

**City of Newport  
Georgia Pacific Task Force  
SUMMARY NOTES  
Meeting of April 29, 2009**

Meeting Time: 5:00 P.M.

**ATTENDANCE**

Members Present: Tim Johnson, Roger Hart, Franz Cosenza, Sandy Roumagoux, Charlie Plybon, Gil Sylvia, Dan McCarthy, Peggy Sabanskas, and George Ragsdale (via telephone). John Clark was excused.

Also present: City staff Peggy Hawker and Gary Firestone; Tom Picciano from G-P; Spencer Powell from Powell Valuation via telephone; and Ed MacMullan from EcoNorthwest.

**DISCUSSION**

Powell described how he arrived at a value for the right-of-way land. He reported that he estimated the total square footage within the corridors and valued each piece based on the zoning of the adjoining properties. A 75% discount was applied due to the limitations of the right-of-way. In year one, the value would be \$43,500, and with a 3% annual escalator, the value would be \$56,000 in year ten. A discussion ensued regarding the width of the right-of-way, the basis for the 75% discount, the effect of a changing economy, the lack of monies allocated to liabilities; and comparators.

Ed MacMullan, from ECONorthwest described how he arrived at an estimated market value of the space occupied by the line in the right-of-way. He reported that he applied standard engineering costs and operation and maintenance costs to arrive at a value of \$50,000 - \$75,000, with the escalator tied to operation and maintenance costs over time.

A discussion ensued regarding how to determine the fee based on the consultant reports. Sabanskas suggested averaging. Ragsdale reported that G-P would have to look at the numbers and decide whether it is worthwhile having a second line in service subject to the provisions of the licensing agreement. Hart suggested that some of the fee should be applied toward monitoring. MOTION was made by Sabanskas, seconded by Johnson, to set the first year payment at \$55,000 with a three percent annual escalator. The motion carried unanimously in a voice vote.

A discussion ensued regarding the indemnification issue, and it was agreed that the attorney group would continue to discuss this matter.

A discussion ensued regarding the penalty for violation of the issues addressed in option three. McCarthy noted that there are different levels of violations. Ragsdale stated that he doesn't believe that the city has standing to impose a fine for violations. It was the consensus of the task force to create a penalty of up to \$5,000 per day of violation. It was agreed to limit the causes for termination to items 2. and 3., and to omit item 1. It was the consensus of the task force to add the following language regarding penalties, "based on the extent and nature of the violation and whether the violation is intentional, negligent, or without fault."

A discussion ensued regarding monitoring. It was noted that G-P will not conduct additional monitoring, but some of the fee could be applied to extra monitoring. It was agreed that the city will receive all the reports sent to DEQ. Further discussion on monitoring will occur at the next meeting. The logistics of supplying the city with the DEQ report were discussed.

Plybon recommended that a technical advisory group be appointed to be involved in monitoring.

McCarthy asked whether the fee could be re-examined in five years, and noted that this discussion needs to continue.

The next meeting will be held on May 13, 2009, at 5:00 P.M., in Conference Room A of the city hall.

Having no further business, the meeting adjourned at 7:18 P.M.