

## PORT OF NEWPORT MINUTES

August 25, 2017

Joint Meeting

Port of Newport Board of Commissioners & Newport City Council

### I. TOUR OF PORT FACILITIES

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

**Council Members Present:** David Allen, Dietmar Goebel, Dean Sawyer, and Wendy Engler.

**Port Management and Staff:** Aaron Bretz, Interim General Manager; Kent Gibson, North Commercial Harbormaster; and Karen Hewitt, Administrative Assistant.

**City Management and Staff:** Gloria Tucker, Deputy Recorder; Sandra Roumagoux, Mayor; Steve Rich, City Attorney; and Spencer Nebel, City Manager.

**Members of the Public and Media:** Rex Capri, Newport resident.

Bretz started the tour at the Port Dock (PD) 5 Pier, and advised they would also tour PD 7 and the International Terminal (NIT), but not Docks 1 and 3. If there was time, a tour of South Beach may be made. Bretz said that the Port Dock 5 pier was being rebuilt. At low time, you can see the pilings are in poor shape. There is a gate to limit vehicle traffic in place. The Port had a contract for approximately 30% of the engineering. The final engineering will be completed next year, then the Port will seek financing to build. The total cost would be \$1.8MM for the ramp and pier.

Engler asked about the fire suppression system. Gibson said there is a dry system that was not currently up and running. Fire hoses from the street could be used, hooking up on the left side of the walk area. Allen said that when he was with the fire department 15 years ago, they had to pull a floating device to pump water which took 4 people to do. Bretz pointed out the mix and piles used at the dock. Many piles need to be replaced, and others have been redone. Gibson said some of the stainless steel pilings were installed 23 – 24 years ago. These were 6 in. piles and don't have much strength. He said damage to the piling can happen by electrolysis when boat hit the dock. Bretz said some piling were covered by 8 in. galvanized piles last year. Galvanized steel has a 5 – 10 year longer life than stainless. Goebel added this worked like zinc on a boat. Looking at another dock, Gibson said there were some 20 in. pilings put over solder 16" pilings because it is a problem to dig them out. Goebel asked why some pilings were filled with concrete. Gibson said some had concrete in the top of the pilings to keep birds out.

Gibson said last year UHMW (Ultra High Molecular Weight polyethylene) replaced some wood at the edge of docks at PD 7 to see if it would hold up, both for the benefit of the boats and maintenance. Through-rods were replaced in some docks and fingers. The water eats out the rods between the dock and wood. The UHMW was also pushed into some corners. Lamerdin asked if there much underside growth. Gibson said using ½ inch rope is use to dislodge growth as part of regular maintenance.

Gibson said there was a total of \$30K in budget for all of the commercial docks, which is not enough. Bretz added that the crew also mans the loading pier at the hoist dock – there was always something to do. He said the buyers came right to the dock. Gibson said UMHW had not been used in the PD5 area. Gibson pointed out where the damage behind the rubber. The whalers are 13-14 years old, and the fingers need new piling. Some boats are thrown into the dock by the wind, causing damage. Gibson pointed out Swede's dock, visible from PD5. When PD5 was rebuilt, old dock and piling were used to build Swede's dock. Most of the piles are full of holes and two are broken. This is where fishermen work on their boats when they don't need a haul out, and electricity is available. Sometimes 3 – 4 boats are using the dock. There is a lot of sediment in this area. Nebel pointed out the new outlet for the Bay/Moore sewer. Bretz pointed out the orange booms are run by employees as a billable service for an affordable fee. Gibson added the hoist dock had about a 4' depth.

Bretz said that PD7 is not in as good a shape as PD5. The fishing boats are bigger and there not as many slips. Gibson showed a plan for a reconfiguration. He said the slips now were about 30' and the plan included larger slips. It would also include angled ramps. Bretz said the area would also need dredging. Gibson said at a minus tide, the depth was 3' – 4', about 14' -16' outside the docks. Bretz said the area is losing docks because the piling is going. Allen asked if there was an estimate for doing the project. Gibson said he spoke with Billingham Marine, would said it would be about \$12MM for the docks, \$2MM for dredging, and \$2MM in upland work. This did not include cost for mitigation. Bretz said the project would include about 200 piles, so that would mean more mitigation. Gibson said that two docks were rebuilt in 1993. The shorter fingers need new rods, triangles, which would cost about \$30K just for the hardware. A complete survey of the piling hasn't been done, but some outer piles had been surveyed in the last three years that were broken. Gibson said right now there aren't slips for the bigger boats. Smaller boats are being replaced by bigger boats.

