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Port Commission Updated on Bond Funding and Construction Progress for the NOAA Homeport Project

NEWPORT – At its monthly meeting on Tuesday, May 25, 2010, the Port Commission received an update from David Ulbricht, Managing Director at Wedbush Securities, the Port's investment banker for the NOAA Homeport Project bond sale.

Mr. Ulbricht told the Commission his office had just been informed by Standard and Poor's of the bonds' assigned rating at AA- with a stable outlook. He explained the rating is preliminary, pending S&P's receipt of final closing documentation and the only issue keeping the rating from receiving a slightly better credit rating at this time was that the project is not yet completed. He noted, however it will be possible for the bond rating to be increased to AAA at a later date upon completion of the project.

It is anticipated that the Port will be issuing its taxable lease revenue bonds later this month to partially finance the capital construction and improvement costs associated with the NOAA – Marine Operations Center – Pacific Project. The remainder of funding was provided from a \$19.5 million State of Oregon Lottery grant which the Port received in mid December 2009.

Commissioner JoAnn Barton asked if Port Commissioners, Port staff, and the public will be able to purchase the bonds. Mr. Ulbricht noted that the bonds would be made available to the public, including the Port Commission and staff, at the time of the offering but subject to availability.

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In a related briefing, Joshua Dodson, principal at DAY CPM Services and Senior Project Manager for the project, provided the Commission with a construction update. Dodson noted the site's demolition and grading work has been completed and bids have been accepted for the upland buildings' core and shell work and other components of the project. (Core and shell construction started Wednesday, May 27, 2010). Bids for the pier scope of work are due in mid June and bids for the tenant improvement and other work will follow thereafter. Mr. Dodson also said there has been good participation from local subcontractors and the project remains on schedule and under budget.

Construction Manager/General Contractor (CM/GC) on the project is Andersen/West Coast Contractors, a Joint Venture.

For more information about the project, contact General Manager Don Mann at the Port of Newport, 541-265-7758, or visit the Port's Web site at www.portofnewport.com.

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