherwise dispose of all or any part of its interest (called "Port's Interest") in the Premises or this Lease (including but not limited to Port's reversion).

22. Quiet Enjoyment

Subject to the provisions of this Lease, Lessee may peacefully have, hold and enjoy the Premises, subject to the other provisions hereof, provided that Lessee performs all of Lessee's covenants and agreements herein contained, subject to any mortgage or other recorded documents having priority over this Lease. Notwithstanding the foregoing, Port shall not be responsible or liable for the interference, disturbance, acts, or omissions of any third party, including without limitation, occupants of the Premises, nor shall Lessee be released from any of the obligations of this Lease because of such interference, disturbance, acts or omissions. It is understood and agreed that this covenant and any and all other covenants of Port contained in this Lease shall be binding upon Port and its successors only with respect to breaches occurring during their respective ownership of Port's interest hereunder.

23. Surrender

Except as otherwise provided, Lessee, on the last day of the Term, shall surrender and deliver up the Premises and all Improvements (excluding direct agricultural improvements including fencing, stock watering equipment, irrigation pumps, irrigation pipe and related infrastructure, and irrigation power cable installed solely at lessee's expense) to the possession and use of Port without fraud or delay, free and clear of all lettings and occupancies other than Leases then terminable at the option of Port or Leases to which Port shall have specifically consented, and free and clear of all liens and encumbrances other than those, if any, presently existing or created or suffered by Port, without any payment or allowance whatever by Port on account of any Improvements on the Premises.

23.1 When furnished by or at the expense of Lessee or any sublessee, furniture, fixtures, and equipment may be removed by Lessee at or before this Lease terminates, provided, however, that the removal will not injure the Premises or necessitate changes in or repairs to the same. Lessee shall pay or cause to be paid to Port the cost of repairing any damage arising from such removal and restoration of the Premises to the condition before such removal.

23.2 Any personal property of Lessee or any sublessee that shall remain on the Premises after the termination of this Lease and the removal of Lessee or such sublessee from the Premises may, at the option of Port, be deemed to have been abandoned by Lessee or such sublessee and may either be retained by Port as its property or be disposed of, without accountability, in such manner as Port may see fit, or if Port gives written notice to Lessee to such effect, such property shall be removed by Lessee at Lessee's sole cost and expense. If this Lease terminates early for any reason other than the default of Lessee then, anything to the contrary notwithstanding, Lessee or any sublessee shall have a reasonable time thereafter to remove its personal property.

23.3 Port shall not be responsible for any loss or damage occurring to any property owned by Lessee or any sublessee.

23.4 The provisions of this section shall survive any termination of this Lease.

24. Holdover Rent Increase: 150%

If Lessee does not vacate the Premises at the time required (upon expiration or termination of the Lease), the Port shall have the option, in Port's sole discretion, to treat Lessee as a tenant from month-to-month and Lessee shall pay Rent at an increased rate of 150% above the then-applicable annual rent payment ("Holdover Rent Increase"). The Holdover Rent Increase shall take effect immediately on the first day of the month after the expiration or termination of the Lease and shall be calculated by dividing the annual rent payment into twelve (12) monthly payments. The holdover tenancy shall be terminable at the end of any monthly rental period on written notice from Port given not less than 30 days prior to the termination date, which shall be specified in the notice. Lessee waives any notice which would otherwise be provided by law with respect to a month-to-month tenancy.

25. Notices

Except for routine operational communications (which may be delivered personally or by mail or transmitted by electronic mail), any notice required or permitted by the terms of this

Lease shall be deemed given if delivered personally to an officer of the party to be notified or sent by United States registered or certified mail, postage prepaid, return-receipt requested, and addressed as follows:

If to Port: Port of Columbia County
PO Box 190
Columbia City, Oregon 97018

If to Lessee: Craig F Coleman, Inc,
c/o Bob Coleman
PO Box 125
Boardman, OR 97818

CBJ

or such other addresses as may be designated by either party by written notice to the other, including electronic mail if both parties consent in writing to such notice and receipt is confirmed. Except as otherwise provided in this Lease, every notice, demand, request, or other communication shall be deemed to have been given or served on actual receipt.

