

PORT OF NEWPORT REGULAR COMMISSION MEETING AGENDA

Tuesday, May 23, 2017, 6:00 p.m.
South Beach Activities Room
2120 SE Marine Science Drive, Newport, OR 97365

- I. Call to Order 6:00
- II. Changes to the Agenda 6:01
- III. Public Comment..... 6:02
- IV. Consent Calendar 6:05
 - A. Minutes
 - 1. Special Commission Meeting April 24, 2017.....p 3
 - 2. Regular Commission Meeting April 25, 2017.....p 7
 - 3. Budget Committee Meeting May 9, 2017.....p 13
 - B. Financial Reportsp 17
 - C. Special Use Permits
 - 1. Ardor Adventures Events 2017-2018p 29
- V. Correspondence/Presentations 6:08
 - A. Introduction to Aaron Bretz, Director of Operations
 - B. Pacific Seafoods - Anthony J. Dal Ponte, Deputy General Counselp 49
- VI. Old Business 6:20
 - A. Items Removed from Consent Calendar
 - B. Accounts Paidp 59
 - C. International Terminal Shipping Facility Update 6:23
 - 1. Agreement with USDOT for TIGER grant.....p 67
 - 2. Resolution Accepting State of Oregon IFA loanp 89
 - 3. Agreement with Silvan Forestry for capital contribution
 - 4. Lease with Teevin Bros. for 9-acre parcel
 - 5. Agreement with Rondys for property management
 - 6. Scope of Work and Contract with Stuntzner Engineering for engineering/project
 - 7. Operations Plan Update
 - D. Resolution Adopting FY 17-18 Capital Improvement List 6:33...p 121
(Bylaws §6(H))(2016-04)
 - E. Resolution Adopting Compensation Plan 6:35...p 125
(Bylaws §6(E))(2016-03)
 - F. Resolution Setting Rates, Fees and Charges 6:36...p 129
(ORS 294.160)(2016-02)
- VII. New Business..... 6:42
- VIII. Staff Reports
 - A. Director of Finance 6:42...p 139
 - 1. April Occupancy Reportp 141
 - B. Director of Operations 6:45...p 143
 - 1. TCB Public Safety Report for April 2017p 145
 - 2. Commercial Fishing Users Group Committee.....p 147
 - a) DRAFT Minutes May 8, 2017
 - C. General Manager..... 6:47...p 153

- IX. Commissioner Reports..... 6:55
- X. Calendar/Future Considerations..... 7:00
 - A. 05/29 Memorial Day, Port Office Closed
 - B. 06/03 Newport Marathon
 - C. 06/20 Public Hearing & Adopt Budget Resolution 6:00 pm
 - D. 06/25 – 06/27 NOAA Eel Grass Counting
 - E. 06/27 Regular Commission Meeting
 - F. 07/23 – 07/27 PNWER-OCCES 2017 Oregon Coastal Caucus Economic Summit
 - G. 07/25 Regular Commission Meeting
- XI. Public Comment..... 7:07
- XII. Adjournment 7:15

Regular meetings are scheduled for the fourth Tuesday of every month at 6:00 p.m.

The Port Newport South Beach Marina and RV Park Activity Room is accessible to people with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours in advance of the meeting to Port of Newport Administration Office at 541-265-7758.

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PORT OF NEWPORT MINUTES

April 24, 2017

Commission Special Meeting

I. EXECUTIVE SESSION

Commission President Walter Chuck called an Executive 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, OR, pursuant to ORS 192.660(2) for deliberations to negotiate real property transactions. No decisions were made in Executive Session.

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; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Dennis Anstine, Newport News-Times

Executive Session was adjourned at 12:45 pm.

II. CALL TO ORDER

Commission President Walter Chuck called the Regular Commission Meeting of the Port of Newport Board of Commissioners to order at 12:47 pm 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; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Yale Fogarty, ILWU; Pat Ruddiman, ILWU; Sara Skamsner, Foulweather Trawl; Lee Fries, PON Volunteer Mates; Barrett Tower, ILWU; Jeff Lackey, F/V Seeker; Dennis Anstine, Newport News-Times; and Doug Cooper, Hampton Lumber.

III. INTERNATIONAL TERMINAL SHIPPING FACILITY UPDATE

A. Agreement with USDOT for TIGER grant

Greenwood introduced the staff report and attached documents. He called attention to page 9, the TIGER grant agreement, and page 10, Section 2.2 Summary of Project's Estimated Schedule. The NEPA report is complete and permits are in place. Greenwood referred to Port reporting requirements on page 13, Section 4.2, Annual Budget Review and Program Plan, and on page 14, Article 5, Performance Reporting. Greenwood said no statements of changes were anticipated under Article 7 on page 15. Greenwood also referred to Article 8 on pages 15-16 regarding Termination and Expiration of the contract. Greenwood

said that documentation needed under Article 11 would be part of the bid documents and agreements with contractors. Beck asked about the Buy American Requirements, specifically the use of Chinese steel. Greenwood said this requirement would also be part of contractors bid documents. Greenwood said the costs estimates on page 27 were still good for bidding. Greenwood responded to a Commissioner query that TIGER won't fund contingencies, so it would help if bids came in under budget. The project will follow the traditional path of design, bid, build. For attachment D on page 30, Greenwood said this would be reported in gross tons, which is currently zero.

B. Resolution Accepting State of Oregon IFA loan

In reference to the IFA loan, Greenwood said the State required the Commission adopt a Resolution authorizing the loan, drafted on page 31. Greenwood noted the reimbursement terms in Section 3. In Section 4(B), Greenwood pointed to the opportunity to have the interest rate decreased. Beck commented that over the 25-year loan payment period this 1% would result in significant savings, which is an incentive to look for another commodity to be shipped through the Terminal as soon as possible. Under Covenants of Recipient, Greenwood said he spoke with Chris Cummings to confirm the Teevin lease would comply. Greenwood noted page 47, Exhibit B, regarding full faith and required collateral.

C. Agreement with Silvan Forestry for Capital Contribution; D. Agreement with Silvan Forestry for capital contribution.

On page 49, Silvan Forest agreement, Greenwood said this draft was prepared by Port Attorney, Pete Gintner, based on the previously signed MOU. This document has been forwarded to Silvan. Silvan has asked, if Teevin fell through, Silvan would like to step in as a lease. Terms in Section (1) Project and Section (2) are key. The provision not to increase tariffs would only apply to Sylvan. The funding terms include a provision that the Port is not obligated to make payments toward the loan if Silvan is not making shipments. Greenwood said that although the agreement calls for an additional Port employee. That employee would be not be a joint employee and would not be restricted to Silvan tasks.

D. Lease with Teevin Bros. for 9-Acre Parcel

Greenwood said this draft was prepared by Gintner based on the lease option, and is only for the lay-down area. Greenwood noted Section 7 which held Lessee responsible for maintenance and repair. Beck asked if that language was different from the lease option which included something about damaged property. Patrick-Joling said maintenance and repair are two different things. Greenwood said he will go back to Teevin; their attorney has not yet reviewed the draft. Lamerdin asked about the environmental impact from drainage into the Bay. Greenwood said the Port would have to comply with the 1200-Z permit and staff will look at this more closely.

E. Agreement with Rondys for Property Management

Greenwood said this document was an information MOU. The Port is about half way through a 20 year lease with Rondys. The Port is responsible for removing sand off of the Rondys property. The wetlands will basically be filled in with Rondys letting us use their property for mitigation. Engineering costs are approximately \$19,200, so mitigation costs about \$24,000. Greenwood said there is a large amount of dredge spoils there, and the Port agreed that a lot of that will be moved onto Rondys property for the industrial park. The cost to the Port for moving the material is approximately \$20,000. Greenwood said he hoped to have the draft agreement next week. The Port's costs will be approximately \$145K for easements (6) and mitigation. Beck asked for a copy of the budget. Greenwood that the budget will be provided as part of the engineer's report.

F. Scope of Work and Contract with Stuntzner Engineering for Engineering/Project Management Services

These documents are not yet available, no discussion.

IV. PUBLIC COMMENT

Skamser asked if improvements would be made other than those listed, such as paving other parts of the Terminal. Greenwood said if the project came under budget, the Port could ask if it could be used for other projects. Skamser also commented that the fleet from Alaska is back and the moorage at the Terminal is fully occupied. Since the last time logs were shipped from the Terminal, the size of the fleet and the size of the boats have both increased. There are no assurances for the fishermen.

Cooper said he had asked the Commission at the prior meeting to investigate the risks, which they are apparently doing. Since the funding involves Federal and State money, the Port has an obligation to the state. Cooper said the project would put jobs at risk. The funding applications claim 50 jobs will be created, but there are no details given. For the TIGER grant, he noted the Buy American clause, and pointed out that logs would be shipped to China for use as construction material.

Fogarty said it takes about 40 longshoremen to load a ship. He expects there would be more than 50 jobs created. Hampton exports a lot, and he would have rather seen Hampton plan to use the facility to ship lumber; he would rather load lumber than logs.

V. ADJOURNMENT

Having no further business, the meeting adjourned at 1:37 pm.

ATTESTED:

Walter Chuck, President

Patricia Patrick-Joling, Secretary/Treasurer

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PORT OF NEWPORT MINUTES

April 25, 2017

Regular 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 6:00 pm 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; Stephen Larrabee, Director of Finance; Jim Durkee, Interim Director of Operations; Kent Gibson, North Commercial Harbormaster; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Wayde Dudley and Barb Dudley, PON Volunteer Mates; Chris Nelson, Yale Fogarty, ILWU; Pat Ruddiman, ILWU; Doug Cooper, Hampton Lumber; Jim Shaw; Maria L. Eades, F/V Pegasus; Justin Johnson, F/V Pegasus; Jeff Lackey, F/V Seeker; and Sara Skamser, Foulweather Trawl.

II. CHANGES TO THE AGENDA

Chuck added the items from the Meeting Packet addendum to New Business.

III. PUBLIC COMMENT

Lackey is interested in the NIT Operations Plan for integrating shipping and commercial shipping. He said there are currently only 2-3 tie up spots for vessels at Port Dock 5, and there are 9 large trawlers at the Terminal, and more trawlers at other locations. The Teevin Lease is written for four 5-year terms. Lackey said the fleet has grown in the last 5 – 10 years and there is potential for additional growth. He says this is a positive challenge for the Port.

Skamser asked about the security fencing at the Terminal, and whether it will be easily moved. Greenwood said it would be temporary fencing used. Durkee said the fencing won't have wheels but it will be portable.

IV. CONSENT CALENDAR

A. Minutes

1. Commission Work Session 03/28/2017
2. Regular Commission Meeting 03/28/2017
3. Commission Work Session 04/04/2017

B. Financial Reports

C. Contracts

1. Security Fencing for International Terminal
2. NOAA Rec Access Floating Dock

A motion was made by Beck and seconded by Brown to approve the Consent Calendar. The motion passed 5 – 0.

V. OLD BUSINESS

A. Items Removed from Consent Calendar

There were no items removed from the Consent Calendar.

B. Accounts Paid

Ken Brown declared a conflict of interest because of payments made to Les Schwab. **A motion was made by Patrick-Joling and seconded by Beck to accept the accounts paid. The motion passed 4 – 0. Brown abstained.**

C. International Terminal Shipping Facility Update

Greenwood referred to the documents and discussion at the Special Meeting on April 24, 2017. He added that he was working with Pete Gintner, the Hall's attorney, and the engineers, who are getting closer to have agreements drafted, expected by the end of the week. Greenwood left a message with Teevin and Silvan, and the Port will need the engineer's scope of work. Greenwood recommended not adopting any one of the agreements until all were in place. Chuck expressed concern about waiting to sign the TIGER grant agreement with the potential for the Federal Government not open after Friday the 29th. He suggested the Commission consider signing the TIGER application to submit before Friday. Beck asked what impact this might have on the other 4 agreements if not approved this week. Greenwood said that the TIGER and IFA documents had all been reviewed. Brown said the government could be fickle and it would be good to complete these now. Lamerdin said this was a close call; typically all would be completed at once. Greenwood said he had previously experienced a delay due to government shutdown, but it had not scuttled the project. Patrick-Joling asked about the status of the scope of work. Greenwood said he hoped to receive it sometime this week. He will contact Chuck when received to schedule a Special Meeting. Patrick-Joling said she would like to have all agreements ready to review before taking action. Greenwood said some related easements with NW Natural were not included in the documents presented, and the Port is not party to the agreements between Teevin and Silvan. Beck requested that the Silvan/Teevin documents be given to the Port Commission to review so the Port could have oversight. Greenwood said although we may not have their agreements, they would have to follow the terms of the lease with the Port. In the lease, the primary product was logs, but the equipment could move other products not specified in the lease. If other product was to be moved, the Commission would have an opportunity to approve. If the Commission was concerned, Greenwood offered to talk with Sean Teevin. Patrick-Joling suggested reviewing the Silvan/Teevin agreements in Executive Session and questioned why they would be private. Brown said the arrangement was not a sub-lease, and pursuing review of their documents could open a can of worms with other lessees. Greenwood added that the agreement between Silvan and the Port was in the hands of the Silvan attorneys, and he hoped to have those next week. Lamerdin agreed that the Commission should review all documents before approving any one. No action was taken.

D. Resolution Setting Rates, Fees and Charges (ORS 294.160)

Greenwood said the Resolution draft included increasing the percent rise to 5% and rounding. He said the Rates Resolution will be presented at the May Commissioners' Regular Meeting for adoption. No action was taken.

VI. NEW BUSINESS

A. HEARING – Res. Adopting Supplemental Budget (ORS 294.471)

Chuck opened the Supplemental Budget Hearing. Greenwood explained that the auditors had reviewed the accounting for the Multi-Use Area and Rogue's rent abatement. In particular, the Rogue payment in full for construction of the MUA, which includes the Port's obligation, needs to be shown as a loan, and the rent abatement as debt service. This is a net-zero balance sheet function. Larrabee added this would comply with Budget Law and GASB Rules. The Bonded Debt Fund change reflects that payments were made this year rather than last year.

B. Resolution Adopting Supplemental Budget

A motion was made by Patrick-Joling and seconded by Beck to adopt Resolution 2017-05 Adopting a Supplemental Budget for Fiscal Year 2016-17 and Making Appropriations. The motion passed 5 – 0.

C. Staff Report Recommendation – PD7 Empty Lot

Greenwood introduced the staff report, included in the Addendum packet. He said the Port had previously discussed using the 2-acre lot between the Yacht Club and Port Office for expanded parking and/or storage. Contractors for the Bay Blvd project by the City of Newport asked to use this area for staging. When complete, the Port would have a 100' by 100' lot. Gibson received a quote to gravel the lot for \$18K. The contractors would be using the area for a few months, until November 16th according to schedule. A concern is the Newport Marathon which has a Special Use Permit to use the grassy area on June 2 - 3; the City is aware of the Marathon. The contractors have agreed to fence the 100'x100' area during the marathon. Beck asked how permanent the improvements to the lot would be and what kind of maintenance would be required. Greenwood said it would be more than gravel. Gibson said the Port could choose to asphalt over top. Greenwood will be speaking with Tom Swinford about the marathon. Lamerdin asked if the surface would be permeable and if there was a drainage issue. Greenwood said there is existing storm drainage on the lot, and Gibson said there was a possibility of creating a culvert. Greenwood said this was an excellent opportunity, and recommended moving forward.

A motion was made by Beck and seconded by Brown to authorize the General Manager to enter into an agreement with Emery & Sons Construction for the use of the empty lot at Port Dock 7. The motion passed 5 – 0.

D. Consent to Assignment of Leases from Trident to TNMP Properties, LLC

Greenwood referred to the documents in the Addendum packet. Pacific Seafood had purchased the assets of Trident, and these assignments were for the meal plant and storage leases. The documents were produced by Gintner and the attorney for Pacific. The meal plant lease term is up at the end of this year, so the Port can negotiate the lease at that time. Currently, the change is only in ownership.

A motion was made by Beck and seconded by Patrick-Joling to approve the Consents to Assignment of Agreement for Lease of Business Premises as presented. The motion passed 5 – 0.

VII. DEPARTMENTAL REPORTS

A. Director of Finance

Beck asked how weather was affecting business at the South Beach Marina & RV Park. Larrabee said there was less weekend traffic; as long as it is raining, people are not coming. Beck said this could be an issue with cash flow since can't control the weather. He asked how the new manager was doing. Larrabee said he was doing great, was reviewing other parks and introducing come coupons to drive winter business. Booking is available online for the eclipse, with an \$80 surcharge. Larrabee said he hoped to be filled for the eclipse.

B. Director of Operations

Greenwood commented that the TCB report was a great improvement. Patrick-Joling asked if someone was on Port property, would TCB call the police. Greenwood said that TCB has the right to retain then call NPD. Lamerdin asked Gibson about dealing with the sea lions. Gibson said he was charged by a sea lion and used a buoy to chase him off. Lamerdin asked Gibson to review the suggestion sent previously to use aluminum poles. Lamerdin said it was effective, easy, and inexpensive. Lamerdin also thanked the Mates for the excellent job on the Weigh Your Fish station.

C. General Manager

Greenwood asked for feedback on the Meeting Packets and the best way to deliver them. There was some discussion of the City's method. Beck said that the software used by the City is cumbersome unless using the City's iPads or laptops. Greenwood asked if there was interest in a digital packet. Patrick-Joling said she did not advocate purchasing laptops or computers for Commissioners' use. Lamerdin said he spoke with City representatives during the Director of Operations interview day, who said how easy the software was to use and it reduced costs. He suggested asking the City what they saved. Patrick-Joling also suggested calling ethics about whether there were any conflicts viewing a meeting packet on a personal device.

Greenwood said the Amphibious Landing Exercise would be a highly visible event lasting 1 – 3 hours. Durkee and Chris Urbach will meet with Navy representatives. Greenwood said they would be an exciting exercise and may show the type of vessel that would come with supplies in the event of an emergency.

Greenwood said that he will be working on the Budget Message and expects to have the documents ready Tuesday, May 2nd.

VIII. COMMISSIONER REPORTS

There were no Commissioner reports.

IX. CALENDAR/FUTURE CONSIDERATIONS

- A. 05/04 – 05/07 Loyalty Days Carnival
- B. 05/09 Budget Committee Meeting 6:00 pm
- C. 05/13 Ducks Unlimited Halibut Derby
- D. 05/16 2nd Budget Committee Meeting 6:00 pm (if needed)
- E. 05/23 Regular Commission Meeting
- F. 06/03 Newport Marathon
- G. 06/20 Public Hearing & Adopt Budget Resolution 6:00 pm
- H. 06/27 Regular Commission Meeting
- I. 07/23 – 07/27 PNWER-OCCES 2017 Oregon Coastal Caucus Economic Summit
- J. 07/25 Regular Commission Meeting (Conflict)

Patrick-Joling said she will not be available on May 16th. There were no changes to the Calendar/Future Considerations.

X. PUBLIC COMMENT

Cooper said details were clearer and the Commission was deciding what was important to the Port. He said the agreements with Teevin and Silvan would be giving up control with what's happening at the Port. Only one shipment was required, so it could take many years to satisfy the abatement. There was no maximum shipments,

which could impact other vessels. Teevin was not required to do any work, and could terminate if no substantive business activity. In the contract section referring to subleasing, the Port's consent could not be unreasonably withheld. The agreements would amount to a lack of control over 20 years.

Fogarty said he was disappointed that Hampton Lumber had not offered an alternate plan. He would love to see Hampton use the Terminal. The fishing fleet and shipping had worked together at the Port for 60+ years, and he would like to see this again for even longer. Fogarty said it would work as well or better for both.

Skamser said she had talked to Pete Zerr, who has handed in the draft NIT Operations Plan. She is waiting for the NIT Users group meeting.

XI. ADJOURNMENT

Having no further business, the meeting adjourned at 6:55 pm.

ATTESTED:

Walter Chuck, President

Patricia Patrick-Joling, Secretary/Treasurer

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PORT OF NEWPORT MINUTES

May 9, 2017

Budget Committee Meeting

I. CALL TO ORDER

Commission President Walter Chuck called the Budget Committee Meeting of the Port of Newport to order at 6:00 pm at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, OR 97365.

Freeholder Members Present: Fred Postlewait (Pos. #1), Brian Barth (Pos. #2), and Mark Collson (Pos. #5). Alan Brown (Pos. #3), and Ron Benfield (Pos. #4), were absent.

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; Stephen Larrabee, Director of Finance; Mark Harris, Staff Accountant; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Yale Fogarty, ILWU; Pat Ruddiman, ILWU; Jeff Lackey, F/V Seeker; and Sara Skamser, CFUG Committee.

II. ELECTION OF BUDGET COMMITTEE PRESIDENT

A motion was made by Barth and seconded by Collson to select Postlewait as Budget Committee President. The motion passed 8-0.

III. BUDGET MESSAGE

Greenwood presented the Budget Message and Budget Documents, included in the Meeting Packet, to the Budget Committee. He said that Fig. 1 on page 6 of the packet was included so that Committee members could see how business centers performed. In reference to the Shipping Feasibility Study cited on page 7, Greenwood said that document was available on the Port's website. He clarified that the current agreement with Teevin is a lease option, and added that the development of the maritime industrial park could also include areas for Rogue and NOAA use. Greenwood said that in the first year of the lease, the Port could expect 2 shipments in the first six months, then 3 – 5 shipments over the next six months. In ensuing years, the expectation is an average of 10 shipments per year. Greenwood referred to the Appendix on page 87 of the meeting packet which shows a financial analysis. He added that the Port is looking at \$30MM in needed work on Port docks and other infrastructure. In reference to the Financing Summary on page 8, Greenwood said that staff is looking to share the Operations Plan for the International Terminal with the NIT Users Committee in the near future. He said that the Port Dock 5 pier approach project would be done in phases. As for the Facilities Maintenance Reserve Fund, addressed on page 9, Greenwood said funds are added when the General Fund shows positive net income. He added that funding from the TIGER grant and the IFA loan will be received as reimbursement, so the Port will have to pay costs up front. Postlewait asked if it would be legal to use NOAA funds, and how long the Port would have to pay it back. Larrabee said that it was acceptable to withdraw from that fund except for the restricted \$2MM, and believes it would be acceptable to pay

back over 10 years. The \$2MM budgeted to be available from the NOAA fund won't be needed if the private investor, Silvan, pays up front. Greenwood referred to the NOAA fund item on page 10, saying the dredging costs are net zero as it hopscoches with positive operating income over two years. On the General Operating Fund, page 11, Greenwood commented that while this is budgeted in the red, but the last few years have shown a positive net income.

IV. PUBLIC COMMENT

Postlewait invited public comment. Fogarty referred to the proposed Resolution Setting Rates, Fees and Charges on page 41, and urged the Committee to suggest the Port conduct a more intense study of charges to the fishing fleet. He handed out a schedule of charges at the Port of Seattle, WA, and directed attention to their charges for forklift use and operation as one example of a low charge by the Port. Fogarty also noted that the Port doesn't meter electric use but rather charges a daily power fee, which he felt was subsidizing the boats direct use of power. He said other rates are cheap at the Port of Newport, and there is no charge for loading trucks on Port property. He also noted that there was no increase on fees at NIT, SB launch fees were increased more for residents than non-residents, and lease rates may need review. Fogarty said that tariffs were set after Mike Haglund was hired as a consultant. He suggested the Port should perform due diligence and hire a consultant and research more thoroughly for marina fees. Greenwood responded that the Director of Operations had researched commercial rates, and had done analysis on costs to derive forklift rates. Collson asked if an outside party could be hired now to analyze rates. Beck asked why Haglund, a professional, was hired for the tariffs. Greenwood said he was the Port attorney at the time. Beck thought that hiring a professional to help establish rates would pay off in the long run. Lamerdin said that the Port has history of maintenance costs, and the daily rate is based on both those costs and the competition. The uniqueness of services at the Port of Newport could be capitalized on, but comparing to Seattle is not a just comparison. Lamerdin added that the key is to cover costs, but it is okay to charge less than competitors. Skamser said that it was odd that a loss of revenue at the terminal was accounted for, but not the intangible benefits the fleet brings to the region. Postlewait said that could not be accounted for in the budget.

V. BUDGET DOCUMENTS REVIEW

A. Bonded Debt Fund

Postlewait said that this fund had been raided to borrow money in 1995, which ended up taking 10 -15 years to pay back. He wanted to make sure that borrowing from the NOAA fund won't turn out like this. Greenwood said the Port is protected as long as it follows the terms of the lease, only \$2MM in the NOAA fund is restricted. Chuck said the Port would only need to use \$1.1MM from the NOAA fund to finish the Terminal construction. Larrabee said the Port would not be obligated to pay that money back, and is confident the Port would be okay as long as the restricted amount is not touched. Chuck said there had been talk about taking \$984K from the NOAA fund for an administration building, but that was not done.

B. Facilities Maintenance Reserve Fund

Greenwood referred to the appendix on Patrick-Joling 55-56 for the capital projects identified. This document is updated when projects are completed or new projects are identified. He said it was an uphill climb to put more money in this fund. He directed the Committee to note the projects were also identified as near-term, short-term or long-term. Greenwood said the shipping facility costs had ended

up at \$28MM after an original budget of \$11MM, and the facility was not yet complete. The project scope of work was being prepared by Stuntzner Engineering, and will be reviewed extensively. The scope of work, updated for market conditions, should be received next week. Costs won't be firm until the project goes out for bid. Collson commented that when the Terminal project started, it was to include a shipping terminal and a fishermen's pier. He asked if there was room for the distant water fleet and if there was any protection for the fleet. Greenwood said there would be no protection, same as now. There is a constant conflict. Collson said it was a concern if leased to Teevin. Greenwood said there is room on the east berth; staff is reviewing how many spaces. The Port needs to find out from Teevin/Silvan which bollard will be used. Greenwood said his understanding of the original intent was for the west berth to be used by handysize vessels for shipping, and the east berth to be used for commercial fishing. Chuck added that the grants put out were to bring shipping back. There will be a scheduling issue. Greenwood said the east dock will be open for commercial fishing and providing services, as well as the east end of the service area. At \$40K per day, the shippers will want to get in and out, and the fence will be mobile. Lamerdin said this was not the time for an operational discussion. Collson said when the bond was sold the public was told it was for fishing and shipping. Beck asked if the costs were recouped. Postlewait asked if there were a way to get a commitment on bringing in ships. Greenwood said the Port has talked about it, but the analysis shows this is feasible. There is a risk. An analysis was commissioned which should logs and recyclable paper were viable commodities for Newport. Collson asked who controlled the agreements with alternate shippers. Greenwood said the Port has control of the Terminal, and is only leasing the 9-acre facility. Collson asked if the \$60K per year payback on the Silvan loan stands no matter how they use the terminal. Greenwood said the agreement was currently in draft, and the Port and Silvan are still in negotiations. Beck said there have been a couple of iterations of the agreement, but it is not yet final. Greenwood said the budget as presented would allow the Commission, who has final approval, to complete the deal. He added there are six agreements: TIGER grant, IFA loan, Teevin lease, Silvan agreement, Rondys agreement, and engineering. The TIGER grant and IFA loan are non-operational in nature.

Fogarty commented that he had spent 30 years as a longshoreman, and it was a long time since the log market tanked. Silvan has a steady market in Asia, and Teevin is making a substantial investment. For a costs of \$2MM to the Port of Newport, the worst case will be the Port will have a 9-acre marketable property. Chuck said McLean Point was included in the Urban Renewal District, and depends on the development of the 9-acre property. There is another possible 30 acres for development of other opportunities. Lackey said he understands the economics of shipping, but would like to see more investigation into the fishing fleet at the Terminal. He suggested looking at those details would inform the budget process. Skamser said she was the CFUG Committee Chair, and knows the Terminal is a valuable asset. She is hoping that this discussion will prompt the Port to start a dialogue with the NIT Users Group, even if the details aren't yet finalized.

C. NOAA Fund

Postlewait asked how long would money be withdrawn from the NOAA fund for ITSF construction. Greenwood said 2 – 3 months, within the fiscal year.

D. General Operating Fund

Greenwood noted the increase in the lease revenue from Oregon Brewing Company. Brown asked if Pacific Choice would have the same lease rate as Trident. Greenwood said the transaction was a mid-lease assignment. Lamerdin asked what would happen if the State blocked the sale. Greenwood said the

meal plant would still be sold, the surimi plant was the one in jeopardy. Greenwood commented that the bump in TCB Security this year was justified. Repairs and Maintenance saw the biggest increase, in part for materials to be used by the Maintenance Crew. Collson asked about the lease for the NOAA Facilities Manager's office. Greenwood said this was not in the budget because Jim Durkee is now using the old Yaquina Bay Fruit Processing building. If that property is leased, he may move to a location in South Beach currently rented to Rogue. Greenwood referred to page 30, and said these items were the projects that were new items rather than replacements. On page 31, Greenwood said that Oregon Brewing Company was included for bookkeeping reasons, based on the auditor's recommendation that the lease abatement be shown as a loan. Collson asked about the status of the sea wall at Rogue, and suggested that maybe Rogue could complete this project on similar lease abatement terms.

VI. APPROVAL OF BUDGET

A motion was made by Collson and seconded by Barth to approve the proposed budget [as presented/amended] for the 2016-17 fiscal year. The motion passed 8 - 0.

A motion was made by Collson and seconded by Barth to approve the tax rate of six-point-zero nine cents (.0609) per \$1000 of assessed value for operating purposes in the General Fund and in the amount of \$1,000,000 for payment of general obligation bond principal and interest in the International Terminal Debt Fund for the 2016-17 fiscal year. The motion passed 8 - 0.

Beck commented that he backed the budget, but would like to review the NIT debt line by line, referring to page 87. He noted that it showed \$1MM per year in debt without guarantees from tenants. This is a complicated deal, and he urged the Commission to be careful. Greenwood said the negotiating team consisted of himself, Chuck, Brown, and Pete Gintner, the Port attorney. Postlewait said this project was a big gamble, but if it works it will work well. Collson asked how committed Rondy's was to building docks. Greenwood said Rondy's is committed to the lay down area and warehouse first.

VIII. ADJOURNMENT

Having no further business, the meeting adjourned at 8:00 pm.

ATTESTED:

Walter Chuck, President

Patricia Patrick-Joling, Secretary/Treasurer

-###-

**Port of Newport
Balance Sheet
As of April 30, 2017**

	Apr 30, 17	Apr 30, 16	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Available Cash & Equivalents	1,577,971.87	1,453,616.07	124,355.80
Restricted Cash & Equivalents	525,300.62	588,632.34	-63,331.72
Total Checking/Savings	2,103,272.49	2,042,248.41	61,024.08
Accounts Receivable			
Accounts Receivable	401,711.01	39,996.37	361,714.64
Total Accounts Receivable	401,711.01	39,996.37	361,714.64
Other Current Assets			
Allow for Bad Debt - CM	-20,000.00	-10,000.00	-10,000.00
Allow for Bad Debt - SB	-10,000.00	-4,000.00	-6,000.00
AR Property Tax	10,334.60	10,334.60	0.00
Cash Clearing	0.00	-749.47	749.47
Due from Other Port Funds	64,427.43	104,638.31	-40,210.88
PERS - Deferred OF	17,803.00	18,048.00	-245.00
PERS - NPA(L)	-163,496.00	146,594.00	-310,090.00
Prepaid Expenses	112,862.38	66,290.43	46,571.95
Undeposited Funds	0.00	592.00	-592.00
Total Other Current Assets	11,931.41	331,747.87	-319,816.46
Total Current Assets	2,516,914.91	2,413,992.65	102,922.26
Fixed Assets			
Capital Assets	82,607,341.77	85,670,010.77	-3,062,669.00
Total Fixed Assets	82,607,341.77	85,670,010.77	-3,062,669.00
TOTAL ASSETS	85,124,256.68	88,084,003.42	-2,959,746.74
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	214,936.55	66,791.72	148,144.83
Total Accounts Payable	214,936.55	66,791.72	148,144.83
Credit Cards			
Chase VISA	0.00	1,577.96	-1,577.96
Total Credit Cards	0.00	1,577.96	-1,577.96
Other Current Liabilities			
Accrued Interest Payable	6,209.00	11,693.00	-5,484.00
Current Portion-Long Term Debt	406,827.00	353,377.00	53,450.00
Deferred Revenue	227,174.79	190.95	226,983.84
Due to other Port Funds	5,145.21	-5,396.96	10,542.17
Lodging/Room Tax Payable	0.00	1,868.60	-1,868.60
Payroll Liabilities	64,272.75	39,452.16	24,820.59
Total Other Current Liabilities	709,628.75	401,184.75	308,444.00
Total Current Liabilities	924,565.30	469,554.43	455,010.87
Long Term Liabilities			
2013 FF&C Bond Premium	105,116.75	111,892.75	-6,776.00
Deferred IF-Proportion/Contrib	-1.00	31,249.00	-31,250.00
Less Current Portion L Term Deb	-406,827.00	-353,377.00	-53,450.00
Long Term Debt	8,133,781.74	8,480,410.74	-346,629.00
PERS - Deferred IF	151,722.00	282,867.00	-131,145.00
Total Long Term Liabilities	7,983,792.49	8,553,042.49	-569,250.00
Total Liabilities	8,908,357.79	9,022,596.92	-114,239.13
Equity			
FB - Contributed Capital	7,130,788.00	7,130,788.00	0.00
FB - GAAP-Pension Expense	0.00	18,048.00	-18,048.00
FB - GAAP-Prior Period Adj	35,919.81	0.00	35,919.81
FB - PERS-Pension Inc/Exp	0.00	140,846.00	-140,846.00
Fund Balance	69,114,539.32	71,350,262.00	-2,235,722.68
Net Income	-65,348.24	421,462.50	-486,810.74
Total Equity	76,215,898.89	79,061,406.50	-2,845,507.61
TOTAL LIABILITIES & EQUITY	85,124,256.68	88,084,003.42	-2,959,746.74

Port of Newport
Profit & Loss by Class

YTD as of April 2017	GENERAL					NOAA
	Admin.	NIT	So. Beach	No. Comm.	Total	Total
OPERATING						
Income	\$ 518,276	\$ 386,814	\$1,262,460	\$ 589,581	\$2,757,131	\$2,117,771
Expense	\$ 768,929	\$ 342,414	\$ 948,648	\$ 411,566	\$2,471,557	\$2,453,994
<i>Personal Service</i>	\$ 424,315	\$ 54,991	\$ 272,883	\$ 185,094	\$ 937,283	\$ 62,021
<i>Materials & Service</i>	\$ 321,242	\$ 104,450	\$ 496,441	\$ 220,675	\$ 1,142,808	\$ 394,639
<i>Debt Service</i>	\$ 23,372	\$ 182,973	\$ 179,324	\$ 5,797	\$ 391,466	\$ 1,997,334
NET OPERATING	\$ (250,653)	\$ 44,400	\$ 313,812	\$ 178,015	\$ 285,574	\$ (336,223)
NON-OPERATING						
Income	\$ 144,506	\$ -	\$ 1,800	\$ 4,508	\$ 150,814	\$ -
Expense	\$ 75,750	\$ -	\$ 29,626	\$ 396,360	\$ 501,736	\$ 12,296
<i>Capital Outlay</i>	\$ 15,750	\$ -	\$ 29,626	\$ 396,360	\$ 441,736	\$ 12,296
<i>Transfers</i>	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
<i>Other</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET NON-OPERATING	\$ 68,756	\$ -	\$ (27,826)	\$ (391,852)	\$ (350,922)	\$ (12,296)
NET INCOME	\$ (181,897)	\$ 44,400	\$ 285,986	\$ (213,837)	\$ (65,348)	\$ (348,519)

