

A regular meeting of the Astoria Common Council was held at the above place at the hour of 7:00 pm.

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

Councilors Excused: None

Staff Present: City Manager Estes, Contract Planner Johnson, Parks and Recreation Director Williams, Finance Director Brooks, Fire Chief Crutchfield, Police Chief Spalding, Public Works Director Harrington, Library Director Pearson, and City Attorney Henningsgaard. The meeting is recorded and will be transcribed by ABC Transcription Services, Inc.

PRESENTATIONS

Item 3(a): Astoria School District Facility Bond Update

Craig Hoppes, Superintendent of Schools in Astoria, provided an update via PowerPoint on the progress of the facility bond that was approved in November 2018. His update included an overview of the school district's outreach efforts and the work done to date on facility upgrades and improvements. He noted the permitting process with Staff has gone smoothly and project timelines are being met. He made handouts available to the public.

PROCLAMATIONS

Item 4(a): Great Shakeout Oregon Proclamation

Mayor Jones read the proclamation declaring October 17, 2019 as the Great Oregon Shakeout Day.

City Manager Estes announced that City Hall would be conducting an earthquake drill on October 17th, along with all of the other organizations across the State of Oregon who are participating.

REPORTS OF COUNCILORS

Item 5(a): Councilor Rocka reported that he saw Peer Pressure Productions' inaugural play called *Hence Forward* and a performance by Astoria's new chamber opera company called the Cascadia Chamber Opera. He gave kudos to City Engineer Cindy Moore for the meeting she hosted for businesses affected by the Waterfront Bridge Replacement Project on 10th, 8th, and 6th Streets.

Item 5(b): Councilor West reported she also saw the play by Peer Pressure, which was fantastic. She also participated in Sunday in the Park with Art at Fort Clatsop, which had a record number turnout. The weather was spectacular, so a lot of people were out to enjoy the day and the event was a success.

Item 5(c): Councilor Brownson reported that he attended the bridge repair meeting. The City learned a lot from the last bridge project, which he hoped would help this project move forward in a cleaner way and get things done in a more timely fashion. He reported that the Police Department was looking to buy a couple of new Explorers, which will be hybrids. He was glad to see the City moving in that direction. He also attended his third forestry tour, which included Hampton Mill this year. The last mill he toured was the plywood mill at Mill Pond in 1963. The mills of today are completely different. They are clean and every part of the tree is used. Hampton has invested millions in upgrading the facility and making it more efficient. Hampton is looking for young people to fill entry level jobs so that they can promote from within. The jobs are not what they used to be. He saw a woman in a control room watching the entire operation on screens and monitoring everything. He shared an article from the New York Times on his Facebook page about cross laminate timber (CLT) as a way to sequester carbon dioxide for long term storage.

Item 5(d): Councilor Herman reported that she attended the Homelessness Solutions Taskforce meeting and the informational meeting about the waterfront bridges being replaced. Construction began today on 6th, 8th, and 10th Streets. The City is fortunate to have the State of Oregon paying for 90 percent of the project. The City has to complete this project or shut down the waterfront. She attended the open house for the Harbor. The ground floor of their building at 8th and Commercial used to be law offices.

Item 5(e): Mayor Jones had no reports.

CHANGES TO AGENDA

Mayor Jones requested that Item 8(h) be addressed as the first Regular Agenda Item. The agenda was approved with changes.

CONSENT CALENDAR

The following items were presented on the Consent Calendar:

- 7(a) City Council Special Meeting and Work Session Minutes of 9/10/10
- 7(b) Fire Department Status Update
- 7(c) Library Status Update
- 7(d) Parks and Recreation Status Update
- 7(e) Public Works Status Update
- 7(f) Finance and Administration Services Status Update
- 7(g) Community Development Department Status Update
- 7(h) Astoria Public Library Child Safety Policy

Councilor Herman thanked the department heads for providing detailed reports. Mayor Jones added that Director Pearson was able to get a \$50,000 grant from the Institute of Museum and Library Services. Public Works has also received millions in grants over the years. Staff is always encouraged to look for grant opportunities.

City Council Action: Motion made by Councilor Brownson, seconded by Councilor Herman, to approve the Consent Calendar. Motion carried unanimously. Ayes: Councilors Brownson, Herman, Rocka, West, and Mayor Jones; Nays: None.

REGULAR AGENDA ITEMS

City Council proceeded to Item 8(h) at this time.

Item 8(a): Second Reading and Adoption of Amendment Request (A19-05) for Uniontown Reborn Plan and Code Amendments

In 2017, the City of Astoria Community Development Department initiated the Uniontown Reborn Master Plan effort, utilizing a Transportation and Growth Management Grant from the Oregon Department of Transportation (ODOT) and the Department of Land Conservation and Development (DLCD). The purpose was to address issues dealing with land use and transportation issues in Astoria's historic west gateway area known as Uniontown. The intent of the Uniontown Reborn Master Plan and implementing ordinance is stated as follows: *"The purpose of the Uniontown Reborn Master Plan is to better integrate transportation and land use planning and develop new ways to support economic development along with safety and access enhancements to improve conditions for pedestrians, bicyclists, transit users, and motorists."*

The planning process began in earnest in the Fall of 2018 with a consultant team consisting of Jacobs Engineering and Angelo Planning Group. Angelo Planning Group has worked on several long-range planning projects in Astoria, including the Riverfront Vision Plan and its implementation process. The Community Development Department staff was tasked with managing the project. Significant public involvement opportunities were designed to gain public input. This process was initiated to plan for these issues in a comprehensive manner and to set a framework for the future of the study area.

During the Plan development, three community-wide forums (11-7-18, 2-6-19, 5-22-19), and four Stakeholder and Technical Advisory Committee (STAC) meetings were held. In addition, staff and/or consultants conducted stakeholder interviews, attended neighborhood meetings, as well as distributed and tabulated surveys. A project website was developed with project overview, schedule, meeting information, and the ability for community members to respond on-line, or by contacting staff in any format.

The Planning Commission held a public hearing on August 6, 2019 and August 27, 2019. The APC recommends that the City Council adopt the proposed amendments. The proposed ordinance has been reviewed and approved as to form by the City Attorney. The City Council held a public hearing and conducted a first reading at the September 30, 2019 City Council meeting.

A copy of the proposed ordinances, the proposed Master Plan, and the Findings of Fact are attached for Council consideration. If the draft Master Plan, and code amendments meet Council's expectations, it would be in order for Council to conduct a second reading and adopt the ordinance for the Uniontown Reborn Master Plan adoption and amendments.

This item was addressed immediately following Item 8(h).

Director Brooks conducted the second reading of the ordinance.

Mayor Jones called for Council discussion and deliberation.

Councilor Rocka said there was a lot of push and pull for a very long time and the business owners and residents in Uniontown seems to have reached a point that they are comfortable with the plan and support it.

City Council Action: Motion made by Councilor Brownson, seconded by Councilor Rocka, to adopt the Findings and Conclusions contained in the Staff report and adopt the Ordinances implementing Amendment Request A19-05. Motion carried unanimously. Ayes: Councilors Brownson, Herman, Rocka, West, and Mayor Jones; Nays: None.

Mayor Jones read the rules of appeal into the record.

Item 8(b): Continuation of Public Hearing on Amendment Request (A19-01B) Bridge Vista Overlay Zone Code

On September 30, 2019 the City Council considered a recommendation from the Astoria Planning Commission to adopt Ordinance (A19-01B) which would amend provisions of the Bridge Vista Overlay Zone (BVO), Astoria Development Code at 14.085-14.125.