25.1 Lessee shall immediately send to Port, in the manner prescribed above for giving notice, copies of all notices given by it to any mortgagee or received by it from such mortgagee, and copies of all notices that it receives with respect to the Premises or Improvements from any government authorities, fire regulatory agencies, and similarly constituted bodies, and copies of its responses to such notices.

25.2 Notwithstanding anything in this section to the contrary, any notice mailed to the last designated address of any person or party to which a notice may be or is required to be delivered pursuant to this Lease or this section shall not be deemed ineffective if actual delivery cannot be made due to a change of address of the person or party to which the notice is directed or the failure or refusal of such person or party to accept delivery of the notice.

26. Miscellaneous Provisions

26.1 Costs and Attorney Fees. In the event suit, action, arbitration or mediation is instituted in connection with this Lease, including but not limited to litigation or proceedings in Bankruptcy Court whether or not regarding issues which are unique to bankruptcy law, the losing party shall pay the prevailing party's reasonable attorneys' and paralegals' fees and court costs at and in preparation for any proceeding, whether at trial, appeal therefrom, on any petition for review, or in any arbitration or mediation.

26.2 Entire Agreement. This Lease contains the entire agreement between the parties and, except as otherwise provided, can be changed, modified, amended, or terminated only by an instrument in writing executed by the parties. It is mutually acknowledged and agreed by Lessee and Port that there are no verbal agreements, representations, warranties, or other understandings affecting this Lease.

26.3 Applicable Law. This Lease shall be governed by, and construed in

accordance with, the laws of the state of Oregon. In the event any action is brought to enforce this Lease, venue shall exclusively be in Columbia County, Oregon, and each party hereby unconditionally and irrevocably consents to the jurisdiction of the Oregon state courts.

26.4 Delinquency Charge. 18%. All Rent and other amounts not paid when due shall bear a "Delinquency Charge" of eighteen percent (18%) per annum, if Rent remains unpaid for five (5) or more days following its due date. Such interest shall be charged from the date due until the Rent or other amount is paid in full. This Delinquency Charge is subject to periodic change, subject to any limitation on the maximum rate of interest allowed by law, at the Port's sole discretion. No change shall occur, however, without at least thirty (30) calendar days prior written notice to Lessee. Imposition of a Delinquency Charge shall not constitute a waiver of any other remedies available to the Port for failure to timely pay Rent.

26.5 Definition of "Lessee". As used herein, the term "Lessee" means each person hereinabove named as such and such person's heirs, personal representatives, successors and assigns, each of whom shall have the same obligations, liabilities, rights and privileges as it would have possessed had it originally executed this Lease as Lessee; provided, that no such right or privilege shall inure to the benefit of any assignee of Lessee, immediate or remote, unless the assignment to such assignee is made in accordance with the provisions herein. Whenever two or more persons constitute Lessee, all such persons shall be jointly and severally liable for performing Lessee's obligations hereunder. To the extent the context of any provisions of this Lease makes it appropriate, including without limitation any representation, warranty or covenant, the word "Lessee" as used herein shall include all subsidiaries and affiliates of the Lessee. Notwithstanding the foregoing however, under no circumstances shall this Lease be construed to require Port to formally recognize or make any accommodation to any subsidiary or affiliate of Lessee.

26.6 Consent. Wherever in this Lease Lessee is required to obtain Port's consent, Lessee shall reimburse Port for all reasonable costs and expenses associated with processing any request for approval, regardless of whether such proposal is approved or denied, including, but not limited to, attorneys' fees for outside counsel. No consent required by Port under this Lease shall be granted unless in writing. Unless otherwise specifically set forth herein, consent by Port may be withheld or conditioned in the sole discretion of Port. Specifically, without limitation, Port's consent may be denied or conditioned upon Port's determination of the environmental aspects of the use of the property by Lessee and/or by the proposed assignee or sublessee. As a condition to any consent, Port may require that any other party or parties with a right of consent issue such consent on terms acceptable to Port. The consent or approval of Port to or of any act by Lessee requiring Port's consent or approval shall not be deemed to waive or render unnecessary Port's consent to or approval of any subsequent similar acts by Lessee. In no event shall Lessee have the right to terminate this Lease, and in no event shall Port be liable for monetary damages, based on a claim that consent has been unreasonably withheld or conditioned or otherwise arising from the withholding or conditioning of consent.