Port of Newport
Profit & Loss Budget vs. Actual
July 2016 through April 2017

	Jul '16 - Apr 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Hoist Dock & Services	509,330.28	450,000.00	59,330.28	113.2%
Launch Ramp & Trailer Storage	49,518.03	70,000.00	-20,481.97	70.7%
Lease Revenues	510,056.34	616,081.00	-106,024.66	82.8%
Miscellaneous Revenue	44,431.09	46,000.00	-1,568.91	96.6%
Moorage	991,067.38	1,189,000.00	-197,932.62	83.4%
RV Parks	635,324.89	754,000.00	-118,675.11	84.3%
Shipping Terminal Revenues	17,402.85	7,000.00	10,402.85	248.6%
Total Income	2,757,130.86	3,132,081.00	-374,950.14	88.0%
Gross Profit	2,757,130.86	3,132,081.00	-374,950.14	88.0%
Expense				
Debt Service	391,466.17	699,934.00	-308,467.83	55.9%
Materials & Services	1,142,807.91	1,465,200.00	-322,392.09	78.0%
Personal Services	937,282.65	1,260,616.00	-323,333.35	74.4%
Total Expense	2,471,556.73	3,425,750.00	-954,193.27	72.1%
Net Ordinary Income	285,574.13	-293,669.00	579,243.13	-97.2%
Other Income/Expense				
Other Income				
Grant & Loan Proceeds	11,800.00	393,295.00	-381,495.00	3.0%
Interest Income	5,820.66	4,000.00	1,820.66	145.5%
Miscellaneous	33,438.05	0.00	33,438.05	100.0%
Property & Dredge Sales	0.00	2,000.00	-2,000.00	0.0%
Property Tax Revenue	99,755.04	94,500.00	5,255.04	105.6%
Total Other Income	150,813.75	493,795.00	-342,981.25	30.5%
Other Expense				
Capital Outlay	441,736.12	710,295.00	-268,558.88	62.2%
Contingency	0.00	100,000.00	-100,000.00	0.0%
Transfers Out	60,000.00	60,000.00	0.00	100.0%
Total Other Expense	501,736.12	870,295.00	-368,558.88	57.7%
Net Other Income	-350,922.37	-376,500.00	25,577.63	93.2%
Net Income	-65,348.24	-670,169.00	604,820.76	9.8%

Port of Newport
Profit & Loss Budget vs. Actual - Admin
July 2016 through April 2017

	Jul '16 - Apr 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Hoist Dock & Services	2,500.00	0.00	2,500.00	100.0%
Lease Revenues	508,456.73	616,081.00	-107,624.27	82.5%
Miscellaneous Revenue	4,738.59	0.00	4,738.59	100.0%
Moorage	2,580.00	0.00	2,580.00	100.0%
Total Income	518,275.32	616,081.00	-97,805.68	84.1%
Gross Profit	518,275.32	616,081.00	-97,805.68	84.1%
Expense				
Debt Service	23,372.48	32,852.00	-9,479.52	71.1%
Materials & Services	321,242.28	392,900.00	-71,657.72	81.8%
Personal Services	424,314.23	470,748.00	-46,433.77	90.1%
Total Expense	768,928.99	896,500.00	-127,571.01	85.8%
Net Ordinary Income	-250,653.67	-280,419.00	29,765.33	89.4%
Other Income/Expense				
Other Income				
Grant & Loan Proceeds	10,000.00	393,295.00	-383,295.00	2.5%
Interest Income	5,820.66	4,000.00	1,820.66	145.5%
Miscellaneous	28,929.97	0.00	28,929.97	100.0%
Property Tax Revenue	99,755.04	94,500.00	5,255.04	105.6%
Total Other Income	144,505.67	491,795.00	-347,289.33	29.4%
Other Expense				
Capital Outlay	15,750.00	410,295.00	-394,545.00	3.8%
Contingency	0.00	100,000.00	-100,000.00	0.0%
Transfers Out	60,000.00	60,000.00	0.00	100.0%
Total Other Expense	75,750.00	570,295.00	-494,545.00	13.3%
Net Other Income	68,755.67	-78,500.00	147,255.67	-87.6%
Net Income	-181,898.00	-358,919.00	177,021.00	50.7%

Port of Newport
Profit & Loss Budget vs. Actual - NIT
 July 2016 through April 2017

	<u>Jul '16 - Apr 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Hoist Dock & Services	277,348.64	193,000.00	84,348.64	143.7%
Launch Ramp & Trailer Storage	0.00	0.00	0.00	0.0%
Miscellaneous Revenue	492.42	5,000.00	-4,507.58	9.8%
Moorage	91,570.00	80,000.00	11,570.00	114.5%
Shipping Terminal Revenues	17,402.85	7,000.00	10,402.85	248.6%
Total Income	<u>386,813.91</u>	<u>285,000.00</u>	<u>101,813.91</u>	<u>135.7%</u>
Gross Profit	386,813.91	285,000.00	101,813.91	135.7%
Expense				
Debt Service	182,973.18	443,460.00	-260,486.82	41.3%
Materials & Services	104,449.92	108,100.00	-3,650.08	96.6%
Personal Services	54,990.53	71,486.00	-16,495.47	76.9%
Total Expense	<u>342,413.63</u>	<u>623,046.00</u>	<u>-280,632.37</u>	<u>55.0%</u>
Net Ordinary Income	<u>44,400.28</u>	<u>-338,046.00</u>	<u>382,446.28</u>	<u>-13.1%</u>
Net Income	<u>44,400.28</u>	<u>-338,046.00</u>	<u>382,446.28</u>	<u>-13.1%</u>

Port of Newport
Profit & Loss Budget vs. Actual - SB
 July 2016 through April 2017

	Jul '16 - Apr 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Hoist Dock & Services	9,710.94	10,000.00	-289.06	97.1%
Launch Ramp & Trailer Storage	49,479.15	70,000.00	-20,520.85	70.7%
Miscellaneous Revenue	35,171.46	37,000.00	-1,828.54	95.1%
Moorage	532,774.31	669,000.00	-136,225.69	79.6%
RV Parks	635,324.89	754,000.00	-118,675.11	84.3%
Total Income	<u>1,262,460.75</u>	<u>1,540,000.00</u>	<u>-277,539.25</u>	<u>82.0%</u>
Gross Profit	1,262,460.75	1,540,000.00	-277,539.25	82.0%
Expense				
Debt Service	179,324.01	216,666.00	-37,341.99	82.8%
Materials & Services	496,440.92	644,400.00	-147,959.08	77.0%
Personal Services	272,883.43	342,800.00	-69,916.57	79.6%
Total Expense	<u>948,648.36</u>	<u>1,203,866.00</u>	<u>-255,217.64</u>	<u>78.8%</u>
Net Ordinary Income	313,812.39	336,134.00	-22,321.61	93.4%
Other Income/Expense				
Other Income				
Grant & Loan Proceeds	1,800.00	0.00	1,800.00	100.0%
Property & Dredge Sales	0.00	2,000.00	-2,000.00	0.0%
Total Other Income	<u>1,800.00</u>	<u>2,000.00</u>	<u>-200.00</u>	<u>90.0%</u>
Other Expense				
Break-in Replacement	0.00	0.00	0.00	0.0%
Capital Outlay	29,626.25	0.00	29,626.25	100.0%
Total Other Expense	<u>29,626.25</u>	<u>0.00</u>	<u>29,626.25</u>	<u>100.0%</u>
Net Other Income	<u>-27,826.25</u>	<u>2,000.00</u>	<u>-29,826.25</u>	<u>-1,391.3%</u>
Net Income	<u><u>285,986.14</u></u>	<u><u>338,134.00</u></u>	<u><u>-52,147.86</u></u>	<u><u>84.6%</u></u>

Port of Newport
Profit & Loss Budget vs. Actual - CM
 July 2016 through April 2017

	Jul '16 - Apr 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Hoist Dock & Services	219,770.70	247,000.00	-27,229.30	89.0%
Launch Ramp & Trailer Storage	38.88	0.00	38.88	100.0%
Lease Revenues	1,599.61			
Miscellaneous Revenue	4,028.62	4,000.00	28.62	100.7%
Moorage	364,143.07	440,000.00	-75,856.93	82.8%
Shipping Terminal Revenues	0.00	0.00	0.00	0.0%
Total Income	<u>589,580.88</u>	<u>691,000.00</u>	<u>-101,419.12</u>	<u>85.3%</u>
Gross Profit	589,580.88	691,000.00	-101,419.12	85.3%
Expense				
Debt Service	5,796.50	6,956.00	-1,159.50	83.3%
Materials & Services	220,674.79	312,400.00	-91,725.21	70.6%
Personal Services	185,094.46	214,674.00	-29,579.54	86.2%
Total Expense	<u>411,565.75</u>	<u>534,030.00</u>	<u>-122,464.25</u>	<u>77.1%</u>
Net Ordinary Income	178,015.13	156,970.00	21,045.13	113.4%
Other Income/Expense				
Other Income				
Gain/(Loss) on Sale of Assets	0.00	0.00	0.00	0.0%
Miscellaneous	4,508.08	0.00	4,508.08	100.0%
Property & Dredge Sales	0.00	0.00	0.00	0.0%
Total Other Income	<u>4,508.08</u>	<u>0.00</u>	<u>4,508.08</u>	<u>100.0%</u>
Other Expense				
Capital Outlay	396,359.87	300,000.00	96,359.87	132.1%
Total Other Expense	<u>396,359.87</u>	<u>300,000.00</u>	<u>96,359.87</u>	<u>132.1%</u>
Net Other Income	<u>-391,851.79</u>	<u>-300,000.00</u>	<u>-91,851.79</u>	<u>130.6%</u>
Net Income	<u>-213,836.66</u>	<u>-143,030.00</u>	<u>-70,806.66</u>	<u>149.5%</u>

Port of Newport - NOAA Fund
Balance Sheet
As of April 30, 2017

	Apr 30, 17	Apr 30, 16	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Cash & Equivalents	5,384,697.61	5,373,897.72	10,799.89
Total Checking/Savings	5,384,697.61	5,373,897.72	10,799.89
Other Current Assets			
Due From Other Funds	137.00	58.43	78.57
Net Pension Asset	0.00	24,019.00	-24,019.00
PERS - Derfered OF	0.00	2,957.00	-2,957.00
Prepaid Expenses	81,161.32	44,038.97	37,122.35
Total Other Current Assets	81,298.32	71,073.40	10,224.92
Total Current Assets	5,465,995.93	5,444,971.12	21,024.81
TOTAL ASSETS	5,465,995.93	5,444,971.12	21,024.81
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	21,221.14	2,802.37	18,418.77
Total Accounts Payable	21,221.14	2,802.37	18,418.77
Other Current Liabilities			
Accrued Interest Payable	476,972.00	499,410.00	-22,438.00
Accrued PTO	9,100.22	5,424.00	3,676.22
Current Portion Long-Term Debt	810,000.00	840,000.00	-30,000.00
Due to Operations or Const Fund	4,811.53	10,560.56	-5,749.03
Total Other Current Liabilities	1,300,883.75	1,355,394.56	-54,510.81
Total Current Liabilities	1,322,104.89	1,358,196.93	-36,092.04
Long Term Liabilities			
Deferred IF - Prop/Contrib	0.00	5,120.00	-5,120.00
Less Current Portion LT Debt	-810,000.00	-840,000.00	30,000.00
Long-Term Debt	20,725,587.00	21,554,006.00	-828,419.00
PERS - Deferred IF	0.00	46,347.00	-46,347.00
Total Long Term Liabilities	19,915,587.00	20,765,473.00	-849,886.00
Total Liabilities	21,237,691.89	22,123,669.93	-885,978.04
Equity			
Fund Balance	-15,423,176.61	-16,487,486.68	1,064,310.07
GAAP - Pension Expense	0.00	2,957.00	-2,957.00
GAAP - Pension Income	0.00	23,078.00	-23,078.00
Net Income	-348,519.35	-217,247.13	-131,272.22
Total Equity	-15,771,695.96	-16,678,698.81	907,002.85
TOTAL LIABILITIES & EQUITY	5,465,995.93	5,444,971.12	21,024.81

**Port of Newport - NOAA Fund
 Profit & Loss Budget vs. Actual
 July 2016 through April 2017**

	<u>Jul '16 - Apr 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Interest Income	7,992.21	10,500.00	-2,507.79	76.1%
Lease Income	2,109,779.26	2,542,000.00	-432,220.74	83.0%
Total Income	<u>2,117,771.47</u>	<u>2,552,500.00</u>	<u>-434,728.53</u>	<u>83.0%</u>
Expense				
Debt Service	1,997,333.76	1,997,335.00	-1.24	100.0%
Materials & Services	394,639.40	649,320.00	-254,680.60	60.8%
Personal Services	62,021.66	75,759.00	-13,737.34	81.9%
Total Expense	<u>2,453,994.82</u>	<u>2,722,414.00</u>	<u>-268,419.18</u>	<u>90.1%</u>
Net Ordinary Income	<u>-336,223.35</u>	<u>-169,914.00</u>	<u>-166,309.35</u>	<u>197.9%</u>
Other Income/Expense				
Other Expense				
Capital Outlay	12,296.00	40,000.00	-27,704.00	30.7%
Contingency	0.00	100,000.00	-100,000.00	0.0%
Fund Transfers Out	0.00	2,000,000.00	-2,000,000.00	0.0%
Total Other Expense	<u>12,296.00</u>	<u>2,140,000.00</u>	<u>-2,127,704.00</u>	<u>0.6%</u>
Net Other Income	<u>-12,296.00</u>	<u>-2,140,000.00</u>	<u>2,127,704.00</u>	<u>0.6%</u>
Net Income	<u>-348,519.35</u>	<u>-2,309,914.00</u>	<u>1,961,394.65</u>	<u>15.1%</u>

Facility Maintenance Reserve Fund
Balance Sheet
 As of April 30, 2017

	<u>Apr 30, 17</u>	<u>Apr 30, 16</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
Umpqua Bank - Money Market	133,890.86	148,529.07	-14,638.21
Total Checking/Savings	<u>133,890.86</u>	<u>148,529.07</u>	<u>-14,638.21</u>
Total Current Assets	<u>133,890.86</u>	<u>148,529.07</u>	<u>-14,638.21</u>
TOTAL ASSETS	<u>133,890.86</u>	<u>148,529.07</u>	<u>-14,638.21</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	59,615.90	90,001.27	-30,385.37
Total Accounts Payable	<u>59,615.90</u>	<u>90,001.27</u>	<u>-30,385.37</u>
Total Current Liabilities	<u>59,615.90</u>	<u>90,001.27</u>	<u>-30,385.37</u>
Total Liabilities	59,615.90	90,001.27	-30,385.37
Equity			
FB - Assigned for Future Expend	25,000.00	0.00	25,000.00
Fund Balance	48,777.66	48,378.36	399.30
Net Income	497.30	10,149.44	-9,652.14
Total Equity	<u>74,274.96</u>	<u>58,527.80</u>	<u>15,747.16</u>
TOTAL LIABILITIES & EQUITY	<u>133,890.86</u>	<u>148,529.07</u>	<u>-14,638.21</u>

Construction Fund - Port of Newport
Balance Sheet
As of April 30, 2017

	<u>Apr 30, 17</u>	<u>Apr 30, 16</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
Construction Fund Bank Accts	52,148.37	122,253.90	-70,105.53
Total Checking/Savings	<u>52,148.37</u>	<u>122,253.90</u>	<u>-70,105.53</u>
Total Current Assets	<u>52,148.37</u>	<u>122,253.90</u>	<u>-70,105.53</u>
TOTAL ASSETS	<u>52,148.37</u>	<u>122,253.90</u>	<u>-70,105.53</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
A/P - Construction	5,160.80	0.00	5,160.80
Total Accounts Payable	<u>5,160.80</u>	<u>0.00</u>	<u>5,160.80</u>
Total Current Liabilities	<u>5,160.80</u>	<u>0.00</u>	<u>5,160.80</u>
Total Liabilities	5,160.80	0.00	5,160.80
Equity			
Fund Balance	79,229.46	183,266.66	-104,037.20
Net Income	<u>-32,241.89</u>	<u>-61,012.76</u>	<u>28,770.87</u>
Total Equity	<u>46,987.57</u>	<u>122,253.90</u>	<u>-75,266.33</u>
TOTAL LIABILITIES & EQUITY	<u>52,148.37</u>	<u>122,253.90</u>	<u>-70,105.53</u>

**Bonded Debt Fund - Port of Newport
 Balance Sheet
 As of April 30, 2017**

	Apr 30, 17	Apr 30, 16	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Gen Obligation Bond MM-OCB	482,533.93	402,001.89	80,532.04
Total Checking/Savings	482,533.93	402,001.89	80,532.04
Other Current Assets			
Due from Operating Fund	5,008.21	-5,396.96	10,405.17
Property Tax Receivable	86,925.12	86,925.12	0.00
Total Other Current Assets	91,933.33	81,528.16	10,405.17
Total Current Assets	574,467.26	483,530.05	90,937.21
Other Assets			
Advance Refunding Valuation	436,957.00	0.00	436,957.00
Bond Issue costs, net of amort.	4,662.00	91,334.00	-86,672.00
Total Other Assets	441,619.00	91,334.00	350,285.00
TOTAL ASSETS	1,016,086.26	574,864.05	441,222.21
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
Bonds Payable - Current	465,000.00	300,000.00	165,000.00
Total Other Current Liabilities	465,000.00	300,000.00	165,000.00
Total Current Liabilities	465,000.00	300,000.00	165,000.00
Long Term Liabilities			
2007 Series Bonds	136,415.00	4,209,263.00	-4,072,848.00
2008 Series Bonds	244,912.00	4,304,912.00	-4,060,000.00
2011 Series Bonds	5,146,741.00	5,211,741.00	-65,000.00
2016 Series Bonds	7,610,000.00	0.00	7,610,000.00
Bond Premiums	880,746.00	0.00	880,746.00
Less Current Portion LTD	-465,000.00	-300,000.00	-165,000.00
Total Long Term Liabilities	13,553,814.00	13,425,916.00	127,898.00
Total Liabilities	14,018,814.00	13,725,916.00	292,898.00
Equity			
Bonded Debt Fund Balance	-13,189,865.77	-13,468,256.72	278,390.95
Retained Earnings	0.00	0.36	-0.36
Net Income	187,138.03	317,204.41	-130,066.38
Total Equity	-13,002,727.74	-13,151,051.95	148,324.21
TOTAL LIABILITIES & EQUITY	1,016,086.26	574,864.05	441,222.21

PORT OF NEWPORT SPECIAL USE PERMIT

This permit, effective 6/1/2017, from the Port of Newport, organized and existing under the laws of the State of Oregon, hereinafter referred to as "Port" to Ardor Adventures, hereinafter referred to as "Permittee".

The Port hereby grants permission to Permittee to use Port locations, as shown in Exhibit A, race maps, attached. Use of designated area by Permittee is for the events listed in Exhibit B, Events Summary. Any additional events would require additional review and approval by the Port before permitting.

Permit is subject to the rules, regulations, and ordinances of the Port of Newport and subject to the following terms and conditions:

1. Application Fee. A nonrefundable application fee in the amount of \$100.00.
2. Usage Fees. Waived in consideration of sponsorship rights and contribution to local non-profit beneficiaries. (See Sponsorship Agreement, attached.)
3. Reservation of Rights. Port reserves the right to alter or amend the terms and conditions of this permit.
4. Liability, indemnity of Port. Permittee agrees to exercise due care in the activities described above and to abide by all Port rules, regulations, and ordinances. Permittee shall indemnify and hold Port harmless from and against all claims, actions, proceedings, damages, and liabilities, including attorney fees, arising from or connected with Permittee's use of Port facilities. Permittee will carry a comprehensive general liability insurance policy with limits of \$2,000,000.00 per occurrence and \$2,000,000.00 in aggregate, and will provide the Port with a Certificate of Insurance naming the Port as an additional insured, which must be submitted to the Port at least two weeks prior to each event.
5. Limitation of Port's Liability. Permittee acknowledges that Permittee has inspected the grounds and related facilities and is satisfied that these facilities are adequate for safe use for the above-described purpose. This permit is not a contract. Port's liability is limited to its sole negligence. Port's employees will make reasonable efforts to contact Permittee and notify Permittee of conditions requiring Permittee's attention, but Port assumes no responsibility of Permittee's use of the Port's facilities. Permittee confirms and assures that there are not alcoholic beverages used or provided during this event and that certified and trained emergency response providers are on site.
6. Condition of Premises. Permittee agrees to leave Port property in as good or better condition than prior to the event. Permittee may use ground stakes in the dirt or biodegradable tape to mark race directions, and agrees to remove any such markers immediately following the event. Permittee agrees to be responsible for trash collection and removal from the event, participants, volunteers and attendees.
7. Nontransferability / Term. This permit is nontransferable. This permit expires 3/31/2018.

IN WITNESS WHEREOF, the Port has caused this permit to be issued on the date indicate above.

Port of Newport:

Accepted By:

Kevin Greenwood, General Manager

Ed Cortes
Ardor Adventures

ARDOR ADVENTURES 2017 - 2018

Event Name	Event Date	Set up Date/time	Take down Date/time	#participants	#volunteers	#attendees	route map	Other needs (parking, room, rest rooms)	Facility Mgr Review	Security Review	GM Review	Event approved Y/N	Sponsor Waiver
4th of July Celebration Run 5th Annual	7/4/17	7/3/17	7/4/2017	200	25	30	1	Parking, Restrooms					\$650.00
Twisted Pine Run	9/2/17	9/2/17	9/2/2017	120	15	15	2	None					\$400.00
Dia de los Muertos Run	11/5/17	11/5/17	11/5/2017	150	15	20	3	Parking & Restrooms					\$400.00
Newport Turkey Trot 6th Annual	11/23/17	11/23/17	11/23/2017	250	25	30	4	Activity Room, Parking & Restrooms					\$975.00
Resolution Run 6th Annual	1/6/18	1/6/18	1/6/2018	200	25	30	5	None					\$650.00
Run Love Run 2nd Annual	2/10/18	2/10/18	2/10/2018	150	15	15	6	Parking & Restrooms					\$400.00
Shamrock Run 5th Annual	3/17/18	3/17/18	3/17/2018	175	15	10	7	Parking & Restrooms					\$400.00
													\$3,875.00

A Certificate of Insurance must be received prior to each event that includes comprehensive liability limits at a minimum of \$2MM per occurrence and \$2MM aggregate with Port of Newport as additional insured.

Donation Recipients Include: American Legion Post 116, Newport HS Cross Country Team, Toledo Elementary School, Sam Case Elementary, Yaquina View Elementary, Shangri-La, My Sister's Place, and Newport HS Swim Team.



Sponsorship Agreement: In Kind Sponsorship Value \$3,875.00.

Event Name: Ardor Adventures Events 2017-2018

Event Date: See Event Summary

Applicant: Ed Cortes, Ardor Adventures

Applicant will provide:

- Logo placement on website
- Link to the Port of Newport on website
- Logo on event shirt
- Banner displayed at event
- Booth space at event
- Goodie Bag insert
- Mention in radio advertising

Other (please describe):

Identify Port of Newport as events' sponsor in communications. _____

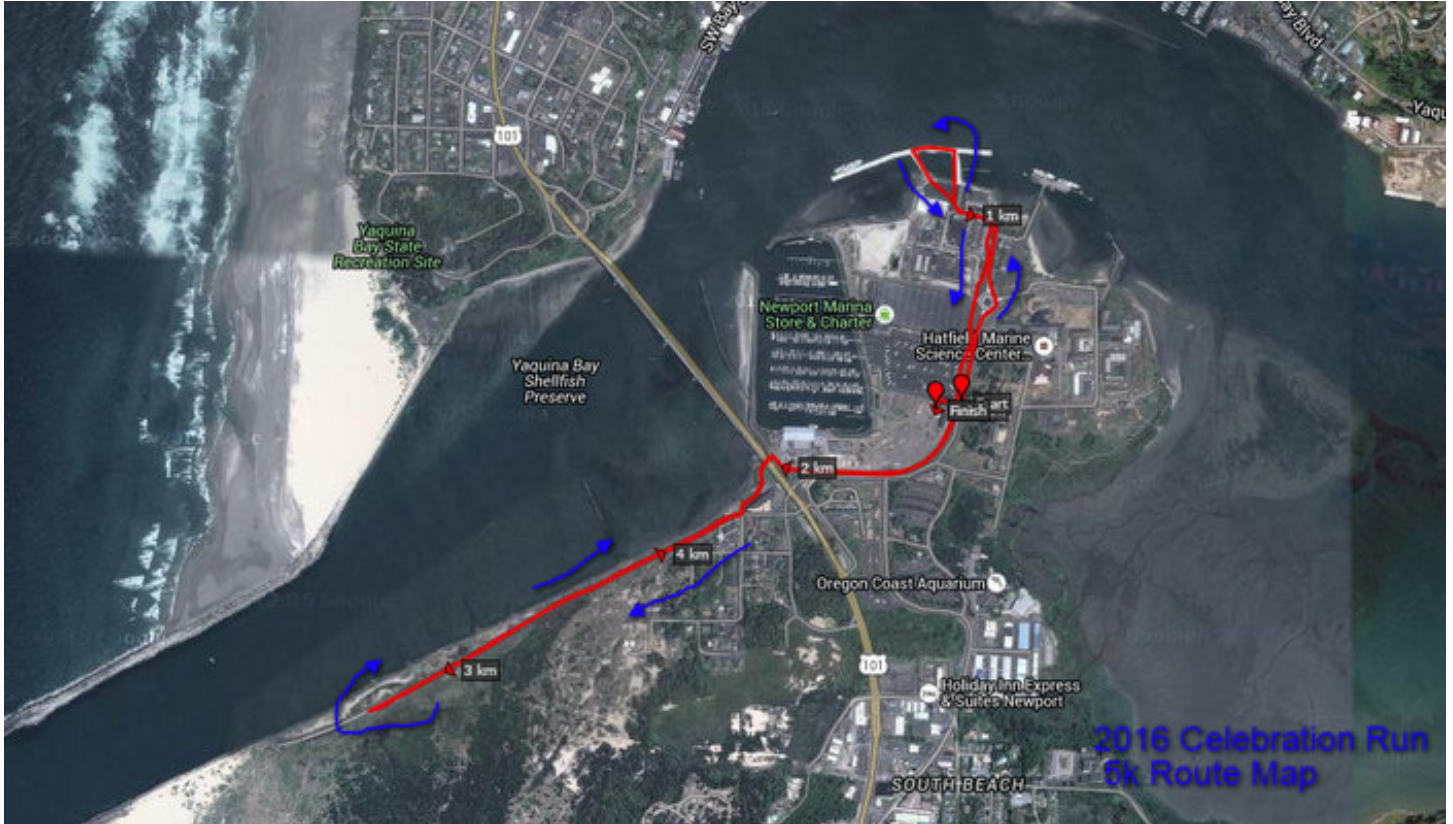
Port of Newport will provide: Waiver of \$3800 in Special Use Permit Usage Fees, waiver of \$75 room use fee for 11/23/17, use of parking and restrooms as per event summary, banner for display at events.

X _____ Date: _____
Kevin Greenwood
Port of Newport

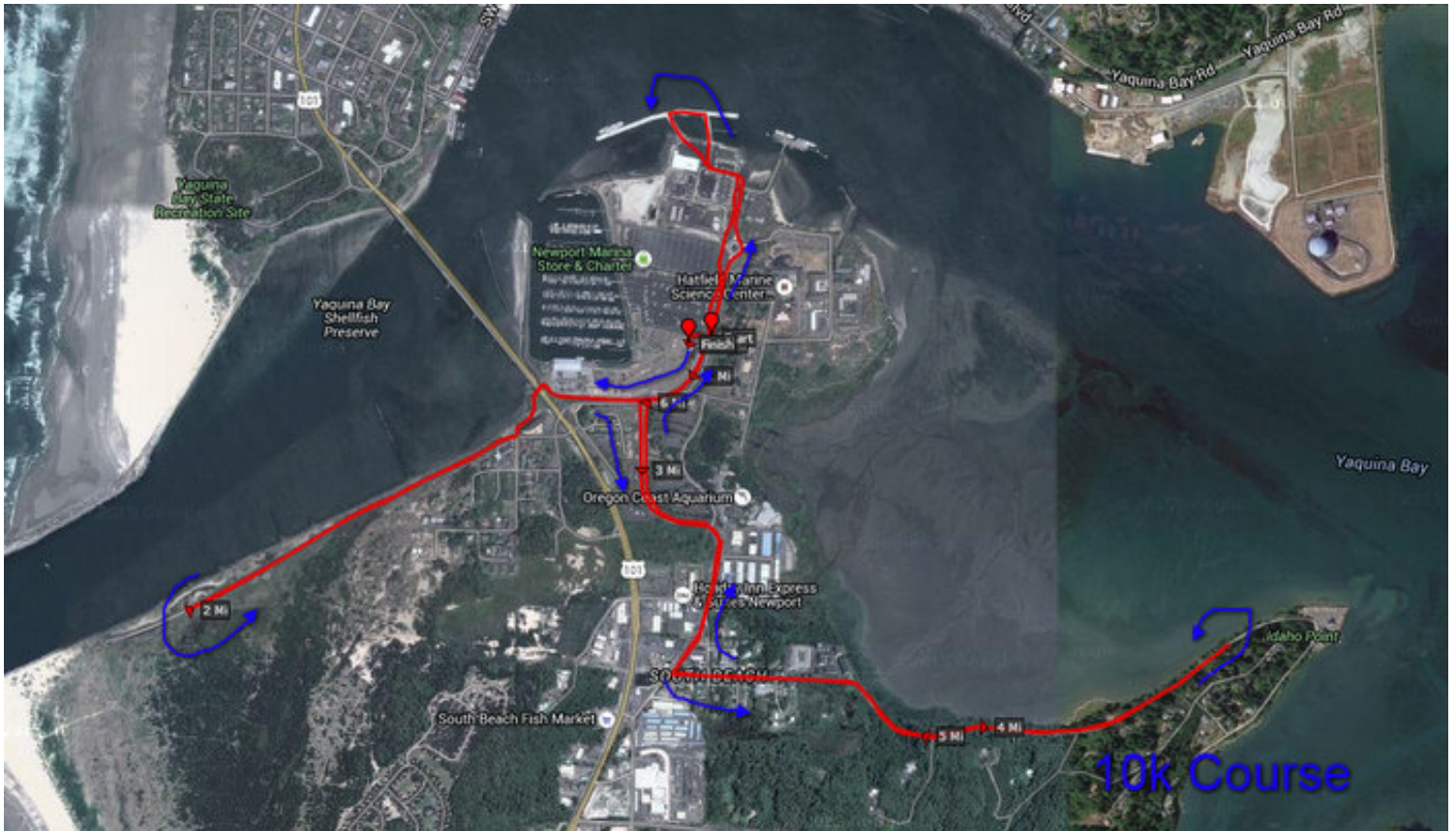
X _____ Date: _____
Ed Cortes
Ardor Adventures

Newport Celebration Run (4th of July)

5K Map (Same as 2016 routes)



