

Portland, Oregon, November 12, 1940

The regular monthly meeting of the Board of Commissioners of The Port of Portland was convened at 11 A.M. this date, being postponed from November 11 on account of that day being a holiday.

There were present Commissioners H. L. Corbett, presiding, D. C. O'Reilly, E. F. Doyle, H. K. Cherry and D. O. Hood.

✓ MINUTES APPROVED:

The minutes of the meetings of August 26, September 9, October 4 and October 30 were upon motion approved as entered in the record.

✓ MANAGER'S REPORTS:

Copies of the Manager's reports for August, September and October, previously supplied the Commissioners, were presented and there being no comments or questions, the same were ordered filed.

✓ LAND VALUE REDUCTIONS:

A report by the Manager dated October 7 and accompanied by a letter from the County Assessor dated September 23 was submitted, the report recommending that the book value of certain lands in the Guilds Lake District be reduced to conform more closely to actual value. Copies of the report having heretofore been supplied the Commissioners, and the members being familiar with the matter, it was moved that the book value of the tracts of lands as listed below be reduced in accordance with the recommendation in the report, based on the Assessor's valuations as outlined in the documents before the Board.

Adjustment of Real Estate Values Based on Assessor's Appraisal of Sept. 23, 1940 - File 29

	Book Val. 8/31/40	Write Off	Appraisal Totals	
			By Assessor 9/23/40 @ 75%	Remaining Val. 100%
<u>Reed-Term Tract:</u>				
T.L.#6-Sec.20, 1 N				
1 E - 37 Ac.	\$455,191.63	\$233,191.63	\$168,700.00	\$222,000.00
Equals per acre (12,300.00)		(6,300.00)	(4,560.00)	(6,000.00)
<u>Cook Tract:</u>				
T.L.#21- Sec.19,				
1 N, 1 E - 36 Ac.	124,540.77	43,540.77	61,200.00	81,000.00
Equals per acre (3,460.00)		(1,210.00)	(1,700.00)	(2,250.00)
<u>Potter-Blyth Tract:</u>				
T.L.#29-Sec.13,				
1 N, 1 E - 9 Ac.	45,598.40	24,598.40	15,800.00	21,000.00
Equals per acre (5,066.00)		(2,733.00)	(1,755.00)	(2,333.00)
Totals - Guilds				
Lake District	\$625,330.80	\$301,330.80	\$245,700.00	\$324,000.00

It being noted that in recent sale of lands out of the Cook Tract to Signal Oil Company and Standard Oil Company, the sales price was approximately one-half of the book value, it was moved that the book values of such transferred tracts be written down to conform to the sale price. This motion was seconded, put and carried.

BIDS - DREDGE TENDER HULL:

Bids having been called for by advertisement, for construction of a hull for a light dredge tender, the following bids were opened:

N. J. Mariman Boat & Machine Works -----\$2,563.00
Westerlund Boat & Machine Shop ----- 2,750.00

Negotiations being under way for possible lease of the dredge "Columbia" for operation away from the river for a long period, and the bidders indicating considerable delay necessary to secure specified long length lumber, the bids were referred to the Manager to make a report on all points which should be considered.

LEASE RATE PORT WATERFRONT LANDS:

The Manager reported verbally that Shaver Transportation Company and possibly Parker-Schram Company wish to arrange for more definite and extended rental arrangements on waterfront lands they are occupying under temporary agreements, and asked an expression as to a suitable rate, i.e., whether it should comprehend the equivalent of a property tax, plus a rental. The matter was, upon motion, laid on the table for future consideration.