The tour moved to the International Terminal (NIT), and Gibson did not continue with the tour. Bretz pointed out the meal plant, storage buildings, and the NIT office which included the office, meeting rooms, and the crane garage. On the far side of the area is Foulweather Trawl and net/gear storage. Bretz pointed out the far side property was McLean point, but the proposed log yard area from where they stood. The blue storage buildings are on leased land. Bretz said there are two berths, with a hoist on the east berth, then 550' on the west berth. The yard is used as a laydown area. A lot of the storage is on Rondys' property. Bretz said he had spoken with the Halls about their potential plans for floating docks, and paving the access road and net work area. Skamser said there are different sized nets for different fisheries. Foulweather trawl has been leasing since 1995. Bretz said the fencing would be used on a secured area. The NIT manager, Pete Zerr, does the scheduling. Shipping would involve labor and longshoremen – it gets complex. Skamser commented that the commercial fishermen were great customers to have, and it keeps getting bigger. Allen asked if the Teevin lease option was still in place, and Bretz advised yes. The tour ended and the group moved to City Hall for a joint meeting.

## II. CALL TO ORDER

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

**Council Members Present:** David Allen, Dietmar Goebel, Dean Sawyer, Lauren Swanson, Mark Saelens, and Wendy Engler.

**Port Management and Staff:** Aaron Bretz, Interim General Manager; and Karen Hewitt, Administrative Assistant.

**City Management and Staff:** Gloria Tucker, Deputy Recorder; Sandra Roumagoux, Mayor; Steve Rich, City Attorney; and Spencer Nebel, City Manager.

**Members of the Public and Media:** Rex Capri, Newport resident; and Doug Cooper, Hampton Lumber.

## II. DISCUSSION ITEMS

### A. McLean Point Urban Renewal District

Nebel said that 2 ½ years ago, the City and Port decided to create an Urban Renewal District (URD) specifically for improvements at NIT. The benefit of a URD is as the tax base increases, taxes can be captured from all taxing entities. McLean Point is the largest privately owned property currently off the tax rolls because it is leased to the Port. Allen said as Rondys takes over, they will get back on the tax rolls and the City can capture these taxes. Nebel said the URD funding was specifically for infrastructure: sewer pumps & main, storm drainage, water line, utility extension and street improvements for access from Bay Blvd. The north side URD was created at the same time and is already capturing significant dollars. The balance for the URD with the Port is -\$325 since action has not yet been taken to increase the tax base. The URD provides for a partnership of the City and Port for the capital improvement plan at NIT. There is a citizens' advisory committee, which is the Port Commission. With new Commission members and management, just NIT. Nebel thought this was an appropriate time for a brief overview. The URD does not cover the Bayfront, just NIT. Allen added that the City would have to check with the Port Commission before moving forward. Nebel said if the lease with Rondys is terminated, there will be an increment right away and potential bonding for district improvements. Allen said that Nebel and Derrick Tokos had met with Evan Hall last week. Allen said he had emailed out URD plan. If issues come up, that will be the document to refer to.

### B. Update on Fireboat

Nebel said one issue is they have not applied for the Port Security Grant. The port served has to meet security standards, including site standards. Bretz said there had been brief discussions and had reviewed requirements, which matches up with what OSP is requiring, for example no public access. Bretz said there are 4-5 agreements that have to be drawn up in order to be eligible for the grant. The requirements need review for the boat itself, among others. Nebel said it would be helpful to have an update from the Port by the end of the year. Bretz said he planned to get to this before the end of September and get it in the budget – the issues are money and location. Lamerdin asked if the Port would bear the cost of security. Bretz responded that would need research and work with the city. Nebel said it still needs to be

