

PORT OF NEWPORT MINUTES

December 15, 2017

Commission Work Session & Executive Session

I. CALL TO ORDER

Commission President Patricia Patrick-Joling called the Commission Work Session of the Port of Newport Board of Commissioners to order at 12:00 noon at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, Oregon.

Commissioners Present: Walter Chuck (Pos. #1); Sara Skamser (Pos. #2); Stewart Lamerdin (Pos. #3), Secretary/Treasurer; Jeff Lackey (Pos. #4), Vice President; and Patricia Patrick-Joling (Pos. #5), President.

Management and Staff: Aaron Bretz, General Manager Pro Tem; Mark Harris, Staff Accountant; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Mark Elston, Hampton Lumber; Steve Beck, Newport Resident; Rex Capri, Newport Resident; Jim Cline, Rogue; Dietmar Goebel, Newport City Council; Yale Fogarty, ILWU; Barrett Tower, ILWU; Pat Ruddiman, ILWU; and Evan Hall, Rondys Inc.

A motion was made by Lackey and seconded by Skamser to enter into Executive Session pursuant to ORS 192.660(2)(f) and ORS 192.660(2)(h) to consider information or records that are exempt from disclosure by law, including written advice from the Port's attorney, and to consult with the Port's attorney regarding legal rights and duties in regard to current litigation or litigation that is more likely than not to be filed, respectively. The motion passed 5 – 0.

Commissioners Present: Walter Chuck (Pos. #1); Sara Skamser (Pos. #2); Stewart Lamerdin (Pos. #3), Secretary/Treasurer; Jeff Lackey (Pos. #4), Vice President; and Patricia Patrick-Joling (Pos. #5), President.

Management and Staff: Aaron Bretz, General Manager Pro Tem; Mark Harris, Staff Accountant; Pete Gintner, Port Attorney; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: None.

No decisions were made in Executive Session.

A motion was made by Skamser and seconded by Chuck to end the Executive Session. The motion passed 5 – 0.

Executive Session was adjourned at 12:35 pm

II. CALL TO ORDER

Commission President Patricia Patrick-Joling reconvened the Work Session of the Port of Newport Board of Commissioners at 12:38 pm, at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, OR, 97365.

III. PUBLIC COMMENT

Capri said that at the last meeting he had asked if there was any new interest in the Newport International Terminal (NIT). He was told about three parties, which he didn't think sounded like a lot. He asked what the Port was doing to generate more interest. Bretz said the Port advertises in publications. There is a standard list of publications. This is no change from previous years; the Port is marketing in a similar way. The only addition was an ad in the Newport News-Times congratulating Georgia Pacific.

IV. RONDYS INC., - EVAN HALL

Hall said he was the project manager for the planned industrial park. Agreements had been left on the table from the other project, but he thought there were other opportunities for Rondys and the Port to work together. The Port needs an idea of what they plan to do with the property to take advantage of these opportunities. Rondys also needed to resolve the issue of dredge spoils. Hall said he would like to break ground in May depending on permits. His go/no go date is January/February. The dredge spoils are a big question. He viewed the Port as a partner in the development. NIT is an asset for Rondys, and working together can be mutually beneficial. The uncertainty in the Port's direction makes Rondys decisions uncomfortable. Hall said he would appreciate the Port recognizing the work that has gone on. He had a conversation with Teevin Bros who share that sentiment. Rondys has invested time and money in the project. Hall shared his conceptual plan with the Port (attached to the minutes), and he is close to making final plans. Hall said he had been careful about sharing this to avoid expectations for what might not occur. He thought it was good faith to show this to the Port.

The idea he shared with Kevin Greenwood was to develop a business center for McLean Point. For context, he added that he and Greenwood had started about the same time. The Rondys Board had been frustrated with the Port. When Greenwood came on, Rondys and the Port established a baseline from which to look forward. There were some issues with dredge spoils from renovating NIT. Also, wetlands had formed on the property. Greenwood had seen the opportunities to make an export facility and to resolve the lease agreement with Rondys. Hall said Rondys had a vision for an industrial park with the biggest opportunity in the maritime industry. He had seen the activity with NOAA, the OSU expansion, and wave energy. He asked the Port to establish a baseline to build off of with the commercial fishermen's expertise. They would build on the need for large space and could bring in marine services that also can help support the needs on the south side of the Bay. This could be attractive to high-tech businesses in marine research. The goal was to keep this flexible. Hall said cold storage is needed on the coast, which is a complex opportunity that would complement the area.