LAND LIEN RELEASE - PENNSYLVANIA SALT CO. PLANT SITE:

The President referred to negotiations which have been under way locally by which the Pennsylvania Salt Co. may acquire approximately 50 acres of lands at the lower end of the reclaimed area at Willbridge, and establish a large industrial chemical plant thereon, if the title can be cleared to them for \$1000 per acre; that the Port has a lien on part of these lands, same being delinquent for several years past, as are all taxes and City improvement liens on the entire tract. The question was proposed whether the Commission is willing to release its lien in view of an industry being established on the lands and of the fact that the Port can in no event enforce its lien for two unalterable reasons, viz; (1) the lien, by the terms of the instrument granting it, is not subject to foreclosure and (2) the tax liens and city liens and owners' title and rights of redemption are paramount

to the Port's lien. It was noted that the Port has heretofore released a small portion of the same original tract from the lien for a nominal consideration, (See minutes of Jan. 13, 1939) and that the lien has heretofore been reduced to \$1.00 on the books of the Port. The following summary of incumbrances was prepared for the record:

Liens for unpaid taxes of Multnomah County Tax Rolls,
including extra amounts due A/c of delinquency, as
of December 15, 1940 ----- \$42,056.73

Liens of City of Portland under street opening and
improvement laws, with interest ----- 8,885.86

These items not subject to compromise --- Total \$51,942.59

Sale price of 50 plus acres ----- \$50,000.00

Fixed costs to make title transfer such as quitclaims
from various owners, title examination, escrow fees,
etc. not included.

Port's lien filed June 5, 1939 - Book 8, Page 37
Amount, \$38,448 with interest from June 3, 1939.
Port's lien not subject to foreclosure and to be paid
only from proceeds of sale by owners. Present proceed-
ing is to be a foreclosure by the City with no proceeds
other than for the paramount liens and expense.

It was moved that the officers of The Port of Portland be
authorized to execute documents adequate to release the lien
held by The Port of Portland upon the following described lands:

A parcel of land situated in the Milton Doane D.L.C. in Section 18,
Township 1 N., Range 1 E., of the Willamette Meridian and Section 13,
Township 1 N., Range 1 W. of the Willamette Meridian in the City
of Portland, County of Multnomah and State of Oregon, particularly
described as follows:

Beginning at a point of intersection of the northeasterly line of
North Front Street with westerly boundary of the lands of
William Kennedy, Trustee, in said Section 13, which point is on
said street line 1,807.18 feet from its intersection with the
northwesterly boundary of Balboa Street; running thence along the
said westerly boundary of the said lands of William Kennedy, Trustee,
228.12 feet to a point which is the true point of beginning; thence
continuing along said westerly boundary North 31° 15' East 471.09
feet; thence North 46° 32' 50" East 9.51 feet; thence South 83°
23' West 182.61 feet; thence South 41° 07' 30" East 1,810.04 feet;
thence South 49° 30' West 372.32 feet; thence South 51° 07' West
73.11 feet; thence South 46° 45' West 142.77 feet; thence North
42° 14' West 1,741 feet; thence North 16° 45' West 20.93 feet
to the true point of beginning containing 25.622 acres more or less,

for a consideration of \$1.00, provided the owners and/or the City of
Portland and/or Pennsylvania Salt Co. conclude a transaction by
which said Company shall acquire approximately 50 acres, of which
the before-described lands are a part, such release to be given co-
incident with definite arrangement being made by which the tax delinquency
and City lien delinquency shall be satisfied and said Pennsylvania
Salt Co. shall take title to said lands or be legally obligated to do so.
This motion was seconded, put and carried.

✓ DREDGE LEASE - PACIFIC NAVAL AIR BASE CONTRACTORS:

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The Committee appointed at the meeting of October 30 to negotiate possible lease of the dredge "Columbia" to the Pacific Naval Air Base Contractors - (Hawaiian Dredging Company, Ltd., Raymond Concrete Pile Company, ,Turner Construction Company, Morrison-Knudsen Company, Inc., and J. H. Pomeroy and Company, Inc.)- reported through Mr. Corbett to this effect:

