

## PORT OF NEWPORT MINUTES

June 27, 2017

### Special 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 6:07 pm at the Yaquina Bay Yacht Club, 750 SE Bay Boulevard, Newport, OR 97365.

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

Commissioners Patricia Patrick-Joling (Pos. #5), Secretary/Treasurer, and Stewart Lamerdin (Pos. #3), were excused.

**Management and Staff:** Kevin Greenwood, General Manager; Stephen Larrabee, Director of Finance; Aaron Bretz, Director of Operations; Karen Hewitt, Administrative Assistant; Mark Harris, Staff Accountant; and Pete Zerr, International Terminal Supervisor.

**Members of the Public and Media:** Jonathan Stevenson, F/V Tauny Ann; David Jincks, Newport Resident; Tracy Burchett, ILWU; Pat Ruddiman, ILWU; Mike Kasper, ILWU; Eddie Corder, ILWU; Chad Johnson, ILWU; Barrett Tower, ILWU; Yale Fogarty, ILWU; Bruce Elin, ILWU; Ben Forsman, ILWU; Judy Pelletier, OSWA; Doug Cooper, Hampton Lumber; Keith Kaminski, ILWU; Kimberlee Cochran, F/Vs Marathon, New Life, Bay Islander; Nanci Cooper, F/V Perseverance Pacific; Mark Cooper, F/V Pacific; Jeff Lackey and Lisa Lackey, F/V Miss Sue; Jim Seavers, Fisherman; <sup>Loren</sup> Lever Joling; Bud Shoemake, Port of Toledo; Mark Wells, F/A Alete; Marcia Thompson, F/V Olympic; Terry N. Thompson, Lincoln County Commissioner; Jeff Hollen, Midwater Trawlers Cooperative; Dennis Bartoldus, Rondys Inc.; Rob Halverson; Jon Malloy, Servco Pacific; Dean Fleck, Englund Marine; Keith Cochran, F/V Bay Islander; Reino Randolph; Dave Kunert, Hampton Lumber; Megan Murdock; Kyle Mitchell, Fisherman; Ellen Hearne and Brett Hearne, Fishermen; Kevin, Kalli & Taunette Dixon, Fishermen's Wives; Connie Kennedy, fisherman's wife, distant water; Tracy Lynn Bohne, Fishermen's Wives; Paul Langner, Teevin Bros.; Chris Nelson; Mike Storey, F/V Pegasus; John Holt, Pacific Fishing; Sara Skamser, Foulweather Trawl; John Skamser, Foulweather Trawl; Wayde Dudley; Barb Dudley; Fred Yeck, F/V Sea Dawn; Dennis McManus, F/V Golden Pisces; Heather Mann, Midwater Trawlers Cooperative; Jennifer Stevenson, Newport Fishermen's Wives; Tim Miller, small woodlands; Bob Kemp, Fisherman; Fred Postlewait, Banker; Evan Hall, Rondys Inc.; Tim Mulcahy, F/V Calogera; Pierce Miller, F/V Cologera; Russ Glasscock, small woodland owner; Jack Webster, F/V Millie G; and Bill Olivera, Pacific Surimi.

#### II. CHANGES TO THE AGENDA

Greenwood asked to have the Budget Hearing re-called, included in the 12:00 noon Regular Meeting Packet. He pointed out the changes to the Budget since the Budget Hearing, which were noted on the included staff budget presentation. Beck recommended including the International Terminal (NIT) leases in the NIT budget, and assumed the Teevin lease would be included here. He also asked if all leases could be separated into the budgets for their locations. Larrabee said that leases had historically been included in administration so that would not match for comparison. Greenwood added that the expenses for leases were predominantly administrative since they were handled by the Finance Department. If the lease were separated by area, the Port would also have to account for administrative overhead. Greenwood added that this is something that could be discussed further as a policy discussion, but the budget hearing did not address individual departments. Larrabee suggested adopting

the budget as is, and further analysis could be done if requested. Chuck said he would prefer to adopt the budget as is then consider changing next year.