10K Map



Half-Marathon Map



Kids Run Map



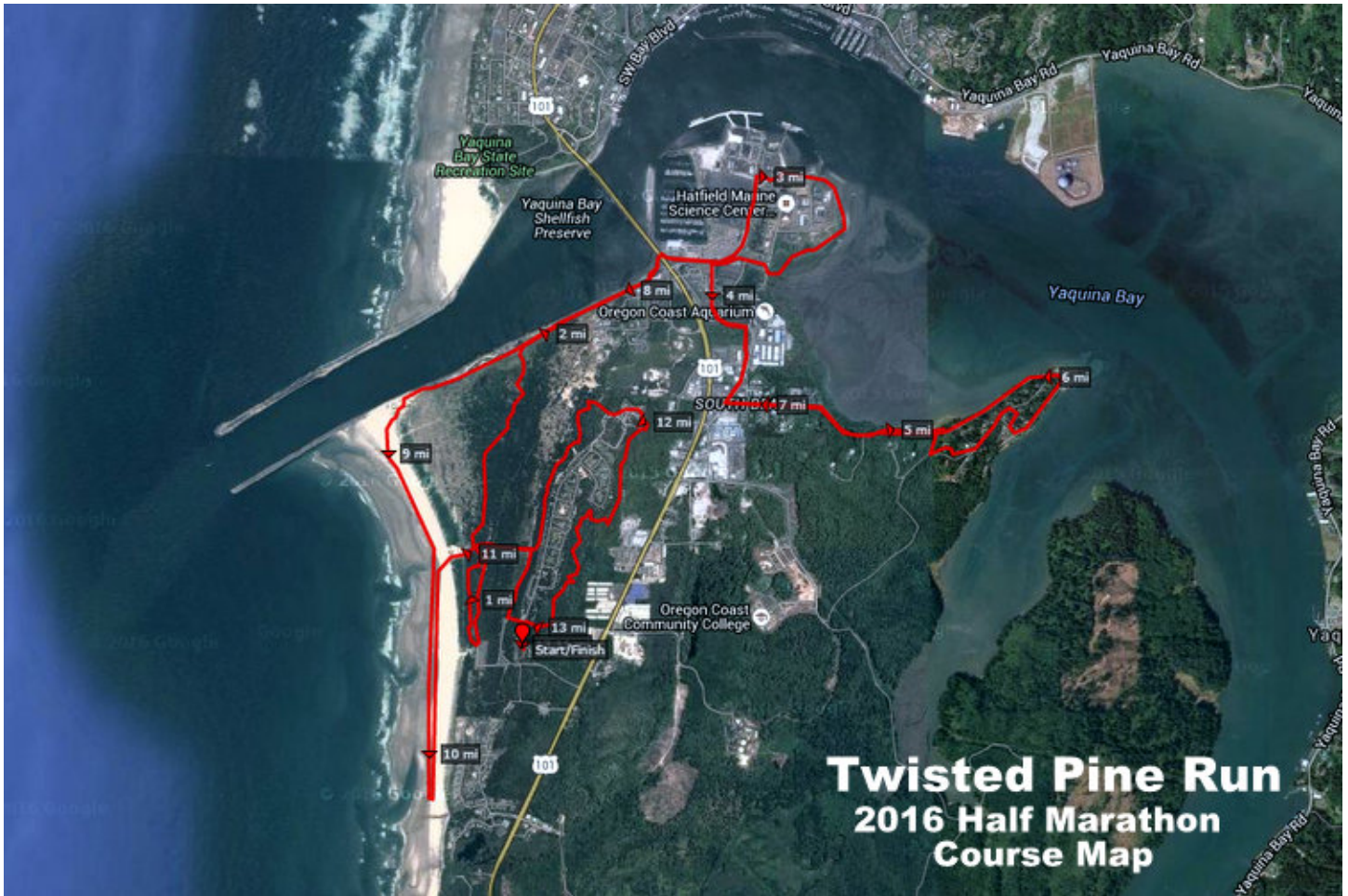
Twisted Pine Run

Races start and finish at South Beach State Park

5 Mile Route

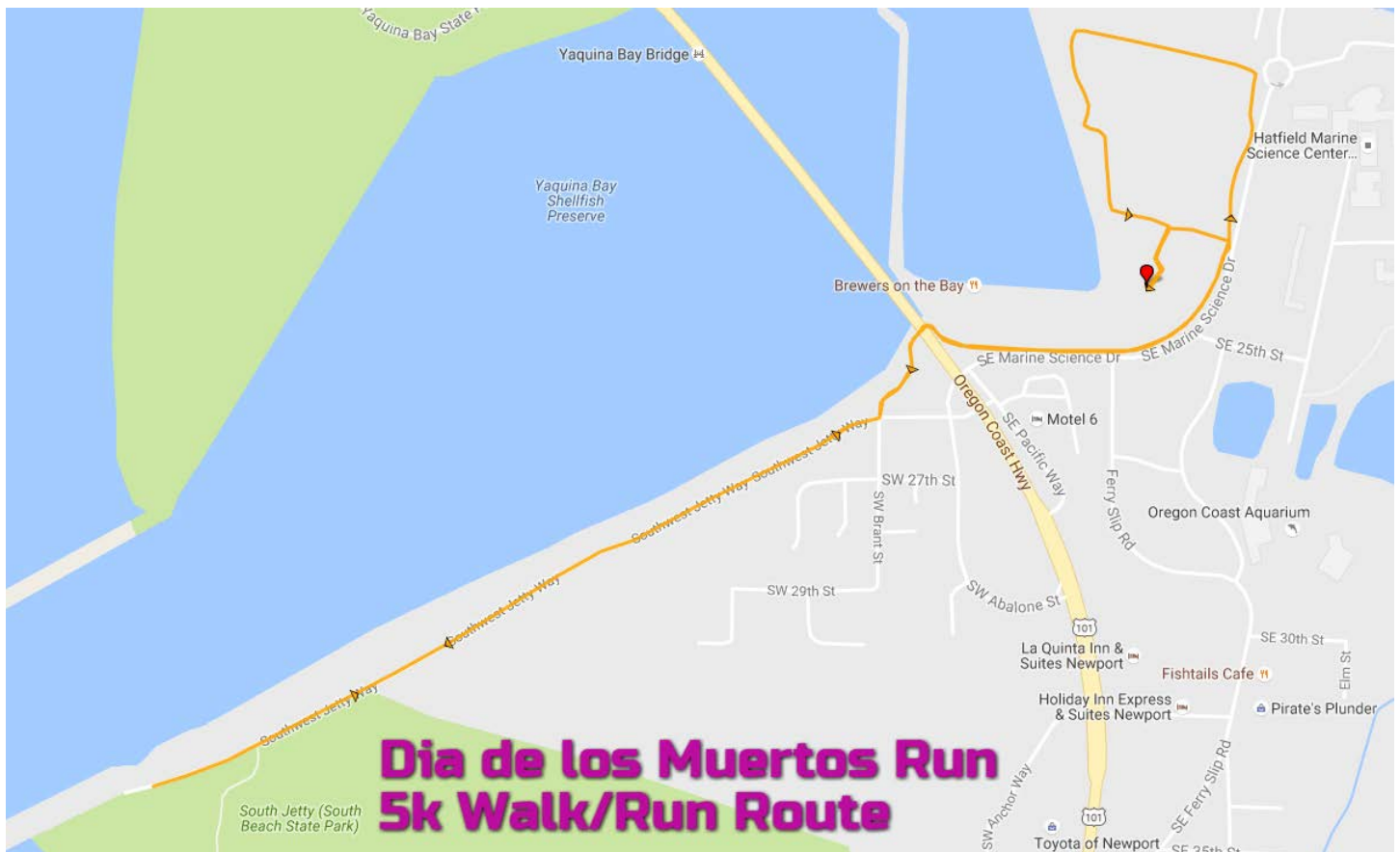


Half-Marathon Route



Dia de los Muertos Run

5K Route



Newport Turkey Trot

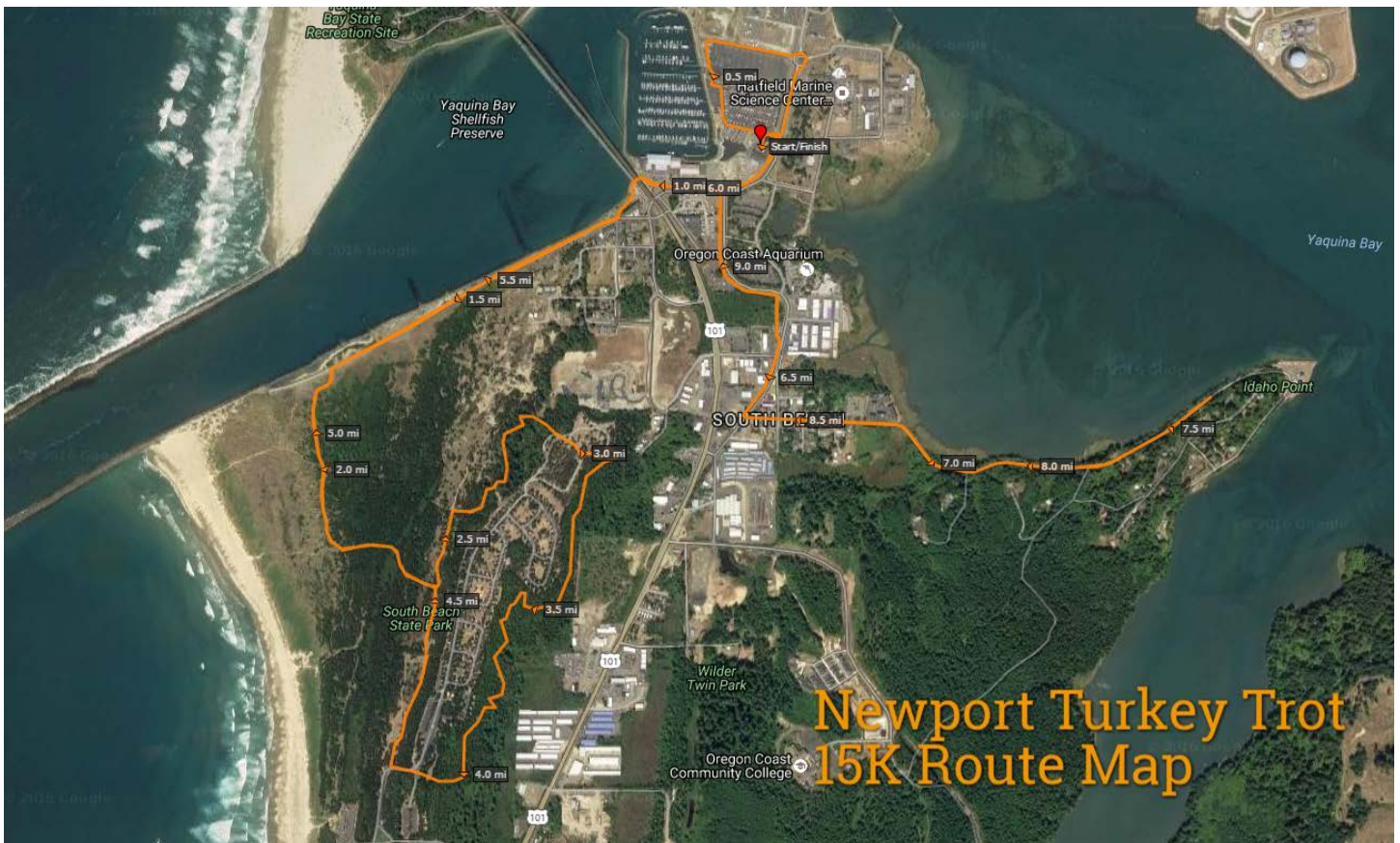
5K Route



10K Route



15K Route



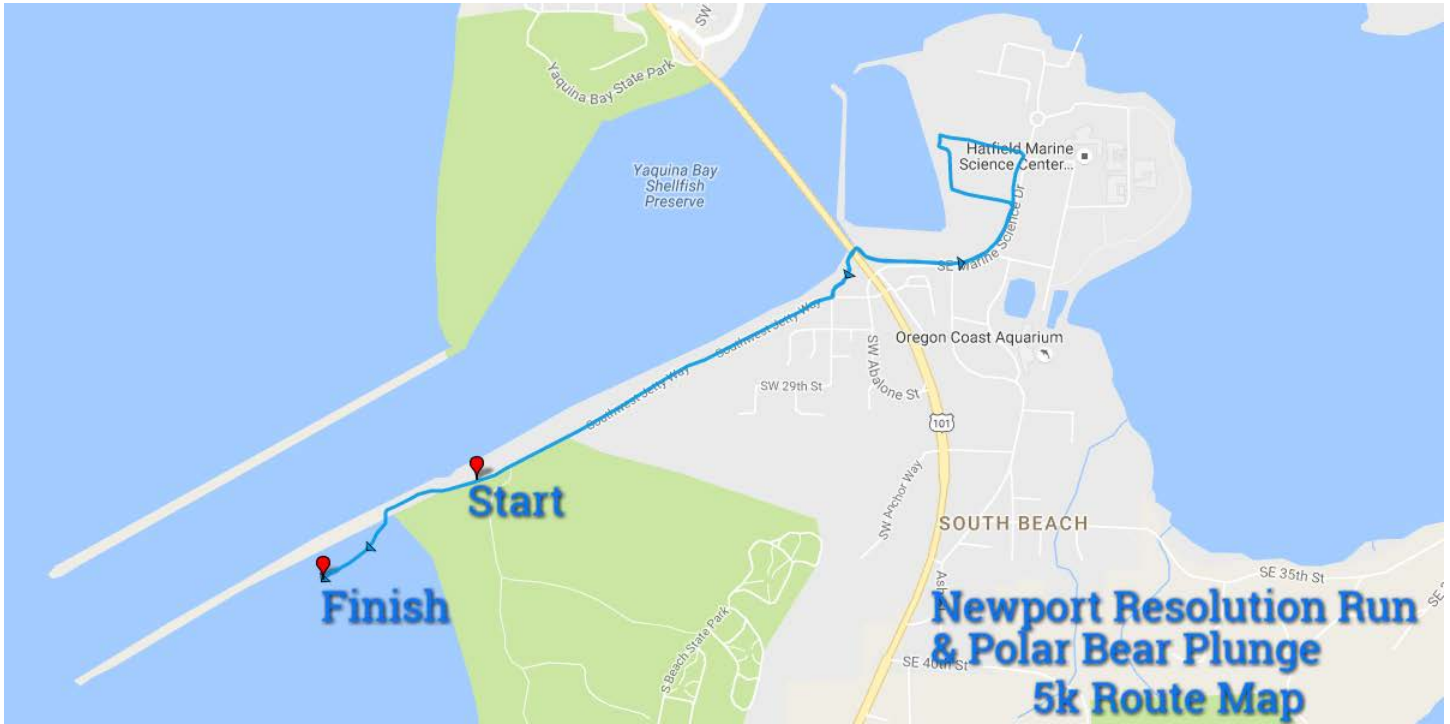
Kids Run Route



Newport Resolution Run & Polar Bear Plunge

Races start and finish at the beach

5K Route



10K Route



Half Marathon Route

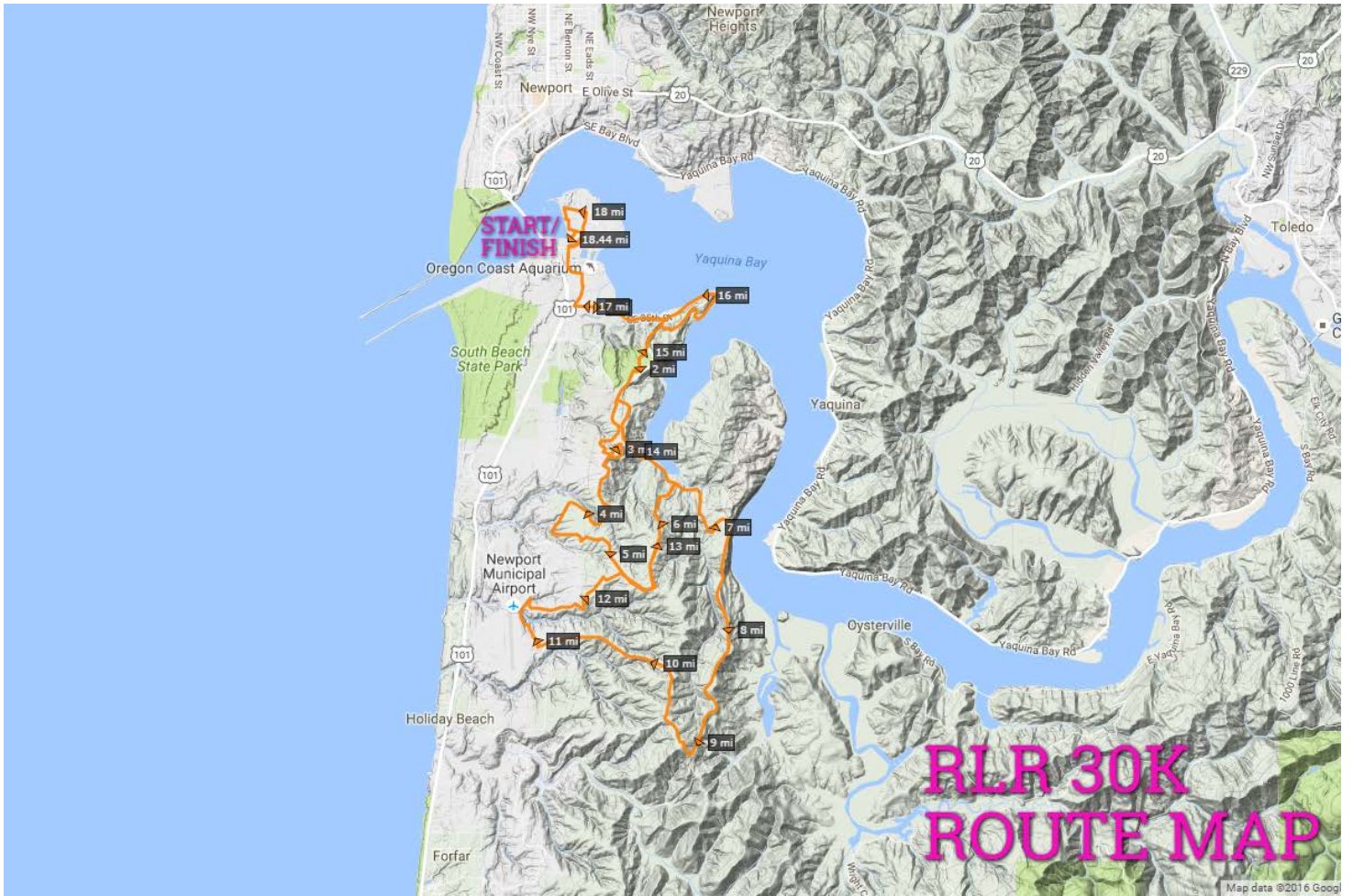


Run, Love, Run 30k/15k

15K Route



30K Route



Newport Shamrock Run

5K Route



10K Route



Kids Run Route



NEWPORT, OREGON DEVELOPMENT OPPORTUNITY

Public-Private Partnership: A Catalyst for Growth!

THE SETTING: NEWPORT, OREGON¹

- **Commercial Fishing / Traded Sector Activity**
 - 19.7% of Net Earnings in Lincoln County
 - 37.4% increase in economic contribution (2003-12)
- **Tourism**
 - 16.1% of Net Earnings in Lincoln County
 - 18.7% increase in economic contribution (2003-12)
- **Economic Trends**
 - Declining median household income
 - Persistent trend of "out migration" of young adults

THE GOALS

- Revitalize obsolete facilities to **remove blight** and promote **economic development**
- Ensure adequate **infrastructure capacity** to support existing activity and future development
- Improve **linkages** between water/marine activity and other **transportation infrastructure**
- Preserve and enhance Newport's "**working waterfront**" and **balanced mix of industries**
- Enhance Newport's **entrepreneurial climate** and encourage growth of **small businesses**

THE SITE: 411 SW BAY BLVD.

- Approximately 0.62 total acres
Acquired by Pacific Seafood in 2015
- Contains dated ice-house and dilapidated warehouse
- Bounded to West by city-owned property
- Bounded to East by Anchor Pier Lodge
- Located across from art galleries, shops, and restaurants



THE OPPORTUNITY: A TRUE "WORKING WATERFRONT"

Phase I: Site Revitalization

- Remove existing blight
- Construct new dock
- Construct new ice house

Phase II: Temporary Incubators

- Create small business incubators
- Re-purpose old warehouse
- Partner with local stakeholders

Phase III: New Facility with Retail

- State-of-the-art processing facility
- New capacity for commercial fishing
- Retail space along Bay Blvd.



PROJECT TEAM



Tony Dal Ponte

Deputy General Counsel
Pacific Seafood Group

tdalonte@pacseafood.com

503.905.4298 (office)

503.999.1143 (cell)



Scott Nelson

Partner
Summit Strategies

scottn@summitstrategies.us

202.253.4855 (cell)

"Commercial fisheries and working waterfronts are essential sources of jobs and economic growth"

– Oregon Coastal Zone Management Association

WHAT IS THERE NOW?

Shore Side (Across Street):

Vibrant business district, active tourism, walkable street



Bay Side (Actual Site):

Urban blight, deterioration, decay



WHAT ARE "SMALL BUSINESS INCUBATORS?"²

Short-term spaces that allow startups the flexibility and resources they need to launch successful businesses



WHAT WILL IT LOOK LIKE?

Phase II: Small Business Incubators



Phase III: The "Working Waterfront"



² For examples of other projects, see:
 PROXY (San Francisco, CA): <http://proxysf.net/about/>
 Dekalb Market (Brooklyn, NY): <http://dekalbmarket.com/about/>
 Small Box (Cleveland, OH): <http://www.clevelandcontainerstructures.com/new-projects/>
 Pop Brixton (London, UK): <https://www.popbrixton.org/>
 Quartyard (San Diego, CA): <http://www.quartyardsd.com/about>



Media Contact:
Dan Occhipinti
t: (503) 905-4446
DOcchipinti@pacseafood.com

Newport Surimi Plant to Remain Open; Action by Attorney General Rosenblum Saves 147 Jobs

FOR IMMEDIATE RELEASE

NEWPORT, Ore. – May 12, 2017 – Thanks to quick action by Attorney General Ellen Rosenblum, Newport’s surimi processing plant, the last such plant on the West Coast, will remain in Newport and open in time for the 2017 Whiting season, which starts on Monday. The Oregon Department of Justice (DOJ) reviewed a proposal by Pacific Seafood to keep the plant open.

Governor Kate Brown and the Legislature’s Coastal Caucus, including Senator Arnie Roblan, Senator Betsy Johnson, and Representative David Gomberg, were instrumental in facilitating review in time for the season start.

“We very much appreciate the Governor and Attorney General’s leadership in addressing this extraordinary situation,” said Dan Occhipinti, a spokesman for Pacific Seafood. “They moved quickly to reach a solution that saves 147 traded-sector jobs, retains the market for Newport’s commercial fishing fleet, and preserves Oregon’s access to a major export market.”

The Newport plant came very close to closing. Its previous owner, Trident Seafoods, announced on April 10, 2017 that it would cease operations after years of financial losses. Pacific Seafood agreed to acquire, retrofit, and operate the facility in time for the 2017 season, but only if fishermen, the community, and DOJ agreed. Pacific Seafood sought advance DOJ review due to the Department’s concerns about past acquisitions.

Pacific Seafood was the only purchaser willing and able to operate the plant in time for the 2017 season. Fishermen affected by the looming closure unanimously supported the sale to Pacific Seafood, as did all major West Coast seafood processors.

The Oregon DOJ has never previously reviewed an acquisition of this kind, let alone on the accelerated timeline necessitated by the imminent start of the fishing season. Despite those obstacles, Attorney General Rosenblum and her staff developed terms under which Pacific Seafood could acquire and operate the facility.

Under the terms, Pacific Seafood will market the plant to other viable buyers for a period of 6 months. If no buyer emerges, Pacific Seafood will operate the plant and will continue Trident’s past practices regarding ice sales and dock access by independent commercial fishermen. Pacific Seafood has already hired all of Trident’s original employees, which will ensure continuity in operations.

“This facility is an important part of the Newport community,” said Occhipinti. “We’re grateful to the State of Oregon and everyone who helped keep this plant open.”

The Newport processing facility makes surimi from MSC-certified Pacific whiting, also known as hake. Surimi is a processed fish protein that can be flavored, colored, and shaped to resemble crab, shrimp, scallops, and

other products. Whiting is one of the most sustainable fisheries, and surimi is a major international commodity.

* * * * *

About Pacific Seafood

Pacific Seafood began in 1941 as a small retail store in Portland, Oregon. Over the years, the family-owned business has expanded to become a vertically integrated processing and distribution company, with facilities in 11 different states. Pacific Seafood harvests and produces seafood from Alaska to Mexico and distributes products to the global market. The company actively promotes a healthy and sustainable seafood industry. Visit Pacific Seafood's [website](#), [Facebook](#) or [Twitter](#) to learn more.



May 12, 2017

Tim Nord (via email tim.d.nord@doj.state.or.us)
Special Counsel, Civil Enforcement
Briand A. de Haan (via email brain.a.dehaan@doj.state.or.us)
Assistant Attorney General
Oregon Department of Justice
1162 Court Street NE
Salem, OR 97301

Re: Pacific Seafood Group Acquisition of Trident Properties in Newport, OR

Dear Mr. Nord and Mr. De Haan:

On behalf of Pacific Seafood, the 147 future surimi plant employees and their families, the 24 vessels of the Midwater Trawlers Cooperative and their captains and crew, and the entire Newport community – I want to begin by saying thank you to Attorney General Rosenblum and to your team at the Oregon Department of Justice for reviewing the proposed acquisition by Pacific of the former Trident surimi plant in Newport (the “Plant”).

We recognize that our request was extraordinary in that DOJ had never been asked to review a proposed acquisition of a seafood plant, let alone on an urgent timeline caused by the start of the whiting season on Monday, May 15.

Despite these obstacles, as evidenced in your letter yesterday and our negotiations over the last month, it is clear that the Attorney General is as concerned as we are about keeping these rural, traded-sector manufacturing jobs alive and well in Newport, and to maintaining the Plant as a surimi operation for the benefit of the local fishermen and the Oregon commercial fishing industry.

We are grateful, and relieved, that DOJ was able to review the acquisition and develop conditions on which Pacific may safely proceed to buy the Plant and operate in time for the season next week.

To that end, Pacific will make the following commitments, which mirror DOJ’s conditions with some minor modifications needed to reflect the economic and operational realities that we are facing:

1. *Transparently and verifiably market the Plant.* It is no secret that the Plant has significant deferred maintenance, has failed to meet its regulatory permit requirements, and has been losing money for years. Pacific is taking significant risk in acquiring the



Plant because of the time, capital, and industry knowledge required to make it viable. Among other things, Pacific will be reengineering the Plant's manufacturing technology, fixing the wastewater treatment systems, and replacing the accounting and production computer systems. We will be devoting significant time and resources to turn the plant around, sending teams of people to help with quality assurance, food safety, wastewater and environmental conservation, accounting and finance, information technology, and human resources. We will be recruiting, hiring, and training more than 140 people. We will be developing sales and marketing channels, and soliciting customers overseas and in the US. Despite this extraordinary effort and expense on our part, we will commit to openly market the Plant for a 6-month period following the opening of the 2017 whiting season to determine if (a) a legitimate, viable buyer emerges, that (b) will commit to operate the Plant as a surimi manufacturing facility at existing production levels for at least three seasons, and (c) offers a commercially reasonable price that allows Pacific to recoup its entire investment in the Plant and takes into account that the Plant has been transformed into a turn-key operation. This commitment on our part protects our shared desire with the Attorney General to maintain the facility for surimi, which is critical to the local fleet. The 6-month (rather than 12-month) period is necessary so that we avoid having this same situation occur next year, where Pacific is scrambling to prepare for another whiting season under the risk of not actually operating the Plant.

2. *Operate the acquired facilities consistent with past practices.* Pacific's intent is to operate as a surimi Plant indefinitely so long as we can make it viable; therefore, we can easily commit to operate the Plant for surimi this season, and for at least the next three seasons, so long as the business is viable, and barring some unforeseen event such as market collapse or a lack of whiting off the coast. Likewise, it has always been Pacific's intent to continue Trident's past practices regarding ice, access to docks, and off-loading for fishermen selling to other processors, and we can easily commit to maintaining those practices for at least five years, so long as we are still operating and the plant is viable, and absent some significant change in the market, resources, or other *force majeure* circumstances. Indeed, we are keeping the original Trident management team and employees in place to ensure this continuity in community expectations.
3. *Agree to divest if surimi operations cannot be continued past initial commitment.* The shoreside surimi business is difficult—as we know, this is the last existing shoreside surimi plant on the West Coast, and has been consistently losing money year over year. Nonetheless Pacific is committed to make a go of it, and we think we will succeed. That said, if Pacific desires to exit surimi operations after the initial three-season commitment, or if the business is not viable and we need to exit the surimi business before that time, we will, for a one-year period, transparently and verifiably market the Plant to determine if there is a legitimate, viable third-party buyer who will offer a commercially reasonable price and agree to continue surimi operations at the Plant.



We anticipate that the Attorney General will find these modifications serve to strongly advance our shared goal of preserving the Plant for surimi, for the benefit of the employees, the whiting fleet, and the community. To that end, Pacific will proceed to purchase the Plant and open in time for the whiting season with the understanding that so long as our commitments are honored, DOJ will not take any enforcement action against Pacific with respect to the Plant acquisition, as set forth (and with the other caveats regarding confirming factual information) in your May 11 letter.

Lastly, a point of clarification. It seems from the letters back and forth that there has been confusion over whether Pacific Seafood requested DOJ review of its purchase earlier this year of the former Trident *meal plant*, which is also located in Newport. To the extent Pacific caused that confusion, I apologize. We are not requesting DOJ review of that transaction. Pacific purchased the former meal plant (which is now called Pacific Bio Products) to support our existing Newport operations, in which we just recently invested over \$7 million to expand capacity, add jobs, and manufacture more and higher quality ice for the local fleet. Pacific Bio is contractually required to take seafood scraps from the former Trident surimi Plant, no matter who owns it, and is further required by its lease with the Port of Newport to accept seafood scraps from any other seafood processor in Newport. In short, while we bought Pacific Bio to support our operations, it is ready and able to accommodate the needs of all in our Newport community.

Again, on behalf of a very grateful Oregon business, our employees and fishermen, thank you, your staff and Attorney General Rosenblum for navigating this unique situation and giving us a chance to prove that our purchase of the Newport surimi Plant will be a big success for all!

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Occhipinti".

Daniel C. Occhipinti

Enclosed:

1. *Letter from Midwater Trawlers Cooperative and 24 Newport Fishing Vessels In Support of Pacific's Purchase of the Former Trident Plant*
2. *Letter from West Coast Seafood Processors Association Expressing No Objection to Pacific's Purchase and Describing That No Other Processors Are Interested in Buying*



April 12, 2017

To Whom it May Concern:

Midwater Trawlers Cooperative supports Pacific Seafood Group's purchase of the Trident Surimi plant in Newport, Oregon. While we were surprised and disappointed that Trident decided to close the doors to their Newport plant, we are cautiously optimistic to see that Pacific Seafood Group is willing to step up and buy the processing plant so that it can continue to operate. We believe this purchase supports the community by retaining the processing plant jobs as well as a market for several fishing vessels that would be lost if the plant were to close, as no other buyers have expressed an interest in stepping in and keeping the plant going as a surimi plant for the long-term. We expect Pacific to not only continue the existing surimi operations, but to grow the market to complement other hake and Groundfish operations to the benefit of the industry and the community at large.

Midwater Trawlers Cooperative is a non-profit trade association established in 1982 and based in Newport, Oregon. MTC represents 24 trawl catcher-vessels that participate primarily in the shoreside and at-sea whiting fisheries on the west coast and Pollock and cod fisheries up in the Bering Sea and Gulf of Alaska. MTC member vessels include: f/v Bay Islander, f/v Excalibur, f/v Excalibur II, f/v Gold Rush, f/v Golden Pisces, f/v Leslie Lee, f/v Lisa Melinda, f/v Majesty, f/v Marathon, f/v Michelle Renee, f/v Miss Berdie, f/v Miss Sarah, f/v Miss Sue, f/v Muir Milach, f/v Northern Ram, f/v Pacific, f/v Pacific Ram, f/v Pacific Storm, f/v Pegasus, f/v Perseverance, f/v Predator, f/v Raven, f/v Seadawn and f/v Seeker.

I can be reached at 541-272-4544 or heathermunromann@gmail.com to answer questions or provide additional information.

Sincerely,

A handwritten signature in blue ink that reads "Heather Mann". The signature is written in a cursive, flowing style.

Heather Mann



West Coast Seafood Processors Association
650 NE Holladay Street, Suite 1600
Portland, OR 97232
(503) 227-5076

April 21, 2017

To Whom It May Concern:

The West Coast Seafood Processors Associations (WCSPA) represents shore-based seafood processing companies located throughout Oregon, Washington and California. WCSPA membership includes seven primary member companies and several associate members (smaller processors, related businesses, and support services). WCSPA member companies participate in numerous fisheries and comprise the majority of shore-based processing capacity along the West Coast.

We understand that Trident Seafoods has closed its surimi plant in Newport, OR and has asked Pacific Seafood Group to acquire the facility. Towards this end, we have polled WCSPA membership to determine if any other member company desires to acquire and continue operating the Trident surimi plant, or objects to Pacific doing so, and the answer from our membership was no.

The Newport facility is the last shore-based surimi plant on the West Coast. Most surimi is produced by offshore processing platforms (motherships), or offshore catcher-processors vessels. The offshore sectors of the fishing industry already have a significant competitive advantage over shore-based processors, so maintaining this opportunity is especially critical to the shore-based sector. While WCSPA generally does not take positions "in support" of the acquisition activities of its members, we do believe it is important to emphasize that the loss of the last remaining shore-based surimi plant would be detrimental to our industry, to the community of Newport OR, and to the shore-side commercial fishing fleet on the West Coast. We therefore hope that the regulators will allow this plant to remain operational.

Thank you for your consideration of this important issue. I can be reached at (503) 227-5076 if you have any questions or would like to discuss this further.

Sincerely,

A handwritten signature in black ink that reads "Lori L. Steele". The signature is written in a cursive, flowing style.

Lori Steele
Executive Director



Operating Fund

April 20, 2017 through May 15, 2017

Date	Num	Name	Memo	Amount
04/28/2017	38913	4C's Environmental	Fuel line repairs - SB	3,625.40
04/28/2017	38914	Airgas USA	Welding rods & cap	46.81
04/28/2017	38915	Business Oregon - OBDD	Debt service	7,800.00
04/28/2017	38916	Cardinal Services	Wages for temp services	2,352.00
04/28/2017	38917	Central Lincoln PUD	Electricity	4.26
04/28/2017	38918	Century Link	Telephone	389.62
04/28/2017	38919	CenturyLink	Telephone	30.90
04/28/2017	38920	Employee	Meal expense reimbursement	32.00
04/28/2017	38921	CoastCom	Internet and email	937.00
04/28/2017	38922	Creative Landscape & Maintenance	Landscape maintenance	495.00
04/28/2017	38923	Design Space	Modular office rentals	1,094.00
04/28/2017	38924	DMV	Vehicle records	1.00
04/28/2017	38925	Douglas Land	Refund - SB RV Park	25.56
04/28/2017	38926	Family Motor Coach	Membership	50.00
04/28/2017	38927	G & K Floors	Janitorial services	2,280.00
04/28/2017	38928	Gray's Web Design	Website update	17.50
04/28/2017	38929	Idea Print Works	PON vehicle stickers	325.00
04/28/2017	38930	Keller Supply Company	Plumbing supplies	468.00
04/28/2017	38931	Employee	Travel expense reimbursement	447.01
04/28/2017	38932	League of Oregon Cities	Job posting for Director of Operations	80.00
04/28/2017	38933	National Photocopy Corporation	Server and IT support	336.91
04/28/2017	38934	Newport News-Times	Advertising	430.60
04/28/2017	38935	Northwest Hydro	Bathymetry - NIT	2,100.00
04/28/2017	38936	NW Natural	Gas - SB	270.66
04/28/2017	38937	Oregon Cascades West - COG	PON managed Properties maps	120.00
04/28/2017	38938	Pioneer Printing Inc	SB RV Park brochures, office supplies	1,040.00
04/28/2017	38939	Road & Driveway Co	Place rip rap at walkway to fishing pier - SB	2,137.60
04/28/2017	38940	Sears Commercial One	High wheel trimmer	325.97
04/28/2017	38941	TCB Security Services	Monthly security contract	6,555.00
04/28/2017	38942	Thompson's Nursery	Plants for SB beautification	240.00
04/28/2017	38943	Toyota Industries Commercial Finance	Forklift leases	1,044.20
04/28/2017	38944	Valley Fire Control	Annual inspection and service	230.50
04/28/2017	38945	Verizon Wireless	Port cell phones	341.41
04/28/2017	38946	Trevillian Construction	Replace siding and roof on Swede's building	8,000.00
05/15/2017	38947	Alan Brown Tire Center	Lawn mower tires put on rims	16.00
05/15/2017	38948	Alsea Bay Power Products	Push mower, equipment supplies	417.44



Operating Fund

April 20, 2017 through May 15, 2017

Date	Num	Name	Memo	Amount
05/15/2017	38949	ASCO Power Services	Floor mats and towel rental	300.80
05/15/2017	38950	Barrelhead Supply	Operating and maintenance supplies	1,263.22
05/15/2017	38951	Employee	Mid-month draw	450.00
05/15/2017	38952	Carson Oil Co	Fuel	1,212.91
05/15/2017	38953	Central Lincoln PUD	Electricity	20,547.75
05/15/2017	38954	CenturyLink	Telephone	78.26
05/15/2017	38955	Employee	Mid-month draw	500.00
05/15/2017	38956	City of Newport	Transient room tax - April 2017	2,357.51
05/15/2017	38957	Coastal Paper & Supply	Paper products and cleaning supplies	939.70
05/15/2017	38958	Conrad Forrest Products	Lumber - SB	4,128.00
05/15/2017	38959	Copeland Lumber Yards	Operating supplies	69.48
05/15/2017	38960	Creative Landscape & Maintenance	Landscape maintenance	495.00
05/15/2017	38961	Employee	Mid-month draw	500.00
05/15/2017	38962	Dennis Brown	SB Marina moorage cancellation refund	290.00
05/15/2017	38963	Design Space	Modular office rentals	877.00
05/15/2017	38964	Direct TV	Cable - RV parks	1,306.09
05/15/2017	38965	Employee	Mid-month draw	600.00
05/15/2017	38966	Englund Marine Supply Co	Operating and maintenance supplies	561.06
05/15/2017	38967	Enterprise Marine Service	Tow F/V Grumpy Dragon to Port of Toledo	200.00
05/15/2017	38968	Employee	Mid-month draw	300.00
05/15/2017	38969	Fastenal Company	Operating supplies	87.28
05/15/2017	38970	Employee	Mid-month draw	475.00
05/15/2017	38971	Fred Meyer Customer Charges	Chairs, operating supplies, food for meetings	332.58
05/15/2017	38972	JC Market	Lunch for budget special meeting	52.97
05/15/2017	38973	Lincoln County Public Works	Fuel for trucks	365.99
05/15/2017	38974	Lloyd Morley	RV park cancellation refund	42.08
05/15/2017	38975	MacPherson Gintner & Diaz	Professional services	6,767.50
05/15/2017	38976	National Photocopy Corporation	Server and IT support	336.91
05/15/2017	38977	Newport News-Times	Advertising	669.20
05/15/2017	38978	Newport Signs	Permanent signs for dry camp overflow	400.00
05/15/2017	38979	Orca Divers	Cut off broken piling - PD5	3,600.00
05/15/2017	38980	Oregon Department of State Lands	Annual DSL fee	12,203.52
05/15/2017	38981	Pioneer Printing	Flyers, maps	484.85
05/15/2017	38982	Pioneer Telephone Cooperative	Telephone	226.30
05/15/2017	38983	Platt	LED bulbs, electrical supplies	792.47
05/15/2017	38984	Portland Bolt & Manufacturing Co	Maintenance supplies - SB	2,362.25



Operating Fund

April 20, 2017 through May 15, 2017

Date	Num	Name	Memo	Amount
05/15/2017	38985	Employee	Mid-month draw	650.00
05/15/2017	38986	School Outfitters	Top-hinged kiosk	731.37
05/15/2017	38987	Sherwin-Williams	Paint	74.02
05/15/2017	38988	Employee	Mid-month draw	1,500.00
05/15/2017	38989	Steven Kessler	RV Park refund	34.50
05/15/2017	38990	Suburban Propane	Propane	371.47
05/15/2017	38991	T & L Septic & Chemical Toilet Service	Chemical toilet rental	436.00
05/15/2017	38992	TCB Security Services	Citation collected	40.00
05/15/2017	38993	Thompson's Sanitary Service	Trash disposal	3,963.90
05/15/2017	38994	Trionic Corp	10 dock boxes	2,840.00
05/15/2017	38995	Cash & Carry	Office and cleaning supplies	324.97
05/15/2017	38996	US Bank	G.O. bonds - series 2013 administration fees	600.00
05/15/2017	38997	Voya (State of Oregon Plan)	Monthly employee contributions	100.00
05/15/2017	38998	Wilco	Landscape supplies	71.96
05/15/2017	38999	Xerox Corporation	Copier lease	409.98
05/15/2017	39000	Yaquina Bay Communications	Advertising	150.00
Total				122,581.20



NOAA Fund

April 20, 2017 through May 15, 2017

Date	Num	Name	Memo	Amount
04/28/2017	13148	Central Lincoln PUD	Electricity	495.26
04/28/2017	13149	DiJulio Displays	30 banners for NOAA Corps centennial	2,221.97
04/28/2017	13150	G & K Floors	Janitorial services	450.00
04/28/2017	13151	Northwest Hydro	Post dredge survey	3,500.00
04/28/2017	13152	Pacific Habitat Services	Biological consulting services	120.00
04/28/2017	13153	Sears Commercial One	Refrigerator	159.99
04/28/2017	13154	TCB Security Services	Elevator phone monitoring	20.00
04/28/2017	13155	Ultimate Pest Control	Pest control	125.00
04/28/2017	13156	Verizon Wireless	Phone charges and mifi	26.39
05/15/2017	13157	Englund Marine & Industrial Supply	Shackles for entry gate	15.34
05/15/2017	13158	Lincoln County Public Works	Fuel for truck	29.42
05/15/2017	13159	Platt	Operating supplies	19.60
05/15/2017	13160	Cash & Carry	Operating supplies	58.15
Total				7,241.12



Construction Fund
April 20, 2017 through May 15, 2017

Date	Num	Name	Memo	Amount
4/28/17	11841	EMC-Engineers/Scientists LLC	Environmental Assessment - ITSF	4,392.00
5/15/17	11842	Stuntzner Engineering and Forestry LLC	Engeneering Services - EDA Report	5,160.80
			Total	9,552.80

OLD BUSINESS AGENDA ITEM

DATE: 5/23/2017
RE: International Terminal Shipping Facility / Real Property Transactions
TO: Port of Newport Board of Commissioners
ISSUED BY: Kevin Greenwood, General Manager

FINANCING UPDATE

Commissioner Patrick-Joling submitted questions and staff submitted a response on May 17th. The questions, answers and matrices based upon 10, 7.5 and 5 shipments are included. Clearly as the number of shipments go down, it becomes less lucrative for the Port. I have not included updated versions of the Silvan and Teevin as they are works in progress. Commissioners Chuck and Brown have been reviewing the documents along with the Port's attorney and upper management.