seen if there is a workable plan for the fireboat. Allen said that there was clear community support at the June meeting when the Fire Chief presented an analysis. There are a lot of logistics, but if it can happen, it will be supported. Nebel said if it is not feasible, it would be better to know sooner than later. Bretz said the Port would know best what it can offer and what is possible. The Guardian is another issue, and it would be better to find a central location. In the future he would expect more demand for secured moorage. Saelens said if there is any benefit with other aspects of homeland security there may be access to other funding. Nebel said there are potential shore-side issues as well. Sawyer asked if moorage would be part of the security issue, as there was a weathering concern. Bretz said it would be a permitting issue. Nebel said if the plan is eligible, the city could submit and look for potential funding sources. Skamser suggested maybe the Coast Guard would provide a temporary location. Sawyer added that insurance rates would go down if the fireboat was in place. Lamerdin asked if some of the larger processors on the Bayfront may also contribute funds. Nebel said there had been discussion, which would take place again if the project is feasible. Allen said the Fire Chief had passed out a spreadsheet that shows calls when the fireboat would have been useful; this spreadsheet may be helpful to Bretz.

### **C. International Terminal**

Bretz said that at the most recent Commission Meeting, a motion passed to no longer consider the agreements with Teevin and Silvan in their current form. The minutes were not yet available. There would be a meeting on Monday the 28<sup>th</sup> with MARAD to determine if the Port can keep the TIGER grant. Part of the financing was the Silvan loan, so the Port may or may not be able to keep the grant. The lease option with Teevin is still intact. Allen commented that this was tied into the land use design and traffic impact analysis, and asked if there were plans to keep the building permit intact, which was a laborious process to obtain. Bretz said the permit will be maintained until the Port Commission decides otherwise. Nebel suggested the Port try to maintain the grant if possible. Bretz said that would be ideal, and he is trying to provide options to the Commission. He said the Commissioners recognized that NIT has great potential to develop, but it is still to be seen what that development will look like. Allen suggested Derrick Tokos could provide assistance with what's needed to keep the permit alive. Skamser asked how often this is renewed; Nebel said there needs to be activity every 6 months. This was a 2-3 year process for Teevin to obtain the permit. Goebel commented that \$2MM TIGER grants are hard to come by. He hoped the Port Commission would do what is needed to keep it in place. Keeping the grant would benefit the community. He asked if there was another option. Bretz said that will be discussed with MARAD next week. Goebel asked if Bretz had a conversation with Teevin, Silvan or Rondys. Bretz said yes, and Teevin and Silvan are still interested in doing business in Newport, and the Halls are ready to get going. Allen asked if the Port had received interest from other shippers to use the terminal – the tariff was put in place. Bretz said there have been a couple of queries, but Teevin would have been an anchor for operations with labor and equipment. Nebel said that the Halls said they wanted to get moving with their project, but were not sure who to talk to at the Port. Bretz said the lessees and lessors will need to be kept informed. Chuck asked if the Port can still place dirt at the airport. Nebel said the City's position had not changed.

### **III. COUNCIL & COMMISSION COMMENTS**

Engler asked if Nebel could request an update from the fire department with the current plans if there is a fire. Nebel said the wooden docks at NOAA were a challenge, and an updated report can be prepared after the Port reviews security. Lamerdin said if docks are on fire it is hard to address it from above.

Allen asked about the Bay/Moore project. Nebel said the in-water work was complete, as well as some stormwater connections at Oregon Coast Bank. Once the underground work is complete, they will start on street work which includes a reconfiguration of the intersection. This should start after Labor Day. There will be overlay from the Embarcadero to Eads.

**IV. PUBLIC COMMENT**

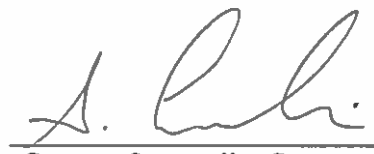
There was no public comment.

**V. ADJOURNMENT**

Having no further business, the meeting adjourned at 4:00 pm.

ATTESTED:

  
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Patricia Patrick-Joling, President

  
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Stewart Lamerdin, Secretary/Treasurer

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