

## **PORT OF NEWPORT MINUTES**

March 28, 2017

Regular Commission Meeting

### **I. CALL TO ORDER**

Commission President Walter Chuck called the Regular Commission Meeting of the Port of Newport Board of Commissioners to order at 6:00 p.m. at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, Oregon.

**Commissioners Present:** Walter Chuck (Pos. #1), President; Ken Brown (Pos. #4), Vice-President; Stewart Lamerdin (Pos. #3); and Steve Beck (Pos. #2).

**Commissioners Absent:** Patricia Patrick-Joling (Pos. #5), Secretary/Treasurer excused.

**Management and Staff:** Kevin Greenwood, General Manager; Stephen Larrabee, Director of Finance; Jim Durkee, Director of Operations; Karen Hewitt, Administrative Assistant; and Pete Zerr, International Terminal Supervisor.

**Members of the Public and Media:** Yale Fogarty, ILWU; Pat Ruddiman, ILWU; Ben Forsman, ILWU, T. Burchett, ILWU; B. Tower, ILWU; Wayde Dudley, Port of Newport Volunteer Mates; Heather Mann, Midwater Trawlers Cooperative; Keith Kaminski, ILWU; Cari Brandberg, Chelsea Rose; Cody Chase, Chelsea Rose; Jeff Lackey, F/V Seeker; Sara Skamser, Foulweather Trawl; Doug Cooper, Hampton Lumber; Kiera Morgan, KYTE radio, Pete Sanok.

### **II. CHANGES TO THE AGENDA**

Beck asked that Old Business Item F be removed from the Agenda. There was no objection and President Chuck removed the item.

### **III. PUBLIC COMMENT**

Cooper introduced himself, and said he had attended the noon visioning session, from which he recognized some needs of the community. He heard support for the maritime industry, but did not feel he heard specific support for log exports. Cooper read in a newspaper article that the agreement with Silvan was a public/private partnership, but did not think that this was the case because the funds being committed were a loan rather than a private investment. He added that there are 25 – 30 year old logs that are not typically exported but are sought by mills in the region. Cooper suggested that the estimate for permanent job creation is high and a net loss of jobs in the region would result from the loss of trucking and manufacturing. Cooper said that at a meeting in Tillamook he heard Representative Kurt Schrader express concern about how the shipping facility would affect jobs in Tillamook County.

Fogarty said the shipping facility would result in a net gain in jobs for the region. There are 700 homeless children in local schools whose parents are looking for jobs. Private funds and public funds, which includes taxpayer money, has been invested in the project to an amount of \$15MM. Fogarty said it takes 40 people to load a ship. These are family wage jobs with benefits, which could help take care of the homeless kids. There is also spruce timber in the area, which is not milled by Hampton, which will become a local activity. The project also benefits the fishing fleet, the dredging needs, the needs of the community, the Port and the State. Fogarty says the facility would be available to others with Silvan as a large anchor tenant. He looks forward to the new jobs.

#### IV. CONSENT CALENDAR

- A. Minutes:
  - 1. Regular Commission Meeting February 28, 2017
- B. Financial Reports
- C. Special Use Permits
  - 1. March for Science April 22, 2017
  - 2. Davis Shows Loyalty Days Carnival May 1 – 8, 2017
- D. Commercial Fishing Users Group Committee Alternates
  - 1. Appoint Heather Mann, Midwater Trawlers Cooperative, as Alternate to Mark Cooper, Midwater Trawler Sector.
  - 2. Appoint Doug Morrison, F/V Tempo, as Alternate to Bob Eder, Longliner Sector.
  - 3. Appoint David Jincks, F/V Sea Dawn, as Alternate to Jeff Lackey, Distant Water Fleet Sector.
- E. A Resolution authorizing transfers of appropriated funds within the 2016-17 fiscal year budget.

