

TOPIC	DISCUSSION/ASSESSMENT/FINDINGS	ACTION
Attendance	Commissioner/Staff Present: Port Commissioners (PCs) James Herman, William Schmitt; Wayne Vinyard; Executive Director (Exec.D) Marc Thornsby and Administrative Assistant/Port Auditor (AA/PA) Margie Ziegler. PC/Staff Absent: none. Guests Present: Phil Diepenbrock, Insitu/Boeing; Julie Korenko, Insitu; Jenny Taylor, Insitu; and Brad Roberts, Rivermile 172.	Meeting called to order at 4:30pm.
Administrative Matters Approval of Minutes	Minutes – April 17, 2012	PC Schmitt M, to approve the minutes, PC Vinyard S, MP 2-0. PC Herman abstained as he was not in attendance.
Approval of Vouchers	Vouchers – May 1, 2012 #24749-24760 for \$22,980.41. Payroll Vouchers – May 7, 2012 #24748 and #D10417-D10432 for \$10,984.36.	PC Herman M, to approve the vouchers, PC Schmitt S, MP 3-0.
Old Business Ground Lease Changes	(Exec.D) Thornsby presented the second half of the original and proposed lease language and the potential impact of the proposed changes. Thornsby said the changes were reviewed by Port Attorney Bill Eling and, where applicable, the Port's insurance carrier. Access to maintain utilities was discussed. Thornsby suggested that new utilities be limited such that they may not permanently interfere with the lessee's use of the premises and that access to the premises for such work be limited to no more than 90 days. The section regarding air space should be eliminated in its entirety. With respect to consent to use and/or store hazardous substances, Phil Diepenbrock noted that products regularly used could be defined. Jenny	

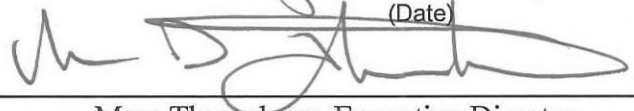
<p>New Business continued.... Ground Lease Changes continued</p>	<p>Taylor said they do annual environmental inspections and could provide a list of items on a routine basis. The PC stated that the Port should be made aware of substances that will be in the building so it has a level of knowledge and protection. PC Schmitt said he was uncomfortable with any open-ended language that exempts all substances regularly used. Thornsby said he will clarify the current exemption language and attempt to address any specific concerns regarding substances used in the course of regular operations.</p> <p>Thornsby will clarify the acceptable method of delivery for notifications.</p> <p>Regarding indemnification, the PC stated that the Port and lessee should provide equivalent indemnification for the other party. Diepenbrock asked about preexisting conditions and Thornsby said he will work with legal counsel to address this issue.</p> <p>Taylor said they need two business days advance notice before any inspection, monitoring, or testing for environmental compliance and to know who would be entering a facility. Thornsby noted that the provision is intended to allow the Port to do an inspection if it has reason to suspect environmental violations by a lessee on the property itself, not any leasehold improvements on the property. The PC wishes to retain the original language.</p> <p>The circumstances under which the Port must notify lessees of the planned maintenance and closure of common areas was discussed. PC Schmitt suggested the eliminating the term “common areas” because it is too broad. PC Herman suggested notice be limited to Port-owned roads and utilities.</p>	
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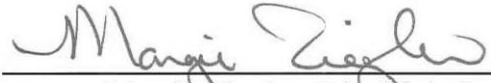
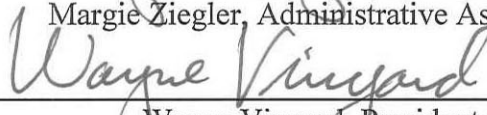
<p>New Business continued.... Ground Lease Changes continued</p>	<p>The suggestion to remove the provisions for dispute resolution were rejected by the PC. Thornsby will use new language from Port Counsel and add language that defines the method for choosing an arbitrator.</p> <p>The PC agreed with Port Counsel on adding a new section guaranteeing access to the premises.</p> <p>The CCR's that address signage were discussed. Thornsby talked about timing of revising the CCR's. PC Herman proposes leaving the language and work on CCR's when time allows. PC Herman said anything outside the CCR's is unreasonable. PC Vinyard said the CCR's is a lengthy process and take a lot of time and energy. PC is ok with proposed language.</p> <p>A request that the Port's review of any initial leasehold improvements be limited only to the provisions of the CC&Rs was discussed. PC Vinyard said the current CC&Rs were developed with the involvement of the community. PC Schmitt noted that the PC needs to work on the CC&Rs. Thornsby said it will take time to revise the CC&Rs, but the Port (as majority landowner) can amend them at any point. Taylor stated a desire to protect the ability to construct other leasehold improvements in the future. Thornsby noted that the review of future development projects could be based on the revised CC&Rs in effect at that time. The PC elected to maintain unlimited review authority for any initial leasehold improvements, but limit reviews for subsequent development to the CC&Rs. PC Vinyard noted that the PC will need to work on revising the CC&Rs in the future.</p> <p>A proposed limit of 30 days for the Port to accept or reject development plans submitted by a lessee was considered. PC Schmitt said 30 days was not enough time. PC Vinyard said there must be time for the information</p>	
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<p>New Business continued.... Ground Lease Changes continued</p>	<p>to be reviewed by staff and recommendations made to the PC. Thornsby stated the Port receives the same information that a lessee would submit to the county for approval. The PC retained the 45-day period, but will allow for extension of the contingency period under special circumstances.</p> <p>With respect to the disposition of leasehold improvements, Diepenbrock said the provisions regarding restoration are confusing. Thornsby said the language is intended to insure the lessee takes care of the building and makes repairs or a sinking fund is established so that funds are available to restore or demolish the leasehold improvements at the conclusion of the lease. Discussion followed. The PC requires some assurance that the Port will not be left with a facility it must pay to demolish. Diepenbrock noted that a Port of Vancouver lessee had simply deposited a sum sufficient to cover the future cost of demolition. Thornsby will work on simplified language that delivers the assurance the PC requires in a manner that is easier for the lessee.</p> <p>Diepenbrock asked for clarification regarding the formula for a discount for special Geotechnical work. PC Herman will look into the matter including any additional funds provided by the County.</p> <p>Taylor said a 3% escalation is easier for a developer as it provides a predictable increase. PC Herman said a CPI-based escalation is more accurate and fair and that it better reflects the Port's increased costs for maintenance.</p>	
<p>New Business</p>	<p>None</p>	
<p>Executive Director's Report Fire Protection System Modifications</p>	<p>(Exec.D) Thornsby said he is waiting for final information regarding a change order estimated to be \$1,200.</p>	