Hall said Rondys currently is getting two lots prepared. The properties are rough with organic material to move and wetlands to take care of. Dredge spoils make an excellent base material. This would involve bringing in initial infrastructure, with goal of the upcoming summer. Rondys is getting ready to apply for permits. He asked if the Port had an idea how they might use the property, and could benefit from adding some infrastructure. Hall said he hoped the email he sent would be a starting point for Rondys and the Port to work together. He and Greenwood had identified an on-site location for wetlands mitigation, restoring estuarine water. Hall said since Rondys would be giving up the use of that area indefinitely, the use of dredge spoils would be a fair trade. He said it would be relatively simple to extend the mitigation permit. Rondys will still need the roadway easement as they move forward. The roadway, drainage, and the roadway with NW Natural, will be mutually beneficial. He said he could discuss expansion on the west side if needed by the Port. When an export facility were constructed, the

Port would also need dredge spoils. It would take about half of the dredge spoils to raise the wetlands, and Rondys would take the other half for a sub-base for areas 1, 2 and 3. At the end of the Port's lease from Rondys, the property needs to be returned to a clean and sanitary state, and would require moving the dredge spoils. Removing the offset would be expensive, and Hall said he was not sure how to do this. Storage has been on Rondys property for 10+ years with no rent. Dredge spoils was a time sensitive issue.

Patrick-Joling said the Port was in the process of recruiting a General Manager. At the meeting on Tuesday the 19th, they will decide who to interview. The Commission hoped to get someone seated by the end of January. Patrick-Joling told Hall she was sorry the Commission couldn't give concrete decisions at this point. Skamser asked where the mitigation area was located. Hall referred to the diagram areas 101, 102 and 103. He added there is no need to raise the mitigation area. Hall said the stormwater system had been coordinated with the export facility. The water would go through a bio-swamp to be treated, and they would need to look at directing the water into the system. This would be needed at the end of the project, but would also need to fall in the in-water work period – there is still time. Skamser said this was exciting to see development happen and cooperation would benefit the Port. Hall said that part of his family's company's vision was business opportunities and bringing benefit to the community. Chuck acknowledged the Port was in the process of hiring a General Manager, but the Port owed Hall help on the project, and did not know if this could wait. Chuck asked about the material that was to be moved to the airport. Rondys said the material on its property would remain on-site, and the material on the Port's property would move to the airport. Most of the spoils is clean, buildable fill. Chuck asked if royalties would be due if the dredge spoils were used on Rondys property. Bretz said he would check. Chuck said the Port was giving sand away. Bretz was directed to work with Hall on plans for the dredge spoils. Lamerdin suggested the Commission would need to approve the use of dredge spoils in January/February. Hall said if there was more buildable material on the Port's property, Rondys could be interested in buying it from the Port. Bretz said the spoils would need to be tested. He was aware of some studies, and would like to know what the Port had on the property. Bretz will report back to the Commission on his negotiation with Hall.

Skamser asked about the surplus equipment; Bretz said that was on the agenda for the Regular Meeting on Tuesday. Hall said there were issues to be resolved so the Port can return the lease to Rondys – he needs to know the Port's direction. He would also like the Port to facilitate new arrangements for gear storage. Chuck said there could be an issue if the Port's property drained onto Rondys' property. Hall said he would have the engineers look at that. Chuck suggested the Port could come up with an agreement with Hall for the wetlands site. It would be in the Port's benefit to do the mitigation on Rondys site. Hall said there would be a conservation easement. Bretz said he talked with Hall about the permitting issues. They could be somewhat general on the use. Lamerdin asked to look at the Port's decision to share the cost of mitigation. Hall said this could be worked into the plans. Chuck asked about joint infrastructure, with a minimum of water and power. Hall said that could be planned. Bretz said it would save money to do this planning and permitting now. Chuck asked if there was anything more the Port could do to help. Hall responded getting a General Manager in place would be helpful.

V. PUBLIC COMMENT

Capri asked Hall if the road access was also coordinated with the City of Newport. Hall said he was working on that.

Jincks said the infrastructure was part of Urban Renewal, and asked if the Port was planning to do this in the future, would the money have to be repaid. He said the dredge spoils had been placed on a certified upland site, and questioned whether royalties would be due if it was spread out at that site.

Elston asked if the permits for mitigation submitted by John VanStavern were still in place. Bretz said some needed to be redone. If the use wasn't going to be a log yard, they would need to be resubmitted.

VI. ADJOURNMENT

Having no further business, the meeting adjourned at 1:30 pm.

ATTESTED:



Patricia Patrick-Joling, President



Stewart Lamerdin, Secretary/Treasurer

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