**A motion was made by Beck and seconded by Brown to approve the Consent Calendar. The motion passed 4 – 0.**

#### V. CORRESPONDENCE/PRESENTATIONS

- A. Cody Chase – Chelsea Rose Proposal

Chase distributed a packet describing the planned build for the Chelsea Rose at Port Dock 3, which is included in the Meeting Packet. Brandberg said the project had been through workshops and revisions, with Pete Sanok preparing the new blueprints. She said this had also been reviewed with Greenwood prior to the meeting. Brandberg said this was Chase's vision for the iconic Chelsea Rose. She added that the proposal was a tight schedule, but the boat is taking on water daily. The grandfathered contract is exclusive to Chase and the Chelsea Rose. The proposal is to upgrade to a cleaner and more sustainable structure. Brown and Chuck commented they liked the proposal. Lamerdin confirmed that there was no fuel on oil on the current boat, and asked if the boat could withstand the trip to Toledo. Brandberg said the new structure would be cleaner and have more storage so that totes would no longer be on the dock, and Chase said the trip would be made with power from his other boat.

**A motion was made by Lamerdin and seconded by Beck to approve the Chelsea Rose proposal as presented. The motion passed 4 – 0.**

#### VI. OLD BUSINESS

- A. Items Removed from Consent Calendar

There were no items removed from the Consent Calendar.

- B. Accounts Paid

**A motion was made by Lamerdin and seconded by Beck to accept the Accounts Paid. The motion passed 4 – 0.**

**C. Resolution Setting Rates, Fees and Charges (ORS 294.160)**

New changes this month were removing the daily rate on storage, the South Beach Marina charge for an additional electric outlet, and the bump in disposal fees, based on staff recommendations. The electrical surcharge on the additional outlet was intended to reflect that if a second outlet was needed, the first was maxed out, often because of the use of a space heater. Greenwood said there are about 6 – 12 recreational boaters who currently use two outlets, and South Beach staff will be talking to them in one-on-one conversations about the change. South Beach staff had also discussed the increase of the cancellation fee during high-traffic times to discourage guests looking at RV spaces as a commodity, and booking in advance for multiple spaces and then asking if others wanted them. Greenwood said the insurance requirements were updated, and thanked Hewitt and Mark Harris for their research. Greenwood said he anticipated bringing the Resolution for approval in May.

**D. International Terminal Shipping Facility Update**

Greenwood referred to the staff report and said Pete Gintner was working on the Silvan agreement, which Greenwood plans to have at the April meeting, along with the Teevin lease. The Environmental Assessment needed for the TIGER grant was submitted on March 27<sup>th</sup>, which will be sent for review to MARAD. The IFA loan required a title report, which the Port should get in a week. Rony's last hurdle is easements, but there have been no surprises so far. The Scope of Work for the project is 98% complete, and the Engineer will be the Project Manager.

Greenwood said that Zerr was taking some time off to recuperate, and thanked him for his work on the Operating Plan for the Terminal which is about 75% complete. Zerr said the Operating Plan would be a dynamic, living document that will continue to evolve. Greenwood said the plan would be presented to the NIT Users Committee. Greenwood submitted a list of suggested members for the Committee in the Meeting Packet. Rex Capri had sent an email about serving as community representative. Greenwood had called others, but has not yet heard back from Corey Rock. Beck asked if the members could replace themselves. Greenwood said he anticipated two to three meetings during planning, and meeting again after the first and second shipments which should prevent the need for alternates. He anticipates the first meeting either the end of April or the beginning of May, but will make sure the proposed Operating Plan is completed before the meeting convenes.

**A motion was made by Brown and seconded by Beck to appoint members to the Terminal Users adhoc Committee as included in the March 23<sup>rd</sup> Staff report following the provisions stated in Resolution 2017-02. The motion passed 4 – 0.**

**E. Fishermen's Parking Lease with Lincoln County Historical Society**

SDIS insurance representatives say the current lease protects the Port. The insurance policy would not cover a landslide, but the Port clean up should not be an expectation in our lease. Greenwood said the Port can move forward to allow parking. The Museum is having the hill evaluated. Staff is waiting for an update from the Museum – Greenwood will follow up. Brown asked if there is a possibility of using half of the lot now. Beck asked if there would be additional signage; Greenwood said that had not been discussed with the insurance company, but the parking permit waiver also protects the Port.