TIGER Marine Administration:

- Discussed possibility of asphaltting being completed in early Spring 2018 due to shrinking construction window. David Bohnet recommended approving grant agreement and amending the schedule if necessary.
- If the balance of the agreements are not approved, then Section 8 describes that the agreement would be terminated if construction fails to begin before September 1, 2017.
- RECOMMENDATION IS TO APPROVE as USDOT is expecting to receive a signed agreement that has been awarded since 2015.

IFA Loan:

- The 25-year loan agreement states that a percent will be shaved off the 3.3% interest rate if we can bring other commodities. There are no agreements at this time, however, Silvan has expressed an interest in exporting finished lumber.
- The Operations Plan is a one page summary of the Port's plan for maintaining the facility and can be developed after the project is completed.
- The IFA Loan projected budget now matches the TIGER grant agreement budget.
- My recommendation is to hold off on the loan agreement until the other agreements are finalized and the Terminal Users Group has had a chance to review the Plan.

Silvan Forest LLC:

- Negotiations are ongoing.
- References to the Teevin lease are to be removed and a three party agreement would address issues related to lease assignment is Teevin's lease was terminated.

Teevin Bros.:

- We have discussed the lease with Teevin and a provision terminating the lease after a year of no business activity was added.

RONDYS UPDATE

- The project has lost some time due to issues related to easements and coordinating the needs of the Hall development and the shipping facility. We are now phone conferencing on a twice weekly basis to enhance communication.
- Rondys site preparation including mitigation is estimated at \$271,000 with the mitigation work budgeted for \$77,000.

ENGINEERING UPDATE

- Updated budget was submitted last week. Ralph included a 3% “cost of construction” adjustment, meaning that the Port may be paying a premium as part of the construction due to the later time table.
- Any contingencies would come out of the \$500,000 NOAA reserves.

TERMINAL USERS GROUP UPDATE

Draft Operations Plan:

- Draft plan will be distributed later this week with Terminal Users Group convening soon after.
- I have been talking to members of the fishing and shipping community to help aide in the draft plan. I anticipate lots of discussion about the proposal.
- Fleet Concerns include:
 - Loss of access to terminal from April 1 – May 15 and Nov. 1 – Jan. 10.
 - Loss of access to fixed hoist at all times.
 - Loss of access to portion of east dock if Handsize Vessel uses bollard to tie-up.
- I am recommending that the Commission wait to approve any operational agreements until after the Terminal Users Group has had a chance to meet and review the Draft Operations Plan.

Recommended Motion:

- I would recommend that a commission member make a MOTION TO AUTHORIZE THE GENERAL MANAGER TO SIGN THE TIGER GRANT AGREEMENT.

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UNITED STATES OF AMERICA
U.S. DEPARTMENT OF TRANSPORTATION
MARITIME ADMINISTRATION
WASHINGTON, DC 20590

GRANT AGREEMENT UNDER THE
CONSOLIDATED AND FURTHER CONTINUING APPROPRIATIONS ACT, 2015
(PUB. L. 113-235, DECEMBER 16, 2014)
FOR THE NATIONAL INFRASTRUCTURE INVESTMENTS
DISCRETIONARY GRANT PROGRAM
(FY 2015 TIGER DISCRETIONARY GRANTS)

PORT OF NEWPORT

INTERNATIONAL TERMINAL SHIPPING FACILITY

MARAD FY 2015 TIGER Grant No. DTMA91G1600004

7069M7143O 2016 1PON170004 0000150002041010 61006600 – \$2,000,000.00

This agreement is between the United States Department of Transportation (*the “USDOT”*) and the Port of Newport (*the “Recipient”*). It reflects the selection of the Recipient for an award under the provisions of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235, December 16, 2014), regarding National Infrastructure Investments, as described in the Notice of Funding Availability for the Department of Transportation’s National Infrastructure Investments Under the Consolidated and Further Continuing Appropriations Act, 2015, 80 FR 18283 (April 3, 2015) (*the “NOFA”*). In this agreement, “**FY 2015 TIGER Discretionary Grant**” means an award under those provisions.

ARTICLE 1. AWARD TERMS AND CONDITIONS

- 1.1 **Operating Administration.** The Maritime Administration (“**MARAD**”) will administer this agreement on behalf of the USDOT. In this agreement, the “**Administering Operating Administration**” means MARAD.
- 1.2 **Purpose.** The purpose of this award is to advance capital investments in surface transportation infrastructure that will have a significant impact on the nation, a metropolitan area, or a region. The parties will achieve that purpose by completing the project that was described in the Recipient’s technical application, titled International Terminal Shipping Facility, as modified by the negotiated provisions on the project’s material terms and conditions, including the attachments referenced in section 1.8.
- 1.3 **Federal Award Amount.** The USDOT hereby awards a FY 2015 TIGER Discretionary Grant in the amount of Two Million Dollars (\$2,000,000) for the period of performance. The USDOT shall not provide funding greater than this amount under this agreement. The Recipient acknowledges that USDOT is not liable for payments that exceed this amount.

1.4 **Period of Performance.** The period of performance for this award begins on the date of this agreement and ends on period of performance end date that is listed in section 2.2. Under 2 CFR 200.309, the Recipient shall not charge to this award costs that are incurred after the period of performance.

1.5 **Urban or Rural Designation.** Based on information that the Recipient provided to the USDOT, including the technical application, the USDOT hereby designates the project to be a project in a rural area, as defined in the NOFA. The Recipient shall comply with the requirements that accompany that designation on minimum award size, geographic location, and cost sharing.

1.6 **Fund Obligation.**

This agreement obligates the total amount of funds stated in section 1.3.

1.7 **Federal Award Identification Number.** The USDOT identifies this award with the following federal award identification number:

DTMA91G1600004

1.8 **Attachments.** This agreement includes the following attachments as integral parts:

Attachment A	Statement of Work
Attachment B	Estimated Project Schedule
Attachment C	Estimated Project Budget
Attachment D	Performance Measurement Table

ARTICLE 2. PROJECT AND RECIPIENT INFORMATION

2.1 **Summary of Project's Statement of Work.** (See Attachment A for additional details).

The project will include, grading of property, development of 10-acre laydown area with asphalt, fencing, lighting, small work shack, storm water collection system, transportation improvements off SE Bay Blvd. (a minor arterial), and extension of water and sewer lines.

2.2 **Summary of Project's Estimated Schedule.** (See Attachment B for additional details).

Actual Completion of NEPA	April 13, 2017
Planned Completion of Final Design:	May 1, 2017
Planned PS&E Approval:	N/A
Planned Construction Start Date:	August 1, 2017
Planned Construction Substantial Completion Date:	January 31, 2018
Planned Period of Performance End Date:	April 30, 2018

Planned Project Closeout Date

July 31, 2018

2.3 **Summary of Project's Estimated Budget.** (See Attachment C for additional details).

TIGER Grant Funds and Additional Sources of Project Funds:

TIGER Discretionary Grant Amount:	\$2,000,000	30.4%
Other Federal Funds (if any):	\$	
State Funds (Via Loan):	\$2,000,000	30.4%
Local Funds (Port of Newport):	\$2,578,879.30	39.2%
Other Funds (if any):	\$	%
Total Project Cost:	\$6,578,879.30	100%

2.4 **Recipient Cost Share Certification.**

As negotiated, the Recipient hereby certifies that not less than Four Million Five Hundred and Seventy-Eight Thousand Eight Hundred and Seventy-Nine Dollars and Thirty Cents (\$4,578,879.30) in non-Federal funds are committed to fund the project.

2.5 **Project's State and Local Planning Requirements.**

Not applicable

2.6 **Project's Environmental Approvals and Processes.**

Environmental Documentation Type, Titles and Date: Environmental Assessment, April 13, 2017

Environmental Decision Type and Date: Finding of No Significant Impact, April 13, 2017

Completed Environmental actions:

- City of Newport Land Use Permit, **No. 1-TIA-13**, City of Newport, June 8, 2015.
- US Army Corps of Engineers, **NWP-2012-361-3**, August 9, 2016. Included approvals from Oregon DEQ, DLCD, local Tribes, SHPO, and NMFS.
- Oregon Dept. of State Lands, wetland restoration, **56824-RF**, August 26, 2014.
- Oregon Dept. of Environmental Quality, 1200-C Permit, File No. 122669, **Permit No. 29014**, December 29, 2015; re-issued December 15, 2015.
- Oregon Dept. of Environmental Quality, **1200-Z Permit**, File No. 122669, January 7, 2013.
- Lincoln County Public Works, Road Approach Permit, **Permit No. 2012-A-008**, November 21, 2012.
- City of Newport Electrical Permit, **No. E15-9007** issued December 30, 2015.
- City of Newport Plumbing Permit, **No. P15-2635** issued December 30, 2015.
- City of Newport Building Permit, **No. 13743** issued December 31, 2015.

2.7 **Recipient's and any Subrecipient's Unique Entity Identifiers.**

Dun and Bradstreet Data Universal Numbering System No. (the "**DUNS No.**") of the Recipient: 05-303-2165

Name of any First-Tier Subrecipients (if applicable – to be reported if/when identified. If not applicable please note is N/A): N/A

DUNS No. of First-Tier Subrecipient (if applicable – to be reported if/when identified): N/A

2.8 **Recipient Contacts.**

Kevin M. Greenwood, General Manager
Port of Newport
600 SE Bay Blvd.
Newport, OR 97365
(541) 265-7758
kgreenwood@portofnewport.com

Karen Hewitt, Administrative Assistant
Port of Newport
600 SE Bay Blvd.
Newport, OR 97365
(541) 265-7758
khewitt@portofnewport.com

ARTICLE 3. GENERAL REPORTING TERMS

- 3.1 **Report Submission.** The Recipient shall send all reports required by this agreement to all of the USDOT contacts who are listed in Section 9.1.
- 3.2 **Alternative Reporting Methods.** The Administering Operating Administration may establish processes for the Recipient to submit reports required by this agreement, including electronic submission processes. If the Recipient is notified of those processes in writing, the Recipient shall use the processes required by the Administering Operating Administration.
- 3.3 **Reporting as History of Performance.** Under 2 C.F.R 200.205, any Federal awarding agency may consider the Recipient's timely submission of the reports that this agreement requires, or the Recipient's failure to timely submit those reports, when evaluating the risks of making a future Federal financial assistance award to the Recipient.
- 3.4 **Paperwork Reduction Act Notice.** Under 5 C.F.R. 1320.6, the Recipient is not required to respond to a collection of information that does not display a currently valid control number issued by the Office of Management and Budget (*the "OMB"*). Collections of information conducted under this agreement are approved under OMB Control No. 2105-0563.

ARTICLE 4. PROGRESS REPORTING

4.1 **Quarterly Project Progress Reports.** On or before the 20th day of the first month of each calendar year quarter and until Project Closeout, the Recipient shall submit to the USDOT a Quarterly Project Progress Report with the form and content described in Exhibit H. If the date of this agreement is in the final month of a calendar year quarter, then the Recipient shall submit the first Quarterly Project Progress Report in the second calendar year quarter that begins after the date of this agreement.

4.2 **Annual Budget Review and Program Plan.**

(a) From the date of this agreement until Project Closeout, on or before the 60th day before the end of each Agreement Year, the Recipient shall submit to the USDOT an Annual Budget Review and Program Plan that contains:

- (1) a detailed schedule of activities and milestones for the next Agreement Year;
- (2) an estimate of specific performance objectives, including forecasted expenditures, for the next Agreement Year; and
- (3) a comparison of the approved project budget with an updated estimate of the project costs.

In this agreement, “**Agreement Year**” means 12 months beginning on the date of this agreement or an anniversary of the date of this agreement.

(b) If the Recipient’s updated estimate of the total project costs exceeds the total project costs in the approved project budget, then the Recipient shall:

- (1) include in the Annual Budget Review and Program Plan either documentation of committed funds to cover the increased costs or a written plan describing how the Recipient will cover the increased costs; and
- (2) meet with the USDOT to discuss the Annual Budget Review and Program Plan.

4.3 **Closeout Reports.** No later than 90 days after the project completion date the Recipient shall:

- (1) submit a final Federal Financial Report (SF-425), a certification or summary of project expenses, and third-party audit reports; and
- (2) provide a report comparing the final work, schedule, and budget to the statement of work described in section 2.1, the schedule described in section 2.2, and the budget described in section 2.3.

4.4 **Project Closeout.** In this agreement, “**Project Closeout**” means the date that the USDOT notifies the Recipient that the Project is closed out. Under 2 CFR 200.343. Project Closeout should occur no later than one year after the Recipient liquidates all obligations under this award and submits the reports identified in section 4.3. :

ARTICLE 5. PERFORMANCE REPORTING

- 5.1 **Performance Measure Data Collection.** The Recipient shall collect the data necessary to report on each performance measure that is identified in the Performance Measurement Table in Attachment D.
- 5.2 **Pre-project Performance Measurement Report.** The Recipient shall submit to the USDOT, on or before the Pre-project Report Date that is stated in Attachment D, a Pre-project Performance Measurement Report that contains:
- (1) baseline data for each performance measure that is identified in the Performance Measurement Table in Attachment D, accurate as of the Pre-project Measurement Date that is stated in Attachment D; and
 - (2) a detailed description of the data sources, assumptions, variability, and estimated levels of precision for each measure.
- 5.3 **Interim Performance Measurement Reports.** After project substantial completion date, the Recipient shall submit to the USDOT on or before each of the periodic reporting dates specified in the Performance Measurement Table in Attachment D, an Interim Performance Measurement Report containing data for each performance measure that is identified in that table, accurate as of the final date of the measurement period specified in that table.
- 5.4 **Project Outcomes Report.** The Recipient shall submit to the USDOT, on or before the Project Outcomes Report Date that is stated in Attachment D, a Project Outcomes Report that contains:
- (1) a narrative discussion detailing project successes and the influence of external factors on project expectations;
 - (2) data for each performance measure that is identified in the Performance Measurement Table in Attachment D, accurate as of the Project Outcomes Measurement Date that is stated in Attachment D; and
 - (3) an *ex post* examination of project effectiveness relative to the baseline data that the Recipient reported in the Pre-project Performance Measurement Report.

ARTICLE 6. AGREEMENT MODIFICATIONS

- 6.1 **Bilateral Modifications.** The parties may amend, modify, or supplement this agreement by mutual agreement in writing signed by the USDOT and the Recipient. Either party may request to amend, modify, or supplement this agreement by written notice to the other party.
- 6.2 **Limited Unilateral Modifications.**
- (a) The Recipient may update the contacts who are listed in section 2.8 (Recipient Contacts) by written notice to all of the USDOT contacts who are listed in section 9.1.

(b) The USDOT may update the contacts who are listed in section 9.1 (USDOT Contacts) by written notice to all of the Recipient contacts who are listed in section 2.8.

6.3 **Other Modifications.** The parties shall not amend, modify, or supplement this agreement except as permitted under section 6.1 or section 6.2. If an amendment, modification, or supplement is not permitted under section 6.1 and not permitted under section 6.2, it is void.

ARTICLE 7. STATEMENT OF WORK, SCHEDULE, AND BUDGET CHANGES

7.1 **Statement of Work Changes.** If the project's activities differ from the statement of work that is described in section 2.1 and Attachment A, then the Recipient shall request a modification of this agreement to update section 2.1 and Attachment A.

7.2 **Schedule Changes.** If the project's substantial completion date changes to a date that is more than three months after the substantial completion date listed in section 2.2 or a schedule change would require the period of performance to continue after the period of performance end date listed in section 2.2, then the Recipient shall request a modification of this agreement to update section 2.2 and Attachment B. For other schedule changes, the Recipient shall request a modification of this agreement to update section 2.2 and Attachment B unless the USDOT has consented, in writing consistent with the Administering Operating Administration's requirements, to the change.

7.3 Budget Changes.

(a) If any of the budget amounts that are listed in section 2.3 changes from the amounts listed in that section, then the Recipient shall request a modification of this agreement to update section 2.3 and Attachment C. For other budget changes, the Recipient shall request a modification of this agreement to update Attachment C unless the USDOT has consented, in writing consistent with the Administering Operating Administration's requirements, to the change.

(b) If the actual eligible project costs are less than the "Total Project Cost" stated in section 2.3, then the Recipient may reduce non-TIGER funds contributed to the project.

ARTICLE 8. TERMINATION AND EXPIRATION

8.1 **USDOT Termination.** The USDOT may, in its sole discretion, terminate this agreement and all of its obligations under this agreement if any of the following occurs:

(1) The Recipient fails to obtain or provide any non-TIGER Discretionary Grant contribution or alternatives approved by the USDOT as provided in this agreement and consistent with sections 2.2 and 2.3;

(2) The Recipient fails to begin construction before September 1 2017;

(3) The Recipient fails to begin expenditure of award funds by October 15, 2017;

(4) The Recipient fails to finish construction (substantial completion) by April 30, 2018;

- (5) The Recipient fails to meet the conditions and obligations specified under this agreement, including a material failure to comply with the schedule in section 2.2 even if it is beyond the reasonable control of the Recipient; or,
- (6) The USDOT, in its sole discretion, determines that termination of this agreement is in the public interest.

8.2 **Closeout Termination.** This agreement terminates on Project Closeout.

8.3 **Fund Expiration.**

- (a) The Recipient shall liquidate all obligations under this award not later than 90 days after the period of performance end date that is listed in section 2.2. The Recipient acknowledges that this period of availability for liquidation ends before the statutory expenditure deadline identified in section 8.3(c).
- (b) Liquidation and adjustment of funds under this agreement follow the requirements of 2 CFR 200.343–.345.
- (c) Outstanding FY 15 TIGER Discretionary Grant balances are canceled by statute after September 30, 2022, and are then unavailable for any purpose, including adjustments and expenditures.

8.4 **Reporting Survival:** The reporting requirements set forth in articles 4 and 5 of this agreement survive the termination of this agreement and the expiration of award funds.

ARTICLE 9. USDOT CONTACTS

9.1 **USDOT Contacts.** Except as authorized by the USDOT under section 3.2, the Recipient shall send all notices, reports, and information required by this agreement to all of the following contacts:

Judy Bowers
Sr. Grants Officer, Office of Acquisition
DOT – Maritime Administration
1200 New Jersey Avenue, SE
Washington, DC 20590
MAR 380
W26, 418
Mailstop 5
(202) 366-1913
judy.bowers@dot.gov

and

Robert Bouchard
Director, Office of Infrastructure Development and Congestion Mitigation
DOT – Maritime Administration
1200 New Jersey Avenue, SE
Washington, DC 20590
MAR 510
W21-308
Mailstop 3
(202) 366-5076
robert.bouchard@dot.gov

and

David Bohnet
Grant Specialist, Office of Infrastructure Development and Congestion Mitigation
DOT – Maritime Administration
1200 New Jersey Avenue, SE
Washington, DC 20590
MAR 510
W21-226
Mailstop 3
(202) 366-0586
david.bohnet@dot.gov

and

OST TIGER Discretionary Grants Coordinator
United States Department of Transportation
Office of the Secretary
1200 New Jersey Avenue, SE
Washington, DC 20590
(202) 366-8914
TIGERGrants@dot.gov

ARTICLE 10. ADDITIONAL TERMS AND CONDITIONS

- 10.1 **Catalog of Federal Domestic Assistance Information.** This award is under the program titled “National Infrastructure Investments,” with number 20.933 in the Catalog of Federal Domestic Assistance.
- 10.2 **Research and Development Designation.** This award is not for research and development.
- 10.3 **Exhibits.** This agreement includes the following exhibits as integral parts located at: <https://maradpublicsp.marad.dot.gov>
- | | |
|-----------|------------------------------|
| Exhibit A | Legislative Authority |
| Exhibit B | General Terms and Conditions |

Exhibit C	Applicable Federal Laws and Regulations
Exhibit D	Grant Assurances
Exhibit E	Responsibility and Authority of the Recipient
Exhibit F	Reimbursement of Project Costs
Exhibit G	Grant Requirements and Contract Clauses
Exhibit H	Quarterly Progress Reports: Format and Content

10.4 **Construction.** If a provision in the exhibits or the attachments conflicts with a provision in Articles 1 – 12, then the provision in Articles 1 – 12 prevails. If a provision in the attachments conflicts with a provision in the exhibits, then the provision in the attachments prevails.

ARTICLE 11. SPECIAL GRANT REQUIREMENTS

11.1 Reimbursement Requests.

- (a) The Recipient may request reimbursement of costs incurred in the performance of this agreement if those costs do not exceed the funds available under section 1.6 and are allowable under the applicable cost provisions of 2 C.F.R. Part 200, Subpart E. The Recipient shall not request reimbursement more frequently than monthly.
- (b) The Recipient shall request reimbursement of a cost incurred as soon as practicable after incurring that cost. If the Recipient requests reimbursement of a cost more than 180 days after that cost was incurred, the USDOT may deny the request for being untimely.
- (c) The Recipient shall request reimbursement by completing forms in iSupplier, which is on-line and paperless. The USDOT may deny a payment request that is not submitted through iSupplier.
- (d) The Recipient shall complete training on using iSupplier before submitting a request for reimbursement. To encourage the Recipient to complete this training, the USDOT provides the following additional information, which may change after execution of this agreement:
 - (1) The Recipient may access the training from the USDOT “Delphi eInvoicing System” webpage at <http://www.transportation.gov/cfo/delphi-einvoicing-system.html>. The training is linked on the right side of that page under the heading “Web-Based Training (WBT).” The Recipient should click on “Grant Recipient WBT” to access the training, which is also available directly at https://www.transportation.gov/sites/all/dot_assets/DOT_GR_04-24-2012/lessons/index.html.
 - (2) A username and password is not required to access the on-line training.
 - (3) The training is currently available and will be accessible 24/7.
 - (4) The training will take approximately 1 hour to complete.

- (e) After the Recipient completes training on using iSupplier, the Recipient shall request and complete the External User Access Request form to receive a username and password. The Recipient can request the form by sending an email to: Judy Bowers at judy.bowers@dot.gov.
- (f) Requests for Reimbursement: When requesting reimbursement of costs incurred, the Recipient shall submit supporting cost detail with the SF-270 (available at <http://www.grants.gov/vi/web/grants/forms/post-award-reporting-forms.html#sortBy=1>) to clearly document costs incurred. Cost detail includes a detailed breakout of all costs incurred including direct labor, indirect costs, other direct costs, travel, etc. The DOT/Enterprise Service Center (ESC) OFO/FAA, Oklahoma City, OK and the Program Office, DOT/MAR 510 reserve the right to withhold processing requests for reimbursement until sufficient detail is received. In addition, reimbursement will not be made without DOT/ESC OFO/FAA and program official review and approval to ensure that progress on the Agreement is sufficient to substantiate payment. After approval, ESC will certify and forward the request for reimbursement to the payment office.
- (g) Requests for reimbursement and required supporting documents should be sent via e-mail to the following e-mail address: maradinvoices@faa.gov (repository subject to change, upon notice to Recipient). Include the request for reimbursement and supporting documents as an attached PDF document. Include in the e-mail subject line the following:

Requests for Reimbursement #
Grant Award Number
Name of your Company/Organization
Attention: (Agreement Specialist's name)

Example: Invoice No. 1 of Grant No. DTFH61-08-H-00001 ABC Corporation,
Attention: John Doe

Note: If the request for reimbursement and supporting documents exceed 8 MB as an e-mail attachment, the recipient must select one of two non-electronic submission options presented below:

- (1) Requests for reimbursement may be submitted via regular U.S. Postal Service to the following P.O. Box address:

A/P Branch, AMZ-150
PO Box 25710
Oklahoma City, OK 73125

- (2) Requests for reimbursement submitted via an overnight service must use the following physical address because delivery services other than the U.S. Postal Service will not deliver to the P.O. Box address noted above:

AMZ-160, HQ Bldg., Room 272F
6500 S. MacArthur Blvd.

11.2 Buy American Requirements.

- (a) The Recipient shall apply, comply with, and implement all provisions of the Buy American Act, 41 U.S.C. §§ 8301-8305. The project is a public work of the Federal Government under 41 U.S.C. § 8301.
- (b) This section 11.2 implements 41 U.S.C. §§ 8301-8305, the Buy American Act, by providing a preference for domestic construction material. The Recipient shall not use foreign construction materials in performing this agreement, except that:
 - (1) the Recipient may use a commercially available off-the-shelf item under 41 U.S.C. § 1907;
 - (2) the Recipient may use information technology that is a commercial item;
 - (3) the Recipient may use foreign construction materials that are listed at 48 C.F.R. 25.104; and
 - (4) the Recipient may use foreign construction materials if the USDOT has authorized their use under section 11.2(d).
- (c) If the Recipient uses foreign construction material in violation of section 11.2(b), the USDOT may disallow and deny reimbursement of costs incurred by the Recipient and take other remedial actions under section 8.1 and 2 C.F.R. 200.338.
- (d) The USDOT may authorize the Recipient to use foreign construction material, by modifying this agreement under section 6.1, if the USDOT determines that:
 - (1) applying the Buy American statute to the construction material would be impracticable or inconsistent with the public interest;
 - (2) the construction material is not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality; or
 - (3) the cost of domestic construction material is unreasonable.
 - The cost of a domestic construction material is unreasonable under section 11(c)
 - (3) if the cost of that material exceeds the cost of comparable foreign material by more than 6 percent.
- (e) The Recipient may request that the USDOT authorize the Recipient to use foreign construction material under section 11.2(d). If the Recipient makes a request under this section 11.2(e), the Recipient shall provide adequate information for the USDOT to evaluate the request, including:
 - (1) a description of the foreign and domestic construction materials;

- (2) unit of measure;
 - (3) quantity;
 - (4) price, including all delivery costs to the construction site and any applicable duty (whether or not a duty-free certificate may be issued);
 - (5) time of delivery or availability;
 - (6) location of the construction project;
 - (7) name and address of the proposed supplier; and
 - (8) a detailed justification of the reason for use of foreign construction materials identifying the specific basis for a waiver under section 11.2(c);
 - (9) if the Recipient requests authorization under section 11.2(c)(3), a reasonable survey of the market and a full price comparison measuring the relative costs of the available domestic and foreign construction materials; and
 - (10) if the Recipient submits the request after contract award, an explanation why the Recipient could not have, before contract award: (A) reasonably foreseen the need for the determination and (B) requested the determination.
- (f) The Recipient acknowledges that (1) this agreement is not a Government procurement contract; (2) acquisitions of supplies, services, or construction materials by the Recipient under this agreement are not acquisitions by the Government; and (3) the Free Trade Agreement exceptions to the Buy American Act as provided by 48 C.F.R. Part 25, Subpart 25.4 are inapplicable to this agreement.
- (g) In this section 11.2, the following definitions apply:

“Commercially available off-the-shelf (COTS) item”

- (1) Means any item of supply (including construction material) that is—
 - (i) A commercial item as defined by 48 C.F.R. § 2.101;
 - (ii) Sold in substantial quantities in the commercial marketplace; and
 - (iii) Offered to the Government, under an agreement, without modification, in the same form in which it is sold in the commercial marketplace; and
- (2) Does not include bulk cargo, as defined in 46 U.S.C. § 40102(4), such as agricultural products and petroleum products.

“Construction material” means an article, material, or supply brought to the construction site by the Recipient for incorporation into the building or work. The term also includes an item brought to the site preassembled from articles, materials, or supplies. However, emergency life safety systems, such as emergency lighting, fire alarm, and audio evacuation systems, that are discrete systems incorporated into a public building or work and that are produced as complete systems, are evaluated as a single and distinct construction material regardless of when or how the individual parts or components of those systems are delivered to the construction site.

“Cost of components” means—

- (1) For components purchased by the Recipient, the acquisition cost, including transportation costs to the place of incorporation into the construction material (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
- (2) For components manufactured by the Recipient, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the construction material.

“Domestic construction material” means—

- (1) An unmanufactured construction material mined or produced in the United States;
- (2) A construction material manufactured in the United States, if—
 - (i) The cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind for which nonavailability determinations have been made are treated as domestic; or
 - (ii) The construction material is a COTS item.

“Foreign construction material” means a construction material other than a domestic construction material.

“United States” means the 50 States, the District of Columbia, and outlying areas.

11.3 **Final Section.** There are no other special grant requirements for this project.

ARTICLE 12. EXECUTION

12.1 **Counterparts.** This agreement may be executed in counterparts, which constitute one document. The parties shall execute this agreement in triplicate and intend each countersigned original to have identical legal effect.

12.2 **Effective Date.** This agreement is effective when fully executed by authorized representatives of the Recipient and the USDOT. The Recipient shall execute this agreement and then submit three original signed copies of the agreement to the USDOT for execution. This instrument constitutes a FY 2015 TIGER Discretionary Grant when it is signed and dated by the authorized official of the USDOT.

EXECUTION BY THE USDOT

Executed this _____ day of _____, 2017.

Signature of USDOT's Authorized Representative

Name of USDOT's Authorized Representative

Title

EXECUTION BY THE PORT OF NEWPORT

By signature below, the Recipient acknowledges that it accepts and agrees to be bound by this agreement.

Executed this _____ day of _____, 2017.

Signature of Recipient's Authorized Representative

Name of Recipient's Authorized Representative

Title

ATTACHMENT A STATEMENT OF WORK

The project will create a 10 acre laydown area to accommodate cargo at the Port of Newport. Elements of the project include:

- Grading a 10 acre area
- Installing underground utilities and conduit
- Storm water drainage
- New Sewer system
- New Water system
- Gravel Sub-base and Asphalt surface
- Fencing
- Lighting
- Small Work Shack
- Asphalt striping

**ATTACHMENT B
ESTIMATED PROJECT SCHEDULE**

Actual Start of Preliminary Engineering:	January 1, 2016
Actual End of Preliminary Engineering:	March 1, 2017
Actual Completion of NEPA:	April 13, 2017
Actual Start of Final Design:	April 1, 2017
Planned Completion of Final Design:	May 15, 2017
Start of Right of Way Acquisition:	N/A
End of Right of Way Acquisition:	N/A
Planned PS&E Approval	N/A
Planned Construction Contract Award Date:	July 1, 2017
Planned Construction Start Date:	August 1, 2017
Planned Construction Substantial Completion Date	January 31, 2018
Planned Period of Performance End Date	April 30, 2018
Planned Project Closeout Date:	July 31, 2018

**ATTACHMENT C
ESTIMATED PROJECT BUDGET**

ACTIVITY	FY 2015 TIGER funds	State Funds (via Loan)	Local Funds (Port of Newport)	Project Cost
PROJECT MANAGEMENT (CA/CM)				
Subtotal Engineering/Utility Cost	\$195,169.70	\$195,169.70	\$251,659.60	\$641,999.00
CONSTRUCTION - Lay down area, small work shack, improvements to SE Bay Boulevard, lighting and fencing.				
Mobilization	\$143,159.02	\$143,159.02	\$184,594.96	\$470,913.00
Site Work and Fence – Grading 10-acre area	\$332,953.34	\$332,953.34	\$429,323.32	\$1,095,230.00
Underground Utilities, Lighting & Conduit	\$98,643.60	\$98,643.60	\$127,195.00	\$324,482.20
Storm Drainage	\$90,442.34	\$90,442.34	\$116,619.92	\$297,504.60
Water-Misc.	\$50,825.52	\$50,825.52	\$65,536.46	\$167,187.50
Sanitary Sewer Improvements	\$15,963.20	\$15,963.20	\$20,583.60	\$52,510.00
Sub Base and Paving	\$1,052,475.07	\$1,052,475.07	\$1,357,102.86	\$3,462,053.00
Layout Work	\$20,368.21	\$20,368.21	\$26,263.58	\$67,000.00
Subtotal Construction Cost	\$1,804,830.30	\$1,804,830.30	\$2,327,219.70	\$5,936,880.30
<u>Total Project Cost</u>	\$2,000,000.00	\$2,000,000.00	\$2,578,879.30	\$6,578,879.30

**ATTACHMENT D
PERFORMANCE MEASUREMENT TABLE**

Study Area: Port of Newport International shipping facility 10 acre laydown yard.