That, after considering the essential dredging reasonably prospective to be performed by the Port on its own responsibility in harbor and channel maintenance, including cooperation with the U.S. Engineers, and also the possibility that some industrial fills may be required, the Committee is of the opinion that the dredge "Clackamas" is sufficient plant to perform all work that is likely to offer and is obviously sufficient for the work which it is the mandatory duty of the Port to perform; that the acting Division U.S. Engineer has been interviewed and has expressed the opinion that removal of the dredge "Columbia" from this district will not interfere with any present plans contemplating hire of Port's plant; that the Committee recommends that negotiations be pursued with the prospective lessees on a basis of a net rental of \$10,000 per month to the Port for a minimum period of one year and prorated thereafter to a maximum of two years; that the lessees be obligated to provide an insurance or guarantee against loss or damage to the dredge in the total sum of \$350,000 ; that they give security for rentals and the estimated cost of overhauling of the dredge upon its return; that lessees pay for all alterations and betterments and that these become the Port's property to the extent the Port desires same retained; that the Port grant use of the dry dock without charge for the period it is necessary for the dredge to be on dry dock on account of repairs and changes; that lessees pay to the Port the net cost of restoration on return, after balancing plus and minus conditions of various units, but that the Port do not pay any sum on account of net betterments, and that the dredge, when placed in good condition as needed for Port use, be leased in condition "as is" after survey and acceptance by the Contractors.

After a general discussion, it was moved by Commissioner Doyle, seconded by Commissioner Hood, that the Commission approve and accept the foregoing report of the Committee and that the officers of The Port of Portland be authorized to execute proper agreements to lease

the dredge "Columbia" to the Pacific Naval Air Base Contractors in accordance with the tenor of the report of the Committee. This motion was seconded, put and carried.

✓ WAGES ON DREDGES - REPRESENTATIONS BY INLAND BOATMENS' UNION:

There was presented an unsigned letter on behalf of the Inland Boatmens' Union asking that the Commission meet with representatives of the Union to discuss dredge wages, and stating the Union represents practically all employees on the dredge "Clackamas". This matter not being listed by previous notice, the matter was laid on the table pending a formal presentation.

✓ TAX LEVY FOR 1941:

There was presented certificate of the Tax Supervising & Conservation Commission reviewing the figures of the budget for 1941 as submitted by The Port of Portland and containing the following order:

"It is hereby ordered that the levying board of the said port district known as the Port of Portland be, and the same is hereby authorized and empowered to levy a tax in the sum of five hundred nineteen thousand, nine hundred fifty-seven dollars and fifty cents (\$519,957.50) upon the real and personal property subject to assessment and taxation for port purposes within the said port district, of which total levy the sum of three hundred thirty-two thousand, eight hundred fifty-seven dollars and fifty cents (\$332,857.50) is designated as a debt levy, and the amount of one hundred eighty-seven thousand one hundred dollars (\$187,100.00) is designated as a general levy."

To levy taxes in accordance with the foregoing, the following ordinance was presented and read:

ORDINANCE NO. 37
of
THE PORT OF PORTLAND OF PORTLAND, OREGON

AN ORDINANCE levying taxes to be collected in the year 1941 upon the taxable property situated within the boundaries of The Port of Portland in the total sum of \$519,957.50.

BE IT ENACTED BY THE PORT OF PORTLAND

Section 1. WHEREAS, The Port of Portland, situated within the County of Multnomah, State of Oregon, has heretofore in the time and manner required by law, submitted its proposed budget for the year 1941 to the Tax Supervising and Conservation Commission of said Multnomah County and a hearing was thereafter had on said budget before said Tax Supervising and Conservation Commission, and the said Commission on the 4th day of November, 1940, resolved and ordered that The Port of Portland be authorized, empowered and directed to levy a tax in the sum of \$519,957.50, upon the real and personal property subject to assessment and taxation for its purposes within The Port of Portland, provided that \$332,857.50 of said total levy be for the purpose of paying interest and principal upon the bonded debt of The Port of Portland, and that \$187,100.00 be for general purposes of The Port of Portland.