**F. Consideration of Boat Trailer Parking Lot for Future Seafood & Wine Festivals – Item Removed**

**G. Northwest National Marine Renewable Energy Center (NNMREC) Pacific Marine Energy Center (PMEC) Southern Energy Test Site (SETS) Collaborative Work Group (CWG) Work Plan Document support.**

Chuck referred to the agenda item in the Meeting Packet. Chuck said this had been worked on for the last year and a half, and asked the Commission to endorse the work products. There was no additional discussion.

**A motion was made by Brown and seconded by Lamerdin to authorize Commissioner Chuck to support the Work Plan Documents produced by the Collaborative Work Group as part of the FERC licensing process. The motion passed 4 – 0.**

#### VII. New Business

There was no New Business.

#### VIII. DEPARTMENTAL REPORTS

##### A. Director of Finance

1. February Occupancy Report

There was no discussion on this item.

##### B. Director of Operations

1. Commercial Fishing Users Group Committee Minutes
2. Capital Improvement List 2017-2018

There was no discussion on this item.

##### C. General Manager

Greenwood told the Commission that most of the proposed ORS 777 changes have passed. One item that would allow Ports to advertise events received some push back, primarily a concern that a Port subsidizes Alaska Airlines. This item will be reviewed further and may be pulled. Greenwood said the number and quality of applications received for the Director of Operations position spoke to Newport as a maritime center. He said a facilitator from SDAO will help with the interview process on Friday.

#### IX. COMMISSIONER REPORTS

Chuck said that CFUGC had said its number one priority is Port Dock 5. The Committee is also concerned about having dock space available for services, hoists, moorage for service vessels, and parking. The Committee also asked if the fishermen had two seats on the Parking District. Greenwood will follow up on the Parking District. Skamser said that Ripka was on Parking District committee, but she doesn't know if he is attending. She said the fishermen were told if they had a Port parking permit they would not have to pay for parking meters. She expects this to be the agreement with the City.

#### X. CALENDAR/FUTURE CONSIDERATIONS

- 4/04 Commission Budget Priorities Work Session, 12:00 noon
- 04/11 – 04/14 PCC Spring Conference, San Francisco, CA
- 04/11 2nd Commission Budget Priorities Work Session, 12:00 noon (if needed)
- 04/22 March for Science
- 04/25 Regular Commission Meeting
- 05/04 – 05/07 Loyalty Days Carnival
- 05/09 Budget Committee Meeting 6:00 pm

05/13 Ducks Unlimited Halibut Derby  
05/16 2<sup>nd</sup> Budget Committee Meeting 6:00 pm (if needed)  
05/23 Regular Commission Meeting  
06/03 Newport Marathon  
06/20 Public Hearing & Adopt Budget Resolution 6:00 pm  
06/27 Regular Commission Meeting

There were no changes to the Calendar/Future Considerations.

**XI. PUBLIC COMMENT**

Cooper asked the Commission to consider the obligations they were taking on with the expected agreements for the shipping facility and look carefully at the financial risk and benefit. He said the Port is betting on the China market, and asked what would happen if Silvan no longer exported. Cooper said that not increasing the tariffs would lead the inconsistent net income.

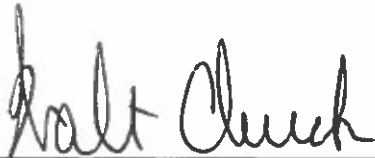
Fogarty congratulated Chase on the Chelsea Rose proposal and said it was a Port asset. He said that timber has been exported out of Washington and Oregon for 50+ years. Fogarty said Cooper/Hampton's responses to the funding for the International Terminal Shipping Facility were inconsistent, and then they filed complaints about stormwater drainage. Fogarty said Hampton does not want competition. The export dock is less than 10 miles from lumber mills. They can operate in conjunction with the Port. Fogarty said the Commission is doing a fantastic job. He added that if Silvan pulled out, the Port will have a developed yard for the next user.

Skamsner suggested inviting a Rondys representative to the ad hoc terminal committee. Greenwood will look into that.

**XII. ADJOURNMENT**

Having no further business, the meeting adjourned at 6:48 pm.

ATTESTED:



Walter Chuck, President



Patricia Patrick-Joling, Secretary/Treasurer

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