Pre-project Measurement Date: August 1, 2016 to July 31, 2017

Pre-project Report Date: Due August 30, 2017

Project Outcomes Measurement Date: Accurate as of March 30, 2021

Project Outcomes Report Date: June 30, 2021

Table 1: Performance Measurement Table

Measure	Description of Measure	Measurement Period	Reporting Period
Gross Tons	Economic Competitiveness Gross Tons of Freight in 10 Acre laydown area. Freight broken down by type. TEU/FEU Project Cargo Timber (Raw / Processed) Other (Define)	Baseline Measurement: Annual average amounts, accurate for the Pre-project Measurement Dates Interim Performance Measures: Accurate as of March 1, 2018, the first day of the first reported quarter	Baseline Measurement: Pre-project Report Due Date August 30, 2017 Interim Performance Measures: Quarterly for a period of 3 years, First report due June 30, 2018.
Freight Movements	Economic Competitiveness Number of Freight units in the 10 acre Laydown yard broken down by freight type.	Baseline Measurement: Annual average amounts, accurate for the Pre-	Baseline Measurement: Pre-project Report Due Date August 30, 2017 Interim Performance Measures:

	<p>TEU/ FEU</p> <p>Bulk</p> <p>Project Cargo</p> <p>Other (Define)</p>	<p>project Measurement Dates</p> <p>Interim Performance Measures:</p> <p>Accurate as of</p> <p>March 1, 2018, the first day of the first reported quarter</p>	<p>Quarterly for a period of 3 years, First report due June 30, 2018.</p>
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**PORT OF NEWPORT
RESOLUTION NO. 2017-09**

**A RESOLUTION AUTHORIZING A LOAN FROM THE SPECIAL PUBLIC WORKS FUND BY ENTERING INTO
A FINANCING CONTRACT WITH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY**

WHEREAS, the Port of Newport Board of Commissioners (the “Governing Body”) of the Port of Newport (the “Recipient”); and

WHEREAS, the Recipient is a “municipality” within the meaning of Oregon Revised Statutes 285B.410(9); and

WHEREAS, Oregon Revised Statutes 285B.410 through 285B.482 (the “Act”) authorize any municipality to file an application with the Oregon Infrastructure Finance Authority of the Business Development Department (the “IFA”) to obtain financial assistance from the Special Public Works Fund; and

WHEREAS, the Recipient has filed an application with the IFA to obtain financial assistance for a “development project” within the meaning of the Act; and

WHEREAS, the IFA has approved the Recipient’s application for financial assistance from the Special Public Works Fund pursuant to the Act; and

WHEREAS, the Recipient is required, as a prerequisite to the receipt of financial assistance from the IFA, to enter into a Financing Contract with the IFA, number L16012, substantially in the form attached hereto as Exhibit 1. The project is described in Exhibit C to that Financing Contract (the “Project”); and

WHEREAS, Notice relating to the Recipient’s consideration of the adoption of this [Ordinance/Resolution/Order] was published in full accordance with the Recipient’s charter and laws for public notification; NOW THEREFORE,

1. Financing Loan Authorized. The Governing Body authorizes the [Title of Officer] (the “Authorized Officer”) to execute on behalf of Recipient the Financing Contract and such other documents as may be required to obtain financial assistance (the “Financing Documents”), including a loan from the IFA, on such terms as may be agreed upon between the Authorized Officer and IFA, on the condition that the principal amount of the loan from the IFA to the Recipient is not in excess of \$2,000,000 and an interest rate of 3.30% (or 2.30% if certain contract conditions are met) per annum. The proceeds of the loan from the IFA will be applied solely to the “Costs of the Project” as such term is defined in the Financing Contract.

2. Sources of Repayment. Amounts payable by the Recipient are payable from the sources described in section 4 of the Financing Contract and the Oregon Revised Statutes Section 285B.437(3) which include:

- (a) The revenues of the project, including special assessment revenues;
- (b) Amounts withheld under ORS 285B.449 (1);
- (c) The general fund of the Recipient; or
- (d) Any other source.

3. Tax-Exempt Status. The Recipient covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the Recipient pursuant to the Financing Documents not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The Recipient may enter into covenants to protect the tax-exempt status of the interest paid by the Recipient pursuant to the Financing Documents and may execute any Tax Certificate, Internal Revenue Service forms or other documents as may be required by the IFA or its bond counsel to protect the tax-exempt status of such interest.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 25th day of April, 2017.

ATTEST:

Walter Chuck, President

Patricia Patrick-Joling, Secretary/Treasurer

SPECIAL PUBLIC WORKS FUND DEVELOPMENT PROJECT
FINANCING CONTRACT

Project Name: Port of Newport International Terminal Shipping Facility

Project Number: L16012

This financing contract (“Contract”), dated as of the date the Contract is fully executed, is made by the State of Oregon, acting by and through the Oregon Infrastructure Finance Authority of the Oregon Business Development Department (“OBDD”), and the Port of Newport (“Recipient”) for financing of the project referred to above and described in Exhibit C (“Project”). This Contract becomes effective only when fully signed and approved as required by applicable law. Capitalized terms not defined in section 1 and elsewhere in the body of the Contract have the meanings assigned to them by Exhibit A.

This Contract includes the following exhibits, listed in descending order of precedence for purposes of resolving any conflict between two or more of the parts:

Exhibit A	General Definitions
Exhibit B	Security
Exhibit C	Project Description
Exhibit D	Project Budget

SECTION 1 - KEY TERMS

The following capitalized terms have the meanings assigned below.

“Estimated Project Cost” means \$6,578,879.

“Interest Rate” means 3.3% per annum, computed by counting actual days occurring in a 360-day year.

“Loan Amount” means \$2,000,000.

“Maturity Date” means the 24th anniversary of the Repayment Commencement Date.

“Payment Date” means December 1.

“Project Closeout Deadline” means 90 days after the earlier of the Project Completion Date or the Project Completion Deadline.

“Project Completion Deadline” means 36 months after the date of this Contract.

“Repayment Commencement Date” means the first Payment Date to occur after the Project Closeout Deadline.

SECTION 2 - FINANCIAL ASSISTANCE

The OBDD shall provide Recipient, and Recipient shall accept from OBDD, financing for the Project as a non-revolving loan (the “Loan”) in an aggregate principal amount not to exceed the Loan Amount.

Notwithstanding the above, the aggregate total of Financing Proceeds disbursed under this Contract cannot exceed the Costs of the Project.

SECTION 3 - DISBURSEMENTS

- A. Reimbursement Basis. The Financing Proceeds will be disbursed to Recipient on an expense reimbursement or costs-incurred basis. The Recipient must submit each disbursement request for the Financing Proceeds on an OBDD-provided or OBDD-approved disbursement request form (“Disbursement Request”).
- B. Financing Availability. The OBDD’s obligation to make, and Recipient’s right to request, disbursements under this Contract terminates on the Project Closeout Deadline.
- C. Payment to Contractors. The OBDD, in its sole discretion, may make direct payment to suppliers, contractors and subcontractors and others for sums due them in connection with construction of the Project, instead of reimbursing Recipient for those sums.

SECTION 4 - LOAN PAYMENT; PREPAYMENT

- A. Promise to Pay. The Recipient shall repay the Loan and all amounts due under this Contract in accordance with its terms. Payments required under this Contract are, without limitation, payable from the sources of repayment described in the Act and this Contract, including but not limited to Exhibit B, and the obligation of Recipient to make all payments is absolute and unconditional. Payments will not be abated, rebated, set-off, reduced, abrogated, terminated, waived, postponed or otherwise modified in any manner whatsoever. Payments cannot remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project, commercial frustration of purpose, any change in the laws, rules or regulations of the United States of America or of the State of Oregon or any political subdivision or governmental authority, nor any failure of OBDD to perform any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with the Project or this Contract, or any rights of set off, recoupment, abatement or counterclaim that Recipient might otherwise have against OBDD or any other party or parties; provided further, that payments hereunder will not constitute a waiver of any such rights.
- B. Interest. Interest accrues at the Interest Rate on each disbursement from the date of disbursement until the Loan is fully paid. If, on or before the fifth anniversary of the date of this Contract, Recipient realizes two value-added and/or new commodities for export or short-sea-shipping that utilize the completed Project (lay-down area), then OBDD shall, promptly after the satisfaction of that condition, reduce the Interest Rate on the unpaid principal of the Loan by one percentage point. All unpaid interest accrued to the Repayment Commencement Date is (in addition to the first regular installment payment due) payable on the Repayment Commencement Date. The Recipient authorizes OBDD to calculate accrued interest for purpose of determining payments under this Contract including, but not limited to, loan amortization schedule, loan prepayment, and loan payoff. Absent manifest error, such calculations will be conclusive.
- C. Loan Payments. Starting on the Repayment Commencement Date and then on each succeeding Payment Date, Recipient shall make level installment payments of principal and interest, each payment sufficient to pay the interest accrued to the date of payment and so much of the principal as will fully amortize the Loan by the Maturity Date, on which date the entire outstanding balance of the Loan is due and payable in full. If the Interest Rate is reduced as described in section 4.B above, OBDD may, at its discretion, reamortize the unpaid principal of the Loan over the Loan’s remaining term to reflect the reduced interest rate, and adjust the yearly payment amount accordingly.

D. Loan Prepayments.

- (1) Mandatory Prepayment. The Recipient shall prepay all or part of the outstanding balance of the Loan as required by this Contract.
- (2) Optional Prepayment. The Recipient may prepay all or part of the outstanding balance of the Loan on any day except a Saturday, Sunday, legal holiday or day that banking institutions in Salem, Oregon are closed.

E. Application of Payments. Regardless of any designation by Recipient, payments and prepayments by Recipient under this Contract or any of the Financing Documents will be applied first to any expenses of OBDD, including but not limited to attorneys' fees, then to unpaid accrued interest (in the case of prepayment, on the amount prepaid), then to the principal of the Loan. In the case of a Loan prepayment that does not prepay all the principal of the Loan, OBDD will determine, in its sole discretion, the method for how the Loan prepayment will be applied to the outstanding principal payments. A scheduled payment received before the scheduled repayment date will be applied to interest and principal on the scheduled repayment date, rather than on the day such payment is received.

SECTION 5 - CONDITIONS PRECEDENT

A. Conditions Precedent to OBDD's Obligations. The OBDD's obligations are subject to the receipt of the following items, in form and substance satisfactory to OBDD and its Counsel:

- (1) This Contract duly signed by an authorized officer of Recipient.
- (2) A copy of the ordinance, order or resolution of the governing body of Recipient authorizing the borrowing and the contemplated transactions and the execution and delivery of this Contract and the other Financing Documents.
- (3) A Line of Credit Trust Deed; Assignment of Rents; Security Agreement and Fixture Filing recorded in the real estate records of Lincoln County, Oregon, granting OBDD a lien on the real property described in Exhibit B ("Collateral"), subject only to the Permitted Liens, to secure repayment of the Loan and the performance of Recipient's obligations hereunder.
- (4) A Certificate & Indemnification Regarding Hazardous Substances regarding the Collateral.
- (5) An ALTA standard mortgagee title insurance policy issued by Western Title & Escrow, Newport, OR, for the Collateral.
- (6) An opinion of Recipient's Counsel.
- (7) Such other certificates, documents, opinions and information as OBDD may reasonably require.

B. Conditions to Disbursements. As to any disbursement, OBDD has no obligation to disburse funds unless all following conditions are met:

- (1) There is no Default or Event of Default.
- (2) The representations and warranties made in this Contract are true and correct on the date of disbursement as if made on such date.
- (3) The OBDD, in the reasonable exercise of its administrative discretion, has sufficient moneys in the Special Public Works Fund for use in the Project and has sufficient funding, appropriations, limitations, allotments and other expenditure authority to make the disbursement.

- (4) The OBDD (a) has received a completed Disbursement Request, (b) has received any written evidence of materials and labor furnished to or work performed upon the Project, itemized receipts or invoices for payment, and releases, satisfactions or other signed statements or forms as OBDD may require, (c) is satisfied that all items listed in the Disbursement Request are reasonable and that the costs for labor and materials were incurred and are properly included in the Costs of the Project, and (d) has determined that the disbursement is only for costs defined as eligible costs under the Act and any implementing administrative rules and policies.
- (5) The Recipient has delivered documentation satisfactory to OBDD that, in addition to the Financing Proceeds, Recipient has available or has obtained binding commitments for all funds necessary to complete the Project.
- (6) Any conditions to disbursement elsewhere in this Contract or in the other Financing Documents are met.

SECTION 6 - USE OF FINANCIAL ASSISTANCE

- A. Use of Proceeds. The Recipient shall use the Financing Proceeds only for the activities described in Exhibit C and according to the budget in Exhibit D. The Recipient may not transfer Financing Proceeds among line items in the budget without the prior written consent of OBDD.
- B. Costs of the Project. The Recipient shall apply the Financing Proceeds to the Costs of the Project in accordance with the Act and Oregon law, as applicable. Financing Proceeds cannot be used for costs in excess of one hundred percent (100%) of the total Costs of the Project and cannot be used for pre-Award Costs of the Project, unless permitted by Exhibit C.
- C. Costs Paid for by Others. The Recipient may not use any of the Financing Proceeds to cover costs to be paid for by other financing for the Project from another State of Oregon agency or any third party.

SECTION 7 - REPRESENTATIONS AND WARRANTIES OF RECIPIENT

The Recipient represents and warrants to OBDD:

- A. Estimated Project Cost, Funds for Repayment. A reasonable estimate of the Costs of the Project is shown in section 1, and the Project is fully funded. The Recipient will have adequate funds available to repay the Loan, and the Maturity Date does not exceed the usable life of the Project.
- B. Organization and Authority.
 - (1) The Recipient is a Municipality under the Act, and validly organized and existing under the laws of the State of Oregon.
 - (2) The Recipient has all necessary right, power and authority under its organizational documents and under Oregon law to (a) execute and deliver this Contract and the other Financing Documents, (b) incur and perform its obligations under this Contract and the other Financing Documents, and (c) borrow and receive financing for the Project.
 - (3) This Contract and the other Financing Documents executed and delivered by Recipient have been authorized by an ordinance, order or resolution of Recipient's governing body, and voter approval, if necessary, that was adopted in accordance with applicable law and requirements for filing public notices and holding public meetings.
 - (4) This Contract and the other Financing Documents have been duly executed by Recipient, and when executed by OBDD, are legal, valid and binding, and enforceable in accordance with their terms.

- C. Full Disclosure. The Recipient has disclosed in writing to OBDD all facts that materially adversely affect the Project, or the ability of Recipient to make all payments and perform all obligations required by this Contract and the other Financing Documents. The Recipient has made no false statements of fact, nor has it omitted information necessary to prevent any statements from being misleading. The information contained in this Contract and the other Financing Documents is true and accurate in all respects.
- D. Pending Litigation. The Recipient has disclosed in writing to OBDD all proceedings pending (or to the knowledge of Recipient, threatened) against or affecting Recipient, in any court or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would materially adversely affect the Project or the ability of Recipient to make all payments and perform all obligations required by this Contract and the other Financing Documents.
- E. No Defaults.
 - (1) No Defaults or Events of Default exist or occur upon authorization, execution or delivery of this Contract or any of the Financing Documents.
 - (2) The Recipient has not violated, and has not received notice of any claimed violation of, any agreement or instrument to which it is a party or by which the Project or its property may be bound, that would materially adversely affect the Project or the ability of Recipient to make all payments and perform all obligations required by this Contract and the other Financing Documents.
- F. Compliance with Existing Agreements and Applicable Law. The authorization and execution of, and the performance of all obligations required by, this Contract and the other Financing Documents will not: (i) cause a breach of any agreement, indenture, mortgage, deed of trust, or other instrument, to which Recipient is a party or by which the Project or any of its property or assets may be bound; (ii) cause the creation or imposition of any third party lien, charge or encumbrance upon any property or asset of Recipient; (iii) violate any provision of the charter or other document pursuant to which Recipient was organized or established; or (iv) violate any laws, regulations, ordinances, resolutions, or court orders related to Recipient, the Project or its properties or operations.
- G. Governmental Consent. The Recipient has obtained or will obtain all permits and approvals, and has made or will make all notifications, declarations, filings or registrations, required for the making and performance of its obligations under this Contract and the other Financing Documents, for the financing or refinancing and undertaking and completion of the Project.

SECTION 8 - COVENANTS OF RECIPIENT

The Recipient covenants as follows:

- A. Notice of Adverse Change. The Recipient shall promptly notify OBDD of any adverse change in the activities, prospects or condition (financial or otherwise) of Recipient or the Project related to the ability of Recipient to make all payments and perform all obligations required by this Contract or the other Financing Documents.
- B. Compliance with Laws. The Recipient shall comply with all applicable laws, rules, regulations and orders of any court or governmental authority that relate to this Contract or the other Financing Documents, or that relate to the Project. In particular, but without limitation, Recipient shall comply with the following, as applicable:
 - (1) State procurement regulations found in the Oregon Public Contracting Code, ORS chapters 279A, 279B and 279C.

- (2) State labor standards and wage rates found in ORS chapter 279C.
- (3) OAR 123-042-0165 (5) requirements for signs and notifications.

These laws, rules, regulations and orders are incorporated by reference in this Contract to the extent required by law.

C. Project Completion Obligations. The Recipient shall:

- (1) Provide OBDD with copies of all plans and specifications relating to the Project, and a timeline for the bidding/award process, at least ten (10) days before advertising for bids.
- (2) Provide a copy of the bid tabulation and notice of award to OBDD within ten (10) days after selecting a construction contractor.
- (3) Permit OBDD to conduct field engineering and inspection of the Project at any time.
- (4) Complete the Project using its own fiscal resources or money from other sources to pay for any Costs of the Project in excess of the total amount of financial assistance provided pursuant to this Contract.
- (5) Complete the Project no later than the Project Completion Deadline, unless otherwise permitted by the OBDD in writing.
- (6) No later than the Project Closeout Deadline, provide OBDD with a final project completion report on a form provided by OBDD, including Recipient's certification that the Project is complete, all payments are made, and no further disbursements are needed; provided however, for the purposes of this Contract, OBDD will be the final judge of the Project's completion.
- (7) Obtain and maintain as-built drawings for all facilities constructed as part of the Project.

D. Ownership of Project. During the term of the Loan, the Project is and will continue to be owned by Recipient. The Project will be operated by Recipient or by a person under a management contract or operating agreement with Recipient. Any such management contract or operating agreement will be structured as a "qualified management contract" as described in IRS Revenue Procedure 97-13, as amended or supplemented.

E. Operation and Maintenance of the Project. The Recipient shall operate and maintain the Project in good repair and operating condition so as to preserve the long term public benefits of the Project, including making all necessary and proper repairs, replacements, additions, and improvements during term of the Loan. On or before the Project Closeout Deadline, Recipient shall adopt a plan acceptable to OBDD for the on-going operation and maintenance of the Project without reliance on OBDD financing and furnish OBDD, at its request, with evidence of such adoption. The plan must include measures for generating revenues sufficient to assure the operation and maintenance of the Project during the usable life of the Project.

F. Insurance, Damage. The Recipient shall maintain, or cause to be maintained, insurance policies with responsible insurers or self insurance programs, insuring against liability and risk of direct physical loss, damage or destruction of the Project, at least to the extent that similar insurance is customarily carried by governmental units constructing, operating and maintaining similar facilities. Nothing in this provision precludes Recipient from exerting a defense against any party other than OBDD, including a defense of immunity. If the Project or any portion is destroyed, any insurance proceeds will be paid to OBDD and applied to prepay the outstanding balance on the Loan in accordance with section 4.D.(1), unless OBDD agrees in writing that the insurance proceeds may be used to rebuild the Project.

- G. Sales, Leases and Encumbrances. Except as specifically described in Exhibit C, Recipient shall not sell, lease, exchange, abandon, transfer or otherwise dispose of any substantial portion of or interest in the Project or any system that provides revenues for payment or is security for the Loan, unless worn out, obsolete, or, in the reasonable business judgment of Recipient, no longer useful in the operation of the Project. Nevertheless, OBDD may consent to such disposition if it has received 90 days' prior written notice from Recipient. Such consent may require assumption by transferee of all of Recipient's obligations under the Financing Documents and payment of OBDD's costs related to such assumption, and receipt by OBDD of an opinion of Bond Counsel to the effect that such disposition complies with applicable law and will not adversely affect the exclusion of interest on any Lottery Bonds from gross income for purposes of federal income taxation under Section 103(a) of the Code. The term "Bond Counsel" means a law firm determined by OBDD to have knowledge and expertise in the field of municipal law and whose opinions are generally accepted by purchasers of municipal bonds. In the case of sale, exchange, transfer or other similar disposition, Recipient shall, within 30 days of receipt of any proceeds from such disposition, prepay the entire outstanding balance on the Loan in accordance with section 4.D.(1), unless OBDD agrees otherwise in writing. If Recipient abandons the Project, Recipient shall prepay the entire outstanding balance of the Loan immediately upon demand by OBDD.
- H. Condemnation Proceeds. If the Project or any portion is condemned, any condemnation proceeds will be paid to OBDD and applied to prepay the outstanding balance of the Loan in accordance with section 4.D.(1).
- I. Financial Records. The Recipient shall keep accurate books and records for the revenues and funds that are the source of repayment of the Loan, separate and distinct from its other books and records, and maintain them according to generally accepted accounting principles established by the Government Accounting Standards Board in effect at the time. The Recipient shall have these records audited annually by an independent certified public accountant, which may be part of the annual audit of all records of Recipient.
- J. Inspections; Information. The Recipient shall permit OBDD and any party designated by OBDD: (i) to inspect, at any reasonable time, the property, if any, constituting the Project; and (ii) at any reasonable time, to inspect and make copies of any accounts, books and records, including, without limitation, its records regarding receipts, disbursements, contracts, investments and any other related matters, and financial statements or other documents related to its financial standing. The Recipient shall supply any related reports and information as OBDD may reasonably require. In addition, Recipient shall, upon request, provide OBDD with copies of loan documents or other financing documents and any official statements or other forms of offering prospectus relating to any other bonds, notes or other indebtedness of Recipient that are issued after the date of this Contract.
- K. Records Maintenance. The Recipient shall retain and keep accessible all books, documents, papers, and records that are directly related to this Contract, the Project or the Financing Proceeds until the date that is three years following the later of the final maturity of the Lottery Bonds or the final maturity or redemption date of any obligation, or series of obligations, that refinanced the Lottery Bonds, or such longer period as may be required by other provisions of this Contract or applicable law. Such documentation includes, but may not be limited to, all documentation necessary to establish the uses and investment of the Loan proceeds, all construction contracts and invoices detailing the costs paid from Loan proceeds, and all contracts related to the uses of the Project, including leases, management contracts and service contracts that relate to the use of the Project.
- L. Diversification Plan and Economic Benefit Data. Recipient's Export Terminal TIGER VII Application related to the Project states that "the new site infrastructure will accommodate short-term and long-term job growth within a federally designated economically distressed area, and

support growth in Oregon Statewide and Nation Business Clusters, including: Processed Food and Beverage Products, Wood and Other Forest Products, Agriculture and Wave Energy Research & Development.” Accordingly, Recipient shall:

(1) No later than one year after the date of this Contract and to promote the competitiveness of the Project and ensure that it remains a long-term trade asset for the region, complete and submit to OBDD a written action plan detailing Recipient’s strategy for attracting a diversity of commodities at the Project (lay-down area). The plan must include at a minimum: timeframe for diversification, targeted commodities, key partners, barriers to diversification, marketing strategy and timeframe, and a funding strategy.

(2) As requested by OBDD, submit specific data on the economic development benefits of the Project and other information to evaluate the success and economic impact of the Project, from the date of this Contract until six years after the Project Completion Date. The Recipient shall, at its own expense, prepare and submit the data within the time specified by OBDD.

- M. Disadvantaged Business Enterprises. ORS 200.090 requires all public agencies to “aggressively pursue a policy of providing opportunities for disadvantaged business enterprises, minority-owned businesses, woman-owned businesses, businesses that service-disabled veterans own and emerging small businesses...” The OBDD encourages Recipient in any contracting activity to follow good faith efforts as described in ORS 200.045, available at https://www.oregonlegislature.gov/bills_laws/ors/ors200.html. Additional resources are provided by the Governor’s Policy Advisor for Economic and Business Equity. Also, the Certification Office for Business Inclusion and Diversity at the Oregon Business Development Department maintains a list of certified firms and can answer questions. Search for certified MWESB firms on the web at: <https://oregon4biz.diversitysoftware.com/FrontEnd/VendorSearchPublic.asp>.
- N. Professional Responsibility. A professional engineer or architect, as applicable, registered and in good standing in Oregon, will be responsible for the design and construction of the Project. All service providers retained for their professional expertise must be certified, licensed, or registered, as appropriate, in the State of Oregon for their specialty. The Recipient shall follow standard construction practices, such as bonding requirements for construction contractors, requiring errors and omissions insurance, and performing testing and inspections during construction.
- O. Notice of Default. The Recipient shall give OBDD prompt written notice of any Default as soon as any senior administrative or financial officer of Recipient becomes aware of its existence or reasonably believes a Default is likely.
- P. Indemnity. To the extent authorized by law, Recipient shall defend (subject to ORS chapter 180), indemnify, save and hold harmless OBDD and its officers, employees and agents from and against any and all claims, suits, actions, proceedings, losses, damages, liability and court awards including costs, expenses, and attorneys’ fees incurred related to any actual or alleged act or omission by Recipient, or its employees, agents or contractors; however, the provisions of this section are not to be construed as a waiver of any defense or limitation on damages provided for under Chapter 30 of the Oregon Revised Statutes or under the laws of the United States or other laws of the State of Oregon.
- Q. Further Assurances. The Recipient shall, at the request of OBDD, authorize, sign, acknowledge and deliver any further resolutions, conveyances, transfers, assurances, financing statements and other instruments and documents as may be necessary or desirable for better assuring, conveying, granting,

assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Contract and the other Financing Documents.

R. Exclusion of Interest from Federal Gross Income and Compliance with Code.

- (1) The Recipient shall not take any action or omit to take any action that would result in the loss of the exclusion of the interest on any Lottery Bonds from gross income for purposes of federal income taxation, as governed by Section 103(a) of the Code. OBDD may decline to disburse the Financing Proceeds if it finds that the federal tax exemption of the Lottery Bonds cannot be assured.
- (2) The Recipient shall not take any action (including but not limited to the execution of a management agreement for the operation of the Project) or omit to take any action that would cause any Lottery Bonds to be “private activity bonds” within the meaning of Section 141(a) of the Code. Accordingly, unless Recipient receives the prior written approval of OBDD, Recipient shall not permit in excess of ten percent (10%) of either (a) the Financing Proceeds or (b) the Project financed or refinanced with the Financing Proceeds to be directly or indirectly used in any manner that would constitute “private business use” within the meaning of Section 141(b)(6) of the Code, including not permitting more than one half of any permitted private business use to be “disproportionate related business use” or private business use unrelated to the government use of the Financing Proceeds. Unless Recipient receives the prior written approval of OBDD, Recipient shall not directly or indirectly use any of the Financing Proceeds to make or finance loans to persons other than governmental units, as that term is used in Section 141(c) of the Code.
- (3) The Recipient shall not directly or indirectly use or permit the use of any of the Financing Proceeds or any other funds, or take any action or omit to take any action, which would cause any Lottery Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.
- (4) The Recipient shall not cause any Lottery Bonds to be treated as “federally guaranteed” for purposes of Section 149(b) of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to “federally guaranteed” obligations described in Section 149(b) of the Code. For purposes of this paragraph, any Lottery Bonds will be treated as “federally guaranteed” if: (a) all or any portion of the principal or interest is or will be guaranteed directly or indirectly by the United States of America or any agency or instrumentality thereof, or (b) five percent (5%) or more of the proceeds of the Lottery Bonds will be (i) used in making loans if the payment of principal or interest is guaranteed in whole or in part by the United States of America or any agency or instrumentality thereof, or (ii) invested directly or indirectly in federally insured deposits or accounts, and (c) none of the exceptions described in Section 149(b)(3) of the Code apply.
- (5) The Recipient shall assist OBDD to ensure that all required amounts are rebated to the United States of America pursuant to Section 148(f) of the Code. The Recipient shall pay to OBDD such amounts as may be directed by OBDD to satisfy the requirements of Section 148(f) applicable to the portion of the proceeds of any tax-exempt bonds, including any Financing Proceeds or other amounts held in a reserve fund. The Recipient further shall reimburse OBDD for the portion of any expenses it incurs related to the Project that is necessary to satisfy the requirements of Section 148(f) of the Code.
- (6) Upon OBDD’s request, Recipient shall furnish written information regarding its investments and use of Financing Proceeds, and of any facilities financed or refinanced therewith, including providing OBDD with any information and documentation that OBDD reasonably determines is

necessary to comply with the arbitrage and private use restrictions that apply to the Lottery Bonds.

- (7) Notwithstanding anything to the contrary, so long as is necessary to maintain the exclusion from gross income for purposes of federal income taxation of interest on any Lottery Bonds, the covenants contained in this subsection will survive the payment of the Loan and the Lottery Bonds, and the interest thereon, including the application of any unexpended Financing Proceeds. The Recipient acknowledges that the Project may be funded with proceeds of the Lottery Bonds and that failure to comply with the requirements of this subsection could adversely affect any exclusion of the interest on the Lottery Bonds from gross income for federal income tax purposes.
- (8) Neither Recipient nor any related party to Recipient, within the meaning of 26 C.F.R. §1.150-1(b), shall purchase any Lottery Bonds, from which proceeds were used to finance the Project, in an amount related to the amount of the Loan.

SECTION 9 - DEFAULTS

Any of the following constitutes an “Event of Default”:

- A. The Recipient fails to make any Loan payment when due.
- B. The Recipient fails to make, or cause to be made, any required payments of principal, redemption premium, or interest on any bonds, notes or other material obligations, for any other loan made by the State of Oregon.
- C. Any false or misleading representation is made by or on behalf of Recipient in this Contract, in any other Financing Document or in any document provided by Recipient related to this Loan or the Project or in regard to compliance with the requirements of Section 103 and Sections 141 through 150 of the Code.
- D.
 - (1) A petition, proceeding or case is filed by or against Recipient under any federal or state bankruptcy or insolvency law, and in the case of a petition filed against Recipient, Recipient acquiesces to such petition or such petition is not dismissed within 20 calendar days after such filing, or such dismissal is not final or is subject to appeal;
 - (2) The Recipient files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, dissolution, winding-up or composition or adjustment of debts;
 - (3) The Recipient becomes insolvent or bankrupt or admits its inability to pay its debts as they become due, or makes an assignment for the benefit of its creditors;
 - (4) The Recipient applies for or consents to the appointment of, or taking of possession by, a custodian (including, without limitation, a receiver, liquidator or trustee) of Recipient or any substantial portion of its property; or
 - (5) The Recipient takes any action for the purpose of effecting any of the above.
- E. The Recipient defaults under any other Financing Document and fails to cure such default within the applicable grace period.
- F. The Recipient fails to perform any obligation required under this Contract, other than those referred to in subsections A through E of this section 9, and that failure continues for a period of 30 calendar days after written notice specifying such failure is given to Recipient by OBDD. The OBDD may agree in writing to an extension of time if it determines Recipient instituted and has diligently pursued corrective action.

SECTION 10 - REMEDIES

- A. Remedies. Upon any Event of Default, OBDD may pursue any or all remedies in this Contract or any other Financing Document, and any other remedies available at law or in equity to collect amounts due or to become due or to enforce the performance of any obligation of Recipient. Remedies may include, but are not limited to:
- (1) Terminating OBDD's commitment and obligation to make any further disbursements of Financing Proceeds under the Contract.
 - (2) Declaring all payments under the Contract and all other amounts due under any of the Financing Documents immediately due and payable, and upon notice to Recipient the same become due and payable without further notice or demand.
 - (3) Barring Recipient from applying for future awards.
 - (4) Withholding amounts otherwise due to Recipient for application to the payment of amounts due under this Contract, including as provided in ORS 285B.449.
 - (5) Foreclosing liens or security interests pursuant to this Contract or any other Financing Document.
- B. Application of Moneys. Any moneys collected by OBDD pursuant to section 10.A will be applied first, to pay any attorneys' fees and other fees and expenses incurred by OBDD; then, to pay interest due on the Loan; then, to pay principal due on the Loan; and last, to pay any other amounts due and payable under this Contract or any of the Financing Documents.
- C. No Remedy Exclusive; Waiver; Notice. No remedy available to OBDD is intended to be exclusive, and every remedy will be in addition to every other remedy. No delay or omission to exercise any right or remedy will impair or is to be construed as a waiver of such right or remedy. No single or partial exercise of any right power or privilege under this Contract or any of the Financing Documents will preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. The OBDD is not required to provide any notice in order to exercise any right or remedy, other than notice required in section 9 of this Contract.
- D. Default by OBDD. In the event OBDD defaults on any obligation in this Contract, Recipient's remedy will be limited to injunction, special action, action for specific performance, or other available equitable remedy for performance of OBDD's obligations.

SECTION 11 - MISCELLANEOUS

- A. Time is of the Essence. The Recipient agrees that time is of the essence under this Contract and the other Financing Documents.
- B. Relationship of Parties; Successors and Assigns; No Third Party Beneficiaries.
- (1) The parties agree that their relationship is that of independent contracting parties and that Recipient is not an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265.
 - (2) Nothing in this Contract gives, or is to be construed to give, directly or indirectly, to any third persons any rights and benefits greater than those enjoyed by the general public.
 - (3) This Contract will be binding upon and inure to the benefit of OBDD, Recipient, and their respective successors and permitted assigns.

cannot exceed the rate charged to OBDD by its attorneys. The Recipient shall, on demand, pay to OBDD reasonable expenses incurred by OBDD in the collection of Loan payments.

- I. Choice of Law; Designation of Forum; Federal Forum. The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Contract, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Any party bringing a legal action or proceeding against any other party arising out of or relating to this Contract shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

Notwithstanding the prior paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

- J. Integration. This Contract (including all exhibits, schedules or attachments) and the other Financing Documents constitute the entire agreement between the parties on the subject matter. There are no unspecified understandings, agreements or representations, oral or written, regarding this Contract.

- K. Execution in Counterparts. This Contract may be signed in several counterparts, each of which is an original and all of which constitute one and the same instrument.

The Recipient, by its signature below, acknowledges that it has read this Contract, understands it, and agrees to be bound by its terms and conditions.



STATE OF OREGON
acting by and through the
Oregon Business Development Department



PORT OF NEWPORT

By: _____
Chris Cummings, Assistant Director
Economic Development

By: _____
Walter Chuck, Commission President

Date: _____

Date: _____

APPROVED AS TO LEGAL SUFFICIENCY IN ACCORDANCE WITH ORS 291.047:

/s/ David Elott as per email dated 14 April 2017
David Elott, Assistant Attorney General

EXHIBIT A - GENERAL DEFINITIONS

As used in this Contract, the following terms have the meanings below.

“Act” means ORS 285B.410 through 285B.482, as amended.

“Award” means the award of financial assistance to Recipient by OBDD dated 2 June 2016.

“C.F.R.” means the Code of Federal Regulations.

“Code” means the Internal Revenue Code of 1986, as amended, including any implementing regulations and any administrative or judicial interpretations.

