

MINUTES**PORT OF SIUSLAW COMMISSION,
SPECIAL MEETING**

Wednesday, 13 April 2011 11:00am,
Port Office, 1499 Bay St, Florence OR

ATTENDANCE: Commission: Commissioner Joshua Greene (Greene), Commissioner John Scott (Scott); Commissioner Sally Owens (Owens); Staff: Port Manager Mark Freeman (Freeman), Recording Secretary Dina McClure (McClure), Mike Babcock (Babcock).

The purpose of the meeting was for Mike Babcock to present his business ideas to the Port Commission for a Fish Buyer/Processor/Market on Port property.

Scott asked Babcock if he sold the Fisherman's Seafood Market (the floating building). Babcock said he has received a deposit and the new owners, who will be moving here from Salem, will take possession May 1st.

Babcock wants to start a fish processing business in Old Town Florence. He wants to be a fish buyer, a processor, as well as sell fresh fish. In addition, he would like have a restaurant and viewing area where the public can watch the fish being processed. Babcock warned that a cannery might smell and attract seagulls but if it is done right, it would be a tourist attraction. He referred to the Tillamook Cheese Factory and Pikes Fish Market in Seattle as examples of what his business would be modeled after. Babcock sees a good opportunity in Florence and asked the Commission if this is the type of business they want to see. Owens and Scott said the Port wants to see diversity, attract tourists, and create jobs. Scott added the Port would like to see a fish buyer in the event the operational ice machine brings in more boats.

Babcock said he needs a 3-4,000 square foot area for freezer storage. Since that's a major investment he would only consider a lease if it's attractive, but would prefer to own. He asked if the Commission would consider selling the 080A building. Scott said not likely due to it being in the middle of Port property. There was discussion about the ICM building and the possibility of it being available at the end of the year. It has a good location on the wharf next to the hoist. Scott suggested Babcock consider a partnership with SFA on the ice machine. Babcock is interested in the ICM location but would want to demolish the building and rebuild. He asked if the Port could get federal money to get the building started. Greene said ICM was built with a fish buyer office in the back and why spend a lot of money to rebuild when an existing facility is already there? Owens asked Babcock if he had been in the building recently and Babcock said not for two years. Freeman said the idea could be presented to the Feds since it involves creating new jobs. It is also possible to get federal money to close in the "doughnut holes" in the wharf.

Scott said that Babcock's plan fits in with the Port's goal of economic development and it's a good idea. Babcock asked why the Port wasn't pursuing a

similar business? Scott said the Port doesn't have the experience or resources to operate a retail business. Babcock said he'd consider leasing ICM if the Port uses government money to start the rebuild. Scott said all federal money involves co-pay and the Port is already in debt for the transient dock, boardwalk, and 40 acre industrial park property. Greene said the 080A building was not the best location and asked if Babcock would have interest in the boardwalk property since it may come up for sale in the future. Babcock said the 080A building would only be freezer storage and possibly processing. Babcock was not aware of the boardwalk property and would have to think about it.

Babcock pointed out the lack of cold storage and crab processing on the Central Oregon coast and how Florence would be a good location for it. Whether or not he starts a business in Charleston, he still wants to start something here but was hoping for federal money to get things started. Freeman said getting money to build a structure was not impossible due to the relationship of creating jobs, but it was more likely to get federal money to "fill in" the wharf. Greene did some quick figuring of dollars and came up with a \$5-6M investment. Babcock said he could do the project for a lot less and still meet standards. Owens told Babcock the Commissioners need a proposal.

Greene encouraged Babcock to take a look at ICM to see what can be salvaged but Babcock was insistent that the building must be replaced and said it was a mistake for the Port to use that location for a restaurant. Greene said the only partnership the Port would be interested in would be trying to upgrade the wharf and building maintenance. Babcock asked if there was any other plan for ICM and Greene said no. Babcock asked how much the Port was asking for the boardwalk and Scott said they need to get an appraisal. Babcock said he needed to think about what had been discussed and thanked the Commissioners for their time.

Meeting adjourned 12:35pm.

President