There was no public comment on the Budget Hearing.

**A motion was made by Beck and seconded by Brown to adopt the 2017-2018 Budget as presented. The motion passed 3 – 0.**

### III. ITSF RELATED CORRESPONDENCE

Greenwood requested Hewitt list the correspondence that had been received and added to the Meeting Packet. Hewitt listed: ILWU Public Records Request, Midwater Trawlers Cooperative (MTC) letter, Annabelle Morgan (small woodland owner) letter, MTC Attorneys Ouderkirk & Hollen letter, and a letter from Rondys Inc. Chuck added there was also an email received from Judy & Jerry Pelletier, small woodlands owners, which will be added to the record. (An email from Patrick-Joling to Beck will also be added to the record.)

### IV. PUBLIC COMMENT

Fred Yeck, trawler owner and Terminal user, said he had read the Teevin, Silvan and 3-Party Agreements. He said he was concerned about the financial welfare of the Port and viewed the agreements as a financial disaster. Yeck said he is in support of shared use at the Terminal by fishing and shipping. The agreements were written by Teevin and Silvan without making assurances to the Port about minimum shipments, with 7 -10 shipments needed for the Port to break even. He considered the agreements to be conceptually and legally defective, including the provision that the Port pay Silvan \$60K per year at signing, shipping priority at the west berth for 365 days per year for 20 years, and ambiguous terms for terminating the agreements for non-use. Yeck said the \$5000/year Teevin lease was a give-away and suggested the value of the property be evaluated. He said the agreements were a bad deal for the Port which represented a greater risk than the risk of losing the TIGER grant.

Dennis McManus, F/V Golden Pisces owner and CPA certified by the fishing industry, said he was concerned about staging access at the Terminal. He said his and other boats that spend \$400-500K when staging would have to stay elsewhere if the Terminal weren't available.

Russ Glasscock said he was a 3<sup>rd</sup> generation timber owner. Timber shipping 15 years ago allowed his family to pay the inheritance tax assessed 30 years ago. Glascak said he was excited when the voters created a bond to build the shipping terminal. He said Teevin will allow open berths. Glascak said the Terminal should work if everyone is efficient. He said that voters did not envision a facility where boats from Alaska and California would move here for lower rates, but a facility for local boats and shipping interests.

Jeff Hollen, attorney representing MTC, referred to the lease analysis he submitted. (Included in the meeting record.) He said that MTC does not want the agreements approved. There is no provision that they all be signed, and they all tied in together to be valid. Hollen said the agreements need clarification, completion, coordination, and consents were needed. Hollen encouraged the Port Commission to read his analysis and consult with Port's counsel. The agreements appear to be written by Teevin and Silvan, and disadvantage the Port.

Mike Storey, midwater Trawler on the F/V Pegasus, said he was not opposed to shipping but wanted it done right. He said he agreed with the comments made by McManus. Torey said he was looking at a \$2MM+ project, considering YB and Port of Toledo. Without access to the Terminal, he will go elsewhere. Torey said the fishermen had been cooperative, and perhaps they were used to being pushed around by government agencies.

Tim Miller, a small woodlands owner from Siletz, said the issue was starting to divide the natural resources community, fishing and woodland owners, who need to stick together. He asked the Commission to help them stay together as a community. Miller said he is sending spruce, fir and hemlock logs to ship from Coos Bay that are not wanted by the domestic mills. There is a \$400 per load difference in hauling costs to ship from Newport, as well as using less diesel fuel. He said he hoped the Port of Newport Commission can get the shipping terminal in Newport.

Terry Thompson, Lincoln County Commissioner and smaller F/V owner, said that some of the smaller boats use the terminal to change their larger gear. The voters meant to make the Terminal a collaborative situation, which has not been done to the extent it should. Shipping can't be in the Terminal when it's at maximum use by fishing. The hoist could not be used by the fleet when shipping was in. He encouraged talking about a collaborative situation. It would not be beneficial to lose either the big boats or the potential for timber.