At its September 30, 2019 meeting, the City Council reopened the public hearing and deliberated on the proposed amendments. The issue of existing view corridors at Basin and Bay Street was discussed and concerns were voiced by the public as well as council members that those views could be lost to future development of areas north of the street rights-of-way. A consensus was reached that these are two of only three right-of-way view corridors in the Bridge Vista Overlay Area and are worthy of protection. The City Council suggested a possible amendment to the proposed ordinance in order to protect those view corridors while allowing for possible exceptions if the Port West Mooring Basin Plan District is approved in the future. Staff was directed to prepare an amendment to address these concerns. The City Council conducted a first reading of the Ordinance as proposed at its September 30, 2019 meeting.

The council voted to continue its deliberations and reopen the public hearing on the suggested amendment to Ordinance (A19-01B) at its October 7, 2019 meeting.

Presented to the City Council is a proposed amendment that creates a 70' view easement at the north ends of Bay and Basin Streets. This amendment also includes a definition of "view corridor" as *"The unobstructed line of site of an observer looking toward an object of significance to the community such as the River, historic site, ridgeline, etc. A view corridor shall be free of structural encroachments. Parking within a view corridor is allowed unless otherwise specified."* With this definition, use of the property affected by the view corridor is still

allowed and the view corridor area could be used for the required parking and/or landscaping areas. It should not prevent development of the site.

Since the Astoria City Charter provides that an ordinance read by short title only has no legal effect if it "differs substantially" from its form as originally filed unless the new section is read "fully and distinctly" in open Council at least 12 days prior to the adoption of the ordinance (Charter Chapter VIII Section 8.2(4)) it is recommended that the proposed amended language to the draft Ordinance be read in full, that the Council hold the public hearing as announced at the September 30, 2019 meeting, close the public hearing, and if the language of the proposed amendment is acceptable move to amend Ordinance (A19-01B). At your October 21, 2019 City Council meeting, you may conduct a second reading of Ordinance (A19-01B) as amended and consider adoption of the amended ordinance.

The proposed amendment to Ordinance (A19-01B) concerning the Basin and Bay Streets view corridors is attached for Council consideration.

If the proposed amendment meets Council's expectations, it would be in order for Council to have the amended draft language read in full, hold a public hearing concerning the view corridor issue and close the public hearing and vote on the proposed amendment. The second reading and possible adoption of the ordinance as amended for Bridge Vista Overlay Zone Code amendments would be held at the October 21, 2019 meeting.

Planner Johnson read the amended draft ordinance in full and gave a PowerPoint presentation detailing the amendments.

Mayor Jones asked if requiring development to be shifted to the west would have any net affect of reducing the total amount of building square footage allowed on the lots. Planner Johnson answered no because the proposed BVO Code amendments limit the development on the sites to 50 percent lot coverage.

Mayor Jones pointed to a specific lot displayed on the screen and asked if the 70-foot view corridor requirement would prevent the owner from building two buildings on that lot. Planner Johnson explained that the proposed Code amendments also require buildings to have a north/south orientation, which means buildings would be narrower on the east/west sides. That would allow ample room for multiple buildings with the view corridor on that lot. However, room for parking would also be required.

Mayor Jones said this issue came up at the end of the last meeting and at the time, he thought it seemed reasonable. The only reconsideration he has had since then was the concern about the street that goes half way to the Riverwalk and stops. He tried to put himself in the mind of the property owner and decide how to respond. The City's street does not go through and instead of buying the land to make the street go through, the City is just telling the property owner they cannot do what they want with their land. If the same amount of development can occur on that lot, but must be shifted to the west, that does not bother him as much because the view corridor can be used to satisfy parking and landscaping requirements.

Councilor Rocka asked if an alternative view corridor would still extend to Marine Drive. Planner Johnson said no and explained that through the master plan process, an alternative public access or view corridor could be proposed.

Councilor Rocka stated one of the concerns is access to the Riverwalk. There is traffic on the Riverwalk when the cruise ships come in. If access is cut off, there is no way to get to Uniontown businesses from the Riverwalk. Planner Johnson clarified that the request was for a view corridor, not physical public access. Access to the Riverwalk would still be available via Columbia and through the Maritime Memorial property from Bay Street. The Riverwalk could also be accessed from Basin Street through a right-of-way, which she pointed out on the map displayed on the screen.

Councilor Rocka did not understand how Bay Street would be accessible if the Maritime Memorial planned to build and proposed an alternative view corridor. Planner Johnson used the map displayed on the screen to further clarify public access to the Riverwalk, pointing out several specific pedestrian routes. She also pointed out the no-build areas and view corridors.

Councilor Brownson stated the overlay requirements without the planned districts would have very little impact on development, which he supported. However, he was not partial to eliminating a view corridor in exchange for public access. He recommended the public access portion be eliminated. Additionally, the trade off for a building not to exceed 28 feet high is an unnecessary restriction. In the planned district, a six-story building could be developed and no one would notice. However, he did not believe that would happen. Limiting buildings to two stories is too Draconian. The City is not condemning properties. Landscaping and parking will be required. And in a planned district, developers will have the flexibility to build a different type of building.

Mayor Jones re-opened the public hearing at 8:09 pm called for public testimony in favor of the application.

Nancy Montgomery 1564 5th Street, Astoria, owner of 279 W. Marine Drive, Astoria, said she knew that often in development, someone's needs get left on the table. She was grateful that the City Council is willing to consider ways to incorporate and make sure the Port gets what they need. Uniontown wants to be in partnership with the Port. The City and the businesses in Uniontown can maintain view corridors and find a way to let everyone have what they are hoping for. There was mention of communication with the Port and the City about maintaining those view corridors, which was great. She hoped the Port was on board with helping everyone get what they want.

Mayor Jones called for public testimony opposed to the application.

Dirk Rohne, Brownsmead, said he was concerned about the proposed height restrictions and view corridor restrictions because they would adversely impact Port of Astoria properties. The Port has focused on updates to its strategic business plan and so far, has been working together on shared planning issues. He hoped that the Port's executive director and Astoria's City Manager coordinate the navigation of this process. After a long working day, he took some questions from the *Daily Astorian* and made some comments that may not have been tactful. In subsequent conversations with Councilor Rocka, he expressed hope that the two elected bodies could work together on issues. He said he had previously sent a letter, which he read into the record.

Frank Spence, 5169 Birch Street, Astoria, Port of Astoria Commissioner, stated the proposed amendments are an indication of another restriction being imposed upon the Port. The original work of the Planning Commission made it evident that the proposed restrictions were not applicable to the Port or Astoria Warehouse properties. The amendment was proposed in two separate presentations. The second is the Planning Commission's original recommendation that the Port and Warehouse be exempt from any of the proposed restrictions on other properties and that the Port and Warehouse propose a master plan in the future, which would go through the Planning Commission process before coming to City Council for adjustment. The current proposal contemplates restrictions in creating the West Mooring Basin Planning District. Additionally, if the Port requested an exemption, four criteria must be met. All of this has been added on from the very beginning in simplicity that the Port will come back with a master plan and the City Council will control everything at that time. However, to presuppose and prescribe what the Port must do to even get to step one is improper and puts the Port in a box and hampers redevelopment if not discouraging redevelopment. He asked City Council to reconsider the proposal and deny the request.

Scott McClain P.O. Box 1294, Astoria, Port of Astoria Commissioner, said he was seriously concerned about the 28-foot height limit because it does not provide a lot of room for industrial development. It would be a challenge to build a two-story sales plaza and marketplace if the HVAC system on top of the roof were considered.

Eric Colbert 264 Bay Street, Astoria, said he moved in last December. The reason he took the apartment was because it was located on the north west corner of Bay street and has a fantastic view. He waited for years to find a place where he can look out his front window and see such a panoramic view of the river that he grew up on. If this proposal goes through, development will completely cut off all of his view, even if it is one story. He is one of a few who will be very badly impacted by these Code amendments.

Mayor Jones called for any testimony impartial to the application.