Section 2. The Board of Commissioners of said The Port of

Portland does hereby declare and enact that there be and hereby is assessed and levied by The Port of Portland, taxes to be collected in the year 1941 of \$513,357.50 upon taxable property situated within the boundaries of The Port of Portland, the said taxes when collected to be paid into the general fund of said The Port of Portland.

Section 3. This ordinance is enacted in accordance with the provisions of Section 65-1E41 of Oregon Code 1930, and under the provisions of said section, shall take effect immediately upon its passage.

It was moved and seconded that Ordinance No.37 be placed on final passage and roll call vote taken thereon. The roll was called, resulting as follows: AYES: D.C. O'Reilly, E.F.Doyle, H.K.Cherry, D.O.Hood and H.L.Corbett, total 5. NAYS: None.

The ordinance having received the unanimous vote of all of the commissioners present, being a majority of the Commission, the President declared Ordinance No.37 passed and signed said ordinance. It was ordered that the proper County officials be notified of said tax levy in accordance with the provisions of the law.

MEDICAL AND HOSPITAL CONTRACT:

There was presented by the National Hospital Association, a form of contract in which the Association agrees to furnish certain medical and hospital service to employees of The Port of Portland for sickness in general and on account of injuries suffered other than while on the work, said contract to be effective as of November 1,1940, as a continuation of contract which expired that date and providing that same be continuously in effect subject to cancellation by either party, upon notice, before the expiration of each year. This was accompanied by a supplemental agreement giving The Port of Portland the right to cancel, at any time, on notice, when the Board of Commissioners resolves to do so, and further providing that employees not desiring to pay the fee and secure the service may, upon giving notice, be exempted.

Petitions were also presented signed by thirty-six of the forty employees who were on the pay roll at the dry dock when the petition was circulated by the Association, and by the regular employees at the Swan Island Airport. The Manager stated that the Hospital Association has solicited the employees and that the fee for the service is proposed to be paid by pay roll deductions except where, as on certain Government contracts, deductions are not permissible; that the Port is not directly interested but has heretofore been willing to make pay roll deductions for the

Association's dues and for employees' group insurance, community chest and other items, and that the supplemental contract is intended to allow the Port Commission to withdraw its responsibility for making deductions at any time, on notice, and also to overcome an objection to the terms of the service contract which seems to require the employer to make the acceptance of the service a condition of employment.

The Commission being agreeable to cooperate with the employees in enabling them to carry out their desire to obtain this service, it was moved that the President be authorized to sign the service agreement on behalf of The Port of Portland, subject to the conditions of the supplemental agreement as above outlined, and subject to the contract being approved as to legality by the Port's attorney. This motion was seconded, put and carried.

✓ ARMY AIR CORPS LEASE AND LAND PURCHASE:

During the meeting, Major Frank D. Gore, Consulting Engineer, Building and Grounds Section, U.S. Army Air Corps, appeared, accompanied by Capt. Hunter Harris, Jr., U.S. Army Air Corps, and two civilian employees. Mayor Joseph K. Carson, Jr. accompanied this party and at their request the Commission postponed other matters before it to discuss proposed Air Corps occupancy of Portland-Columbia Airport and suitable lease arrangements between the Port and the United States. Major Gore and his staff made certain sketches and calculations upon a map of the airport, as a result of which Major Gore announced that the area designated for 'operations' in the southeast sector of Portland-Columbia Airport, and shown on the exhibit map of the lease of October 1, is inadequate and that it will be necessary that the operations area be constructed in the south center segment of the Airport; this area was also indicated on a map.