Bud Shoemake, Port of Toledo manager, had also worked at the Port of Newport for 15 years when lumber was being shipped to Australia. He had to ask boats to move then, and some moved to Seattle and did not come back. The Port of Toledo has invested \$10MM since 2011 to provide a shipyard for vessels. Shoemake said keeping the boats home-ported in Lincoln County was important to the fishing families, the Port of Toledo and to the region. He asked the Commission to not act hastily to find a way to accommodate both shipping and fishing at the Terminal.

Evan Hall, Rondys Inc. Vice President, said they were in a unique position because they had deep roots in fishing and were the last leaseholders for the last shipping company. He referred to Rondys letter included in the meeting packet, calling attention to the risk of delay, the benefits to the Port's users and the opportunities provided to Rondys Inc. by the Terminal project and their future plans for an industrial complex on their adjacent land. He requested the Commission act before the opportunity to bring shipping to Newport is lost.

Kimberlee Cochran, F/Vs Marathon, New Life, and Bay Islander, was born in Newport and remembers logs. She said she is concerned that fishing vessels desiring to use the Port of Toledo shipyard won't be able to if the Terminal is not available. The boats would have to go elsewhere. She said she is also concerned that the project has created a divisionary situation between hard working people because the plan is ambiguous. She asked the Commission to vet the project out more and provide a business plan.

Heather Mann, MTC, said MTC represented 26 commercial trawlers, 17 of which are home-ported in Newport. Almost all of these vessels use the International Terminal to some degree. She said MTC is not against shipping or longshoremen, but is against being displaced and against shipping taking a priority. Mann read from the letter from MTC to the Commission, included in the meeting packet. She hoped the Commission could come up with a win/win plan; shipping is an important part of the future, but not at the expense of fishing.

Stan Schones, a Newport resident since 1979 whose vessel Miss Birdie fishes crab and whiting, said that fishing interests played a big part in passing the Terminal bond measure. The Terminal enough space to tie 12 – 15 boats two to three wide, who all need to work with each other to manage the space. The fishing vessels represent \$15-20MM in assets and 200-400 people at each fish plant. If the fishing vessels were forced to leave, it would mean more than the loss of moorage. Each vessel spends about \$3MM per year in Newport on crew shares, fuel and maintenance, which goes into the community. He cautioned the Commission not to throw fishing under the bus. The larger vessels pose a danger to the docks and smaller vessels if they are berthed at the Port Docks, especially in winter weather.

Doug Cooper, Vice President of Resources at Hampton Lumber, with four sawmills in Oregon and 700+ employees, expressed concern that the Port supports the use of public funds for the export of logs. He said Greenwood once referred to logs as the Terminal shipping's "bread and butter." Hampton approves of timber owners finding markets for their lumber. There is an economic benefit to keep logs in the domestic market.

There is a shortage of logs with Hampton and others needing to look as far as Washington. The price for logs is high. Sawmills are not operating at full capacity. The Port plan is based on a precarious financial and business model, and Cooper urged the Commission not to vote tonight.

Rob Halverson, former Port of Newport Commissioner, said the community came together to provide berths for fishing and reintroduce cargo in passing the bond measure. The deep draft vessels draw more than ever. The depth of dredging could be reduced if shipping wasn't in the harbor. He said the community stood together and needs to stand together now. Exclusive use by fishing for 120 days is a hard nut for shipping to swallow. He hoped something could be worked out for both shipping and fishing. He was disappointed to hear Teevin called a "pie in the sky" group. Halverson that Teevin had completed three projects with Connect Oregon grant funds, put those projects into practice, and received high marks from the grant authorities. The Port of Newport has received Connect Oregon funds for the purpose of moving cargo, no reference to fishing. The TIGER grant refers to deep draft shipping. He hoped the elements could be worked out. He added that adding the dolphin from the original plan could relieve the crane issue.

