

PORT OF NEWPORT MINUTES

October 18, 2016

Commission Work Session

I. CALL TO ORDER

Commission President Walter Chuck 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), President; Ken Brown (Pos. #4), Vice-President; Patricia Patrick-Joling (Pos. #5), Secretary/Treasurer; Stewart Lamerdin (Pos. #3); and Steve Beck (Pos. #2).

Management and Staff: Kevin Greenwood, General Manager; Rick Fuller, Director of Operations; Kent Gibson, North Commercial Harbormaster; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Nick Robertson, OBEC; Jenny Carlson, OBEC; and Eugene Law, Commercial Fisherman.

II. PORT DOCK 5 APPROACH CONTRACT

Greenwood introduced the agenda item, saying this project has been on the table since he started in February of 2014, when Gibson showed him the fist-sized holes in the piling for the pier access. In the last budget, the Port Commissioners approved \$25,000 for engineering analysis. This presentation is a compilation of that work. The Committee that previously reviewed the project at a workshop on August 31, 2016 consisted of Gibson, Harbormaster; Law, Fishing Fleet Representative; Lamerdin, Commissioner; Fuller, Director of Operations; Carlson, OBEC; Robertson, OBEC; B. Aue, Fishing Fleet Representative; Ted Gibson; Sara Skamser; Katie Jacobsen; Marine Fisheries; and Paul Dunphy from Local Ocean regarding parking.

Fuller said that he and Lamerdin had done a site tour of the Port Dock 5 Pier Approach, which raised concerns, including the possible closing of the dock that might follow an inspection. In April, the Commissioners discussed the issue and asked that Port staff restrict the use of vehicles. Staff installed a gate limiting access for vehicles to the first third of the pier as a safe way to limit and enforce weight on the less stable portion of the pier. OBEC was selected by the review committee, Greenwood, Gibson, Fuller, Lamerdin, and Bob Eder, to develop the conceptual design. On August 24, 2016, OBEC was given notice to proceed.

Carlson presented the Commission with a Power Point presentation, appended to the minutes, in addition to the materials in the Meeting Packet. From the project review meeting problems were identified to be addressed in OBEC's analysis, including limits imposed by the in-water work period, environmental restrictions, and maintaining access and utilities during the process. Seven major goals were identified and weighted: safety, function, environmental, cost, construction access, future expansion, and maintenance. Access during construction was considered crucial since the project could take months or years to complete. Three alternatives were developed:

Alternative 1: Lowest cost, safety rehabilitation. This would entail minimal changes, including replacing timber piles with steel. The pros and cons were addressed in the report (the Meeting Packet.)
Total Cost \$1,280,409

Alternative 2: Complete replacement of the deck with the same footprint. If this alternative were chosen, there would be some additional requirements per building codes and ADA. The deck would be shortened, the gangway would be extended and the slope fixed. The utilities would be replaced and brought up to code.

Total Cost \$1,886,113

Alternative 3: Complete replacement and improvement. The deck would be widened from 20' to 50', and would allow for 12 parking spaces with 3-point turn around designed based on a Ford F-350 truck. The environmental approval process would be longer. Robertson added that now the vehicles using the pier get stacked up requiring trucks to back off to allow other trucks to exit. This had been discussed in the workshop.

Carlson said it would not be practical to consider going directly from the present condition to alternative 3 because of permitting, funding and because the existing dock may not last long enough for project completion. The cost estimates were based on 10-15% of design completion, with potential design changes considered. The alternatives were also rated by engineers, with Alternative 1 + Alternative 3 receiving the highest score.

Total Cost for 1+3 \$3,241,281

Total Cost for 2+3 \$3,155,898

Beck asked how much duplication would occur by adding Alt. 3 to Alt 1 or 2 completion. Carlson said there would be no duplication, and Alt. 1 was designed to accommodate either Alt. 2 or 3. Design and permitting costs would be higher if the project was split but materials would be consistent. Carlson added that immediate repairs were needed; the Port Dock 5 Pier Approach is currently dysfunctional and will continue to deteriorate at an exponential rate. In the long term, Alt. 3 is the most desirable. Alt. 1 or 2 would get the area back to functional and could be the basis for continuing into Alt. 3.

Greenwood said funding would determine the next steps. Lamerdin asked if there would be 2 – 10 years before more failures would occur. Carlson said the deterioration rate will increase, and bad weather could escalate that further. Chuck asked if there were mitigation concerns. Carlson said the presented dollar value for mitigation is a "guesstimate"; it is difficult to say what will be required. The pier has a ¼ acre footprint, but an acre of mitigation may be required, and the type was unknown. As a rule of thumb, mitigation costs \$65 – 75K per acre. Fuller said that Alt. 1 included an inspection of the existing deck and support of the existing structure. If the structure is shot, Alt. 2 would be needed. Patrick-Joling asked if the current access should be further restricted. Carlson said that the near shore piles are in better condition and shorter. Past 50', the piles are longer and wobbly. Gibson added that with the current restriction only one or two vehicles could be on the structure at a time which is less of a weight load. Beck asked if the weight of sea mammals was a concern. Gibson said that the animals did not get on the pier. Chuck asked if Alt. 2 included a wider deck. Carlson said the deck was the same width, but the piles would be driven outside of the current footprint. Fuller added the deck would be replaced with concrete planks in Alt. 2. Lamerdin asked why steel pipe was proposed rather than concrete piles. Carlson said she preferred open end piles as they were easier to drive into soft rock, and could be competitively priced. Robertson stated that coated/galvanized steel can be better maintained. Fuller said that NOAA had decided on steel piles since they found the concrete piles were not effective.