Diana Kirk 281 W. Marine Drive, Astoria, said she believed the new language changes were almost there, but not quite. The Port will have issues with any changes. Over the last six days, she has tried to educate the other businesses and residents in Uniontown about the changes. The language is not strong enough and sets the City up for a future exchange. Issues are trendy. Five years ago, she tried to buy a City lot and at that time it was very

trendy not to sell City property. Since then, Codes have changed. Developers must adapt to those trends and changes. We do not know what the Port will propose in the future. The view corridor is an exchange and the new plan sets the City up for an exchange with the Port in the future. She understood that the Port owned the land, but the City Councilors are elected to advocate for the Uniontown business owners. Uniontown business owners are asking City Council to support them and advocate for them, not advocate for the Port. That is what she asked for last week because that is what she elected her Councilor for. For the last two years, she has organized the business to be present and speaking loudly. If anything is built on that lot, it would be the only street in Astoria that cut off access to the Riverwalk from 39th to the roundabout. She did not want to see that happen. She understood the Port's position, but the businesses are old. Her business has been serving food for 100 years to Astorians. A future trade off will impact the businesses very hard and the City will set them up for another fight.

Richard Lock 264 Marine Drive, Astoria, said he represented Glen Taggard and read the following statement:

"As the owner of 264 Marine Drive, I implore you to reconsider shutting off view access to Bay Street. My family has owned the building since 1976 and have faithfully paid property taxes and contributed to the local Astoria economy for many years. Our building is negatively affected by this, distorting our view and access. Historically, the end of Bay Street used to house the old boat wench shed and associated wench car, which is still there today. The mariner memorial deserves a buffer zone, which Bay street provides. My family along with former Uniontown Mayor Ray Goforth did a lot of work on the mariner memorial. Ray would turn over in her grave if she knew this committee was shutting down Bay Street for a hotel. I urge the committee to use caution with these fast-moving development ideas. The economy swells and contracts, and it occurs to me that slow, stable growth along with well-defined and vetted strategy plans will yield the best results. Paying attention to the shareholders will maintain a healthy and robust community. In conclusion, I strongly urge you to reconsider closing Bay Street. While Uniontown needs better public infrastructure, it does not deserve the committee and Council shutting off views of the river and bridge. Best regards, Glen Taggard."

Laura Sullivan 1028 Harrison Avenue, Astoria, said she did a lot of work in Uniontown and enjoyed seeing the view from Bay Street. She takes her kids to the Riverwalk and the Maritime Park. She would hate to see that go away.

Chris Farrar, 3023 Harrison Avenue, Astoria, thanked everyone who had been working on this for so long. He believed the City Council was close to a good decision. He was encouraged by the Port Commission, the changes that have come about, and their more reasonable way of conducting business. However, the Port has attended this hearing as though they are an entity of their own. The Port only operates what is owned by the citizens of the county. Because of all of the Port's problems, it is still somewhat doubtful whether the Port will survive under local leadership. There is a plan in place to pull the Port out of a hole and he hoped it worked. However, he believed their plan would be more sound if the Port became part of the community and listed to what people had been saying in this hearing for weeks about what they want the community to be. The Port, its properties, and all of its enterprises will benefit if it learns to fit in with the community instead of trying to hold out for a golden castle on the hill.

Mayor Jones called for rebuttal testimony.

Planner Johnson explained that throughout the entire BVO amendment process, Staff has made it clear that the Port, Astoria Warehouse, and the entire BVO area would be subject to the Codes as proposed. The planned districts provide future opportunities for the Port to propose a master plan stating that the current Codes could not work for them. Then, the City Council and Port could come to an arrangement where some Codes could be amended for the master plan. At no time was the Port not subject to the BVO.

Mayor Jones stated that had always been his understanding as well.

Planner Johnson continued, saying the 28-foot height limit has been proposed across the board, but the criteria would only limit the Port from going to 35 feet high, which is an option if certain criteria are met. Twenty-eight feet is only required if the Port requests an exception to the view corridor. Rooftop equipment would also be exempt from the 28-foot height limit.

Mayor Jones noted that a few people commented that if the view corridor was not adopted, access would be shut off. However, Staff has already demonstrated and clarified that none of the language discusses access, just

view corridors. Even if the view corridor is established, access to the Riverwalk would still require walking around on the sidewalk to avoid trespassing. This City is only establishing a view corridor. Planner Johnson added that the amendments would not prevent development of the rest of the lot. This proposal does not address development that could block views and the proposed view corridor would not impact development one way or another.

Mayor Jones closed the public hearing at 8:32 pm and called for Council discussion and deliberation.

Mayor Jones stated there are four criteria that would allow a future City Council to consider allowances for flexibility in the future, should a plan be submitted to reduce the view corridor. The proposed Code only allow permission for someone to ask in the future. If the view corridors are adopted, the City Council is essentially reducing the ability of the property owner to do certain things on their property. He believed it was in order to offer the possibility of consideration of future flexibility.

Councilor Brownson argued that as stated, not a lot of flexibility is provided. The proposed language actually creates more restrictions if a property owner wants a little flexibility in one direction. There is no incentive to do anything, so it is redundant. However, if the rest of the Council supports the proposal, he would still ask that a view corridor be exchanged for another view corridor, not public access. Otherwise, view corridors could be eliminated.

Mayor Jones noted that in the future, residents might want the public access. He believed the public should be able to decide at a public hearing.

Councilor Brownson stated public access already existed and creating more public access did not make sense. The proposed language creates a loophole that may create an opportunity which does nothing to preserve what this Council and the public is looking for.

Councilor Rocka said he had suggested to the Port Commission via email that it would be a good idea for the two commissions to have a joint work session. That has been underscored because there is some misunderstanding about what the City Council is doing. It would be good for the City Council to have a better understanding of what the Port has in mind. And the Port needs to have an understanding of what the City Council's vision is. The two commissions have different responsibilities. City Council wants the Port to succeed but must also represent the City and its citizens. He believed that most of the time they would agree on what was a good solution, but tonight is an example of differing opinions on what should happen. He believed Councilor Brownson made good points. He did not want Uniontown to lose what they have or go backwards. It is important for Uniontown to have public access and no matter what happens, access will continue. Cutting off businesses in Uniontown would be irresponsible. He was ready to move forward and supported Councilor Brownson's recommendation to say the view corridor has to stay where it is and as is.

Councilor West stated she agreed with Councilors Brownson and Rocka. She also wanted to meet with the Port to clarify a couple of misunderstandings around the Code. The Council must often meet in the middle to come to a solution and that has been done through consideration of implementing planned districts. This proposal is minimal and square footage would not be impacted. She supported preserving the view corridors.

Councilor Herman said the City Council and Staff works with all property owners in the community and must work with all of them fairly. Even though the Port is the largest property owner in Uniontown, there are many property owners in Uniontown. She did not believe the property owners should be held to different requirements or different standards. The Port's 2001 master plan specifically states that the foot of Basin Street should be preserved as a park or grassy area. She believed the 18-year old master plan was more relevant today than ever because the City is faced with so much pressure to develop the waterfront. She had a copy of that master plan and offered to let anyone see it. She believed the street ends should be preserved in perpetuity. Once those view corridors are lost, the City will not get them back. She did not believe the proposal would have a dramatic impact on the Port but would on some businesses if properties were developed. She supported preserving the view corridors.

City Attorney Henningsgaard explained that Part 3 of the proposed amendment could be eliminated through an amendment. Then, the Council could vote on amending the proposed ordinance.

City Manager Estes provided an explanation of the way the Code was structured and said the amendment has been coded in the applicable section of the Code as Number 3 – Setback Modifications. Planner Johnson added that the amendment for the Port master plan district is an exception to Number 3 – Setback Modifications. The original proposal states “no reduction in view corridors shall be allowed.”

City Council Action: Motion made by Councilor Brownson, seconded by Councilor Herman, to amend the proposed amendment by removing the exception language regarding the Port West Mooring Basin Planned District under Number 3 – Setback Modifications and just keep the language “No reduction in view corridors shall be allowed.” [1:43:30] Motion carried unanimously. Ayes: Councilors Brownson, Herman, Rocka, West, and Mayor Jones; Nays: None.