David Jincks, involved in commercial fishing for 50 years, agreed Miller's comment that natural resource groups should not be fighting each other. Jincks said the issue is how we dock here and how the Port could have done this differently. Fishing asked to have a place at the table. The needs of fishing were fairly obvious with two times a year the Terminal was fully used. He was a long time Port Commissioner, and heard he had the opportunity to nip this in the bud, but was not sure what was meant. The RV Park was a large, successful project that involved a financial analysis before beginning. The Terminal Users Group Committee (TUG) needs to continue to work to solve issues so that the project can move ahead to develop fishing and shipping at the Terminal.

Yale Fogarty, ILWU #53, said that fishing and the longshoremen worked equally to get the bond measure passed. It is unfortunate the Terminal failed and shipping has gone. He asked that fishing and the longshoremen reach out to work together. The Port could also use business practices to appraise property values. The local fleet is facing failing facilities and the Port needs revenue. Fogarty said the Port can't afford to lose the local boats either; those families live here. The state of the docks is a catastrophe waiting to happen. The Port needs to do due diligence to move forward quickly. He recommended the Commission hire an outside consultant who can work full time on the project to get the project done so it works for all parties.

Judy Pelletier, small wood owner, agreed with Miller that the interests need to cooperate. She said she was speaking for older folks who are small woodland owners who depend on the Terminal shipping facility, since there is nowhere to send hemlock locally. She would like to work together to make that happen.

Jennifer Stevenson, President of the Newport Fishermen's Wives, said the people at the meeting gathered as a community because of concern that the deal in front of the Commission is hasty and one-sided. She said in any smart business decision there needs to be analysis from all sides. The distant fleet families also live here. She considered that the distant water fleet was being told thank you for all your years, but the Port will be moving in a different direction, which was disappointing. Fishing helped to pass the bond and it would be great if logs came back. Find a way for it to work, not tell current users to go elsewhere. She asked the Commission to consider what the decision will mean in 20 years. She would like the Port to move forward with a deal that is better for everyone with successful shipping out of Newport.

## V. GENERAL MANAGER'S REPORT AND RECOMMENDATION

Greenwood introduced the General Manager's Report, included in the Meeting Packet, and reviewed pros and cons of the Terminal agreements and possible Commission actions. He said since he joined the Port, the Newport International Terminal was losing \$180 – 220K per year. There is a lot of debt, with \$440K in debt service paid per year, and a need for tens of millions of dollars for deferred maintenance. It has been difficult to

identify an income source that can meet the Port's needs. Greenwood said he understands the fishing contributions, and has hosted TUG meetings to develop an operations plan along with other meetings in the last four months. He said this discussion should have happened before. Since 2015 this project has been the Port's #1 goal, and Greenwood has received direction from the Commissioners to pursue these agreements. He suggested more negotiations and give from both sides were needed to move forward. A high-use charge could be added for Terminal users during those periods, similar to how the RV Park is charging a surcharge for high-traffic dates. Greenwood included four possible motion recommendations: 1. Reject the contracts and process, 2. Approve the contracts, 3. Postpone a vote until consensus with MTC and financial partners can be reached and more coordinated terms can be negotiated, or 4. Postpone the vote until the new Commissioners take office. Greenwood recommended option 3.

Beck said that Greenwood had produced a great report. There is a need for financial participation from entities using the value of the Port. Silvan has been relentless in getting a better and better deal. Teevin has too good a deal. He is confident the Port can move forward, and is comfortable not making decisions today.