“Costs of the Project” means Recipient’s actual costs (including any financing costs properly allocable to the Project) that are (a) reasonable, necessary and directly related to the Project, (b) permitted by generally accepted accounting principles to be Costs of the Project, and (c) are eligible or permitted uses of the Financing Proceeds under applicable state or federal statute and rule.

“Counsel” means an attorney at law or firm of attorneys at law duly admitted to practice law before the highest court of any state, who may be of counsel to, or an employee of, OBDD or Recipient.

“Default” means an event which, with notice or lapse of time or both, would become an Event of Default.

“Financing Documents” means this Contract and all agreements, instruments, documents and certificates executed pursuant to or in connection with OBDD’s financing of the Project.

“Financing Proceeds” means the proceeds of the Loan.

“Lottery Bonds” means any bonds issued by the State of Oregon that are special obligations of the State of Oregon, payable from unobligated net lottery proceeds, the interest on which is exempt from federal income taxation, together with any refunding bonds, used to finance or refinance the Project through the initial funding or refinancing of all or a portion of the Loan.

“Municipality” means any entity described in ORS 285B.410(9).

“ORS” means the Oregon Revised Statutes.

“Permitted Liens” means the permitted liens listed in Exhibit B.

“Project Completion Date” means the date on which Recipient completes the Project.

EXHIBIT B - SECURITY

- A. Full Faith and Credit Pledge. The Recipient pledges its full faith and credit and taxing power within the limitations of Article XI, sections 11 and 11 b, of the Oregon Constitution to pay the amounts due under this Contract. This Contract is payable from and secured by all lawfully available funds of Recipient.
- B. Real Property Collateral. Approximately 8.95 acres of real property located in Lincoln County, OR, with address at 1430 SE Bay Blvd., Newport, OR 97365, and more particularly described as:

Beginning at a point 70.21 feet South and 743.66 feet West of the Meander Corner on the East line of Section 9, Township 11 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon, said point also being on the Westerly boundary of Northwest Natural Gas Company property and the Southerly boundary of County Road No. 515 right-of-way; thence along the Northwest Natural Gas property boundary South 13° 44' 45" East, 198.23 feet; thence South 3° 34' 30" East, 380.17 feet; thence leaving said boundary South 79° 05' 40" West, 724.54 feet to the Easterly boundary of access road right-of-way; thence along said right-of-way boundary North 3° 34' 30" West, 470.22 feet to the Southern boundary of County Road No. 515 right-of-way; thence along said county road right-of-way the following courses and distances: North 65° 23' 00" East, 120.57 feet; South 0° 22' 45" East, 28.66 feet; North 68° 44' 27" East, 11.47 feet; North 59° 08' 15" East, 353.30 feet; North 77° 30' 00" East, 113.80 feet; and North 86° 29' 15" East, 135.59 feet to the Northwest Natural Gas Company property boundary and the point of beginning.

Permitted liens include all exceptions listed in that Preliminary Title Report, Order # WT0140122, prepared on March 22, 2017 by Western Title & Escrow, 255 SW Coast Highway, Suite 100, Newport, OR 97365.

EXHIBIT C - PROJECT DESCRIPTION

The Recipient shall complete improvements to create a new International Terminal Shipping Facility on its property located at 1430 SE Bay Blvd., Newport, OR 97365, including but not limited to the following components:

- Site preparation
- Drainage
- Underground Utilities
- Water improvements
- Sanitary sewer improvements
- Sub-base and Paving

EXHIBIT D - PROJECT BUDGET

	OBDD Funds	Other / Matching Funds
Activity	Approved Budget	Approved Budget
Engineering	\$218,000	\$0
Construction	991,409	4,578,879
Contingency	647,391	0
Legal	15,700	0
Construction Management	127,500	0
Total	\$2,000,000	\$4,578,879

Comments on “Old Business Agenda Item” 4/24/2017

IFA Loan

1. What are the proposed plans to ‘ship two additional products’ through the facility within the first five years of the loan agreement?
2. Is there a ‘draft ‘of the Operations plan?
3. What is the timeline for preparations of the Operations Plan?
4. Is port management waiting for an Operations Officer before beginning the Operations Plan?
5. Will the loan be available before the Operations Plan is finalized?
6. What are the details of the ‘lien on the 9 acre parcel – What is the value of the parcel and how much of it is encumbered?

Silvan Forest LLC:

1. Why is there an ‘agreement’ vice a ‘contract’?
2. What do the words ‘portion to be applied as *further* abatement of the \$2.5 million funding’ mean?
3. What does “The port agrees in good faith” mean?
4. Why use 6% interest when the state provides 3.3% interest.
5. Why does your analysis use unsecured loan as criteria when there is land?
6. Is the basis of your cost comparison based on a 6 year payout?
7. What is impact on cost comparison if it takes 20 years to pay off loan?

Teevin Brothers

1. What is estimate for completion of ‘working on lease’?
2. Commission will need time to review lease, so what are realistic timelines to complete this effort?

Risk Assessment Update

1. What are the ‘other’ risks of this project?
2. The Silvan agreement is NOT clear on if Silvan would be paid back on their investment. What do lawyers say?
3. The Feasibility Study DOES NOT report strong findings for log exports! Identify the specific wording used to support this specific statement. Bullets provided are only part of the picture.
4. Coos Bay went from 20 shiploads of logs in 2011 to 5 shiploads in 2015. This does not sound like an expanding market.

Rondy’s update

1. What are the forecasted costs to the Port from the mitigation efforts?
2. What is the impact of dredge spoils impact on the port – costs, delays?

Tentative Timeline

1. These estimates are not consistent with the lack of completion of various efforts
2. Add timeline for completion of Operations Plan
2. Item states a ‘Dispute Bid documents.’ What is being bid? What are timelines for bid?

DOT Maritime Administration Grant document

The document requires Newport to certify that:

‘...not less the four Million Five Hundred and Seventy Eight Thousand Eight Hundred and Seventy-Nine Dollars and Thirty Cents (\$4,578,879.30) in non-Federal Funds are committed to fund the project”

1. Agreement with Silvan states that any part of proposed \$ 2.5 million loan that is not used will be returned to Silvan. Does that impact ‘committed’ funds?
2. State provides \$ 2 million, Silvan \$2.5 million, where are the remaining funds coming from and are they in the budget?
3. How much additional funding from Port monies need to be allocated to ensure the requirements of the DOT grant are met?
4. The grant requires an annual budget review and program plan. What are the details of how the Port will develop these documents and the timeline? Who will prepare these and is there a draft of what is to be prepared?
5. If costs exceed projections there is a requirement to meet with USDOT to discuss Annual Budget Review and Program Plan. What are ports plans to meet this potential?
6. In Attachment A ‘Statement of work’ it identifies a 10 acre area. Is it 9 or 10 acres?
7. In Attachment A ‘Statement of work’ there is an item for ‘New Water System.’ Is it a new system of connection to the city?
8. Can the port decide to refurbish a different 9 acre parcel of land and still get the grant?

Oregon Business Development Department (\$2 million loan) document

1. Project completion date is 3 years after date of contract. Is this consistent with all of the work that is projected? What are the risks of delay?

Cooperative Project Funding Agreement between Silvan Forest, LLC and the Port of Newport

1. Why is this an agreement rather than a contract
2. Agreement indicates ‘the Port and Silvan will jointly cooperate with Teevin and participate in the development of concepts, preliminary engineering work, permit application process construction and other steps necessary to jointly develop the project for mutual benefit’. This sounds like an exclusive arrangement. Is this exclusive? Are others allowed to bid on this project?
3. The funding section indicates Silvan will be paid \$60,000 interest until the funded amount is fully abated. How long will this last? If minimum number of shipments, how long will this last? What are the other options for obtaining a \$2 million loan and what are the costs?
4. What do the words ‘portion to be applied as further abatement of the \$2.5 million funding’ mean?
5. What do the lawyers say about the remaining funds if the agreement is canceled due to lack of shipping?

Port of Newport/Rondys Outline of Agreement November 11, 2015

1. What is the current status of an agreement?
2. Based on current estimates, how much land is involved in mitigation?
3. What are the cost estimates for each part of the agreement?

Questions on Table on International Shipping Facility Financial Analysis

1. Why and how is this different from previous charts provided to the Commission?
2. What are the numbers if only 5 shipments are made from port each year?
3. What are the numbers if only 1 or 2 shipments are made from port each year?
4. Why to terms in table not match the notes at the bottom of page?
5. What does the statement 'The International terminal lost \$220k in FY15-16, the loss will be improved by adding the income after abatement line item' mean? Will there still be a loss for the International Terminal if there are 10 shipments?

Question on Financial Aspect of International Terminal

1. How is abatement calculated?
2. Is there a minimum principle payment on the loan to Silvan
3. What are all of the financial numbers if there are only 5 shipments a year
4. How long to pay off if only 5 shipments a year
5. The DOT loan for \$2 Million costs \$117,000 per year – Why is the abatement (loan payment) for Silvan listed as \$433,084

IFA LOAN

1. No other plans at this time. However, Silvan has mentioned exporting finished lumber (hemlock and/or spruce).
2. Draft Ops Plan is not complete as of 5/15, but I am hoping on having one completed shortly.
3. The Terminal Manager is currently working on the draft plan. Hope to have it completed shortly.
4. No, we are not waiting for the new Dir. of Operations to start. Terminal Manager is taking the lead.
5. Yes, it can be. The IFA loan is ready for Commission approval.
6. The RMV of the property as of 2016 assessment is \$1,002,000. Preliminary title report lists \$117,670 as encumbered.

SILVAN FOREST LLC

1. Attorney's preference. "In this context they're the same thing. There is no less an obligation to perform." From Pete Gintner.
2. The intent is that 50% of the tariff collected on a shipment would go toward the \$2.5MM loan. "Further" is synonymous with "ongoing." There will not be an additional source of repayment or extension of the abatement.
3. "Actually all agreements have an implied term of fair dealing and good faith. Good faith just means you can't go into something trying to not perform. Bad faith would be agreeing to something and then putting up roadblocks to not perform. One has to endeavor to perform." From Pete Gintner.
4. 6% was used as a higher rate since this is an unconventional loan. There is no regular payment schedule and there is no security. The IFA loan has more security and has a re-payment schedule.
5. The MOU stated that the loan would be unsecured (non re-course). That works in the Port's favor. For example, if the market goes in the tank, Silvan would not have recourse for payment if shipments don't occur.
6. No, it is based on 9 years at 7.5 shipments per year in our latest analysis. Total interest cost is \$540,000. This is equivalent to a 5.65% interest rate on \$60,000.
7. \$1,200,000 (20 years at \$60,000 per year) would be the Port's cost. That is equivalent to a 7.14% interest rate on the \$60,000.

TEEVIN BROS.

1. Teevin is waiting until after we have our agreement finalized with Silvan. We'll probably need to get Pete, myself, and Shawn and his attorney in the same room to finalize details.
2. I'm reluctant to give a timeline, but it would be after Silvan agreement is finalized.

RISK ASSESSMENT UPDATE

1. The main risk is shipments not coming in due to market conditions. Those conditions could be geopolitical.
2. Silvan only gets paid back when they ship. There are no other scenarios where they would get paid.
3. There is a sustainable timber supply (bottom of pg. 2) which would support "roughly 10 "Handy" size vessel calls per year. Further a roughly 20 miles radii, the 55MBF need forecast represents less than 5 percent of the private timber stand inventory." (Top paragraph on page 4) "Demand for logs exported from US west-coast forests to Asia are forecast to be positive and steady (cyclically factored)..." (2nd para. Pg. 4) "The transportation cost advantage ... should ... provide a competitive cost advantage to induce log harvests." And this is stated even though there has been a dip in

recent years (page 16). New data from SSA Stevedore is showing 49.9mbf from Astoria and 65.5mbf from Coos Bay, a 15% increase compared to last year.

4. Coos Bay bounced back with 12 shipments in 2016. I agree it is cyclical, but Newport's advantage is the amount of timber within a relatively close transportation shed. Silvan indicated that they have to travel over 100 miles to get logs back to Coos bay. The logs are only 40 +/- miles away from the Port of Newport.

RONDYS UPDATE

1. Forecasted costs to the Port from the mitigation efforts are \$76,800.
2. Of the 60k CY of sand on the Rondys property, the Port can use as much as 25k. Rondys wants the rest for use on their property in exchange for the various easements and mitigation site. The engineer is estimating that work at an extra \$200k.

TENTATIVE TIMELINE

1. These are tentative based upon the information I had and a guess on the progress. If we don't get all the agreements together shortly, we risk missing the construction window for this year.
2. We can do that. I'm hoping to have the Terminal Manager's shortly and then prepare for the Terminal Users Group soon after.
3. Distribute Bid Docs was May 15, but that will need to be pushed back. In talking with engineer, we'll need to get these documents quickly in order to meet the July 1 award general contract. We may need to push back asphaltting the parcel until after the winter.

DOT MARITIME ADMINISTRATION GRANT DOCUMENT

1. No.
2. Any overage above the \$6.5-million will come from either Construction, General Fund contingencies or NOAA unrestricted cash reserves.
3. No additional Port monies need to be allocated as all have been budgeted, if the bids are reasonable. If the bids are over \$7.0-million we may need to re-consider the project.
4. The Finance Department will assist with the annual budget review and program plan. Once the project is approved, Finance will develop spreadsheets and reports to capture project related data as well as setup tracking tools within the Port's accounting system as required for grant reporting. The Port's expenditure of federal grant monies will likely trigger a Single Audit resulting in a greater scrutiny of its internal controls and compliance by the Port's auditor.
5. The ongoing grant reporting documentation along with the Port's accounting system will be used to track budgeted to actual costs.
6. The Lincoln County Assessor lists the area as 8.95 acres. There is a smaller 0.66 acre site across the street that will also be leased to Teevin for their admin trailer. Total actual area is 9.61 acres.
7. New Water System is a fire suppression loop listed in our Capital Facilities Plan and master Cap. Imp. List.
8. No.

OREGON BUSINESS DEVELOPMENT DEPARTMENT DOCUMENT

1. The completion date was set to the farthest time possible of 3 years.

COOPERATIVE PROJECT FUNDING AGREEMENT BETWEEN SILVAN FOREST AND THE PORT OF NEWPORT

1. Attorney's preference. See above.
2. The Port, Silvan and Teevin will be reviewing the plans so that they meet all of our needs. None of them will be bidding to construct the project. We'll be going out to bid following public contracting rules. Silvan and Teevin will not be bidding.
3. Abatement length:
 - 1 & 2 shipments – Forever
 - 3 shipments – 40 years
 - 5 shipments – 15 years
 - 7.5 shipments – 9 years
 - 10 shipments – 7 years

An additional loan with IFA for an extra 2.5 million will add an additional \$150,000 per year to the loan payment for 25 years (a total extra cost of \$3,750,000). If the Port takes this loan in total (\$4,500,000) for 25 years and it ships 10 ships per year it will add total of \$531,000 in positive net income per year over 25 years. If it ships 7.5 ships per year it will add a total of \$298,000 in positive net income per year over 25 years. If it makes 5 shipments it will add \$63,000 in net positive income per year over 25 years.

4. "futher" is meant as "ongoing". The funds will be used to pay down the ongoing abatement balance.
5. The only way there would be a remaining balance is if the project comes in under budget (\$6.5MM). In that scenario, any unused funds would be returned to Silvan. That would be returned to them before shipments began and would not be tied into a lack of shipping.

PORT OF NEWPORT/RONDYS OUTLINE OF AGREEMENT 11/11/15

1. Ongoing negotiations
2. The mitigation includes: 0.26 for the Port, 0.51 for Rondys, and a 0.13 buffer for a total of .90 acres.
3. The cost of the mitigation sites is \$76,000. Other costs related to moving sand/earth related to Rondys is \$200,000 for a total of \$276,000.

QUESTIONS ON TABLE ON INTERNATIONAL SHIPPING FACILITY ANALYSIS

1. The last iteration provided included dredging costs of \$100,000 a year.
2. See attached spreadsheet.
3. At three shipments the Port will make \$10,000 net operating income but lose \$52,000 a year because of the abatement payment and it will take 40 years to pay off the \$2.5 million abatement. After that the Port will make \$10,000 a year. At one shipment the Port loses \$190,000 a year and at 2 shipments it loses \$26,000 a year. There would no abatement payment with one shipment and a \$10,000 abatement payment for 2 shipments. We would never pay the abatement off.
4. Not sure what you are referring to.
5. At ten shipments, the Port will have \$188 in net income after Abatement through year 6 which means the Port will still be losing money (\$32,000 a year). In year seven the Port will have \$507 in net income after Abatement, which means the port will make \$287,000 and then the Abetment ends. In year 8 going forward the Port will have \$621 in positive net income which means the Port will make \$401,000.

QUESTIONS ON FINANCIAL ASPECT OF INTERNATIONAL TERMINAL

1. Abatement includes 50-50 split after subtracting costs for the IFA loan payment and Personnel Costs which are \$192,426 a year.
2. No.
3. See attached spreadsheet.
4. The abatement will be paid off after 15 years.
5. The IFA loan is a conventional loan with equal payments. The abatement calculation is explained in question #1 above and will change depending on the amount of shipments. At ten shipments it is equal to \$433,084. At 5 shipments it would be \$168,427.

-###-

International Terminal Shipping Facility Financial Analysis - 5 Shipments

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Tariff Proceeds	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315
Additional Costs	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)
Lost Service Revenue	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)
Net Operating Income	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853
Abatement	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(142,029)	0
Income After Abatement	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	31,824	173,853
Amount Owed	2,331,574	2,163,147	1,994,721	1,826,294	1,657,868	1,489,441	1,321,015	1,152,588	984,162	815,735	647,309	478,882	310,456	142,029	0	0

* 5 shipments per year. Average Tariff is \$105,863 per shipment

* Additional Costs include Loan Payments, Personnel Expenses, Dredging and Ancillary Costs. Dredging is \$100,000 per year and the Ancillary Costs are \$5,000 per vessel

* Lost service revenue is 10% per 5 & 6 shipments, 20% per 7 & 8 shipments and 25% per 9 and 10 shipments

* Abatement includes 50-50 split after subtracting costs for the Loan Payment and Personnel Expenses which are \$192,462 a year

* 0% interest on abatement and no tariff or lease rate increases over the abatement period

International Terminal Shipping Facility Financial Analysis - 5 Shipments

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Tariff Proceeds	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315	529,315
Additional Costs	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)	(317,462)
Lost Service Revenue	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)
Net Operating Income	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853
Abatement	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(168,427)	(142,029)	0
Income After Abatement	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	31,824	173,853
Amount Owed	2,331,574	2,163,147	1,994,721	1,826,294	1,657,868	1,489,441	1,321,015	1,152,588	984,162	815,735	647,309	478,882	310,456	142,029	0	0

* 5 shipments per year. Average Tariff is \$105,863 per shipment

* Additional Costs include Loan Payments, Personnel Expenses, Dredging and Ancillary Costs. Dredging is \$100,000 per year and the Ancillary Costs are \$5,000 per vessel

* Lost service revenue is 10% per 5 & 6 shipments, 20% per 7 & 8 shipments and 25% per 9 and 10 shipments

* Abatement includes 50-50 split after subtracting costs for the Loan Payment and Personnel Expenses which are \$192,462 a year

* 0% interest on abatement and no tariff or lease rate increases over the abatement period

International Terminal Shipping Facility Financial Analysis - 7.5 Shipments

Year	1	2	3	4	5	6	7	8	9	10
Tariff Proceeds	635,178	793,973	793,973	793,973	793,973	793,973	793,973	793,973	793,973	793,973
Additional Costs	(322,462)	(329,962)	(329,962)	(329,962)	(329,962)	(329,962)	(329,962)	(329,962)	(329,962)	(329,962)
Lost Service Revenue	(38,000)	(76,000)	(76,000)	(76,000)	(76,000)	(76,000)	(76,000)	(76,000)	(76,000)	(76,000)
Net Operating Income	274,716	388,011	388,011	388,011	388,011	388,011	388,011	388,011	388,011	388,011
Abatement	(221,358)	(300,755)	(300,755)	(300,755)	(300,755)	(300,755)	(300,755)	(300,755)	(173,355)	0
Income After Abatement	53,358	87,255	87,255	87,255	87,255	87,255	87,255	87,255	214,656	388,011
Amount Owed	2,278,642	1,977,887	1,677,132	1,376,376	1,075,621	774,866	474,111	173,355	0	0

* 6 shipments in the 1st year and 7.5 in each year after based on Sylvan projections. Average Tariff is \$105,863 per shipment

* Additional Costs include Loan Payments, Personnel Expenses, Dredging and Ancillary Costs. Dredging is \$100,000 per year and the Ancillary Costs are \$5,000 per vessel

* Lost service revenue is 10% per 5 & 6 shipments, 20% per 7 & 8 shipments and 25% per 9 and 10 shipments

* Abatement includes 50-50 split after subtracting costs for the Loan Payment and Personnel Expenses which are \$192,462 a year

* 0% interest on abatement and no tariff or lease rate increases over the abatement period

International Terminal Shipping Facility Financial Analysis - 10 shipments

Year	1	2	3	4	5	6	7	8
Number of shipments	6	10	10	10	10	10	10	10
Tariff Proceeds	635,178	1,058,630	1,058,630	1,058,630	1,058,630	1,058,630	1,058,630	1,058,630
Agreement Costs	(192,462)	(192,462)	(192,462)	(192,462)	(192,462)	(192,462)	(192,462)	(192,462)
Net Tariff Proceeds	442,716	866,168	866,168	866,168	866,168	866,168	866,168	866,168
Abatement (@ 50%)	(221,358)	(433,084)	(433,084)	(433,084)	(433,084)	(433,084)	(113,222)	0
Reserve/Overhead/Loss	(168,000)	(245,000)	(245,000)	(245,000)	(245,000)	(245,000)	(245,000)	(245,000)
Income After Abatement	53,358	188,084	188,084	188,084	188,084	188,084	507,946	621,168
Amount Owed on Abatement	2,278,642	1,845,558	1,412,474	979,390	546,306	113,222	0	0
	136,719	110,733	84,748	58,763	32,778	6,793	0	0
	60,000	60,000	60,000	60,000	60,000	60,000		

* 6 shipments in the 1st year and 10 in each year after based on Sylvan projections. Average Tariff is \$105,863 per shipment

Overhead Dredging/Maint. (\$100k) and Ancillary Costs (\$5k/ship).

* Agreement Costs include Loan Payment (\$117k), Personnel Expenses (\$75k)

* Lost service revenue is 10% per 5 & 6 shipments (\$38k), 20% per 7 & 8 shipments and 25% per 9 and 10 shipments (\$95k)

* Net Operating Income includes tariff proceeds - additional costs - lost service revenue

* Abatement includes 50-50 split after subtracting \$192,462 for loan pmt. and personnel which are included in Additional Costs

* no tariff or lease rate increases over the abatement period

The International Terminal lost \$220k in FY15-16. The loss will be improved by adding the income after abatement line item.

Project: 112-100 - Port Of Newport (Site Development)				
Component Description	Unit	Qty	Unit Cost	Total Cost
1: Underground Utilities				
<u>Site Work</u>				
Mobilization	All Req'd	9%	-	\$ 470,913.00
Erosion Control	All Req'd	1	\$ 13,650.00	\$ 13,650.00
Clearing & Grubbing	Acre	9.5	\$ 950.00	\$ 9,025.00
Excavation	CY	53500	\$ 6.00	\$ 321,000.00
Waste Excavation (Unsuitable, Hauled off Site)	CY	21700	\$ 25.50	\$ 553,350.00
Imported Soil Materials	CY	8700	\$ 4.75	\$ 41,325.00
Excavate & Place on Rhondy/Hall Site	CY	24900	\$ 5.10	\$ 126,990.00
Loading Pad	LS	1	\$ 6,250.00	\$ 6,250.00
Fence	LF	790	\$ 14.00	\$ 11,060.00
<u>Underground Utilities & Conduit</u>				
Utility Trench (on-site)	LF	1958	\$ 18.40	\$ 36,027.20
Trench in Roadway	LF	60	\$ 33.50	\$ 2,010.00
4" Power Conduit	LF	297	\$ 8.40	\$ 2,494.80
1 1/2" Data Conduit	LF	1898	\$ 4.00	\$ 7,592.00
2" Power & Phone Service	LF	3043	\$ 5.00	\$ 15,215.00
Electrical & Phone Pull Boxes	EA	7	\$ 500.00	\$ 3,500.00
3 PH Transformer	EA	2	\$ 10,500.00	\$ 21,000.00
1 PH Transformer	EA	1	\$ 4,500.00	\$ 4,500.00
Transformer Padvault	EA	3	\$ 8,050.00	\$ 24,150.00
Phone Conductor, Installed	LF	1805	\$ 10.50	\$ 18,952.50
Light Poles	EA	3	\$ 7,500.00	\$ 22,500.00
Electrical Conductor, Installed	LF	1881	\$ 24.60	\$ 46,272.60
<u>Drainage</u>				
Catchbasins (w/Eco Block Protection)	EA	6	\$ 3,150.00	\$ 18,900.00
Type G2 Inlet w/Sample Port	EA	1	\$ 4,250.00	\$ 4,250.00
Storm Line (3"&4")	LF	56	\$ 18.10	\$ 1,013.60
Storm Line (18")	LF	994	\$ 24.00	\$ 23,856.00
Storm Line (24")	LF	244	\$ 35.80	\$ 8,735.20
Storm Trench	LF	1294	\$ 28.00	\$ 36,232.00
Remove Existing Culverts & Dispose	LF	107	\$ 10.00	\$ 1,070.00
Install Manholes	EA	4	\$ 5,800.00	\$ 23,200.00
Install Oil/Water Separator	EA	1	\$ 13,100.00	\$ 13,100.00
Asphalt Swale w/Trash Rack	LS	1	\$ 89,000.00	\$ 89,000.00
Bioswale Construction (340 lf, including planting)	LS	1	\$ 45,100.00	\$ 45,100.00
Reconstruct North Ditchline	LF	180	\$ 31.00	\$ 5,580.00
<u>Water-Misc.</u>				
12" Water Line (Incl Trench & Surface Replacement)	LF	419	\$ 75.00	\$ 31,425.00
12" Bay Road Crossing (Bore, Tap & Casing, 1st 100 feet)	LS	1	\$ 32,700.00	\$ 32,700.00
8" Water Line	LF	805	\$ 53.50	\$ 43,067.50
Fire Hydrants	EA	2	\$ 7,600.00	\$ 15,200.00
Valves & Flttings (12" & 8")	EA	11	\$ 1,800.00	\$ 19,800.00
Water Meters 1" Service (SDC offset by improvement)	EA	2	\$ 2,200.00	\$ 4,400.00
Connection To NW Natural Main	LS	1	\$ 7,800.00	\$ 7,800.00
Site Water Piping & Appurtenances	LS	1	\$ 6,530.00	\$ 6,530.00
<u>Sanitary Sewer Improvements</u>				
Waste Holding Vault	EA	1	\$ 30,000.00	\$ 30,000.00
4" Service	LS	130	\$ 50.00	\$ 6,500.00
Stub to Street 8" San Sewer.	LF	105	\$ 62.00	\$ 6,510.00
Sanitary Sewer Manhole	EA	1	\$ 4,600.00	\$ 4,600.00
Alarm System for Holding Tank	LS	1	\$ 4,900.00	\$ 4,900.00
<u>Sub Base and Paving</u>				
Base Rock	TON	42600	\$ 31.50	\$ 1,341,900.00
Asphalt Surfacing	TON	21150	\$ 99.50	\$ 2,104,425.00
Curb Type A	LF	115	\$ 28.00	\$ 3,220.00
Sidewalks	SY	95	\$ 66.40	\$ 6,308.00

Building Slab	LS	1	\$ 6,200.00	\$ 6,200.00
<u>Layout Work</u>				
Construction Survey	LS	1	\$ 67,000.00	\$ 67,000.00
<i>Phase 1 Construction Cost</i>				\$ 5,770,299.40
<u>SUBTOTAL</u>				\$ 5,770,299.40
Mitigation Monitoring	LS	1	\$ 7,500.00	\$ 7,500.00
Environ. Work (Mitigation)(1.5X)	Acre	0.3	\$ 120,000.00	\$ 36,000.00
Right of Way-Halls	LS	1	\$ -	\$ -
Misc. Utility Fees	LS	1	\$ 38,000.00	\$ 38,000.00
SDC's (City Stormwater)	LS	1	\$ 102,368.00	\$ 102,368.00
Central Lincoln Fees	LS	1	\$ 16,200.00	\$ 16,200.00
Appraisals, Misc.	LS	1	\$ -	\$ -
Easements/Legal/Recording	LS	1	\$ 15,700.00	\$ 15,700.00
Geotechnical & Testing	LS	1	\$ 23,200.00	\$ 23,200.00
Engineering (Remaining)	LS	1	\$ 93,800.00	\$ 93,800.00
Construction Management/Inspection	Day	95	\$ 1,300.00	\$ 123,500.00
Administration (Port) & Misc Legal	LS	1	\$ 115,405.00	\$ 115,405.00
<i>Phase 1 ROW/ENGINEERING/UTILITY Cost</i>				\$ 571,673.00
<u>SUBTOTAL</u>				\$ 571,673.00
HALL SITE _ ISSUES.				
Mitigation Monitoring	LS	1	\$ 7,500.00	\$ 7,500.00
Environ. Work (Mitigation)(1.5X)	Acre	0.64	\$ 120,000.00	\$ 76,800.00
Right of Way-Halls	LS	1	\$ 5,000.00	\$ 5,000.00
Dredge Spoils Royalty Fees	CY	24900	\$ 1.00	\$ 24,900.00
Clearing & Grubbing of Hall Site	Acre	8	\$ 8,100.00	\$ 64,800.00
Erosion Control Permit Halls	LS	1	\$ 4,000.00	\$ 4,000.00
Erosion Control (SEEDING) Hall Site	Acre	11	\$ 2,500.00	\$ 27,500.00
MISC DRAINAGE ISSUES (ASSUMED HALLS RESPONSIBILITY)	LS	1	\$ 15,000.00	\$ 15,000.00
Geotechnical & Testing Halls	Day	9	\$ 800.00	\$ 7,200.00
Easements & Adjustments (Engineering)	LS	1	\$ 12,000.00	\$ 12,000.00
Construction Management/Inspection	Day	5	\$ 1,300.00	\$ 6,500.00
Administration (Port) & Misc Legal	LS	1	\$ 20,000.00	\$ 20,000.00
<i>Phase 1 ROW/ENGINEERING/UTILITY Cost</i>				\$ 271,200.00
<u>SUBTOTAL</u>				\$ 271,200.00
ADDER FOR COST OF CONSTRUCTION ADJ	%	3		\$ 173,108.98
TOTAL PROJECT COST 2017/2018 CONSTRUCTION				\$ 6,786,281.38

**PORT OF NEWPORT
RESOLUTION NO. 2017-06**

**A RESOLUTION UPDATING THE PORT OF NEWPORT’S CAPITAL
IMPROVEMENT PROJECT PRIORITIZATION LIST AND IDENTIFYING THE
INTERNATIONAL TERMINAL SHIPPING FACILITY AS THE PORT’S TOP
CAPITAL PRIORITY.**

WHEREAS, the Port of Newport adopted a Strategic Business Plan (SBP) and a Capital Facility Sub-plan (CFP) January 14, 2013; and

WHEREAS, the Board of Commissioners last updated the Capital Improvement List (CIL) with Res. No. 2016-04 on May 24, 2016; and

WHEREAS, the Board of Commissioners as part of its annual budget work session on April 4, 2017 reviewed the Capital Improvement Project Prioritization List (CIL), including completed projects, and re-visited the list with the Port’s Budget Committee on May 9, 2017; and

WHEREAS, the CIL includes over \$30-million worth of capital projects; and

WHEREAS, the Port of Newport Board of Commissioners finds that the International Terminal Shipping Facility meets the goals and objectives stated within the Strategic Business Plan; and

WHEREAS, the Commission understands the importance of reviewing the CFP annually, removing completed projects, adding new projects, adjusting project planning level costs and re-prioritizing based upon public and staff input; **NOW THEREFORE**

**THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS
FOLLOWS:**

Section 1. The following projects are identified as the top priorities for Fiscal Year 2016-17:

- A. International Terminal Shipping Facility (ITSF)\$6,500,000
- B. Port Dock 5 Approach Pier Engineering\$115,000
- C. Replace 3000 lb. Toyota Forklift (payment).....\$9,000
- D. Replace 9000 lb. Hyster H-90 Forklift (payment)\$15,000
- E. Maintenance Trucks\$20,000
- F. New Fish Fillet Table in South Beach\$75,000
- G. Asphalt Replacement at IT.....\$12,700
- H. Install West Berth Water Stand at IT\$6,900
- I. South Beach RV Sewage Dump\$26,000

Section 2. The Port of Newport's Capital Improvement List is attached as Attachment "A".

Section 3. Capital projects related to the Port's lease with the NOAA Marine Operations Center are listed separately and can be found in the NOAA Fund budget.

Section 4. Res. No. 2016-04 and other Previous Capital Improvement Prioritization Lists are hereby repealed.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 23rd day of May, 2017.