City Council Action: Motion made by Councilor Brownson, seconded by Councilor Rocka, to approve new language referring to Bay and Basin Streets view corridors as amended. [1:48:15] Motion carried unanimously. Ayes: Councilors Brownson, Herman, Rocka, West, and Mayor Jones; Nays: None.

Mayor Jones called for a recess at 8:48 pm. The meeting reconvened at 9:00 pm.

Item 8(c): Public Works Shops Equipment Service Truck Purchase

The Public Works Department has solicited quotes for a new 2020 Ford Equipment Service Truck to replace a 1989 Dodge Equipment Service Truck that has ended its productive service life for the City.

The Oregon DAS contract price for the Shop Equipment Truck is \$89,856.08. This includes a 2019 Ford F-550 4X4 truck priced at \$38,707.58 with a crane body addition priced at \$51,001.00 and Oregon Exempt License Plate fees of \$147.50. The crane body addition includes but is not limited to a telescopic crane, adjustable boom, and winch. There are funds appropriated in the 2019-2020 Public Works Improvement Fund for the purchase of the vehicle.

It is recommended that City Council approve the purchase of a 2020 Ford Shop Equipment Service Truck for \$89,856.08 and authorize the City Manager to sign all pertinent contracts.

City Council Action: Motion made by Mayor Jones, seconded by Councilor Rocka to approve the purchase of a 2020 Ford Shop Equipment Service Truck for \$89,856.08 and authorize the City Manager to sign all pertinent contracts.

Councilor Herman asked where the funds came from.

City Manager Estes explained that the funds for this vehicle come from the Public Works Improvement Fund and other vehicles are funded by the Capital Improvement Fund. Vehicle purchases are made when funds are available and depending on the City's needs.

Director Harrington added that the advantage to having a mechanic shop is that Staff can take care of the vehicles. This truck will be for the mechanic shop.

Motion carried unanimously. Ayes: Councilors Brownson, Herman, Rocka, West, and Mayor Jones; Nays: None.

Item 8(d): Fire Department Pickup Truck Purchase

The Fire Department requested and was allocated budgetary resources to purchase a new Ford pickup truck in the approved budget for FY 2019-2020.

This vehicle will replace a 1991 Ford F250 pickup truck that is used for Fire Department emergency response. This vehicle has reached the end of its service life as an emergency response vehicle and is not NFPA compliant.

The City is a member of the Oregon Cooperative Procurement Program and obtained this price through Landmark Ford who is an authorized vendor of price agreement 5550 administered by Oregon Department of Administrative Services (DAS). The City is allowed to go directly through this type of program for this

purchase. Funds are available in the 2019-2020 Capital Improvement Fund and the Fire Department materials and services budget to cover the costs of this purchase.

It is recommended that Council authorize the purchase of a 2020 Ford F350 4x4 Crew Cab Truck and Knapheide Service Body for the Fire Department at a cost of \$55,389.47.

City Council Action: Motion made by Mayor Jones, seconded by Councilor Brownson to authorize the purchase of a 2020 Ford F350 4x4 Crew Cab Truck and Knapheide Service Body for the Fire Department at a cost of \$55,389.47. Motion carried unanimously. Ayes: Ayes: Councilors Brownson, Herman, Rocka, West, and Mayor Jones; Nays: None.

Item 8(e): Authorization to Purchase Two Police Explorers Budgeted for FY 2019-2020

The Police Department requested and was allocated budgetary resources to purchase two police vehicles in the approved budget for FY 2019-2020.

These vehicles will replace two Chevrolet Tahoes that have reached the end of their useful life span and exceed 100,000 miles. Prices were obtained using the state cooperative purchasing program. Gresham Ford, provided a quote of \$37,119.68. This price includes features added by Ford Motor Company including rewiring for some of the lights and siren. These added items were recommended by our vehicle up-fitter to provide better value to the city while reducing time, material and labor costs when the vehicle is set up with emergency equipment.

It is recommended that approval be granted for the purchase of two 2020 Ford Interceptors at a cost of \$ 37,119.68 each and the associated installation of related emergency equipment at \$22,342.00 per vehicle.

City Manager Estes noted that these vehicles would be purchased through a three-year purchase/lease program.

City Council Action: Motion made by Councilor Herman, seconded by Councilor West, to approve the purchase of two 2020 Ford Interceptors at a cost of \$ 37,119.68 each and the associated installation of related emergency equipment at \$22,342.00 per vehicle. Motion carried unanimously. Ayes: Councilors Brownson, Herman, Rocka, West, and Mayor Jones; Nays: None.

Item 8(f): Fire/Port Fireboat Memorandum of Understanding

The City of Astoria Fire Department has provided firefighters to jointly operate Port of Astoria owned boats through a Memorandum of Understanding (MOU) with the Port of Astoria since 1993. The 1993 version of the (MOU) has become outdated and both the City of Astoria Fire Department and the Port of Astoria desired to work together to update the (MOU). After several months of meetings, both the City of Astoria Fire Department and the Port of Astoria have updated the 1993 (MOU) to reflect current training standards, fire boat operations, and emergency response procedures. Attached are copies of the 1993 (MOU) as well as the revised (MOU) for Council consideration.

The updated (MOU) has been reviewed by the City Attorney as to form. The attached (MOU) clearly spells out the responsibilities of the City of Astoria Fire Department and those of the Port of Astoria. Termination of the (MOU) between the City of Astoria and the Port of Astoria may be facilitated by either party upon 30 days' notice in writing.

Staff recommends that Council approve the updated Memorandum of Understanding with the Port of Astoria for operations of the Port Fire Boat (Trident).

Councilor Brownson asked who was qualified to be a deck hand to operate and drive the boat.

Chief Crutchfield said it takes quite a bit of training to be certified through the Oregon Department of Public Safety Standards and Training (DPSST). Training was being offered when he first arrived and Astoria had seven people going through training at that time, five career members and two volunteers who are specific to the boat. The certification is basic, so Staff planned to update the MOU to get clarification with the Port on who was paying

for what and make sure maintenance and fueling is covered. The MOU also defines Staff's roles and responsibilities for checking the boat, determining when it needs maintenance, and notifying the Port so they can respond timely and get it fixed. The basic training is four hours each month to keep up skills, so Staff has identified policy to go along with the MOU that they will operate under. The river can be dangerous to anyone who does not know what they are doing, so at this time, Staff will only operate the boat during the day and in good weather. Staff will respond to fires, an active water rescue where there is a potential to save a life, and other limited responses. In the future, Staff plans on doing more training. As Staff becomes more competent and have more time operating the boat, they will expand what they respond to. In the 1993 version of the MOU, the Port had more control over operating the boat. Staff wanted to work jointly with the Port and have people trained. At this time, the Port does not have a lot of interest in having people training to operate the boat. As they gain personnel or train their personnel, the Port would be welcome to help operate the boat as long as the certifications are maintained.

Councilor Brownson asked if a commercial captain's license is required.

Chief Crutchfield said no license is required, but DPSST requires 40 hours of training. Two firefighters who were retired from the boat program volunteered to give the class in Astoria at no cost.

Councilor Brownson believed the boat was a real asset to the community. He wanted to make sure that taking on this responsibility would not unduly impact the Fire Department's ability to perform on land.

Mayor Jones explained that Staff was not taking responsibility from the Port. The Port purchased the boat with a federal port security grant and they do not have a responsibility for firefighting along the waterfront that is not their property. So, this relationship is mutually beneficial. The Port is letting the City use their boat to fight fires on the city's property.

Chief Crutchfield added that the updated MOU follows the 1993 version very closely, but Staff was able to clarify the Port and the City's responsibilities very well. The City is providing firefighting tools and personnel and operating the boat. The Port is maintaining the boat and paying for that maintenance. He believed it was a good deal and a good partnership. He hoped to continue to grow the relationship with the Port and make the fire boat work. If there is a fire in a building on the waterfront, there are areas inaccessible by land.