26.7 Third Parties. Nothing contained herein nor the transactions contemplated

hereby, express or implied, shall be deemed to inure to the benefit of any person or entity not a party to this Lease, this Lease being intended solely for the benefit of Port and Lessee, nor shall it confer upon any such party or entity any right or remedy of any nature whatsoever.

26.8 Survival. The release and indemnity covenants of Lessee, the limitations of liability, the right of Port to enforce its remedies hereunder, the attorneys' fees provisions hereof, as well as all provisions of this Lease which contemplate performance after the expiration or termination hereof or the termination of Lessee's right to possession hereunder, shall survive any such expiration or termination.

26.9 Recording. Lessee shall not record this Lease or any memoranda hereof without the prior written consent of Port, and if such consent is forthcoming, Lessee shall pay all charges and taxes incident to such recording.

26.10 Necessary Documents. Each party at the request of any other party shall provide any information and execute, acknowledge, and deliver any and all documents and instruments reasonably necessary to complete the protection contemplated by this Lease and to give full effect to this Lease.

26.11 Authorization. The execution, delivery, and performance of this Lease by Lessee, to the extent to be executed, delivered or performed by Lessee, have been duly authorized by all necessary action by Lessee; do not require the consent or approval of any other person, regulatory authority or governmental body; and do not conflict with, result in a violation of; or constitute a default under (a) any provision of its articles of incorporation or organization, or bylaws, or any agreement or other instrument binding upon Lessee or (b) any law, governmental regulation, court decree, or order applicable to Lessee. Lessee agrees to furnish Port promptly upon request a corporate resolution, proof of due authorization by partners, or other appropriate documentation evidencing the due authorization of Lessee to enter into this Lease.

26.12 Invalidity of Particular Provisions. If any term or provision of this Lease or the application of the Lease to any person or circumstances is, to any extent, invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

26.13 Force Majeure. If the performance by either of the parties of their respective obligations under this Lease (excluding monetary obligations) is delayed or prevented in whole or in part by any Legal Requirement (and not attributable to an act or omission of the party), or by any acts of God, fire or other casualty, floods, storms, explosions, accidents, epidemics, war, civil disorders, strikes or other labor difficulties, shortage or failure of supply of materials, labor, fuel, power, equipment, supplies or transportation, or by any other cause not reasonably within the party's control, whether or not specifically mentioned, the party shall be excused, discharged, and released of performance to the extent such performance or obligation (excluding any monetary obligation) is so limited or prevented by such

occurrence without liability of any kind.

26.14 Good Faith. The parties agree that the phrase "good faith" will mean honesty in fact and the observance of reasonable commercial standards of the trade as used in or applied by any mediator, arbitrator, or judge to the performance or enforcement of this Lease, including the rights and obligations of the parties hereunder.

26.15 Counterparts. This Lease may be executed in any number of counterparts and by the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original but such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Lessee and Port have caused this Lease to be executed by their duly authorized officers, acknowledging their agreement that this Lease is effective as of the Effective Date.

PORT:

LESSEE:

Sean Clark, Executive Director
Port of Columbia County



Craig Coleman
Craig F. Coleman, Inc.

EXHIBIT A

Description of Premises

EXHIBIT B

Attorney Fees to be Paid by Lessee

Craig F. Coleman Inc.

Exhibit A
Aprox 118 Acres

Craig F Coleman Inc.

Google Earth

Image © 2024 Airbus



EXHIBIT B

AGREEMENT TO PAY COSTS

This Agreement to Pay Costs ("Agreement") is made and entered into this ____ day of _____, 20__ ("Effective Date"), by and between the Port of Columbia County, formerly known as the Port of St. Helens, a municipal corporation of the State of Oregon ("the Port"), and Craig F. Coleman, Inc. As Tenant or Lessee ("Lessee") (collectively, "the Parties").