ATTEST:

Walter Chuck, President

Patricia Patrick-Joling, Secretary/Treasurer

Capital Improvements List

1. INTERNATIONAL TERMINAL				
Priority	CFP Priority	Project	Cost Estimate	Reference document
S	1	Consolidation lay-down yard for break-bulk, container shipping	\$6,657,779.00	2015 TIGER
S	1	Purchase used work truck for Terminal	\$8,000.00	
S	1	Grading of Hall Property (1)	\$515,961.00	2015 quote
S	1	Grading of Port's 9-acre lot (1)	\$51,596.00	2015 quote
S	1	Replace H90 Forklift	\$50,000.00	
S	1	Security Fencing	\$17,000.00	
S	1	Asphalt spot repairs to ~ 1,500 s.f.	\$12,699.00	R&D bid 1-20-17
S	1	Install water stand pipe at west berth, branching off of existing line	\$6,900.00	2-8-17 bid from Rau Plumbing
L	2	International Terminal Fire Water Line Loop	\$138,732.00	2013 CFP
N	2	Replace H250 with newer model	\$30,000.00	
L	2	Asphalt Parking Lot area west of shop	\$110,000.00	2014 quote
L	2	Re-Asphalt northwest end of lot	\$84,000.00	2016 quote
L	3	Purchase and install 2nd hoist for use on W berth	\$130,000.00	2013 quote
SUBTOTAL			\$7,812,667.00	

2. COMMERCIAL MARINA				
Priority	CFP Priority	Project	Cost Estimate	Reference document
S		PD-5 Pier Engineering - Preliminary Work	\$115,000.00	OBEC
S		PD-5 Pier Engineering - Shovel Ready Alternative	\$200,000.00	OBEC
S		New/additional /Forklift	\$36,000.00	FY1516 REQ
S		replace Rods/ 1-Waler/Rub boards/new bumpers/ triangles/PD-5C	\$270,000.00	+
S		Port Dock 5 Pier Improvements/ Alt 1+3	\$3,241,281.00	
S		replace rods/Rub boards/ Dock 5X	\$25,000.00	
S		Replace rods/UHMW rub boards/Dock 3	\$110,000.00	
S		replace rods/bumpers/rub boards/6 walers Dock 5B	\$350,000.00	
S		replace finger rods/triangle tops/ wooden rub boards Dock 7 fingers	\$30,443.00	
N		Hoist dock electrical replacement	\$25,000.00	
N		PD-7 E/F Docks (1)	\$1,031,921.00	FY1516 REQ
N		Marina Dredging	\$2,230,323.00	2013 CFP
N		Port Dock 7 Replacement	\$3,703,719.00	2013 CFP
N		replace pilings on Sweeds dock/ move dock 50' to the West	\$195,356.00	
N		New Swing #4 Hoist w/ Extension	\$17,479.00	FY1516 REQ
N		#3 Hoist Replacement	\$134,150.00	FY1516 REQ
M		Hoist Dock (Center Section) Replacement w/ Hoist upgrade (2)	\$694,447.00	FY1516 REQ
L		Port Dock 1 Replacement	\$816,997.00	2013 CFP
L		40' x 60' x 14' New Shop	\$165,107.00	FY1516 REQ
L		Hoist Dock Expansion (to west)	\$1,547,882.00	FY1516 REQ
L		Replace Used Oil Tanks & Purchase Oil/Water Separator	?	
SUBTOTAL			\$14,625,105.00	

3. RECREATIONAL MARINA & RV PARK				
Priority	CFP Priority	Project	Current Cost	Reference document
S		Relocate RV SS dump site	\$12,000	FY17 request
S		Landscaping in Marina RV Park	\$30,000	
S		Install New Fillet Table Top of F-Dock	\$75,000	
S		Repair Service Dock	\$100,000	
S		Replace rip rap in SW corner of marina/fishing pier walkway	\$30,958	FY1516 REQ
N		Electrical Load Centers South Beach Marina	\$108,933	2013 CFP
N		Residing buildings in marina (south, central)	\$50,000	FY1516 REQ
N		Paint OPS building and marina store	\$10,319	FY1516 REQ

N		Picnic Bunker Rebuild	\$39,216	2013 CFP
		Landing Float Repair Bottom of A-Dock	\$50,000	
N		Wastewater Pump Station Replacement - South Beach	\$32,680	2013 CFP
N		New electrical pedestals	\$144,469	FY1516 REQ
N		Marina Dredging	\$2,924,712	2013 CFP
N		Reconstruction of Recreational Marina Docks	\$141,613	2013 CFP
N		Pavement Reconstruction/Seal Coating (all areas)	\$435,756	2013 CFP
L		Renovate RV Park Annex	\$300,000	2013 CFP
L		South Beach Marina Fuel Facility - Tank Replacement	\$228,759	2013 CFP
L		OSMB Service Dock Trail Connection	\$3,100,000	OSMB WAG
?		Oregon State Police dock (\$39,500 total assume \$20,000 fund from OSP)	\$20,000	FY17 request
SUBTOTAL			\$7,834,415	

4. OTHER FACILITIES				
Priority	CFP Priority	Project	Original Cost Estimate	Reference document
N		New Port Offices/Parking Area/Customs Office	\$900,000	Capri 2014
N		Rogue Brewery (Dry Moorage Building) North Wall/Siding Replacement	\$300,000	2013 CFP
N		Rogue Brewery (Dry Moorage Building) Foundation/Seawall Stabilization	\$2,100,000	2013 CFP
L		Fishing Pier Replacement	\$3,600,000	2013 CFP
SUBTOTAL			6,900,000	

5. VEHICLES				
Priority		Project	Original Cost Estimate	Reference document
S		Maint Dept - 1 utility trucks	\$20,000	FY16 request
N		utility truck for Commercial side	\$20,000	FY1516 REQ
N		Maint Dept - 1 utility trucks	\$20,000	FY16 request
SUBTOTAL			\$60,000.00	

Total **\$37,232,187**

S = Short Term (This Fiscal Year)
N = Near Term (1 - 5 yrs)
L = Long Term (5+ years)

**PORT OF NEWPORT
RESOLUTION NO. 2017-07**

A RESOLUTION ADOPTING A COMPENSATION PLAN FOR PORT EMPLOYEES

WHEREAS, Resolution No. 2000-01 adopted Personnel Rules for public officials of the Port of Newport; and

WHEREAS, the Board of Commissioners believes that a Compensation Plan should be reviewed annually and adopted by resolution; and

WHEREAS, the Plan shall include rates of pay, entrance salaries, step increases and other employment benefits; and,

WHEREAS, elements of this plan were reviewed by the Port Commission at their April 4, 2017 budget priorities work shop and again by the Budget Committee at their May 9, 2017 meeting; and,

WHEREAS, the Budget Committee approved the FY 2017-18 budget as presented; NOW THEREFORE,

THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

Section 1. Purpose. The purpose of this resolution is to establish a Compensation Plan for employees in the career service of the port beginning July 1, 2017 and shall appear as an appendix in the Personnel Rules of the Port of Newport along with other supporting documentation.

Section 2. Cost of Living Adjustment (COLA). The port shall not issue a COLA for Fiscal Year 2017-18. The rate as identified in the most recent completed calendar year as published by the U.S. Bureau of Labor Statistics, Portland Consumer Price Index-U was 2.15%. All rates, categories and steps noted in this resolution shall not be adjusted. The state's minimum wage increased to \$10.25 per hour.

Section 3. Rates of Pay. Each employee shall be paid an hourly rate of pay within the salary range for the class in which he/she is employed. Rates of pay include twelve steps for eligible employees pursuant to Personnel Rules. The percent increase between steps shall be two-and-one-half percent (2.5%). Temporary or part-time employment rates start at Oregon state minimum wage unless approved by the General Manager.

	HOURLY	
	LOW	HIGH
A. <u>General Manager</u>	\$44.55	\$58.45
B. <u>Finance Director</u>	\$33.65	\$44.16
C. <u>Operations Director</u>	\$33.65	\$44.16
D. <u>Facilities Manager (MOC-P)</u>	\$23.21	\$30.45

E. <u>Harbor Master</u>	\$19.48	\$25.56
F. <u>Terminal Manager</u>	\$19.48	\$25.56
G. <u>Accounting Specialist I</u>	\$18.09	\$23.73
H. <u>Maintenance I</u>	\$15.94	\$20.91
I. <u>Accounting Specialist II</u>	\$13.45	\$17.65
J. <u>RV Park Manager</u>	\$13.45	\$17.65
K. <u>Administrative Assistant</u>	\$12.50	\$16.40
K. <u>Maintenance II</u>	\$11.85	\$15.55
L. <u>Accounting Specialist III</u>	\$10.25	\$13.12
M. <u>Maintenance III</u>	\$10.25	\$11.60

Section 4. Health Care Insurance. The port shall cover the monthly premium for employees' health care insurance though coverage will be available for employees' spouse and dependents if fully paid by the employee unless otherwise stated within an employment contract. Coverage is provided through Regence Blue Shield Insurance as negotiated by Special Districts Association of Oregon (SDAO). The medical plan includes a \$5,000 annual deductible, \$10,000 for family coverage.

	MONTHLY
A. <u>Medical</u> . "Red" Plan. PPO L	\$610.49 / \$1,739.90
B. <u>Dental</u> . Incentive Plan	\$54.95 / \$146.19

Section 5. Retirement Plan. The port shall provide employees with a retirement plan funded through the State of Oregon Public Employees Retirement System (PERS). The employee shall be responsible for their portion (6%) of the plan.

	MONTHLY
A. <u>Tier I</u>	13.54%
B. <u>Tier II</u>	13.54%
C. <u>OPSRP (Tier III)</u>	4.61%

Section 6. Health Reimbursement Arrangement (HRA). The port agrees to reimburse employees for eligible expenses (i.e. out-of-pocket expenses) above the \$1,000 deductible with an annual maximum reimbursement of \$3,500; \$2,000 deductible with an annual maximum reimbursement of \$7,000. The unused reimbursement may not be liquidated by the employee nor may it be carried over to the following fiscal year.

Section 7. Deferred Compensation. The port shall provide a deferred compensation plan for its employees through the Oregon Growth Savings retirement account. This plan is entirely funded through employee contributions.

Section 8. Section 125 Pre-tax Medical Plan. The port shall provide employees' access to a Flexible Spending Account or other Section 125 plan for dependent health care coverage paid for through employment agreements or by the benefitting employee.

Section 9. Bonus Consideration. The General Manager shall have the authority to issue on behalf of the port a holiday bonus to employees in an amount not to exceed \$100 based upon financial and other considerations. Commission grants General Manager an equal bonus as may be issued to other career service employees.

Section 10. Delegation of Responsibility. The manager shall have the authority to adjust these rates or benefits on a temporary basis due to changes in any of the contractual agreements related to the aforementioned benefits. Any adjustments to these rates or benefits will be reported to the commission at its next regular meeting.

Section 11. Annual Review. The commission shall annually review and adopt a new Compensation Plan prior to the subsequent budget's adoption. A one page summary of the financial implications of this plan shall be included as a part of the proposed budget.

Section 12. Repealer. All previous rates and benefits are hereby repealed.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 23rd day of May, 2017.

Walter Chuck, President

ATTEST:

Patricia Patrick-Joling, Secretary/Treasurer

**PORT OF NEWPORT
RESOLUTION NO. 2017-08**

A RESOLUTION SETTING RATES, FEES, AND CHARGES

WHEREAS, ORS 294.160 requires the governing body of a unit of local government to provide an opportunity for interested persons to comment on the enactment of any ordinance or resolution prescribing a new fee or a fee increase; and

WHEREAS, Port of Newport Facilities Code Sec. 1.2(f) and 2.10(c)(6) require the Commission to set rates and charges for moorage and electrical usage by the adoption of a “fee schedule” by resolution; and

WHEREAS, the Port Commission last adjusted rates, fees and charges via Res. No. 2016-02 on May 24, 2016; and

WHEREAS, the Port Commission feels that user fees should help to offset those costs related to the depreciation and on-going maintenance of the port; NOW THEREFORE,

THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

Section 1. Service Rates. Rates apply to all Port of Newport locations unless otherwise noted. Rates become effective July 1, 2017. Port owned equipment to be operated by port personnel. Rates are per hour, ¾ hour minimum, in 15 minute increments, unless otherwise noted.

	OLD	NEW	+/-
A. <u>Forklift.</u> In addition to labor rate.			
1. Small. Toyotas.			
a. Per hour.....	\$11.33	\$12.00	6%
b. Minimum charge	\$ 7.21	\$9.00	25%
2. Large. All at International Terminal (IT).			
a. Per hour.....	\$28.33	\$30.00	6%
b. Minimum charge	\$17.00	\$22.50	32%
B. <u>Hoist Dock.</u> Tie up fee, per hour. Includes use of hoist.			
1. One hour minimum, up to 3 hrs.	\$37.34	\$39.00	4%
2. After 3 hours.....	\$44.29	\$47.00	6%
C. <u>Hoist Dock Cranes.</u> In addition to hoist dock rate.			
1. Large Capacity. In addition to labor rate.			
a. Per hour.....	\$39.66	\$42.00	6%
b. Minimum charge	\$30.64	\$31.50	3%
2. Launch Sail Boats. Includes recovery, per launch.....	\$42.49	\$45.00	6%
D. <u>Service Docks.</u>			
1. Swede’s. In addition to moorage.daily moorage rate		same	
E. <u>City Water.</u>at city’s rate		same	
F. <u>Fuel Surcharge.</u> International Terminal only. Per gallon	\$ 0.031	\$0.033	6%
G. <u>Electricity.</u> Swede’s Dock, Dock 1, and IT. Per day charge.			
1. 208/220 v, single phase & 208 v three phase.	\$15.19	\$16.00	5%
2. 120v. IT	\$ 6.44	\$7.00	9%
3. PD 7 Service Dock, 110v pumps.....	\$ 6.44	\$7.00	9%

4.	PD 7 Yard Charge, trucks	\$11.59	\$12.00	4%
H.	<u>Hydraulic Crane.</u> In addition to labor rate. 30 ton capacity, per hour, min 1 hr.	\$132.61	\$139.00	5%
I.	<u>Pump/Line Service.</u> Includes one Port employee only. Additional staff required will be billed at the established hourly labor rate. Per hour.....	\$58.45	\$62.00	6%
J.	<u>Storage.</u>			
1.	Outside Lot Storage			
a.	Per square foot, monthly charge	\$0.216	\$0.23	6%
b.	Minimum monthly charge	\$21.63	\$23.00	6%
c.	Boat trailer only, per night.....	\$ 2.16	\$2.50	16%
d.	Boat on trailer, per night, 10 days limit	\$ 7.42	\$8.00	8%
2.	Emergency Storage Fee. Per day billed as guest. For vehicles, boats or trailers prior to being considered unclaimed property in possession (ORS 98.245) Charge for improper use of parking lot (i.e. boat repair)	\$21.63	\$23.00	6%
K.	<u>Gear Work.</u> Boat crew is responsible for clean-up. If Port Employees are required to clean up area, the boat account will be billed at the established hourly labor rate.			
1.	Commercial Marina, per day	\$18.80	\$20.00	6%
2.	Terminal Lot, per day. Short term use only	\$18.80	\$20.00	6%
3.	South Beach Marina, per day	\$18.80	\$20.00	6%
L.	<u>Work Barge.</u> In addition to labor rate.			
1.	Work Boat, per hour. Licensed captain extra.	\$124.63	\$131.00	5%
2.	Wood Barge, per day (work boat extra).....	\$23.69	\$25.00	6%
3.	Skiff, per hour	\$13.39	\$14.00	5%
M.	<u>Clean-up.</u> Fees will be charged for each man-hour at the established labor. Equipment charges are extra			
1.	Oil Spills, per hour	\$92.70	\$97.00	5%
N.	<u>Disposal Fees.</u>			
1.	Just Oil, per gallon.....	\$ 0.300	\$0.50	67%
2.	Oil-Water Mix, per gallon	\$ 0.760	\$1.00	32%
3.	Net Disposal and/or Related Gear, per pound	\$ 0.165	\$0.18	9%
4.	Garbage, per pound	\$ 0.113	\$0.15	33%
O.	<u>Port Labor.</u> Includes administration staff and fully burdened.			
1.	Per hour; 3/4 hour minimum, in 15 min. increments..	\$50.50	\$53.00	5%
2.	Overtime. Any services required outside the established working hours, unless otherwise posted, will be charged at one and one-half times (1.5) the normal rate for labor. Per hour, 1 hour minimum.....	\$75.75	\$79.50	
3.	Emergency Call-out. Any services requiring a port employee not currently on duty to report to duty after hours, will be charged at twice (2.0) the normal rate for labor. Per hour.....	\$100.94	\$106.00	5%
P.	<u>Pallet Charge.</u> Any Port owned pallet leaving yard, each.	\$ 5.46	\$6.00	10%
Q.	<u>Dredge Spoils.</u> Includes state fees; may be waived for other public agencies or beneficial uses. Per cubic yard.....	\$ 2.00	\$2.50	25%
R.	<u>Keys/Cards.</u>			
1.	South Beach Facilities. Cards.			

a. Original/first two	free	free	n/a
b. Replacement/additional	\$ 5.67	\$6.00	6%
2. Bay Front Facilities. Keys.			
a. Original/first one	\$15.97	\$17.00	6%
b. Replacement/additional	\$28.33	\$30.00	6%

Section 2. Bay Front Charges. Per linear foot. All charges for greater length between dock and boat.

	OLD	NEW	+/-
A. <u>Moorage.</u> Per linear foot.			
1. Daily	\$ 0.45	\$0.50	11%
2. Calendar Month	\$ 8.25	\$9.00	9%
3. Semi-Annual	\$31.31	\$33.00	5%
4. Annual	\$41.56	\$44.00	6%
B. <u>Annual Parking Permit.</u> Permit effective for calendar year starting April 1 st . Commercial Fisherman only			
	\$21.00	\$22.00	5%

Section 3. International Terminal Charges. International Terminal Tariff No. 1 adopted via Res. No. 2014-03 on May 22, 2014. All fees authorized via Tariff No. 1. Effective July 1, 2014.

A. <u>Port Security Fee.</u> (§I.13). Per three 8-hour shifts	\$895.00	\$895.00	0%
B. <u>Materials & Supplies.</u> (§I.31). Cost plus	25%	25%	0%
C. <u>Dockage Charges.</u> (§III.13). Rate per day, by length.			
1. 000.00 – 351.05 ft.	\$1,627.00	\$1,627.00	0%
2. 351.05 – 371.02 ft.	\$1,792.00	\$1,792.00	0%
3. 371.02 – 400.26 ft.	\$1,981.00	\$1,981.00	0%
4. 400.26 – 426.51 ft.	\$2,203.00	\$2,203.00	0%
5. 426.51 – 449.48 ft.	\$2,373.00	\$2,373.00	0%
6. 449.48 – 475.72 ft.	\$2,607.00	\$2,607.00	0%
7. 475.72 – 498.69 ft.	\$2,960.00	\$2,060.00	0%
8. 498.69 – 524.93 ft.	\$3,527.00	\$3,527.00	0%
9. 524.93 – 551.18 ft.	\$3,639.00	\$3,639.00	0%
10. 551.18 – 574.15 ft.	\$3,822.00	\$3,822.00	0%
11. 574.15 – 600.39 ft.	\$4,373.00	\$4,373.00	0%
12. 600.39 – 626.64 ft.	\$5,092.00	\$5,092.00	0%
13. 626.64 – 649.99 ft.	\$5,787.00	\$5,787.00	0%
14. Above 650 ft., added on top of above rate, per ft.	\$ 8.90	\$8.90	0%
15. Exceptions for certain vessels (§II.14) per ft. per day	\$ 0.80	\$0.80	0%
D. <u>Service and Facility Charges.</u> (§III.2). Per 1000 board feet, unless noted.			
1. Logs. Scribner scale, ex dock.....	\$ 7.75	\$7.75	0%
2. Cants.	\$ 6.00	\$6.00	0%
3. Lumber. Packaged rough.	\$ 5.22	\$5.22	0%
4. Lumber. Packaged surfaced.	\$ 4.63	\$4.63	0%
5. Plywood, Veneer, corestock & hardboard, /1000 kilos	\$ 5.87	\$5.87	0%
6. Pulp, Linerboard, bales or rolls, 2000 kilos.....	\$ 3.49	\$3.49	0%
7. Other commodities, per metric ton or 1000 bf	\$ 6.83	\$6.83	0%
8. Other commodities, per cubic meter.....	\$ 5.69	\$5.69	0%
E. <u>Wharfage Assessment.</u> (§III.6). Minimum charge for any single bill of lading.			
	\$10.00	\$10.00	0%

F. <u>Wharf Charges.</u> (§III.7). Per 1000 board feet, unless noted. In addition to Service and Facility Charges.			
1. Logs. Scribner scale, ex dock.....	\$ 9.50	\$9.50	0%
2. Cants.	\$ 6.00	\$6.00	0%
3. Lumber. Packaged rough.	\$ 4.55	\$4.55	0%
4. Lumber. Packaged surfaced.	\$ 4.03	\$4.03	0%
5. Plywood, Veneer, corestock and hardboard, per 1000K.....	\$ 3.96	\$3.96	0%
6. Pulp, Linerboard, bales or rolls.....	\$ 2.72	\$2.72	0%
7. Other commodities, per 1000 kilos.....	\$ 5.57	\$5.57	0%
8. Other commodities, per cubic meter.....	\$ 4.57	\$4.57	0%
G. <u>Cargo Staging Area.</u> (§IV.2). Base rent for 3-acre surge area.			
1. Per week, seven days	\$2,000.00	\$2,000.00	0%
2. Per day, less than seven days	\$300.00	\$300.00	0%
H. <u>Line Service.</u> (§V.3). Labor will be charged at the rates set out in the current ILWU/PMA West Coast Contract. Rate schedule per day.			
1. 2 men	\$520-\$656	\$520-\$656	0%
2. 4 men	\$1,061-\$1,317	\$1,061-\$1,317	0%
3. 6 men	\$1,575-\$1,973	\$1,575-\$1,973	0%
4. 8 men	\$2,153-\$2,631	\$2,153-\$2,631	0%

Section 4. South Beach Charges. Per linear foot. All charges for greater length between dock and boat except for F-Dock which is boat length only. Effective October 1, 2017.

	OLD	NEW	+/-
A. <u>Moorage.</u> Per linear foot.			
1. Daily	\$ 0.64	\$0.70	9%
2. Weekly.....	\$ 3.82	\$4.00	5%
3. Calendar Month.....	\$ 9.79	\$10.50	7%
4. Semi-Annual.....	\$36.04	\$38.00	5%
5. Annual	\$57.02	\$60.00	5%
6. Electrical Surcharge, per extra plug on dock.			
a. Weekly.....	n/a	\$25.00	n/a
b. Monthly.....	\$30.90	\$100.00	224%
7. Live aboard. Monthly rate by agreement only.			
a. First person.....	\$49.95	\$53.00	6%
b. Each Additional.....	\$43.26	\$46.00	6%
B. <u>South Beach Charter Rates.</u>			
1. Annual Moorage, per linear foot (PONFC)	\$44.92	\$47.00	5%
2. Charter License	\$300.00	\$315.00	5%
C. <u>Dock Box.</u> Following Harbormaster specs	\$309.00	\$325.00	5%
D. <u>Electrical Upgrade.</u> From 20 to 30 amp. One-time.....	\$53.05	\$56.00	6%
E. <u>Line Replacement.</u> Per foot, per time.....	\$ 1.00	\$ 1.25	25%
F. <u>Launch Fee.</u>			
1. Daily.	\$ 6.00	\$6.00	%
2. Annual			
a. Resident	\$55.00	\$65.00	18%
b. Resident Senior	\$50.00	\$55.00	10%
c. Non-resident.....	\$75.00	\$85.00	7%
d. Non-resident Senior.....	n/a	\$75.00	n/a

Section 5. Recreational Vehicle Park Fees. Effective October 1, 2017. Applicable state and municipal lodging tax will be an additional charge.

A. <u>High Traffic Surcharge.</u> Per night (2 night min.) Added to all RV Park stays in Marina RV Park, RV Park Annex, and Dry Camping.			
1.	Memorial, Labor Day, 4 th of July	--	\$20.00 n/a
2.	Seafood & Wine Festival	--	\$50.00 n/a
3.	Other Special Events.....	--	Varies
B. <u>Peak Season (Summer).</u> May 1 – October 31. Base rate before taxes.			
1. All Marina Park Sites			
a. Daily			
i.	Regular		\$44.50
	(Base Rate before taxes).....		\$39.98 \$42.00 5%
ii.	Good Sam.....		\$40.05
	(Base Rate before taxes).....		\$35.98 \$37.80 5%
b. Weekly			
i.	Regular		\$279.50
	(Base Rate before taxes).....		\$251.12 \$264.00 5%
ii.	Good Sam.....		\$251.55
	(Base Rate before taxes).....		\$226.01 \$237.60 5%
c.	Monthly Rate		\$783.00 \$823.00 5%
2. The Annex.			
a.	Daily.....		\$34.50
	(Base Rate before taxes).....		\$31.00 \$33.00 6%
b.	Weekly.....		\$209.00
	(Base Rate before taxes).....		\$187.78 \$198.00 5%
c.	Monthly		\$620.00 \$651.00 5%
3. Dry Camping.			
			\$20.50 \$22.00 7%
C. <u>Off Season (Winter).</u> November 1 – April 30.			
1. All Sites in the Marina Park			
a. Daily			
i.	Regular		\$39.50
	(Base Rate before taxes).....		\$35.49 \$38.00 7%
ii.	Good Sam.....		\$35.55
	(Base Rate before taxes).....		\$31.94 \$34.20 7%
b. Weekly			
i.	Regular		\$237.00
	(Base Rate before taxes).....		\$212.94 \$224.00 5%
ii.	Good Sam.....		\$213.31
	(Base Rate before taxes).....		\$191.64 \$201.60 5%
c.	Monthly Rate		\$672.00 \$706.00 5%
2. The Annex.			
a.	Daily.....		\$34.49
	(Base Rate before taxes).....		\$31.00 \$33.00 6%
b.	Weekly.....		\$209.00
	(Base Rate before taxes.....		\$187.78 \$198.00 5%

	c. Monthly	\$620.00	\$651.00	5%
	3. Dry Camping.	\$20.50	\$22.00	7%
D.	<u>South Beach Meeting Room.</u> Must be pre-arranged and authorized. Keys must be obtained and returned. Certain waivers by management.			
	1. Half day	--	\$40.00	
	2. Full day.....	\$75.00	\$80.00	7%
E.	<u>Pet Fee.</u> Charged additionally.			
	1. Daily. First pet free; each additional	\$ 2.00	\$3.00	50%
	2. Weekly. First pet free; each additional	\$10.00	\$11.00	10%
	3. Monthly. Charged per pet including first.....	\$10.00	\$11.00	10%
F.	<u>Individual Fee.</u> First two people free; each additional person charged.			
	1. Daily.	\$ 2.00	\$3.00	50%
	2. Weekly.....	\$10.00	\$11.00	10%
	3. Monthly.....	\$30.00	\$32.00	7%
G.	<u>Vehicle Fee.</u> Any combination of three axle pieces of equipment (i.e. trailer, fifth wheel, truck/car, storage trailer). Charged for fourth piece.			
	1. Daily.	\$ 2.00	\$7.00	250%
	2. Weekly.....	\$10.00	\$15.00	50%
	3. Monthly.....	\$30.00	\$35.00	17%
H.	<u>Reservation Deposit.</u> Payable at booking. Deposit will be applied to actual stay, subject to cancellation fee if applicable.			
	1. Daily and Weekly.....	1 st night's rate	same	
	2. Monthly.....	1 st month's rate	same	
I.	<u>Cancellation Fee.</u>			
	1. Daily or weekly reservation, non-holiday.			
	a. 72 hours or more before check-in date.....	\$10.00	\$11.00	10%
	b. Less than 72 hours before check in date. 1 st night's rate		same	
	2. Daily or weekly reservation, holiday.			
	a. 14 days or more before check-in date	\$10.00	\$11.00	10%
	b. Fewer than 14 days before check-in date 1 st night's rate		same	
	3. Monthly reservations.			
	a. 30 days or more before check-in date.	---	\$50.00	n/a
	b. Less than 30 days before check-in, or early check-out	---	\$100.00	n/a
	4. High-Traffic reservation (§5(A)), 1 st night's rate.....	---		n/a
J.	<u>Service Fee Reimbursement.</u> For electric pedestal physical damage. First service call included in base rate. All other service reimbursements may be charged at actual cost to port.			
		\$79.00	\$83.00	5%
K.	<u>Laundry Machines.</u> per load.			
		\$ 2.00	\$2.00	0%
L.	<u>Process Fees.</u> Any additional fees incurred by the Port as part of an eviction process.			
	1. Notice.	\$50.00	\$50.00	0%
	2. FED Complaint.	\$200.00	\$200.00	0%
	3. Court Hearing	\$165.00	\$165.00	0%
	4. Writ of Execution.	\$140.00	\$140.00	0%

Section 6. Civil Penalties. Penalties found in PONFC (Sec. 7.4(a)). Paid in full. Effective July 1, 2017.

	OLD	NEW	+/-
A. <u>Class A Violation</u>			
1. 0-14 days, per day.....	\$300.00	\$300.00	0%
2. 15-29 days, per day.....	\$600.00	\$600.00	0%
3. 30+ days, per day.....	\$1,000.00	\$1,000.00	0%
B. <u>Class B Violation</u>			
1. 0-14 days, per day.....	\$150.00	\$150.00	0%
2. 15-29 days, per day.....	\$300.00	\$300.00	0%
3. 30+ days, per day.....	\$500.00	\$500.00	0%
C. <u>Class C Violation</u>			
1. 0-14 days, per day.....	\$30.00	\$30.00	0%
2. 15-29 days, per day.....	\$60.00	\$60.00	0%
3. 30+ days, per day.....	\$100.00	\$100.00	0%
D. <u>Class D Violation</u>			
1. 0-14 days, per day.....	\$15.00	\$15.00	0%
2. 15-29 days, per day.....	\$30.00	\$30.00	0%
3. 30+ days, per day.....	\$50.00	\$50.00	0%
E. <u>Parking Violation.</u> Per event, both vehicles and trailers.			
1. 0-10 days, paid within.....	\$40.00	\$40.00	0%
2. 11-20 days, paid within.....	\$85.00	\$85.00	0%
3. 21+ days, paid within.....	\$125.00	\$125.00	0%
F. <u>Dumping Violation.</u> Per event.....	---	\$500.00	n/a

Section 7. Administrative Fees. Staff may require payment or deposit in advance of service (ORS 192.440(4)(a)). Effective July 1, 2017.

A. <u>Public Records Request Fee Schedule.</u>			
1. Copies of Public Records. Per Page.....	\$ 0.25	\$0.25	0%
2. Copies of Sound Recordings.....	\$10.00	\$10.00	0%
3. Copies of By-laws, Codes, Plans, bound documents.....	\$20.00	\$20.00	0%
4. Copies of Nonstandard documents.....	\$20.00	\$20.00	0%
B. <u>Research.</u> Written request required. Hourly rate. ½-hr. min.....	\$50.50	\$53.00	5%
C. <u>Computer Time.</u> Port operator. Hourly rate. ½-hr. min.....	\$50.50	\$53.00	5%
D. <u>Faxes/Emailing/Copies.</u> Per Page			
1. Local.....	\$ 1.00	\$1.00	0%
2. Long Distance.....	\$ 1.50	\$1.50	0%
3. Incoming.....	\$ 1.00	\$1.00	0%
4. Copies.....	\$ 0.25	\$0.25	0%
E. <u>Long Distance Phone Call, 5 minute maximum</u>.....	\$ 2.00	\$2.00	0%
F. <u>Lamination.</u> Per Page, letter size.....	\$ 2.00	\$2.00	0%
G. <u>Notice Posting.</u> For non-payment of lease or moorage.....	\$62.00	\$65.00	5%
H. <u>Failure to Register.</u> For research related to unregistered boats.....	\$31.00	\$33.00	6%
I. <u>International Terminal Meeting Room.</u> Must be pre-arranged and authorized.			
1. Half day.....	--	\$30.00	n/a
2. Full day.....	--	\$60.00	n/a
J. <u>Returned Check Fee.</u> Plus bank fees.....	\$50.00	\$50.00	0%

K.	<u>Per Annum Interest Rate.</u> Applied to past due accounts.	18%	18%	0%
L.	<u>POV Mileage Reimbursement Rate (IRS)</u>	current		
M.	<u>Travel Reimbursement Rates</u> follow current IRS per diem rates (http://www.gsa.gov/portal/category/104711)	current		
N.	Impound Seizure Fee. Vessel impounding.	\$750.00	\$750.00	0%
O.	Special Use Permit Fee. GM has authority to adjust usage fee based upon non-profit status and other criteria			
	1. Application Fee.....	\$100.00	\$100.00	0%
	2. Usage Fee, Number of Participants, Attendees, Contestants, Volunteers at Event			
	a. 1-200	\$400.00	\$400.00	0%
	b. 201-500	\$650.00	\$650.00	0%
	c. 501-1000	\$900.00	\$900.00	0%
	d. 1001-5000	\$1,400.00	\$1,400.00	0%
	e. 5001-10,000	\$1,900.00	\$1,900.00	0%
	f. 10,001-20,000	\$2,400.00	\$2,400.00	0%
	g. More than 20,000	\$5,000.00	\$5,000.00	0%
	3. Vendors, per each	\$40.00	\$40.00	0%
P.	Insurance Certificate Limits			
	1. General Liability, per occurrence.....	\$2MM	\$2MM	0%
	2. General Liability, in aggregate.....	\$2MM	\$2MM	0%
Q.	Security (TCB) costs reviewed and passed along to applicant.		same	
R.	Impound Seizure Fee. Car/Truck/Trailer	\$100.00	\$100.00	0%
S.	Background Check.....	\$25.00	\$25.00	0%
T.	Credit Check	\$35.00	\$35.00	0%
U.	Notary Fees (OAR 160-100-0410). Acknowledgement, Affidavit/Jurat, Oath/Affirmation, Witness/Attest.....	\$10.00	\$10.00	0%

Section 8. Insurance Certificate Minimum Limits. Effective July 1, 2017. Limits are subject to review and risk assessment by management and/or the Port's insurance agent of record. A certificate naming the Port as an additional insured is also required.

	OLD	NEW	+/-
A. <u>Leases/Tenants.</u>			
1. General Liability, Each Occurrence	\$2MM	\$2MM	0%
2. Damaged to Rented Premises (each occurrence)	\$300K	\$300K	0%
3. Medical Expense (any one person)	\$5K	\$5K	0%
4. Personal & Adverse Injury	\$2MM	\$2MM	0%
5. General Aggregate	\$2MM	\$2MM	0%
6. Products – Comp/Op Aggregate	\$2MM	\$2MM	0%
B. <u>Commercial Vessels, Liability Coverage Requirements</u>			
1. Protection & Indemnity, must not exclude Wreck Removal	\$250K	\$250K	0%
2. Pollution Liability.....	\$300K	\$300K	0%
3. If Pollution/Protection & Indemnity Combined	\$600K	\$600K	0%
4. Port of Newport to be named as additional insured on Liability Coverage			
C. <u>Recreational Vessels, Liability Coverage Requirements</u>			
1. Protection & Indemnity, must not exclude Wreck Removal	\$250K	\$250K	0%

2.	Pollution Liability.....	\$300K	\$300K	0%
3.	–or- Water Craft Liability, must include both wreck removal and pollution liability coverage. Umbrella clauses must identify boats exceeding 25 ft.....	\$500K	\$500K	0%
4.	Port of Newport to be named an additional insured on Liability Coverage			
D.	Charter/Guide Vessels			
1.	General Liability.....	\$1.7MM	\$2MM	18%
E.	International Terminal Vessels (Tariff No. 1(\$17))			
1.	Maritime Employer’s Liability (Jones Act).....	\$1MM	\$1MM	0%
2.	Commercial and/or Comprehensive Marine General Liability	\$5MM	\$5MM	0%
F.	NOAA Visiting Vessels			
1.	Commercial and/or Comprehensive Marine General Liability	\$5MM	\$5MM	0%
G.	Vendors (reserved)			

Section 9. Retails Sales, Gift Certificates, Promotions, Sponsorships and Sundries. The Commission delegates to Manager the ability to set prices for sundries, cards, magnets, cups, DVDs, gift certificates, coupons, promotions, advertising, sponsorships and other retail and marketing items.

Section 10. Delegation of Responsibility. The Commission delegates to General Manager the ability to adjust these rates on a temporary basis to better manage services at the Port of Newport. Any adjustments to these rates will be reported to the Commission at its next regular meeting.

Section 11. Annual Review. The Commission, through assistance by Port staff, shall annually review and adopt a new rate, fees and charges resolution prior to the subsequent budget's adoption.

Section 12. Repealer. All previous rates and/or rate resolutions are hereby repealed.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 23rd day of May, 2017.

ATTEST:

Walter Chuck
President

Patricia Patrick-Joling
Secretary/Treasurer

DIRECTOR OF FINANCE MONTHLY REPORT

DATE: 05/23/2017
PERIOD: April Board Meeting
TO: Port of Newport Commissioners
ISSUED BY: Stephen J. Larrabee

OVERVIEW

Financials:

April year to date financials are attached.

Finance Operations:

The Budget has been adopted by the Budget Committee. Thanks to all the participants in the process, it went very smoothly this year.