City Council Action: Motion made by Councilor Rocka, seconded by Councilor Brownson, to approve the updated Memorandum of Understanding with the Port of Astoria for operations of the Port Fire Boat. Motion carried unanimously. Ayes: Councilors Brownson, Herman, Rocka, West, and Mayor Jones; Nays: None.

Item 8(g): Consideration of Lease Proposals for 17th Street Dock East End

At the September 3rd City Council Meeting Public Works staff presented a lease with the American Cruise Lines (ACL) for the east end of the 17th Street Dock for consideration. After hearing from staff, ACL and the American Queen Steamboat Company (AQSC), Council had some questions and concerns that they asked be addressed and brought back to a future meeting. The concerns raised were primarily about how scheduling would take place amongst the two primary users and how future rates would be established by ACL. The AQSC had also requested in the meeting that they be allowed to submit a proposal for a lease in their name.

American Cruise Lines and American Queen Steamboat Company have submitted proposals for review.

It is recommended that City Council consider the proposals and direct staff on how to proceed.

Director Harrington provided a summary overview of both proposals, which were included in the Agenda Packet. He noted that it was difficult to do an apples to apples comparison because the two proposals were so different. Staff used the following objectives when comparing the proposals:

- Does the proposal protect the City's financial security of dock?
 - ACL – The proposal would generate more revenue that could be used to pay down debt service and would put infrastructure improvements in the hands of the private sector resulting in less risk to the City.

- AQSC – The proposal focused on third party management of the entire dock and did not include any associated lease fees or rent. The City is not interested in third party management because no help is needed to manage the Coast Guard portion of the facility.
- Does the proposal address the City's needs?
 - ACL – The proposal does address the City's needs and is fair and equitable to all parties. The Council had expressed concerns about scheduling and rates, which he believed had been addressed in the supplemental information.
- Does the proposal create added economic benefit to the City as a whole?
 - ACL – The proposal adds economic benefits by putting the risk of the investment and capital improvement funding in the private sector.
 - AQSC – The proposal did not identify an economic benefit to the City.
- Does the proposal reduce Staff time?
 - ACL – The proposed lease does reduce Staff time spent on scheduling and coordinating logistics between companies.
 - AQSC – The proposal did not have any information that indicated how Staff time would be affected.

Mayor Jones called for a presentation by AQSC.

Ares Michaelides, President, American Queen Steamboat Company, said he understood the City was focused on financial security, management, competitive rates, scheduling, and reducing Staff time. He believed a management agreement was in the best interest of the City. He handed out at the dais an economic impact statement demonstrating how the pier would be managed. The handout referred to the currently proposed lease as Scenario 1, which would provide the City with \$80,000 a year and no expenses. Under the management scenario, referred to in the handout as Scenario 2, included an annual management fee of \$100,000 and estimated about 149 port calls per year between the two companies. He noted that \$100,000 was only used to make the math easy for illustrative purposes and the agreed upon amount could be lower. The City would have to charge \$1,210 per port call in order to break even and the management company would help negotiate that rate. If the City \$2,500 per port call, cash flow would total \$272,000 per year. That revenue could be used to pay down debt, for maintenance, and for capital improvements. There is a lot of negotiation that might be necessary with a management company. He proposed a company that is a sister company of AQSC's, which might be considered a conflict of interest, but it is an independent company with independent management. The City could also put it out to bid. AQSC wants to be fair, reasonable, and equitable. They want to have competitive rates. The company goes to market very early and most of their sales occur 250 to 300 days before sailing. So, not knowing where the ship is going to go makes it difficult for AQSC and their travel partners to sell cruises. Based on what they are paying at the Port, he believed AQSC would be glad to pay \$2,500 per port call.

Mayor Jones understood that AQSC was currently paying the Port \$4.30 per foot on a port call.

Eric Denley, 521 Tiffany Lane, Louisville, KY, Chief Legal Counsel for AQSC, said the cost averaged just under \$6,000 a day to tie up the American Empress at the Port. ACL's proposal normalized over the number of port calls has a daily port fee of less than \$500. Currently, AQSC pays \$720 to tie up to the City's pier when access is available. The City is giving ACL 30 years of control over a public utility at a premium and potentially at the exclusion of other competitors. He was concerned about the lease terms proposed by ACL. This year, AQSC was forced to go to the Port.

Mayor Jones said \$6,000 a day at the Port was radically different from what he had heard. The City charges \$2.00 per foot and the Port charges slightly more than twice that. He asked what fees were included in that \$6,000 a day.

Port Commissioner McClaine stated he did not know where the \$6,000 came from. He confirmed with an AQSC representative that the American Queen was 350 feet long.

Mr. Denley said the cost to go the Port was significant and spoke to the value of the City's asset. The City considers ACL's lease a benefit because it shifted the risk to ACL. However, ACL is allowed to offset 100 percent of their rent by maintaining the pier. If ACL had to pay more than their lease amount, they could terminate the lease if it was not economically viable. Additionally, ACL would not be required to put \$0.01 into

capital improvements for 30 years. As an attempt to meet the City's needs, AQSC has made some suggestions about the value of that asset and made a proposal that was fair and equitable to all parties that want to use the facility.

John Kiever, 12 Lande Way, Yountville, CA, Senior Vice President of Seaward Services, said his port experience started at California Maritime Academy. From 1988 to 2008, he was vice president of marine programming and student development at California State University Maritime, where he was also responsible for the operation of their 500-foot pier, a number of tugboats, barges, small crafts, and a Coast Guard tenant. Then, he worked for HMS Global shortly before they bought Seaward Services, which is a government contracting agency that runs ships mostly for the federal government and port operations. During his time there they have run the Navy port in Key West, a port facility in Dania, Florida for the Florida ocean testing facility, a port operation in Norfolk, Virginia for test and evaluation vessels autonomously operated, one in Eglin Air Force Base for an explosive ordinance fleet. Seaward currently has a contract in Bangor, Washington for a barge and port facility. He looked at the economics of this proposal and the port facility. The port has location and a lot of people want to use it. He believed the port was undervalued by the City, considering the price the City is charging. Since the commercial portion of the pier has a height requirement, the City should consider changing the rate structure. Most similar facilities charge by the call and by the size of the vessel, sometimes the number of passengers or the number of cargo movements, and also by the length of time the vessel is staying. All of those charges together can generate a much higher income. AQSC's proposal said the entire pier because it was their understanding that the City did not want any responsibility. However, he did not believe it would be a problem if the City just wanted them to manage the end of the pier.

Mayor Jones invited ACL to make a presentation.