Brown commented that Greenwood had said there was a lack of consensus on the Board, but there would be a lack of consensus on the next Board as well; it will be contentious. Brown said he would like to look at items that can be voted on at this meeting, like the Rondys easements, which would help them and the Port. It would be rude to Patrick-Joling and Lamerdin to approve all tonight. He would also like to look at the engineer's contract, who has been working without getting paid, so that bids can go out. Greenwood said that the engineer understands he is working out of budget. If the Commission wanted to see the price, the next Commission could still reject the bids. By authorizing the engineer's contract, this would allow bids to get out and submitted to get actual costs.

Chuck asked if dredging would still be needed if shipping weren't at the Terminal, and if the costs for maintenance dredging would be available. Greenwood said that staff continues the permitting for a dredge permit, but it would be early fall before getting a bid. The dredging to 35' would be needed for shipping not the current users. The reserved maintenance funds could be used for dredging as well as other budgeted funds; Greenwood said he does not have a firm cost estimate.

Beck said that picking and choosing agreements to approve was not a good idea; he suggested voting for all or letting the next Commission decide. He added that they had been looking at numbers based on 10 shipments per year. If there were 7 ½ or fewer shipments it would mean for eight or more years there would be no money to put in deferred maintenance. The performance bond is also an issue. Two percent of \$6.5MM is \$130K. There are big costs to move forward. Beck questioned whether it would be appropriate to use NOAA funds and remarked ancillary costs are expensive.

Brown said he asked to consider approving Rondys also because of the dredge spoil issues, which the Port would need to deal with whether or not the Shipping Facility project goes through. Greenwood said they have been working on the easements. With the dredge spoils agreement, there are significant costs. They were planned to be paid with proceeds from the project financing. Greenwood recommended not approving the dredge spoils agreement until financing is obtained. Rondys would need to give the Port 120 days' notice if they wanted the Port to move the dredge spoils. He added the Port could also sell the sand.

Chuck commented on the \$60K per year payable to Silvan. He asked if the value of the Teevin package was in the \$300K range, which could be a reason for working with them. Chuck said regarding Greenwood comment about lack of consensus, that he had forwarded information in 2014 when Greenwood first started about an NIT committee to meet with to help avoid conflict. This did not go anywhere at that time. In 2016, Chuck again asked Greenwood to reconvene a meeting and get the issues out in the open. All users needed to know about the plans being discussed. Chuck submitted this with a white paper on an ad hoc committees that had been used when the Terminal was being designed. He asked Greenwood why a committee wasn't met with then.

Greenwood said that there was not financing for the project. Chuck said that the International Terminal has been a concern of the Port for the last 5 years. They should have had consensus on the Commission to provide direction, but Greenwood should have reached out to a lot of people earlier. Greenwood agreed that TUG was an attempt that should have been made years ago. Chuck added that there were other issues. There was the loss of political capital that could result if the project did not go through, citing Representative Gombert's advocacy for the Port. Greenwood said that would be a reason to move forward, and not proceeding with the project could affect the Port's ability to get grants. Chuck said that with the current lack of funding, GO bonds had been discussed to pay for deferred maintenance. He asked how the Port district would feel if shipping did not move forward. Greenwood said that was difficult to answer. Chuck asked if there were other options if the revenue stream from shipping was not realized. Greenwood said the Port could take out loans to be paid for with positive net income, could sell property which would not be a sustainable option, and could continue to recruit tenants. There are approximately 13 acres that could be leased and developed.

Beck said that when he came onto the Commission 12 months ago, the first meeting saw the Connect Oregon grant going down the tubes. The EDA grant was lost by December. Losing these grants put the Port in this position. He had been trying to talk to the Commission and staff about the bottom line. He asked if there was a plan B, but Chuck told him to shut up because he had not been on the Board long enough. Chuck called a point of order.