RECITALS

WHEREAS, Lessee approached the Port and requested that the Port incur costs, including staff and attorney time, for the Parties to engage in discussions and negotiations with Port Staff and have Port General Counsel draft [insert text] _____, and

WHEREAS, Lessee's request for Port Staff and Port General Counsel to do work on Lessee's behalf has resulted in additional time and costs for which it is appropriate that Lessee compensate the Port through this Agreement ("Port Work"), and

WHEREAS, the Port Work will include all work done by Port Staff and Port General Counsel from the Effective Date until _____ [insert date], and

WHEREAS, the Parties intend to carry out their rights, duties, and obligations in such a manner so as to avoid action that would increase, directly or indirectly, the Parties exposure to liability,

NOW, THEREFORE, for good, fair and valuable consideration, the receipt and sufficiency of which is acknowledged, and in consideration of the mutual covenants and agreements set forth herein, the Parties hereby agree as follows:

- 1. INCORPORATION OF RECITALS.** The above-stated Recitals are true and correct to the best of their knowledge and are incorporated into this Agreement as though fully set forth herein.
- 2. NONREFUNDABLE PAYMENT.** Lessee agrees to pay a **To Be Determined** nonrefundable, fixed fee payment to the Port ("Nonrefundable Payment") for Port Work. The Nonrefundable Payment is due in full immediately and must be received by the Port prior to the _____ being placed on the Port of Columbia County Commission Agenda.
- 3. LIMITATION OF LIABILITY.** The Port makes no representation or warranty, express or implied, as to the nature, quantity or quality of any Port Work. In no event shall the Port be liable to Lessee for damages of any kind, including but not limited to any special, indirect, incidental, consequential or punitive damages (including any claim for lost profits or revenues).
- 4. COUNTERPARTS.** This Agreement may be executed in identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains an electronic file of an executed signature page, such signature page shall be deemed to constitute an original instrument, with the same force and effect as execution and delivery of an original and shall create a valid and binding obligation of the party executing this Agreement.

IT IS SO AGREED by the Parties as of the Effective Date set forth above.

Craig F. Coleman, Inc.

PORT OF COLUMBIA COUNTY

By: _____

By: _____

Craig Coleman

Sean P. Clark Executive Director



STAFF REPORT

Donations Policy Discussion

DATE: June 12, 2024
TO: Port Commission Board
FROM: Gina Sisco, Communications & External Affairs Manager
RE: **Donations Policy - Commission request to review the policy**

Discussion

In 2002, the Board adopted a "Request for Donations Policy." The policy was in response to a growing number of groups asking for donations. At the time, the Board found that it was improper to use Port district revenues to donate to only those organizations which requested a donation. The Board further found that "either every organization should receive equitable support, or no organization should be supported." As a result, the Board decided to prohibit contribution of money or items of cash value for charitable organizations. The two exceptions to that were (1) if the contribution pertained to recycled technology or (2) if the Board found that the donation is made under unusual or extraordinary circumstances.

In 2009, the Board adopted Resolution 2009-13 which repealed the previous donations policy. Resolution 2009-13 still "found and continues to find that despite good intentions it is improper to use district revenues and taxes to support only a few organizations that request a donation" and that "either every organization should receive equitable support, or no organization should be supported." However, the policy was revised to grant donations to organizations that "provide direct benefit to the Port district and its property, and therefore, donations to those organizations should be permissible as an exception, to be determined on a case-by-case basis" and found that "except for that situation all other conditions of terms of the 2002 policy should remain in force." The example given for the revision was a donation request from Columbia Emergency Planning Association (CEPA) since it directly provided a benefit to the Port.

The Commission has requested to review the Port's Donations Policy and discuss the possibility of revising Resolution 2009-13 to create a fund to distribute Port funds to support non-profit donation requests.

RESOLUTION NO. 2009-13

A RESOLUTION ADOPTING A DONATIONS POLICY AND REPEALING THE DONATIONS POLICY DATED AUGUST 8, 2002.