Charlie Robinson, ACL, said ACL operates three vessels on the Columbia River that have stopped in Astoria three times a week since 2010. Additional boats are under construction. This proposal would provide increased port capacity and the ability to bring more ships in on a more regular weekly rotation. He firmly supported the proposal that ACL submitted to the City over the summer and negotiated with Staff. The proposal is competitive in revenue it will generate for the City and in the way it mitigates all expenses. ACL heard the feedback provided at the September 3rd meeting and he hoped they had accommodated it suitably. The proposal provides for a rent escalator that accrues through the term of the lease. The rent was increased by reducing the threshold number of dockings before additional rent kicks in. With every docking after the 110th, ACL will add \$400 to the rent. They heard concerns that leaving the docking fees solely up to ACL provided for the potential for anti-competitive behavior. So, ACL has proposed allowing the fees to be approved by the City. Force majeure control of the dock will be limited in the event that a last minute scenario comes up where they would like to have their own ship at the dock, particularly if there are a number of capital improvements made. ACL is willing to limit that substantially to a maximum of five interruptions per year. Since the City considered the words "commercially impractical" to be too ambiguous to apply to a force majeure event, ACL is fine with leaving the lease as is. Also, the City has the ability to terminate the lease should ACL fail to perform. Their proposal is more competitive now than it was and is still the most competitive proposal possible. ACL currently represents two-thirds of the dockings and expect that to increase to about three-quarters as an additional ship is added. AQSC's Scenario 1 does not account for the extra \$400 per docking above 110. Applying the 186 scheduled dockings in Scenario 2 to Scenario 1 equals an extra \$30,400 in rent payments to the City. The expenses to the City would remain zero. In Scenario 2, \$2,500 per docking is not competitive and it would be difficult for Astoria to justify that amount. That speaks to the issues the City might face with a management company. Currently, ACL pays by the foot and their vessels are smaller than the American Empress. A flat fee per call would damage their ability because they have fewer passengers to amortize the docking costs. If ACL was unable to resolve a dispute with the management company owned by the same private equity firm that owns AQSC, it could be very damaging to their ability to call on Astoria. If ACL were pushed out of Astoria, the City would lose the revenue and be left with a large management fee. He did not believe AQSC's proposal achieves the City's desire to reduce actual expenses and Staff time. ACL is the most appropriate company for Astoria to have this relationship with because of their majority use of the dock, expects future growth, and desires to improve the facilities. ACL recognized that other operators brought benefits to the town and understood the economic benefits. If Astoria decided to use a third-party management company, it should choose a truly independent company.

Alan Laster, Counsel representing ACL, said that on a couple of occasions, AQSC has said maintenance costs are offset by rent. That is not correct. The repair or replacement costs of the dolphin can offset the rent. The risk that ACL is trying to manage is that if the dolphin fails, the dock closes. ACL has agreed to take on that burden,

which is a significant expense. That is why it makes sense for this lease to be long term because it will give ACL the ability to invest in that kind of repair while also giving the City time to continue receiving rents going forward after the repairs have been made.

Councilor Herman asked what the typical docking fee was, how long the boats were, and why Astoria could not get \$2,500.

Mr. Robinson said it was \$2.00 per foot and the vessels are 230 and 300 feet. Many ports along the Columbia River do not charge any fee to dock. Portland is the only port more expensive than Astoria at about \$1,200, but they also do all of their turnaround operations at Portland.

Councilor Brownson asked if ACL had used the Port's docks and if so, what fees were charged.

Mr. Robinson stated ACL did use the Port from time to time. The Port is more expensive than Astoria, but he did not know the fees off the top of his head.

Mayor Jones noted that the 17th Street Pier just provides the dolphins and no services are provided. Director Harrington added that the City's current rate is \$2.00 per foot. Water and garbage services are available. The Port also offers sewer, fueling and other services. About a year and a half ago, Staff decided to leave the rate at \$2.00 per foot because it had recently been increased from \$1.50 per foot. However, he did not do a survey of what other ports charged for all the services. Astoria built this facility to bring in the cruise ships and he believed the rate was fair. The City could just increase the rate, but that would not accomplish the goal. The City wanted something fair and equitable that brought in more revenue and reduced risk. Instead of hiring a third-party management company, he could just hire another Staff person. Staff managed the building of the facility, has managed it, and negotiated a very good lease with the Coast Guard that generates revenue. So, Staff does not need help managing much, but just wants to get more use out of the pier and get some private investment without the taxpayers taking a lot of risk.

Mayor Jones agreed that the City did not need a management company. It does not cost \$100,000 to replace a part-time employee. Director Harrington said the real burden would fall on him or Engineer Crater to put together a design, get consultant services, and put together a bid package to make the improvements and do the permitting.

Mayor Jones asked for details about how the ACL proposal would mitigate the City's risk. Director Harrington explained that currently, if one of the dolphins failed, the City would just close the pier and there would be no revenue. The City would have to come up with the money to make the repairs. That whole time, there would be no revenue and funds would have to come out of the 17th Street budget. Every available dime of that budget is put towards debt service. Under the proposal, the company has a very high motivation factor to keep the pier open so they can stay in business and they can hire consultants and get the project designed much faster than the City can because they are exempt from the requirements that apply to public entities.

Mayor Jones asked how the longer-term lease would be an advantage to the City. City Manager Estes said the longer term would ensure that ALC could continue to dock and manage the facility after maintenance was done. Director Harrington added that ACL would be spending a lot of money. It would be risky for them to spend so much without having their investment secured by a lease. The current lease is consistent with the Division of State Lands (DSL) lease at the recommendation of DSL. The DSL lease has a maximum term of 15 years and expires in 11 years. He anticipated that if ACL proposed to make an improvement, the state could take two years to put that in place and the DSL lease would only have nine years left. So, DSL has recommended that Astoria ask for another 15-year term if ACL makes any improvements. This indicates that DSL supports and will accommodate this kind of expansion because they like to see activity in their lease areas. DSL is also interested in discussing Parcel 2, which the City may or may not need a lease on. A lot of details must be worked and there could be opportunity to amend the lease or modify the DSL lease.

Councilor Brownson said he was concerned about speculation. ACL had mentioned they would possibly make capital improvements, but that is not stated in the lease. If ACL chooses not to make the improvements, the proposal is moot.

Mr. Robertson stated ACL would like to make capital improvements to the property. However, exact improvements were not specified in the lease because ACL did not want to conduct expensive survey work without being sure of what the City would want from them. The parcel is deep enough to operate, which provides a lot of opportunities. The existing facility is fine for now, but their goal would be to bring two ships in at one time. There are several ways to make that possible with varying degrees of expense. The easiest option would be to remove some of the existing dolphins and install new dolphins inland of the existing ones so a small finger pier could be built off the end. This would allow two ships to raft against each other and drop their gangways on the new finger pier. He did not know if that would be appealing to the City and he was sure there would be a lot of public comment on that. ACL is willing to take the property as is, and then begin the discussion about how to improve it.

Mayor Jones asked how the replacement of the dolphins would be funded.

Mr. Robinson said the work would be done entirely at ACL's expense. ACL received some estimates to replace the dolphins and he believed it was feasible, given that they are building new ships and want to bring new ships to the river. Any capital improvements that ACL makes will be subject to the City's approval and ACL is fine with that because they do not want to build something the City does not want. They are open to other arrangements. A second dock could be built off the back end of the museum on the east side that would accommodate their second vessel without having any impact on the Coast Guard dock. That would be much more expensive, but it is another to tackle the same problem. If worse comes to worse and neither side guarantees the capital improvements, ACL would maintain what it has and schedule shorter visits in Astoria or rotate the boats differently to accommodate one boat at a time. He confirmed for Councilor Brownson that the maintenance of any new infrastructure would be ACL's responsibility. ACL is open to any changes, but he requested the City Council approve the proposal tonight pending those changes.

Councilor Rocka appreciated the modifications, which were a direct response to the Council's concerns. However, now he was concerned that the term of the lease could be up to 41 years and there is no guarantee of capital improvements. Director Harrington clarified that only 11 years are left on the DSL lease and it could be renewed twice for 15 years each renewal. However, the City would not have to renew the lease. He did not see the City ever making any of those improvements, especially considering the debt service that already exists on that property. The bigger concern is loss of the use of the facility. The City cannot come up with the money to make improvements, so having the costs come out of the lease as lost revenue is a good way to not have to come up with cash. The City does not have any more capacity to match grant funds or provide Staff time for such a big project.

Councilor Brownson understood that the long lease term gives the City constant income to help service some debt. Director Harrington said most importantly, the revenue guaranteed by the lease would give the City the ability to reduce debt service. He reminded that Parcel 1 is not the City's property. The City just leases it from DSL. The dolphins were paid for by surcharges and grant funds back when things were cheaper. Replacing the dolphins will be a serious project, especially to accommodate larger vessels. In order to accommodate multiple vessels, the most important thing would be managing the additional busses. He has spoken to the Maritime Museum about additional busses and an arrangement would be necessary. There have been some issues with the busses over the years, but all of those issues have been worked out. However, twice as many busses would be problematic without an arrangement. He noted that the City does not have to renew the DSL lease. However, if ACL spent money on capital improvements, it would only be fair for the City to renew the DSL lease. He suggested the lease be amended to state that if ACL makes capital improvements, the City would renew the lease with DSL, and if no capital improvements are made, the lease would be up for consideration.