## **VI. INTERNATIONAL TERMINAL SHIPPING FACILITY**

Greenwood introduced the resolutions regarding the use of the Terminal proposed by Lamerdin, included in the Meeting Packet. Lamerdin, Chuck and Greenwood had worked on these. Greenwood suggested these were excellent step in the right direction. He suggested working with the shipping partners to work these resolutions into the agreements. Brown asked if these resolutions would render the present tie-up policy moot. Greenwood said the Commission would want to repeal conflicting polices. The Port would also want to make sure the resolutions did not conflict with agreements. Beck asked how many fishing vessels were over 125 feet; Greenwood said 125' was the highest he had heard. Chuck said he had spoken with Lamerdin about the resolutions. Lamerdin had reviewed the TUG meeting notes and had used some of the wording from their discussion. Safety and priority time were the issues. Shipping could work with the first part of November. Lamerdin thought splitting the difference for notice requirements at 21 days was adequate. Zerr said there are actually 3 faces at the Terminal: the west berth, the east berth, and the hoist berth. He asked if anyone using the hoist berth would also be required to give 21 days' notice. Greenwood said this was intended more for the east and west berths and could be clarified. Beck asked why the wording was the first part of November rather than the first week. Chuck said that was to give time for a vessel that may be there to move out of the way. Greenwood suggested making edits and then sharing the draft with Teevin, Silvan and MTC. Beck asked if Silvan had asked for set-aside time. They wanted full access to the west berth throughout the year, so why would they change? Greenwood said they could if it was required by the Commission. Beck said once Silvan said no, the Port could lose the TIGER grant and lose shipping forever. Chuck said the Port would want to make sure these terms were in the agreement. Greenwood said he would ask for feedback from the parties. Chuck asked what would be the loss of moorage and services if both sides agreed. Greenwood said the loss would be less than in the proposal. Chuck said these resolutions represented a compromise between the fishing and shipping interests.

Greenwood introduced his report on contract review, included in the meeting packet along with the contracts and agreements: the Silvan Financing Agreement, the Teevin Bros. Lease Agreement, the Three Party Agreement, the Rondys Agreements, The Stuntzner Engineering Contract, and the IFA Loan. In reference to the Silvan Financing Agreement (SFA), section 2.1, Greenwood said that the funds not in escrow was some risk for the Port. Staff has discussed the pass-through of the performance bond referenced in 2.2, but this still needs Silvan's agreement. For 2.23, Greenwood added that if the resolutions were passed they must not conflict with the agreement so as to avoid a potential law suit. In reference to section 2.8, he noted that the Commission

could continue to revise tariffs during the contract term. When the abatement is paid off, Silvan would pay the rates then in effect. In section 2.10, Beck suggested striking "due to their fault" because it adds too much risk for the Port. He also asked if the Port would be obligated to pay \$60K per year if it takes 12 years. Greenwood said the payments would be made from tariffs until the abatement was complete. Chuck asked if the terminal operator brought barges if they would be subject to the abatement. Greenwood responded only Silvan's shipments would apply.

In reference to the Teevin Lease Agreement, Greenwood explained that the Teevin lease would coincide with the payment to Silvan of \$60K so this would be a net zero to the Port, which is identified in the 3-party Agreement. Beck asked for clarification as to whether the CPI would be added every year or every 5 years. Greenwood will confirm with Teevin that this is an annual increase. The payments to Silvan will remain \$60K so any increase in Teevin's payment would go to the Port. As for the use, the Port would want to make sure that a use resolution would not be considered an "unnecessary restriction." In reference to the 3-party agreement, Greenwood said permits have been kept open by excavating and moving material every six months, and will be open through the end of the calendar year. Greenwood said that the Rondys Easements had similar language throughout. Chuck said it was not necessary to review each easement.

For the Stuntzner Engineering Contract, Greenwood noted article 3.1 saying the engineer would only be paid if the contract were approved. They were aware that they have been working out of contract. He referred the Commission to page 168 for the breakout of services. Beck asked if payments to the engineer would come out of grant or loan financing. The engineer's bills are net 30, but the reimbursement could take 30 days. Greenwood said this would be handled through the bridge loan. Greenwood noted that the Port's attorney had reviewed all documents, and had produced the engineering contract along with Stuntzner.