WHEREAS, the Board of Port Commissioners enacted a donations policy on August 8, 2002; and

WHEREAS, the policy was brought about because groups approached the Port seeking donations; and

WHEREAS, the Board found these requests for donations were made with good intentions to make a positive impact in the community and across the Port district; and

WHEREAS, the Board found and continues to find that despite the good intentions it is improper to use district revenues and taxes to support only a few organizations that request a donation; and

WHEREAS, the Board found and continues to find that either every organization should receive equitable support, or no organization should be supported; and

WHEREAS, the 2002 policy had exceptions, which allowed donations to be made when the donations pertained to recycled technology or were made under unusual or extraordinary circumstances determined on a case-by-case basis; and

WHEREAS, the Board finds some organizations provide a direct benefit to the Port district and its property, and therefore, donations to those organizations should be permissible as an exception, to be determined on a case-by-case basis; and

WHEREAS, the Board finds that except for that situation all other conditions and terms in the 2002 policy should remain in force as restated in this Resolution; now, therefore,

BE IT RESOLVED by the Board of Commissioners of the Port of St. Helens as follows:

Section 1. The Port of St. Helens shall not contribute money or items of cash value to support charitable organizations, except when the donations to be made (1) pertain to recycled technology, addressed further in the Port's Recycling policy, (2) are under unusual or extraordinary circumstances to be determined on a case-by-case basis, or (3) are to an organization that provides a direct benefit to the Port district and its properties to be determined on a case-by-case basis.

Section 2. Staff shall inform organizations or groups requesting a donation of this policy and explain this policy applies to everyone.

Section 3. This Resolution does not apply to personal donations made by Port employees or commissioners who choose to support soliciting organizations or groups.

Section 4. The Executive Director shall inform the Commission of all requests for donations in his written briefing report.

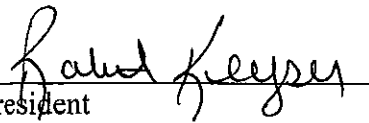
Section 5. The 2002 Policy is hereby repealed.

PASSED AND ADOPTED this 11th day of June, 2009, by the following vote:

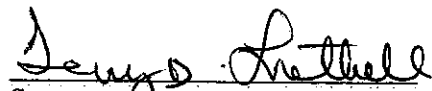
AYES: 4

NAYS: 0

Port of St. Helens

By: 
President

Attested By:


Secretary

2002 Port Donations Policy

Port of St Helens Request for Donations Policy

Purpose

To provide policy for Port of St Helens staff in response to requests for donations of money or items of value in support of community, non-profit, or other charitable organizations in their operation or fundraising.

Discussion

The Port is often approached by charitable organizations and non-profit groups seeking items of donation to support their operation. These are well meaning organizations that make a positive impact in our community and across the Port District.

The Port of St. Helens is a municipal corporation organized under ORS 777, sustained with taxes levied on property within the port district. The investment of taxes collected in acquiring and managing property is the crux of the Port's overarching mission to create and sustain jobs and diversify our local economy.

It is improper to use revenues generated from the investments made or taxes collected from the properties across the entire Port district to support just the few organizations or groups that request a donation. Either every organization should receive equitable support, or no organization should be supported. With a charge to be the best possible stewards of the taxes collected or of the returns from taxes invested, it is difficult to distribute funds equitably and fairly to the communities.

POLICY

1. It shall be the policy of the Port of St. Helens to **not** contribute money or items of cash value to support charitable organizations.
2. This policy does not apply to the donation of recycled technology, addressed further in the Port of St. Helens' Recycling policy.
3. Staff shall inform organizations or groups requesting a donation of this policy and explain this policy applies to everyone.
4. This policy does not apply to personal donations made by Port employees or commissioners who choose to support soliciting organizations or groups.
5. The Port of St. Helens Board of Commissioners reserves the right to make donations under unusual or extraordinary circumstances to be determined on a case-by-case basis.
6. The Executive Director shall inform the Commission of all requests for donations in his written briefing report.

Adopted by:

BOARD OF COMMISSIONERS
PORT OF ST HELENS:

Adopted 8/28/02

President / Date