Councilor Herman asked what the necessary repairs would cost in the future. Director Harrington stated that replacing all of the dolphins now with a different, more modern design and with better materials and better construction methods that would last longer would cost about \$600,000. Staff considered the costs of replacing one dolphin at a time and discovered that the permitting process for replacing all of them is very different from the permitting process for replacing just one. There is no economy of scale with this project.

Councilor Brownson was concerned that ACL had the option to extend the lease and they could perpetuate the lease for up to 40 years without the City having any say.

Councilor Rocka stated he was concerned that there was no contingency for investment.

Councilor Herman noted that if something went wrong and ACL could not dock, that would be a good motivator to get the dock fixed.

Mr. Robinson stated the renewal option in the lease was normal in this type of lease when the tenant is going to make an investment and manage everything. The extensions are negotiable, but the lease was just matched with the DSL lease because if the DSL lease is not renewed, neither would ACL renew their lease.

Mr. Michaelides said the City has an asset that is worth something and the City must figure out what the best path is to getting the best return on investment. As a gesture of good will, AQSC would consider a lease with ACL as long as AQSC is part of the negotiations to make sure the terms and conditions fit their needs in terms of competitive pricing, access to the schedule, and any other things that might impact them. AQSC wants to be the City's partner and their competitor's partner.

Mayor Jones believed that the revised proposal from ACL addressed concerns raised by Council and asked Staff to review those concerns. Director Harrington confirmed that Section 14.1 relating to termination of the lease would be amended as follows, "For each party, covenants and conditions will be revised to clarify that the nonbreaching party may terminate the breaching party on a 30-day notice if the breach is not curable."

Mr. Laster clarified that some breaches are curable, like non-payment of rent. However, some breaches cannot be fixed. The 30-day notice for something is not curable would allow the lease to end in 30 days. There is also a 30-day notice requiring curable breaches to be fixed within 30 days or the lease ends. Additionally, there is a provision allowing certain breaches to be fixed within 120 days. As long as ACL is consistently acting to cure a default during the time allowed, the default would be waived upon completing the remedy within 120 days. This is a typical default provision that provides flexibility for the types of defaults that might occur, but the timeframes could be negotiated.

Councilor Herman stated Mr. Laster's letter outlining the revisions started on Page 452 of the Agenda packet.

Mayor Jones asked ACL to review the revisions regarding the rates.

Mr. Laster stated Section 4.1 of the lease would be revised to require the docking fee charged to other river cruise operators be a fair market rate set in consultation with the City and the other cruise operators.

Councilor Rocka said the other issue was giving competitors enough time to schedule their ships.

Mr. Laster said they have proposed to honor any docking reservations a year out.

Councilor Rocka added he was also concerned because in order for the docks to continue to be functional, they would need investment. City Manager Estes clarified that there were no concerns about the dock because it was new. However, as the dock ages, resources would be needed.

Councilor Herman stated she relied on the expertise of Staff and \$2,500 is not even close to a realistic docking fee in this community. The City has to be careful with taxpayer's property and bring visitors to the community. The City is not out to make a profit but must keep the property maintained. She was comfortable with the lease with ACL.

Mayor Jones said he was not 100 percent certain about the long-term value of each proposal.

Mr. Denley stated AQSC was concerned about access. They appreciated ACL's assertion that they would honor docking schedules one year in advance.

Mr. Laster confirmed that provision would remain for the entire term of the lease.

Mr. Denley said the changes proposed by ACL does diminish their unilateral ability to schedule dockings. In 2020, their vessels are scheduled to tie up six out of seven days of each week throughout the sailing season. AQSC has significant concerns that ACL has the ability to schedule and control. It would be helpful to AQSC for the lease to include language assuring equity. ACL has more vessels, so they would desire more days.

However, the lease should clearly guarantee equity. The proposed language does not clarify the key issue of docking and places scheduling solely in their purview. The issue with the lease is that since capital improvements are not required under the lease, failure to perform capital improvements is not a condition of default.

Mayor Jones asked ACL to comment on docking equity.

Mr. Laster said ACL was more than willing to work on a mechanism that would provide comfort to AQSC that they would have docking opportunities.

Mr. Robinson confirmed that ACL intended to guarantee any other users' schedules one year out. Once those dates are guaranteed, ACL would like the right to modify those dates no more than five times per year based on a force majeure event. If a dam broke up river, that would affect everyone and could change the way ACL operated in Astoria. Other users of the dock would still have their schedules reasonably guaranteed a year out.

Councilor Brownson asked how schedules would be prioritized when both companies want the same dates.

Mr. Robinson stated that if ACL is leasing and building a dock, their schedule would be set more than a year in advance, and then other users would be accepted on the available dates. As tenant of the facility that is making a large investment in the dock, that is important. Accommodating other users is another reason that the ability to dock two boats at one time is important. Currently, the schedules are being worked out as they follow one another up and down the river.

Mr. Denley said he was not comfortable with what he just heard because ACL is not being required to build or repair the dock. The two companies do operate well together, but they also compete for business. This dock is a public utility and the lease is not a partnership because it only favors one party.

Councilor Brownson understood that AQSC believes the only remedy is to have a third party who is only interested in scheduling.

Mr. Laster responded that with a third party there would be no point in a lease. ACL would be on the hook for a minimum annual payment of \$80,000 and they would expect some priority rights in exchange for that, which he did not believe was unreasonable. He had never seen a lease structured where a tenant would not have access to the facility they are leasing when they need it. ACL and AQSC work together in about 20 different states and it is not ACL's intention to exclude them in any way. It is difficult to say contractually, but if ACL is malicious towards AQSC here, they could find a way to retaliate somewhere else. That would not be in anyone's best interest.

Councilor Brownson reminded that the Port would still be an option, so no one would be shut out of the market.

Mr. Denley said AQSC submitted their 2019 schedule after ACL did, so they had to dock at the Port 19 times this season due to scheduling conflicts. AQSC schedules between 37 and 39 port calls in Astoria. Their average cost at the Port was just under \$6,000. The guest experience is much nicer at the 17th Street Pier, which speaks to the value of the pier to ACL and AQSC. Under a management agreement, the City would have control over defining the terms and setting fees. While the two companies do work together operationally, AQSC has been in litigation with ACL since 2013. AQSC wants access and certainty that fees will be reasonable. A lot can change in 41 years.

Gary Fremault, AQSC, stated that the Port and 17th Street were not equal for passengers. The Port is clean and well maintained as an industrial port, but 24 percent of their passengers are international and when they arrive, it is their first opportunity to see Astoria. 17th Street is a much nicer entrance to the community. AQSC does provide motor coaches, but a lot of the passengers and crew like to walk into town. The company offers hikes to the Column. AQSC is typically arrives in Astoria between 4:00 am and 5:30 am, and usually departs by 6:00 pm. ACL's schedule ties up the pier for much longer. It is worthy to noted that AQSC bring people in and out much more quickly and their boat brings up to 230 passengers when full. Additionally, one year in advance is not beneficial to AQSC because their schedules go out for sales and marketing two to three years in advance. Not every port locks in the schedule that far ahead, but their schedules do usually get secured at least two years out.

The industry is seeing more and more boats, but there are only a limited number of docks. So, it is important to coordinate schedules to make sure everyone gets a fair share of dockings.

Councilor Rocka did not understand how an independent scheduler would resolve this issue. One user docks twice as often as the other and there are bound to be dates that both companies want.

