

**PORT OF NEWPORT MINUTES**  
**Tuesday, September 1, 2015, 12:00 noon**  
**Work Session**

**I. CALL TO ORDER**

Commission President Walter Chuck called the Commission Work Session to order at 12:03 pm, South Beach Activities Room, 2120 SE Marine Science Drive.

**Commissioners Present:** Walter Chuck, President (Pos. #1); Ken Brown, Vice President (Pos. #4); David Jincks, Secretary/Treasurer (Pos. #2); Patricia Patrick-Joling (Pos. #5.); Stewart Lamerdin (Pos. #3).

**Management and Staff:** Kevin Greenwood, General Manager; Rick Fuller, Director of Operations; Karen Hewitt, Administrative Assistant.

**Members of the Public and Media:** Ron Stillmaker, SHN Consulting Services; Ralph Busby, Newport City Council.

**II. McLean Point Development Progress, Ron Stillmaker, Engineer**

Greenwood reviewed the McLean point General Outline for Project Management with Fuller and Stillmaker regarding staff's interest in retaining consulting engineering services from SHN. Fuller recommended that the Port handle project management in house and retain the services of an engineer to coordinate with the difference parties, properties and priorities involved. The general outline was a work in progress, and engineering input would be valuable in order to make sure the projects were managed with the Ports interests, goals and vision in mind. In addition, schedules and guidelines needed to be established. This process would also involve developing a master budget and determining the Port's role in each phase. This would help to better assess the needs of projects based on dollars and other elements. In terms of financing, Fuller, Stillmaker and Greenwood would work toward finding appropriate funding sources that met the schedule and budget needs. Fuller commented that construction management was his strong suit, but it was also necessary to make sure that the Port was protected in terms of document control. There are permits in place for work completed that have not yet been properly closed out; this would also need to part of the project process in a more consistent manner. Stillmaker added that right now he had had the pleasure of working with the port on a consult, not contract, level. He would be able to contribute by evaluating the scope of work. Greenwood advised the Commissioners that SHN 1 was proposed by Stillmaker. Stillmaker commented on his successful relationship with the Port working on the Rogue Brewery project, and would look forward to working

with the Port as an engineer of record. Greenwood referenced the McLean Point meeting last Monday. An engineer would be used to review plans and make sure they coincided with the Port's vision and goals. Stillmaker suggested that he would do as much or as little as the Port requests. The estimate was based on costs and expenses as consultation performed rather than a lump sum for the project. Port staff would be involved in project coordination. SHN would visit with involved parties, assess the impact on the Port, and report back to staff and to the Commission. Stillmaker spoke to the Public Entrance/Access Road task and whether it would be City right-of-way dedicated. Greenwood said there had only been preliminary discussion on this issue. Stillmaker asked about limits for that roadway; would it be assumed by the city or built by others to city standards; would the Port or the City prepare the plans and specifications for construction. Urban Renewal funds may be available. As far as Hall/Rondys cleanup, what did the Halls expect? What does the Port see as their responsibility? Does it need to be returned to its original condition? Do they wish to keep usable materials? These issues are part of the negotiations and need to be worked through and coordinated. In reference to the tasks outlined, the cost estimate is a moving target. Travel costs may be an issue since SHN is located in Coos Bay. SHN will only charge for travel one way, and will do what is possible by phone or email, but face to face interaction will also be valuable. Jincks responded that he had questions about the project overall, and commented that the whole project had not yet been defined. There was a lot that was left out of the proposal provided. The primary project is the log yard. Greenwood responded that yes, the log yard would be built on port property, but the mitigation would be on the Hall property. Jincks added that the original lease was for use of the land for gear, not dredge spoils. The dredge proposal was made later. Greenwood commented that the fishing gear at the International Terminal is on Hall property; there are a number of elements to address to get out of the lease. A big concern is the dredge spoils and the use of clean materials. Another concern is what to do with organic, unbuildable material. Jincks said this issue needed further research, and suggested a meeting with Don Mann regarding the Pasley NOAA spoils; permission had been granted to leave the material and level the area. Which materials needed to be removed? Greenwood indicated these terms were negotiable and the Port needs to quantify the amount of material. Jincks said the Port had paid \$70,000 to level and grade based on prior permission and that there should be documents from consultants quantifying the amount. Fuller agreed this should be included in defining the project's scope. Jincks said his comments were, in part, to educate the new commissioners about what has happened in the past regarding this property. Lot 100 on the map was dredge disposal area, and that would need to be removed. Greenwood added the contaminated material was taken to Coffin Butte and all material is clean. Greenwood added that Hall/Rondys wanted to keep as much as possible for their building plans. Jincks said there are still negotiations in process with Rondys to exit the lease. Greenwood added that of the Port's 9 acres, less than one acre is wetlands. There is an option to utilize the mitigation site in the south-west

corner of the property. This is currently permitted, but a name change may be needed. Patrick-Joling commented there are a lot of unresolved issues that need to be fleshed out before moving forward. Fuller said one of the reasons he was here is to get the next steps identified. He is uncomfortable that the Port is not currently in the lead in regard to the planning. Jincks encouraged the meeting to clarify the history of the project be part of making this process open and transparent. Greenwood mentioned the lack of a pump station sewage line and other utilities. Jincks said that if the Halls build, this would still be a low consumption area. Greenwood noted the Hall lease ends in 2022, and is currently off the tax rolls. When returned, that revenue could go into utility improvements. Jincks asked if the Port would manage Urban Renewal projects at the Port; Greenwood said the Port would be working with the City. As for an access road, this would be part of the negotiations with the Halls in the long term related to ending the lease. Jincks reiterated that the Log Yard is a priority one for the Port. Greenwood advised that preliminary plans have been submitted. Jincks said there was little engineering currently involved on our part. The priority is to figure out our dredge spoils and mitigation. It is not possible to determine costs until the previously mentioned meetings have taken place. Infrastructure in this area ends up costing more because of tide levels. There is not enough information yet for the Commission to make a decision on an engineering consulting contract. Chuck requested a copy of the Hall lease. Lamerdin also asked to look at Pacific Habitat regarding the history of spoils at McLean Point. A priority list needs to be established regarding developing the property. Then we can look at engineering needs. Stillmaker referred back to his proposal that step one is defining tasks, and perhaps general engineering consulting would be helpful in this definition. Greenwood added that in terms of financing, an application for a \$2 million TIGER Grant would become available in November, although less than 2% of these are granted nationwide. Also, EDA, Connect Oregon, ODOT and USDA Rural Development are potential sources for portions of the project. Greenwood will undertake these applications. Patrick-Joling asked about any matching requirements. Greenwood said Connect Oregon has a 30% match, and EDA has a 50% match requirements. The Port needs to identify limitations; an engineer's review would help with this. Lamerdin asked if there was a chance Teevin would back out since this was taking a long time; Greenwood said right now is not the best scenario for exporting logs, but this project could involve more than just log exports. There has been good support for this project from legislators and the Oregon Business Development Dept., so it will be proceeding forward. Chuck added that Teevin has also made a significant investment already. Greenwood asked the commissioners to review the draft letter to Mayor Sandy Roumagoux supporting McLean Point Urban Renewal District. The Commission suggested edits. Patrick-Joling made a motion seconded by Jincks to approve the letter. The motion passed 5 -0. Patrick-Joling said she will not be here for the Regular Commission Meeting on 9/22/2015, and Jincks will be absent as well. Brett Joyce will be meeting with the Commission at a Work Session on 9/15/2015 at 12 noon.

III. **ADJOURNMENT**

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

ATTESTED:

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Walter Chuck, President

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David Jincks, Secretary / Treasurer

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