

PORT OF NEWPORT MINUTES

September 29, 2020
Commission Work Session

This is not an exact transcript. The audio of the session is available on the Port’s website.

This meeting was held virtually by invitation only. The public was invited to view the live stream of this meeting on our YouTube Channel, Port of Newport Commission Meeting Audio. Live chat was not monitored. The public could submit comment through a form on our website no later than 4:00 pm on Monday, July 27th, which was read into the meeting at the appropriate time.

Agenda Item

**Audio
Time**
0.00

I. CALL TO ORDER

Commission President called the Commission Work Session of the Port of Newport Board of Commissioners to order at 6:46 pm.

Commissioners Present: Walter Chuck (Pos. #1), Secretary/Treasurer; Kelley Retherford (Pos. #2); Gil Sylvia, Vice-President (Pos. #3); Jeff Lackey (Pos. #4); and Jim Burke, President (Pos. #5).

Management and Staff: Paula J. Miranda, General Manager; Aaron Bretz, Director of Operations; Mark A. Brown, Director of Finance & Business Services; and Karen Hewitt, Administrative Supervisor.

Members of the Public and Media: Angela Nebel, Summit Public Relations Strategies; Dustin Capri, Capri Architecture, LLC; Dietmar Goebel, DH Goebel Architect.

0:27

II. NEW ADMINISTRATON BUILDING

Miranda introduced the Staff Reports included in the Meeting Packet and said she invited Dustin Capri and Dietmar Goebel to attend the meeting to answer any questions the Commission had for them. Miranda said there was high interest in this project since starting to discuss it during the budget process. She reviewed some of the needs for a new building and the estimated costs. She said a cash flow report had been added to the packet to answer some Commissioners’ questions and provide a picture of what it would look like with or without grants for other projects. She commented that the project would only put the Port in the red in the short term if other projects were completed without anticipated grants, which the Port would pursue. She discussed the possibility of a loan or bond to finance the construction of the Administration building. Miranda added staff was still looking at the costs of running the new building, with insurance costs going up the most.

Lackey thanked Miranda for the additional information and asked about what she was looking into for loans. Miranda said she was speaking with USDA and Business Oregon, with current interest rates at 2.19%. She added she would seek a fixed rate rather than variable rate loan. Miranda said she is also working with SDAO on a possibility for a bond issue, although that would mean higher monthly payments. Miranda said she would not want to put the Port in the position where it could not complete other projects or pay debt, but the Admin building project was doable. She commented that the building would have to be constructed eventually, and the Port would likely face higher interest rates and increased costs. Lackey said he had heard there were currently

significant increases in the cost of building materials. Miranda said the Port would know more about that when an RFP for construction was done. Capri said he was dealing with that on every project and spoke about some alternatives that could be considered. Miranda said one consideration was using material from the current dock at Port Dock 5 for the Admin building decking, which would save money on disposing of the material and would be good environmentally. This would mean the contractor would have to be more careful when dismantling the pier.

Lackey asked if the cost of building materials could also affect the Port Dock 5 Pier Project. Miranda said the Port would find out more about that when the construction bids came in. There is a need to maintain a balance between the cost of materials and the currently low interest rates. Goebel said he expected there to be a lag soon with the availability of contractors. People are currently jumping on projects with unused vacation dollars, but prices will stabilize over time. Sylvia commented that he appreciated the functionality and clean lines of the design.

Miranda also talked about the location of the building and addressing the concerns with an interrupted view for residents on the hill. Goebel commented on the value of constructing on a crawl space rather than slab on grade. Chuck said he thought South Beach would be a better location because of the use that can be made of the proposed space at the Commercial Marina, perhaps as part of renovations to the RV Park Annex to tie it to a revenue generating project. He also commented on the public perception if other projects were delayed and the Admin building was constructed. Miranda reviewed reasons outlined in the report addressing the location of the proposed building, and reviewed the projects and planning included in this year's budget.

Burke said the building looked great and was a necessity. He commented that getting in front of public perception would be important. He also thought perception of other staff should be considered. He said he saw arguments for both sides of the bay for the location. Miranda said that Nebel, the Port's PR person, would help get the proper message out to the public. Miranda said the intent today was to provide the Commission with information and to get guidance with moving forward. She said if the Commission felt this was headed in the right direction, then the Port could consider moving to the next step in preparing documents to go out for bid. She added that if there were still too many questions then she needed to understand what they were. Lackey said he thought the location proposed made sense for the outlined reasons. He proposed moving forward if other projects can move forward also and reserves would not be drained. Sylvia asked how much additional space the new building would take of Port property. Capri said the current lay out was inefficient in the use of space, especially how parking was laid out, so the new building may not take up more usable space. Miranda said once the building was built the current space would be taken back, which was valuable because it is paved. Goebel added there would also be additional parking with the new building layout. Bretz said the proposed space did generate some revenue with gear storage, but the areas would be swapped, and the paved area used for storage.

Burke said there would be more conversations moving forward and it would be helpful to have cost estimates from the architects. Capri suggested that GRI be engaged to update the geological report to reduce contingencies moving forward. Miranda added staff may need to bring another proposal back to the Commission and will keep moving forward. Capri also suggested preparing a full proposal for architectural services for the entire building, and if different requirements or emergencies arose, the project could be paused.

Chuck asked Capri and Goebel to provide information about what the new configuration would look like from the driveway to Englund Marine. Miranda said she would not want to go through the planning and then not complete the building. She asked the Commission to consider before moving forward with additional expenses. Lackey said as long as other projects like the Rogue Sea Wall

and the electrical improvements at the Commercial Marina and at South Beach can get done, he would support the project. Retherford, Burke and Sylvia agreed.

III. PUBLIC COMMENT

No public comment was submitted.

IV. ADJOURNMENT

56:10

Having no further business, the meeting adjourned at 7:42 pm.

ATTESTED:

james m burke Digitally signed by james m burke
Date: 2020.11.02 14:28:28 -08'00'

Jim Burke, President

Gil Sylvia Digitally signed by Gil Sylvia
DN: cn=Gil Sylvia, o=Port of Newport, ou=Port of
Newport Commission,
email=sylviag@portofnewport.com, c=US
Date: 2020.11.06 15:38:44 -08'00'

Gil Sylvia, Vice President