Director Harrington said the City allows companies to reserve dates up to two years in advance. Companies request the dates they want and Staff responds with a list of the dates that are available. There are times when a boat plans on leaving the dock at 8:00 am, but another boat wants to dock at 4:00 am. In this case, the second boat simply waits out in the river for the first boat to leave. He hoped this lease would allow resolutions like that to occur.

Councilor Rocka suggested ACL commit to making the improvements that would allow two ships to dock at the same time.

Mayor Jones said it appeared as if the Council was leaning towards the ACL lease but there were unresolved questions regarding scheduling equity considering the circumstances. Therefore, he recommended that Staff continue to work with ACL and present updates at a future meeting before Council votes on signing a contract.

Councilor Brownson also wanted firm language about ACL's commitment to making capital improvements. By adding more boats, ACL would be taking potential dock time away from the competition. However, capital improvements would open up more dock time. He wanted assurance that the capacity of the dock would increase as ACL's fleet increased.

Mr. Robinson said ACL could guarantee schedules two years out. And if there is a conflict date, ACL could agree not to spend more than 24 hours in port in order to accommodate the other user. He was reluctant to guarantee capital improvements because a proposal might end up being financially unfeasible. However, he would consider agreeing to accommodating two vessels once a fifth ship is added to their fleet.

Mayor Jones believed those changes would be reasonable. He added that the Coast Guard cutters would retire within 15 years and would not be replaced at that pier. So, at some point, the entire dock would become available.

Mr. Robinson clarified that the Coast Guard dock was not included in ACL's proposal. He asked for a right of first refusal to it, but Staff declined. So, any company would be free to offer a lease on that dock if it became available. ACL would be willing to drop from two to one renewal options if that is important to the City. At least one option to renew for 15 years would provide enough time to amortize capital improvement costs. He would like Council to make a decision on this tonight and requested that Councilors vote on it now.

Mr. Denley urged the Council to vote no on the lease as drafted. He appreciated the offer to schedule dates two years in advance, but AQSC wanted priority so they could schedule dates they could count on. He asked that ACL give AQSC 35 dates a year of AQSC's choosing.

Councilor Herman stated that AQSC does not currently get to choose 35 dates each year.

Mr. Denley said his fear was that AQSC would not get any if the City Council approves the lease.

Mr. Robinson agreed to accommodate AQSC for 35 dates and allow those dates to be schedule two years out, but he could not give another operator the first option to use the dock.

Mayor Jones confirmed that ACL had agreed to the following changes:

- The lease would have an 11-year term with the option to renew with one 15-year term
- Dates can be scheduled two years out
- If there is a scheduling conflict, ACL's vessel will remain at the dolphin for no more than 24 hours
- If a fifth ship is put in service on this route, ACL will find a way to accommodate two vessels simultaneously on the dolphins.
- AQSC will be guaranteed no less than 35 dates

Councilor Brownson noted that he had been comfortable with the lease proposal all along and it is a good deal for the City. He believed the City needed to be conservative instead of trying to project potential fees and revenues. He supported approving the lease with the changes that ACL has agreed to.

City Attorney Henningsgaard stated this was a difficult way of negotiating a lease. He recommended that City Council authorize Staff to negotiate the terms and work on the language of a new lease.

Mr. Michaelides asked if AQSC would have the opportunity to review the terms of the new lease and comment on it.

City Attorney Henningsgaard said City Council can receive comments from anyone at any time. Staff would present Council with a final version of the lease at a public City Council meeting. The lease would be included in the Agenda packet so everyone would have the opportunity to see it and City Council could take public comments on it.

City Council Action: Motion made by Councilor Brownson, seconded by Councilor Rocka, to direct Staff to revise the terms of the proposed lease for the 17th Street Pier with American Cruise Lines as discussed, and present it for City Council review at a future meeting. [3:58:33] Motion carried unanimously. Ayes: Councilors Brownson, Herman, Rocka, West, and Mayor Jones; Nays: None.

City Council proceeded to Item 9: New Business at this time.

Item 8(h): Discussion regarding Walldorf, Germany (Sister City) Celebration

The Mayor received a letter from Christiane Staab, Burgermeisterin of our Sister City, Walldorf Germany. The original letter and a rough translation are attached. The Mayor has requested a discussion about what if any delegation will be sent to this celebration, and how the trip could be funded. They would like a response by October 15, 2019.

This item was addressed immediately following Item 7: Consent Calendar.

Bruce Connor, 323 Alameda, Astoria, President, Sister City Committee, briefly introduced the Sister City Committee members who were present. He provided background information on the Sister City relationship and the Committee's role. The Sister City program allows both cities to develop a partnership that has included financial investments in the community and a student exchange program.

Committee members and Sister City participants shared about their experiences participating in the student exchange program, the hospitality they received in Germany, tours and events they were able to participate in as part of the Sister City program, their experience hosting visitors from Germany, and benefits to both communities. Mr. Connor briefly answered Councilor's questions about how the student exchange program works.

Mayor Jones said his first exposure to the Sister City relationship was in 2011 during the bicentennial festivities, when the entire City Council came to Astoria. They visited again for former Mayor Van Dusen's retirement and most recently for the 50th anniversary of the Astoria Megler Bridge. Astoria sent a delegation to Walldorf for the 50th anniversary of the Sister City relationship. He understood that Promote Astoria Funds were used to send City Councilors to Walldorf.

City Manager Estes confirmed that was correct and said the primary expenses have been airfare.

Mayor Jones estimated transportation and lodging expenses would be about \$2000 per person.

Councilor Brownson was in favor of sending City Council to participate in Walldorf's 1250th anniversary celebration. However, the City runs on a tight budget. He believed the international exchange and having positive interactions with European friends was important.

Councilor Rocka believed the Sister City relationship was worth investing in and that the Councilors who could attend should do so.

Councilor West said she would love to go to Walldorf. She had never traveled for anything but work but spent most of her 20s in other countries. Her experiences continue to shape who she is. Relationship building and cultural exchange is important. She had asked about funding and anticipated pushback on being fiscally responsible. The Promote Astoria Fund is funded with transient lodging taxes and the laws very specifically state what those funds can be spent on. It was fine with her that this trip would fall into that category.

Councilor Herman said she would love to go but traveling that far would not be realistic for her. She believed it was important to maintain the friendship because travel is fatal to ignorance. It is important to reach out to international neighbors in a personal way.

Mayor Jones stated he also supported the partnership and it would be appropriate for the City Council to accept their invitation and participate in the 1250th birthday of Walldorf. He advised Staff to exercise great prudence in selecting airfare and make the most reasonable arrangements.

City Council Action: Motion made by Mayor Jones, seconded by Councilor Herman, to use Promote Astoria Funds to send City Council to Walldorf, Germany and work with the Sister City Committee to identify a full delegation and coordinate with the City of Walldorf on all of the arrangements. Motion carried unanimously. Ayes: Councilors Brownson, Herman, Rocka, West, and Mayor Jones; Nays: None.

City Council returned to Item 8(a) at this time.

NEW BUSINESS & MISCELLANEOUS, PUBLIC COMMENTS (NON-AGENDA)

There was none.

City Council recessed into Executive Session at 11:01 pm

EXECUTIVE SESSION

Item 10(a): ORS192.660(3) – Labor Negotiations

The City Council will meet in executive session to discuss labor negotiations.

The Regular Session reconvened at 11:15 pm

Mayor Jones said City Manager Estes' performance was discussed in Executive Session. The City is indebted to City Manager Estes for his hard work.


City Council Action: Motion made by Mayor Jones, seconded by Councilor Brownson, to approve a pay raise of 10 percent for City Manager Estes. Motion carried unanimously. Ayes: Councilors Brownson, Herman, Rocka, West, and Mayor Jones; Nays: None.

City Manager Estes stated he was humbled, he enjoyed working with Staff, and he thanked City Council.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:17 pm.

ATTEST:



Finance Director

APPROVED:



City Manager