Executive Director's Report Cont.... Levy Lift	(Exec.D) Thornsburg presented a one page summary sheet and a three page detail document with information regarding the Port's proposed Levy Lift. Thornsburg asked the PC if they are satisfied that the key issues have been addressed.	By consensus, the PC directs Thornsburg to move forward.
Commissioners Reports: Committee Updates	<p>PC Vinyard: nothing.</p> <p>PC Schmitt: PC Schmitt said the County is talking about reestablishing funds for the fire departments. PC Schmitt said he talked to the railroad and collected information regarding the coal trains. PC Schmitt said the grade-separated crossing will be important if there is an increase in train traffic.</p> <p>PC Herman: PC Herman said County Commissioner David Sauter will be going to Washington DC and will be talk with several of his contacts regarding the grade-separated crossing.</p> <p>(Exec.D) Thornsburg said the next SR 35 bridge meeting will be held at the end of May.</p> <p>PC Schmitt said the railroad will host a public meeting regarding coal trains this month in The Dalles and he will attend.</p> <p>(Exec.D) Thornsburg said he will not attend the WPPA Spring Meeting.</p> <p>PC Herman said he will not attend the May 15th PC Meeting.</p>	
Public Comment	<p>Brad Roberts, Rivermile 172, said there will be a litter pick-up on Wednesday from the 17th Annual Community Pride Clean-up.</p> <p>Jenny Taylor, Insitu, said she will be meeting with Insitu's CEO to make her recommendation for a developer and construction manager. Taylor said the developer will then review the lease.</p>	

Public Comment continued...	Phil Diepenbrock, Insitu, said lender is concerned about the vacancy provisions in the lease. Thornsbury said the Port has worked with three different lenders that have found the vacancy provisions acceptable and asked that the lender contact him so they can discuss the issues.	
Adjournment	PC Vinyard adjourned the PC Meeting at 7:16pm	

Approved on May 15, 2012
 (Date)

 Marc Thornsbury, Executive Director


 Margie Ziegler, Administrative Assistant

 Wayne Vinyard, President