As the lease of October 1 provided for the cantonment to be in substantially the same area as is now indicated as being required for the operations area, and as the cantonment would not be permissible in any other area in the Airport, it was concluded and announced by Major Gore that the cantonment must be placed at a location off the airport. The Port having secured options on various tracts of land anticipating this matter, a map showing the same was presented. Mr. Ellis Lawrence, architect employed by the Quartermaster General of the Army in respect to this work,

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stated that the site, some 2,000 ft. directly south of the Airport, had been reviewed and, after some discussion with Major Gore, it was indicated that said site, on account of its elevation and practical contours and particularly on account of its proximity to the Airport, would probably be acceptable. Major Gore explained that under the Defense Program time is essential and wished to know if the Port can make the site immediately available. He was advised that the Port can do so, the time required being only that necessary for acquiring title under existing options and entering into a lease with the United States. After discussion and further viewing of the maps and making calculations by Major Gore and his staff, he dictated a report to the Chief of his Bureau in which, among other things, he recommended that the cantonment area be placed on a tract of approximately 60 acres some 2,000 ft. south of the south line of the Airport. He also supplied a number of forms for lease, being U.S. Standard Form No. 2, revised, and requested that the Port prepare and execute such form, leasing the ground area to the United States and transmit same to the Quartermaster, Ninth Corps Area at the Presidio of San Francisco. He indicated he will be back at Washington in about 10 days and that the Department will be advised in respect to the lease arrangements.

✓ LAND ACQUIREMENT-- APPRAISAL:

After Major Gore and delegation had departed the Commission resumed its session. The lands referred to by Major Gore to be leased to the Army for its cantonment being under option to the Port from Adolph and Lena Egger and Arnold and Velma E. Egger, comprising 60 acres, at \$375.00 per acre, and it being necessary to also acquire a 50-ft. strip for road purposes through other lands of Adolph Egger and wife and also through lands of Tony Fazio, to connect the 60 acres to the south line of the Airport, and it being reported that these owners are willing to sell such a strip at \$300.00 per acre providing a road reservation is made along the west side of the cantonment area to connect their remaining lands with N.E. Cornfoot Road, and it appearing that under the provisions of Section 65-716 Oregon Code 1970, the Port must have an independent appraisal of lands before purchasing same, and may not purchase at a price in excess of such appraisal, it was moved that A.C. Callan, Philip V.W. Fry and Chester A. Moores, all duly qualified persons, be appointed as the three independent appraisers required under said law and be requested

to forthwith make an appraisal of the lands and report to the Commission upon the value thereof. This motion was seconded, put and carried.

✓ MEETING RECESSES:

It appearing that the Commission cannot act further with respect to the Army lease until appraisers have reported, it was moved that the meeting now recess, pending receipt of appraisers' report. This motion was seconded, put and carried, whereupon the meeting recessed.

SUBMITTED:

J.P. Douglas
Assistant Secretary

APPROVED Dec 16-1940.

Henry C. Corbett
President

Portland, Oregon, November 18, 1940

The meeting of the Board of Commissioners of The Port of Portland recessed on November 18, reconvened at 4:00 P.M. this date; there being present the same commissioners, namely; H. L. Corbett, presiding, D.C. O'Reilly, E.F. Doyle, H.K. Cherry and D.O. Hood.

✓ OREGON NATIONAL GUARD - LEASE PORTLAND- COLUMBIA AIRPORT:

A communication from the Military Department of the State of Oregon, signed by Elmer V. Wooton, Lieut. Col, I.G.D., advising (in respect to previous negotiations for National Guard occupancy of Swan Island Airport) to the effect that the National Guard Bureau at Washington will not grant an allocation based upon establishment at Swan Island of National Guard observation squadron, but has indicated it will do so if the National Guard can secure a lease for hangar and facilities at Portland-Columbia Airport. The letter also stated that it is desired to temporarily locate at Swan Island Airport in order to establish the organization and promptly secure the allocation of funds, pending construction of facilities at Portland-Columbia Airport.

It was moved that the Manager advise the Military Department of the State of Oregon that The Port of Portland will grant a lease for a hangar site and the necessary appurtenances and the use of common user facilities of Portland-Columbia Airport to the Oregon National Guard for the consideration of \$1.00 per year, as has been authorized in the case of the U.S. Army Air Corps, and will also