Greenwood referred to page 11 in the proposal for the cost estimate. Carlson said that the Port could submit for permits with 30% design completion. Greenwood asked if the Port could first seek permitting for Alt. 1 or 2, then get permits for Alt. 3 at a later date. Carlson said she thought so; she is not a permit specialist but did consult with others. In seeking a permit, the agency will ask if there are future plans, but would still issue permits for the current project. She also thinks the project could be self-mitigating since Alt. 2 reduces the number of piles.

Greenwood said the \$110K estimate for the first year was for engineering and permits only. The Port may have \$200 -300K positive net income to work with. There would be approximately \$150K needed for the new maintenance department and existing facilities. There may be approximately \$150 -200K that can be used for capital projects. He referred to the list of funding resources included in the Meeting Packet on page 37. He added that grants usually require a 50% match, so other sources would also be needed. Greenwood suggested that the Commercial Fishing Users Group Committee (CFUG) could also discuss funding. He suggested the Commission hand off the funding discussion to the CFUG and staff to brainstorm non-grant financing. Lamerdin asked if the City could contribute based on the impact on parking and small business. Greenwood said he had spoken with Derrick Tokos, who said the Parking District may contribute especially with Alt. 3. The Parking District has about \$300K right now, and the City is looking to install parking meters. The question for the City will be what would be the return on investment for 12 spaces. Greenwood said funding could possibly come from fish processors and other stakeholders. Law commented that something needs to be done soon, and replacing is probably the best bet. Beck said the scope of work for this project is smaller than he thought, and was concerned about the additional money that would be needed to fix the docks themselves. Greenwood added there are also needs for capital funds at South Beach, which has been the financial support for operations. Lamerdin said the City might consider using their general fund due to the impact on the invaluable fishing business. Greenwood said the City would likely look at the Port's sovereignty and the expectation that it would self-maintain. There is some history with City support through Urban Renewal. Patrick-Joling suggested that since the City depends on the Port, they may have to join in. She suggested a Joint Work Session with City Council. Lamerdin said the City should consider the impact of a catastrophic failure of the Port Dock.

Greenwood said that the International Terminal has been a priority with the expectation that the tariffs generated could be used for capital projects like these. With the EDA grant, there could possibly be shipping out of the terminal in 2017/2018. By the end of 2018, the debt could possibly be paid. Fuller said if there were a catastrophic failure of the Pier, there would be the need for a bridge from Port Dock 3 to Port Dock 5 with pedestrian access. The fuel dock would be gone, which would be a big deal. A catastrophic failure could be just a tipping of the Pier and not just a total collapse. It is unknown when this failure might occur.

Greenwood said Tokos had also talked about bringing the boardwalk out 40 feet. That could be an expensive project with lots of regulatory hurdles. Fuller added there was also some discussion of filling the rock wall, which would cost approximately \$60MM.

Beck suggested that once either Alt. 1 or Alt. 2 were installed, the Port could decide later about Alt. 3. He suggested the Port needs to work with these options now for access and safety. Fuller said the Port should consider what is the minimum and what is best, then can proceed incrementally. Both Alt. 1 and Alt. 2 could be steps toward the end. Greenwood said MARAD and EDA are possible funding opportunities. As the International Terminal Shipping Facility (ITSF) moves forward the Port will be able to show the agencies that projects can be delivered, which would make them more apt to look at subsequent applications. It would be difficult to apply now with ITSF incomplete.

Chuck asked if the project could be done in three phases, starting with Alt. 1 during this year's in-water work period. Carlson said that Alt. 2 could be done in the next in-water period. Fuller said there were some issues with the ramp going from Alt. 1 to Alt. 2. It makes sense to enlarge the landing for a staging area.

Greenwood asked if there was a consensus to hand the discussion over to the CFUG. Patrick-Joling asked when they would be meeting. Greenwood said he expected them to meet in a month or two, and the different fishing seasons means the full committee will never be at a single meeting. Chuck suggested February would be a good time to have a meeting with more attendance. Lamerdin said that no matter

what is decided, funding will be needed. Moorage revenue will not be enough; there is a lot of work the Port needs to do before asking CFUG for input. Law said the Port must decide if the top deck is worth saving; the CFUG needs to know. Lamerdin said it may last 10 years, but it will need to be done. Brown said the CFUG did not need to meet in order to get the opinion of the fishermen. Greenwood suggested sharing the budget with the CFUG would help generate ideas. Beck said that Alt. 3 should be the goal, but is should be completed in phases. There is an immediate need for access and public safety.

Greenwood said the \$110K for the first year can be done through positive net income, which becomes a policy decision. This would give a year to generate additional income. Lamerdin said if the Port prioritizes committing \$100K, the Port can keep moving without determining the final project. Chuck said he would like to see if CFUG can meet in November to discuss the Port Dock 5 Pier Approach project. Fuller referred to page 32 in the OBEC report item 3.0, \$10K for condition assessment, which would be included in the initial phase. Carlson said if started in July of 2017, the final design could start July 2018. Greenwood said if the \$110K is authorized this would allow permits to be available for the in-water window. If the Budget Committee makes this a number one priority, this would be possible and would allow time to find additional funding options. Law said to keep the ball rolling. Alt. 2 with something in the future is doable.

III. PUBLIC COMMENT

There was no additional comment.

IV. ADJOURNMENT

Having no further business, the meeting adjourned at 1:10 pm.

ATTESTED:

 *protem*

Walter Chuck, President



Patricia Patrick-Joling, Secretary/Treasurer

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