Chuck reviewed the options for the Commission in Greenwood's staff report. Brown said he would prefer to move forward, but felt this would not be fair to Patrick-Joling and Lamerdin since they were not present to vote. Chuck said that any motion would require a 3 – 0 vote to pass. Beck made a motion to postpone the vote until the new Commissioners take office. There was no second. Brown suggested tabling the discussion until a later time. Beck said that he wanted to wait until the next Commission, not just a later time. Chuck commented that the Commission was at an impasse. He suggested a motion to table the discussion in fairness to the sitting Commission. Beck said he would not approve that motion. He expects to move to postpone until the next Commission is in place as he does not trust anyone. Chuck called a point of order, confine comments to topic under debate and avoid personalities. Greenwood made a suggestion to table until July, but the staff needs direction whether or not to continue working on the project. Chuck asked when Patrick-Joling and Lamerdin would return. Patrick-Joling's daughter <sup>Loren</sup> Laura said she did not know when she would return. Greenwood had not heard from Lamerdin. Chuck recommended to motions in order to direct staff to move forward: 1. Move forward to continue to work on the current project, and 2. Postpone a vote until full Commission can be seated with 72 hours' notice. Beck said the Commission needs to make a deal that's good for the Port with all interests addressed. The Port does not need to direct staff if they choose the second motion.

**A motion was made by Beck and seconded by Brown to instruct Port staff to move forward with the current project. The motion passed 3 – 0.**

**A motion was made by Brown and seconded by Beck to postpone a vote until a full Commission can be seated with 72 hours' notice. The motion passed 3 – 0.**

Chuck said he wanted the Commission to be aware that the issue of conflicts has been raised. Beck said a conflict would not exist if an individual were part of a larger group. The remarks were withdrawn.

Beck referred to the ILWU public records request included in the meeting packet, which included a request for his personal emails. He said he got the ILWU recommendation when he was initially approved, which he

submitted for the record. The ILWU changed their mind on some things over time. He suggested if that is how they work, the Port should think about working with them.

## VII. PUBLIC COMMENT

Hollen asked the Commission to look at his analysis of the contracts which conflicted with Greenwood's analysis. The contracts are conflicting, vague and need more work. They are not ready to sign. He advised conferring with Port's counsel.

Yeck questioned the process and asked where the Port's lawyer was. He asked why Greenwood did the contract analysis. The Port needs legal advice. The contracts were written for Teevin and Silvan with the Port on the outside. The payment flow through is not in the agreement. The contract required payments to Silvan as soon as the lease is signed. The documents are not ready to sign and disadvantage the Port.

Fogarty said that a lot was learned tonight. The project incited investments, and he was excited about the opportunity for new jobs, and the business that would grow around the shipping terminal like the Rondys development. Teevin has a large investment in the project, and they would not move forward on the deal to ship if it wasn't advantageous. Shipping would benefit timber owners and area employment. There are homeless children in school whose families need jobs. He asked if dredge spoils could be dumped at sea to save costs. The Terminal was meant for shipping to pay the bill. He agreed with Jincks that the project must be continued and be successful. The set-aside periods can be workable and achieved. He said it takes ten days to load a ship, for a possible 8 shipments, for 80 days a year.

Cooper said thank you for the transparency and detail presented, and the Commission looking at what's needed to move forward and be successful. He encouraged the Port to work toward a solution that benefits all parties, doesn't displace users and adds benefit to the community.

Mann said if people were interested in jobs they could see Bill Olivera who was looking to hire at the surimi plant. She said the draft operations plan said up to 14 days tied up at the dock. When the ships are tied up, the number of days doesn't matter if they have no place else to go. She said she respects Fogarty, but it was obnoxious to mention homeless children as a reason to move forward. The fishermen sponsor baseball teams and feed homeless people.

## VI. ADJOURNMENT

Having no further business, the meeting adjourned at 8:50 pm.

ATTESTED:



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