RV Park:

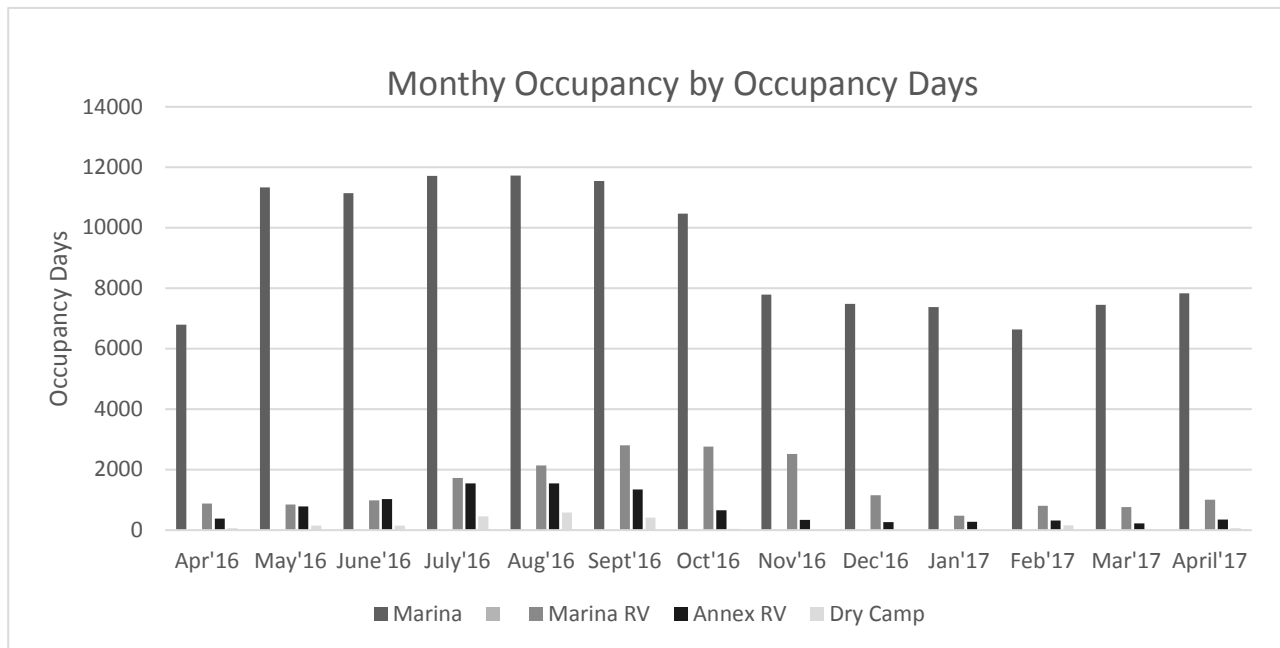
The RV Park continues to generate a significant amount of positive net income and the staff is monitoring what other RV Parks are doing to increase the efficiencies at the Park. Landscaping improvements continue and the staff has received several positive comments from patrons of the Park. The RV Park Manager has hired a new staff member, Ann Tarr, who started May 1st. She will be replacing Penny Gabrielson who is retiring at the end of May.

April 2017 Occupancy Report

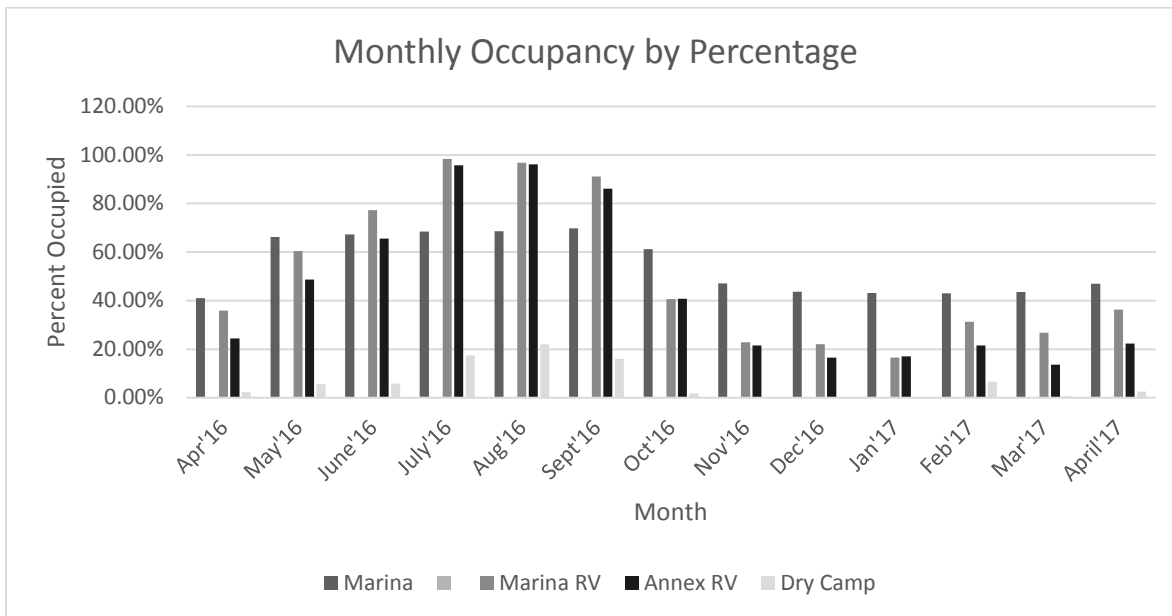
To: Port of Newport Board of Commissioners
 From: Bill Hewitt, South Beach Marina & RV Parks
 04/15/2017

The South Beach Marina’s numbers continue to outpace last year and we continue to accept qualified applicants. We have sold out just about all of our downwind slips to annual and semi-annual customers. The halibut season has opened and the Marina is very active. The Marina RV Park numbers have improved and reservations are strong for Memorial Day weekend and the Fourth of July weekend. Both are sold out with a wait list. The weekend of the eclipse is also sold out with a wait list. The whole months of July and August are pretty solidly booked. The Annex continues to lag behind last year but is also booked for the holidays and the eclipse. We are taking reservations for dry camping and the new lined spaces are working nicely and have been well received by our customers.

Apr-17	2016	2017	Change	YTD 2016	YTD 2017	Change
Marina	6795	7832	15.26%	28630	29324	2.42%
MarinaRV	880	1003	13.98%	3193	3047	-4.57%
AnnexRV	381	348	-8.66%	1296	1156	-10.80%
Dry Camp	59	64	8.47%	349	242	-30.66%



April'17	2016	2017	Change	YTD 2016	YTD 2017	Change
Marina	41.03%	46.95%	5.92%	41.15%	43.95%	2.80%
Marina RV	35.83%	36.34%	0.51%	31.14%	27.60%	-3.54%
Annex RV	24.42%	22.31%	-2.11%	21.95%	18.52%	-3.43%
Dry Camp	2.31%	2.51%	-0.20%	3.04%	2.37%	-0.67%



Total Spaces per Location:

Marina – 552

Marina RV – 92

Annex RV – 52

Dry Camp - 85



DIRECTOR OF OPERATIONS MONTHLY REPORT

DATE: 5/17/2017
PERIOD: Apr 2017 – May 2017
TO: Kevin Greenwood
ISSUED BY: Jim Durkee

OVERVIEW

Summary:

The crew on the north side was busy with returning vessels from Alaska and fishing vessels changing gear for other fisheries. The South Beach crew has been working hard on landscaping and preparing for heavy summer traffic. The first halibut opener was slow due to weather. The carnival was set up for Loyalty Days without any major problems. Contractors for the city cleared the area east of the main office and moved in materials and equipment.

Detail:

- **Swede's Dock:** This project is completed including foam filled pontoons, metal roofing and siding, and new wood decking on the ramp.
- **ACOE:** Met with ACOE personnel to go over upcoming projects including regular maintenance dredging, City of Newport dredging and disposal, South Beach sand fences and maintenance dredging in the South Beach marina.

International Terminal – Pete Zerr, Superintendent

Billable services:

- Forklift - 40hrs
- 30 Ton Hydraulic crane – 36hrs
- Moorage – 146 days
- Dock Tie Up – 130hrs
- Labor – 74hrs

Other

- Working on Terminal Operations Manual.
- Completed MTSA Annual Audit.
- Working with distant water fleet.
- Called in Coast Crane for a repair to the LMI computer on the crane and ordered a replacement for the main wire.

N. Commercial docks – Kent Gibson, Harbor Master

Billable services: (estimated)

- Forklift – 157hrs
- Hoist crane – 10hrs
- Dock Tie Up – 239.75hrs
- Labor – 162.25hrs

Other

- Kent Gibson attended PCC conference in San Francisco and was nominated and voted onto the Board of Directors for one of the 2 Oregon positions. He also visited about 9 ports on the way down and back.
- Completed Swede's Dock work including foam filled floats and new metal siding and roofing.

NOAA MOC-P – Jim Durkee, Facility Manager

- Continued covering Director of Operations position.
- Performed quarterly inspections and maintenance on all systems.
- Updated Building Automation System.
- Attended work party on Sanctuary Hill to help inventory and repack supplies and fill some water barrels.

Vessels Using the Facility Since My Last Report – NOAA vessel Fairweather.

Office Occupancy Admin Building – 63 Work Stations Total, 43 Occupied
Warehouse Bldg. – 23 Work Stations Total, 11 Occupied
Occupancy Rate – 63%

S. Beach Marina & RV – Chris Urbach, Harbor Master

Billable services:

- Launch tickets:
417 passes sold this period.

Other

- The multi-use lot has been striped. Restriped gravel dry camping area.
- Continued work on landscape in the Marina and the RV Park.
- The Carnival came and went with no problems. The multi-use lot worked for them just fine.
- The first Halibut season was a bust because of weather and ocean conditions, the halibut derby did not happen. The second opener looks like the weather and ocean conditions will be better we will see.
- Eric and Jim continue to make some great visual improvements in the Marina RV Park. The grass keeps growing and everyone keeps cutting.
- We are in talks with Angel Job Corp. to re-side the south side of the men's marina restroom building.

Volunteer Work Crews- The Mates

- The Mates finished installing the 'Weigh Your Fish' sign during a work party and got to pose for pictures with the first user.
- Working with the South Beach crew to make improvements to the central kiosk.
- A couple of painting projects are continuing as weather permits.
- Preparing for the Know Your Newport event on May 17th, which will occur after this report but before the commission meeting.

Port Of Newport Public Safety Report

Month: **April**

Prepared By: **Matt Frank**

Report Date: **May 12, 2017**

INCIDENT / CALL TYPE	NORTH			SOUTH			INTERNATIONAL		
	MONTH	YEAR	TOTAL	MONTH	YEAR	TOTAL	MONTH	YEAR	TOTAL
Patrol Check	170	579	<u>749</u>	176	381	<u>557</u>	69	249	<u>318</u>
Unsecure Area		1	<u>1</u>			<u>0</u>			<u>0</u>
Open Door / Window			<u>0</u>			<u>0</u>		1	<u>1</u>
Boat Related		13	<u>13</u>			<u>0</u>		1	<u>1</u>
Suspicious Vehicle	4	14	<u>18</u>	9	3	<u>12</u>	1	3	<u>4</u>
Suspicious Circumstance	3	2	<u>5</u>	1		<u>1</u>	1	1	<u>2</u>
Welfare Check	1		<u>1</u>		1	<u>1</u>			<u>0</u>
Unwanted Subject	3		<u>3</u>			<u>0</u>			<u>0</u>
Ordinance Violation			<u>0</u>	1	1	<u>2</u>			<u>0</u>
Parking / Traffic Related			<u>0</u>			<u>0</u>		1	<u>1</u>
Trespassing		0	<u>0</u>			<u>2</u>			<u>0</u>
Noise Complaint			<u>0</u>	1	2	<u>3</u>			<u>0</u>
Disturbance/Domestic			<u>0</u>		1	<u>1</u>			<u>0</u>
Assault			<u>0</u>			<u>0</u>			<u>0</u>
Fire			<u>0</u>			<u>0</u>			<u>0</u>
Suspicious Person	1	2	<u>3</u>	1	1	<u>2</u>			<u>0</u>
Theft / Berg			<u>0</u>			<u>0</u>			<u>0</u>
Alarm			<u>0</u>		1	<u>1</u>			<u>0</u>
Agency Assist	2	5	<u>7</u>		1	<u>1</u>		1	<u>1</u>
Drug / Alcohol Related			<u>0</u>			<u>0</u>			<u>0</u>
Vandalism			<u>0</u>	1		<u>1</u>			<u>0</u>
Contact	7	12	<u>19</u>	17	24	<u>41</u>	1	5	<u>6</u>
Maintenance Related		3	<u>3</u>	1		<u>1</u>			<u>0</u>
Lost / Found Property			<u>0</u>			<u>0</u>			<u>0</u>
Animal Related	1		<u>1</u>	1		<u>1</u>			<u>0</u>
Hazard	1	1	<u>2</u>	1		<u>1</u>			<u>0</u>
Informational	1	1	<u>2</u>			<u>0</u>			<u>0</u>
Property Damage	1	0	<u>1</u>			<u>0</u>			<u>0</u>
Follow Up		1	<u>1</u>			<u>0</u>			<u>0</u>
Field Interview		1	<u>1</u>			<u>0</u>			<u>0</u>
OTHER DATA	MONTH	YEAR	TOTAL	CITATIONS	MONTHLY	YEAR	TOTAL		
Total Case Reports	11	7	<u>18</u>	<i>Cites Issued</i>	18	14	32		
Citations Issued	18	14	<u>32</u>	<i>Total Fines</i>	\$640	\$240	\$880		
Trespasser	0	1	<u>1</u>	<i>Fines Collected</i>	\$120	\$40	\$160		
Arrest	0	1	<u>1</u>	<i>Fines Still Due</i>	\$520	\$200	\$720		
Foot Patrols	17	26	<u>43</u>	MAN HOURS					
RV Inventories	38	95	<u>133</u>	Court Time	0	1	1		
Boat Inventories	30	90	<u>120</u>	Report Time	13.5	6	19.5		
Lock Ups	60	180	<u>240</u>	Meetings	2	0	2		

PORT OF NEWPORT
COMMERCIAL FISHING USERS GROUP COMMITTEE MINUTES

May 8, 2017
Regular Committee Meeting

I. CALL TO ORDER

Committee Chair Sara Skamser called the Regular Meeting of the Port of Newport Commercial Fishing Users Board of Commissioners to order at (TIME) at the OSU Extension Office, 1211 SE Bay Blvd., Newport, Oregon.

Committee Members Present: Mark Newell (Pos. #3); Ted Gibson (Pos. #6); Gene Law (Pos. #7); Bob Eder (Pos. #9), Vice-Chair, Sara Skamser (Pos. #10), Chair; and Jeff Lackey (Pos. #11).

Alternates Present: Heather Mann (Pos. #5).

Committee Members Absent: Clint Funderburg (Pos. #1); Mike Pettis (Pos. #2); Ernie Phillips (Pos. #4); Mark Cooper (Pos. #5); Bob Aue (Pos. #8);

Port Commission Liaison: Walter Chuck.

Management and Staff: Kevin Greenwood, General Manager; Jim Durkee, Interim Director of Operations; Kent Gibson, Commercial Marina Harbormaster; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Steve Beck; Dietmar Goebel, Newport City Council; Stewart Lamerdin; Tony Dal Ponte, Pacific Seafood; and Dennis Anstine, Newport News-Times.

II. CHANGES TO THE AGENDA

An International Terminal Update from Greenwood was added to the agenda as item V(A).

III. PUBLIC COMMENT

No Public Comment at this time.

IV. COMMITTEE/ CHAIRMAN REPORTS

Skamser thanked the Committee Members for their participation, and invited members of the public to ask to participate at any point during the meeting.

V. STAFF REPORTS

A. Kevin Greenwood - International Terminal Update

Greenwood provided an excerpt from the Budget Message, pages 6 and 7 of the Budget Meeting Packet, which is appended to the Committee meeting packet, and is available online. Greenwood said that the shipping operation is a budget decision. When the original bond was passed, it was intended to fund a project for environmental clean-up, commercial fishing, and deep-draft shipping. The shipping is the last piece. There was \$1MM in mitigation costs, and \$5MM in debt. The International Terminal is losing money each year, and has been subsidized by the South Beach Marina and RV Park, who also have capital needs. Kent Gibson said North Commercial is looking

toward a Port Dock 7 remodel and \$30MM in capital projects. Greenwood said that the Port needs income to fund necessary capital projects. Greenwood said he understands the impact of the mid-water and distant-water fleets to the Newport economy, including Mann's reference to \$127MM from the Alaska fisheries being brought into Newport. The Port is looking at the eastern berth for the fishing fleet, and the west for handy-size vessels. No agreements have been signed yet. Greenwood said staff is working on ironing out operational questions with funders before presenting an Operations Plan for review. There are six agreements, two of which are all but finalized: the TIGER grant and IFA loan. The IFA loan will add \$117K in additional debt service. Greenwood referred to the Financial Analysis available on page 67 of the Budget Meeting Packet. He said this is a long term plan to show positive net income to be used to buy down debt and invest in infrastructure. The Port is committed to following through on the project the voters supported. Port staff is working on the details of the agreement with Silvan (log exporter), Teevin, and Rondys. Rondys is a major player in the project, who will develop a marine industrial park. Until the Port understands the operational needs, Greenwood won't recommend Commission approval. The final date for signing agreements is not firm.

Skamser said the NIT Users Group has not yet met, but the CFUG Committee can also address the issue. She asked if 7 years is a best case projection to realize positive net income. Greenwood said that this time will also be developing the business relationships and will be an investment in the future. Skamser said that 7 years would be a long period of lost revenue, to the Port and the community. In April/May and December/January, the terminal is filled up, with the east hoist open. She said she had met with Silvan, who were straightforward. It was not clear how long a shipping boat would be tied up – it would take a week just to load the ship. Skamser said it was not proper for the Port to sign off on the project before addressing issues with the fishermen and related industry. She asked that time be set aside when the fleet can come to their home dock to do maintenance.

Ted Gibson asked if there would be two vessels at some time at the Terminal for shipping. Greenwood said he does not anticipate a barge using the Terminal since there is no fender piling. Mann asked what Greenwood understood the fleet's needs to be. Greenwood responded that they would like priority use of the entire terminal during April/May and December/January. Mann said she wanted to correct Greenwood's interpretation of \$127MM into the Newport economy from her report; this figure is for all Alaska vessels, not all but a large portion coming into Newport. Eder commented that the use of the terminal was not only challenging for the distant water fleet, but for the whole commercial fleet. Other commercial fishing vessels load equipment and the terminal, and Port Dock 5 and Port Dock 7 are already crowded without displacing larger vessels. Mann added that commercial docks can't handle all of the vessels. Shrimpers also use the terminal as a staging area. Lackey said that recently the Miss Sue could not use the terminal because of the shrimpers. Skamser said the area is also used as staging for NOAA. Mann said the Pegasus did not go to the Blessing of the Fleet so that it wouldn't lose its spot. Lackey said there has been growth and there is growth potential in ground fish. He suggested the Port include this in their analysis; sustainability is important.

Skamser asked if the Committee members had been on the Port website. The Port can't guarantee to keep the east fuel dock open. She was disconcerted that Pete Zerr had made a comment about how heavy weather could affect tie up at the terminal. She would like to see the Operations Plan. Ted Gibson asked if it would be possible to work with NOAA for use of their dock. Eder said that NOAA had a high level of security, so that was improbable. Mann said there would also be some level of security a NIT around shipping which would also affect available work space. Greenwood said there is a red line at the Terminal indicating they area that will be secured when a handysize vessel is in the Terminal. Durkee added that the fence would be temporarily in place when needed. Skamser said she had not yet heard from the longshoremen about what equipment would be involved, or the estimated time of activity in the parking lot.

Lackey said the fishermen weren't saying not to do shipping, but they were concerned with how it was going to work. There is limited space at the Terminal, and the fishing fleet is growing. The Port's Strategic Plan includes supporting the fishing fleet. The Mission Statement includes creating and retaining jobs, so he asked the Port keep fishing jobs in mind. Mann asked if the terminal were used for shipping today, where would the other eight boats

go? Greenwood said that staff is looking to see where boats were moored. Ted Gibson said two were on PD1 and another at PD3. Kent Gibson said the infrastructure is not in place to expand. The fleet has grown, but the capacity is not able to grow. The Commercial dock also needs expensive dredging. It will take years to complete the work needed at Port Dock 7. The larger boats are taking up more spots but it doesn't pay for infrastructure. Lackey said he understood the finances; it comes down to planning. Skamser said the use of the Terminal has to be a give and take with shipping and fishing. Greenwood said that, like commercial fishing, shipping will have variations. For the most part, they will look to avoid high seas. It would take six weeks to get logs ready for shipment. Greenwood referred to the analysis in the budget packet, which shows the Terminal is pulling \$100K per year for maintenance from other centers. Newell says that barges and crabbing don't mix; Mann said she would make a commitment to gather questions from the crabbers for the Port. Eder said he would like a commitment from the Port Commission to work with fishing at NIT, not squeeze them out. The rhythms of the seasons will continue to change. Markets for wood products come and go. Greenwood said that a meeting of the NIT Users Group will be scheduled once staff finds out more about the needs of shipping to complete a draft of the Operations Plan for review. Port management will make a recommendation to the Commission regarding the Operations Plan when drafted, which will become a policy documents requiring Commission approval. Lackey asked what the impact would be on the Terminal before a shipment went out. Greenwood said there are six weeks of preparation before a shipment. Eder asked if Greenwood had discussed sharing Terminal access with Silvan and Teevin. Greenwood said that they would need priority access every six weeks with some variation. There will still be some specific issues and some flexibility. Skamser said Silvan had indicated a willingness to discuss working out the months.

B. Kent Gibson – Commercial Docks Update

Kent Gibson said that a fisherman had hit the end of a piling on Port Dock 5, and the piling fell over. Breaking 5 – 6 feet above midline. Divers cut off the piling, and found an additional piling was broken. Gibson said that four large ship tie up areas were lost. Pilings at the Commercial Marina generally will need replacing in 1-2 years or 4 -5 years. The Port has replaced 26 pilings, 25 on Dock 5 and one on Dock 7. Almost all of the pilings on the fingers were replaced.

Gibson reviewed the Port Dock 7 plan drawing with the Committee, who made some suggestions. Gibson said the project would help with large boats. The project could be completed in stages, starting from the east side. He also shared the City's project to grade, fill, and cover a portion of the grassy area at Port dock 7 with ground asphalt. This project, which started the day of the meeting, will save the Port about \$10 -18K. Skamser referred to the west end parking area on the drawing, and requested parking at the museum for Port Dock 5 be made available soon. Greenwood said as soon as the hillside is stabilized the Port can reopen parking, anticipated to happen this summer. Skamser said she had spoken with Derrick Tokos, Newport City Planner, about parking. Skamser reported the Tokos said there would be some kind of card for long term parking for fishermen when meters were installed. Law asked how parking was at other Ports that Gibson had visited. Gibson said that Crescent City had the only newer facility with better parking.

Greenwood announced that Gibson had been name to the Board of the Pacific Coast Congress of Harbormasters and Port Managers.

VI. Pacific Seafoods – Anthony J. Dal Ponte, Deputy General Counsel

Dal Ponte thanked the Committee for inviting him to the meeting, and said he thought this was a fantastic forum for discussing concerns. He said he had two things to present: one opportunity, one challenge. Dal Ponte said the opportunity was the waterfront development on Bay Blvd. Newport has a unique blend of a working waterfront with tourism. He presented a Plan from Pacific Seafoods (see meeting packet) intending to maximize the benefit of both. They hope to generate new business activity in the remodeling of the current Trident warehouse, ice house, and derelict structure.. In the long term, there would be new fish processing space. Their idea is to blend in

tourism, modeled after the Tillamook Creamery. Pacific Seafoods is partnering with the City of Newport for grant applications for an economic study. Dal Ponte said he expects a decision on the grants in June, and they are also looking into other grant opportunities. He would welcome input on the project from the commercial fishing committee.

Law commented that ice is important. There are only three places in Newport to get ice, so closing the ice house at the Trident location would have a huge impact. Dal Ponte said the plan included replacing the ice house immediately with a better facility with better ice. Time details have not yet been worked out. Brandberg asked if space would be rented to other retailers; Eder said it would be important that the businesses be water related in that valuable space. Dal Ponte they are talking to Marine Science, and agrees that the businesses should be marine related. OSU also has some ideas. Ted Gibson suggested continuing the dock and removing the turn to get a straight face in the renovation. Dal Ponte said that Trident had approached Pacific Seafood because they will no longer operate in Newport, both the meal plant and surimi plant. Pacific Seafood wants to keep both open. For the surimi plant, he wants to make sure he has community and regulatory support. He appreciated Mid-Water Trawlers support. Dal Ponte is now working with the State Department of Justice, the Governor, and the Coastal Caucus. He asked the Department of Justice if they had any concerns, but has not yet received a response. If there are no concerns, Pacific Seafood will proceed with the purchase. The plant has not been profitable for the last six years, but they are confident it can be done. It would require an investment. The concern is the impact if the sale of the surimi plant does not go through. There are no other interested buyers. He encouraged members of the Committee to reach out to the Coastal Caucus and provided information for contacting State representatives. Mann said the plant can handle more than currently being processed. This is the last surimi plant on the Oregon coast, and so is important to continue to have here. There are a lot of jobs at stake.

Eder said every fishery had been able to do business with Trident. He said Pacific Seafood is a wonderful company, but there needs to be more competition. Ted Gibson asked if another ice house would be closed once the new ice house was built. Dal Ponte said he knew ice was important to the fishing industry and there were no plans to eliminate an ice house. Mann and Eder asked if fishermen other than Pacific Seafoods would be able to deliver to the processing plant. Eder said Trident had also handled crab, albacore, black cod, salmon and shrimp. Brandberg added that Trident had been open to small fishermen, who were uncertain about what would happen when Pacific Seafood took over. Dal Ponte said he appreciated the concern, and suggested local fishermen contact the current operators at the plant, who will remain. Law asked if Pacific Seafood would provide a guarantee. Dal Ponte said not in writing, but there are no plans to change operations. Chuck said that charter boats also rely on ice and suggested Pacific Seafood ensure ice was available to them. Mann said the Mid-Water Trawlers did not realize other fisheries use the plant and ice, and asked Dal Ponte to talk to Bill at the plant to do what he can to guarantee they will receive the same support as they did from Trident. Skamser said it would be helpful if there were a Pacific Seafood liaison to the CFUG Committee. Newell said it would be good to have a meeting with Dave at the plant; some fishermen had been blackballed by Pacific and he wants to make sure those fishermen will be able to buy ice in the future. Dal Ponte said Don Moody will take over for Dave in September.

VII. OLD BUSINESS

Greenwood gave an update on the PD5 pier project. The budget includes \$115K for 1/3 of the engineering. The Budget Committee will be meeting on Tuesday, May 9th. The pier project total cost is approximately \$1.8MM. The completion will be broken up into smaller chunks. Eder asked for some additional wheelbarrows available at PD 5. Gibson will follow up.

VIII. FUTURE MEETING SCHEDULE

Mann noted that the correct date for the next meeting is July 10th, not June 10th.

IX. FUTURE AGENDA ITEMS

No future agenda items were discussed.

X. PUBLIC COMMENT

Beck said this would be the last meeting he would attend while a member of the Port Commission. He heard Eder's request for the Port to maintain its commitment to the commercial fleet, but the Port also needs a commitment from the fishermen. He suggested there should be some contracts to set aside areas at the terminal; it boils down to the bottom line. The Port wants NIT to be a primary source of income. Shipping will be competitive, but competition is good. He understands the fishermen's concerns but is looking for solutions.

Newell suggested a field trip to the terminal. Committee members were invited to tour the facility following the meeting; no action will be taken.

XI. ADJOURNMENT

Having no further business, the meeting adjourned at 10:55 am.

ATTESTED:

Sara Skamser, Committee Chair

Bob Eder, Committee Vice-Chair

GENERAL MANAGER MONTHLY REPORT

DATE: 5/23/2017
RE: May Regular Meeting
TO: Port of Newport Board of Commissioners
ISSUED BY: Kevin Greenwood, General Manager

COMMISSION DELIVERY OF MEETING PACKETS/INFORMATION

Included in your packet is research completed by Karen Hewitt regarding the use of electronic meeting packets. Karen anticipates that we spend about \$100 a year on copies. There appears to be more effort than savings:

POSITIVES

- Commissioner interface is more interactive.
- More management review opportunities as the packet is being developed.

NEGATIVES

- Less flexibility for the producers.
- No time savings in production.
- Public won't view what the Commission views. We'd still have to produce a .pdf for the public.
- \$8000/year for software, plus hardware (iPad, etc.) costs.

Peggy Hawker is available to demonstrate the software if there is interest, but at this time I would recommend staying with our current production effort.

PAST CALENDAR/MEETINGS

- Met with Matt Spangler, DLCD, and city/county planners about updating the Yaquina Bay estuary plan.
- Yaquina Bay Economic Foundation meeting.
- Lunch with Aaron Bretz, new Operations Director.
- Planning session and panel discussion with the Oregon Energy Resiliency Retreat. Discussed emergency operations planning for the Port and Newport.
- Attended Mates Breakfast.
- Monthly South Beach staff meeting.
- Met with Silvan representatives to discuss shipping opportunities.
- Coffee with Corey Rock to discuss terminal users group participation.
- Presented terminal update with Rotary.
- Began evaluations.
- Attended Economic Development Alliance of Lincoln County meeting
- Prepared for and attended Budget Committee meeting.
- Met with Spencer regarding the installation of the NOAA buoys at the roundabout on Marine Science Dr.
- Attended Commercial Fishing Users Group Committee meeting.

- Met with Joe Novello and met the new Sea Scout coordinator, Rob Edwards. Rob is a NOAA engineer and retired Navy veteran.
- Rep. Kurt Schrader met with Commissioner Chuck and I to get an update on the terminal project. Staff was able to get a group photo with the congressman.
- Also attended a Leadership Round Table and the Fishermen's Round Table with Rep. Schrader
- Attended City Parks and Rec meeting.
- Annual Army Corps meeting to discuss summer dredging in federal channel (almost 300,00 cubic yards will be dredged this summer), future SB marina dredging (no funding this year), and sand fencing installation at SB State Park to prevent sand from blowing into Yaquina Bay.
- Attended meeting with Teevin, Silvan and Stevedore in Rainier to discuss operational needs.
- Met with Jeff Lackey to discuss fishing operational needs.
- Phone conversation with David Jincks regarding fishing operations at terminal.
- Rondys/Port engineer phone call with Commissioners Chuck and Brown to discuss easements. Followed up two days later and it looks like they're making progress. Will follow up again this week.
- Monthly Dept. Head meeting.
- Met with Walter to develop meeting agenda.
- Met with John Daugherty, PayneWest to review health insurance options. SDIS is still strong but private market is catching up. We'll be keeping an eye on rates over the next year.
- Commercial Dock crew meeting.
- Met Pete Zerr several times to review operations plan.
- Yaquina Bay Managers get together.
- Met with Rear Admiral David Score from NOAA and Aaron Bretz for a tour of Port facilities.
- Meeting with US Customs agent.
- NOAA Change of Command at HMSC.
- Special Commission Meeting to receive update on Hatifeld's Marine Studies Initiative.

NEXT MONTH CALENDAR/MEETINGS

- City Parks and Rec. Meeting, 5/24
- Yaquina Bay Economic Foundation, 5/24
- Administration Staff Meeting, 5/25
- Maritime Workforce Update, 5/26
- EDALC, 5/31
- Mates Volunteer Breakfast, 6/4
- OEDA Summer Conference, 6/7-8
- SB Staff Meeting, 6/7
- Oregon Boating Foundation, 6/12
- City Signage Meeting in SB, 6/14
- OCA Exec. Committee, 6/15
- MSI Public Meeting, 6/15
- Yaquina Bay Managers, 6/15
- Monthly Dept. Head Meeting, 6/20
- Agenda Development, 6/20
- Monthly Commercial Crew Meeting, 6/21
- Monthly Admin Staff Meeting, 6/22

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STAFF REPORT

DATE: *April 20, 2017/Update May 15, 2017*
RE: *Granicus Meeting Packet Software*
TO: *Kevin Greenwood*
ISSUED BY: *Karen Hewitt*

I asked Peggy Hawker, City Recorder for the City of Newport, what software they were using for the Council meeting packets. She said that they are using Granicus Agenda Management System. I looked at the Granicus site online, and the Agenda Management System comes with several modules (text from the website):

Legistar

Legistar allows government staff to easily manage the entire legislative process from start to finish, from drafting files, through assignment to various departments, to final approval, all designed to reduce workloads and create a more efficient method for managing decisions.

- Eliminate manual workflows. Create and manage items for agendas in one system
- Automate agenda item approvals with electronic approval processes
- Simplify agenda creation—automatically compile files and supporting materials for upcoming meetings
- Organize, store and retrieve electronic documents
- Easily track legislation and generate historical reports for staff, citizens and council Peak Agenda Management

Peak Agenda Management – the fastest, most supported, most usable browser-based agenda management software in the industry, provides a solution that allows clerks to streamline the way they compile and produce agendas for public meetings.

- Manage agendas easily – right out of the box
- Automate processes at the click of a button
- Chat directly with support from within the app

iLegislate

iLegislate allows elected officials and government staff to review meeting agendas, supporting documents and archived video on any tablet or desktop, reducing staff time and paper consumption.

Votecast

VoteCast modernizes the public meeting voting process by eliminating the tedium of hand counting, paper voting and the use of outdated standalone systems.

Minutes

Granicus Minutes is a live- and post-meeting workflow solution that combines capturing minutes and actions – roll call, agenda items, speakers, motions, votes and notes – and pairing them with a meeting's recording.

eComment

eComment provides an easy way to add voices to the democratic process and makes participation in public meetings more convenient with a web-based form tightly integrated with your published agenda. Residents can review agenda item details, indicate their position on an item and leave feedback, which elected officials can review in-meeting.

I learned that when documents for a meeting are entered in the system, an agenda is automatically created based on the categories the user enters as a template. I also looked at the City's website for how their meeting materials are presented. There is no meeting packet listed, but rather items are downloadable when accessing the agenda. It looks as though their template includes the general categories 1 - 9 whose wording doesn't change, and sub-items are added by including a document. In the samples I observed, there were no sub-items that did not have an associated document. They have three columns: agenda, minutes and media (video).

I called Cheryl Atkinson at City Hall to specifically ask how they found this working for their meeting packets. She told me that they have been using the system for over a year. Cheryl said the system was not intuitive to use and training is required. Even after training, there is a learning curve. Departments can enter their reports directly into the system, but some are still sending their reports to her because they have not yet mastered the software. The agenda is assembled through Peak Agenda Management. The Council members access the information through I-Legislate on City issued tablets, and they can make notes within the software. I also asked about document retention. It is possible to print a packet with the software, and they only print one packet for the purpose of retaining the public record. No other printed packets are provided. This was a cost savings for the City which was why the software was used. I asked how she felt about using this software. She said it was neither better nor worse than any other way to produce the material. I asked how the Council members responded. Cheryl said she had not heard any complaints.

I have subsequently met with Peggy Hawker to ask some additional questions and view how a meeting packet was put together. The first step in creating an agenda and meeting packet is to create a

template, which include the general item categories. Each agenda item is then entered into the program, along with any related reports or attachments. Once all the items are entered, the program allows you to create an agenda. A Meeting Packet can also be created automatically, but there is little flexibility in format. Hawker specifically mentioned that she can't change the fact that each agenda item has a separate cover page.

Once the agenda and attachments are uploaded. The Council members can access the information on the City provided I-pads through i-Legislate. This program allows the Council members to view the agenda, each agenda item, and make notes. Members of the public and media without the i-Legislate software can download each attachment individually. Right now they don't use the minutes function, but they do use the capacity to record the meeting. I spoke with Hawker about public records retention. They print out a hard copy of the agenda and meeting packet for retention, and she plans to collect the Council members notes to keep for a year, but she is not familiar yet with how that would be accomplished. Hawker estimated that the program costs \$8000/year.

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