

PORT OF NEWPORT MINUTES

February 23, 2021

Regular Commission Meeting

This is not an exact transcript. The audio of the session is available on the Port’s website.

This meeting was held virtually by invitation only. The public was invited to view the live stream of this meeting on our YouTube Channel, Port of Newport Meetings Audio. Live chat was not monitored. The public could submit comment through a form on our website no later than 4:00 pm on Monday, February 22nd, to be read into the meeting at the appropriate time.

Agenda Item

Audio Time

I. CALL TO ORDER

0:00

Commission President Jim Burke called the Regular Commission Meeting of the Port of Newport Board of Commissioners to order at 6:12 pm.

Commissioners Present: Walter Chuck, Secretary/Treasurer (Pos. #1); Kelley Retherford (Pos. #2); Gil Sylvia, Vice President (Pos. #3); Jeff Lackey (Pos. #4); and Jim Burke, President (Pos. #5).

Management and Staff: Paula J. Miranda, General Manager; Aaron Bretz, Director of Operations; Mark A. Brown, Director of Finance & Business Services; and Karen Hewitt, Administrative Supervisor.

Members of the Public and Media: Angela Nebel, Summit Public Relations Strategies.

II. CHANGES TO THE AGENDA

0:15

There were no changes to the Agenda.

III. PUBLIC COMMENT

0:22

Miranda introduced an email received from Pat Ruddiman, which was included in the Meeting Packet Addendum, in which he expressed disagreement with the marketing study for NIT as proposed. Miranda noted that the Port is applying for a grant for a marketing plan for NIT. She said she has been talking with the timber industry, but wants to do a broader analysis to make the Terminal fully usable. The study will analyze everything related to the use of the Terminal, including development of the 9-acre parcel.

IV. CONSENT CALENDAR.....

4:27

- A. Minutes 2020
 - 1. Regular Commission Meeting Jan 26
- B. Financial Reports
- C. Servpro Invoice – NIT Water Damage (\$17,309.19)
- D. Contracts
 - 1. NOAA MOC-P Pier Conduit, Anti-Corrosion System (NTE \$11,000)

- 2. HDR Contract Amendment
- 3. SB Marina GFI Purchase from Platt (\$27,000)

A motion was made by Chuck and seconded by Lackey to approve the Consent Calendar as presented. The motion passed 5 -0.

Chuck commented staff should make sure to get reimbursed for the Servco payment.

V. OLD BUSINESS

A. Items Removed from Consent Calendar

No items were removed from the Consent Calendar.

B. Accounts Paid 5:07

A motion was made by Lackey and seconded by Sylvia to approve the Accounts Paid as presented. The motion passed 5 – 0.

C. Resolution 2021-02 Setting Rates Fees & Charges 5:30

Brown introduced the two staff reports included in the Meeting Packet, which included a recommendation for senior and military discounts on recreational moorage.

A motion was made by Chuck and seconded by Retherford to adopt Resolution 2021-02 Setting Rates, Fees and Charges. The motion passed 5 – 0.

A motion was made by Chuck and seconded by Retherford to adopt the discount for seniors and veterans as presented. The motion passed 5 – 0.

D. Commercial Marina Dredging – Feasibility Study – US Army Corps of Engineers..... 9:36

Bretz presented the amended Staff Report included in the Meeting Packet Addendum. He commented that this topic had been discussed in past meetings. The Feasibility Study is in response to the Port’s Section 107 Continuing Authorities Program request to dredge a -20 foot channel to the Commercial Marina. The next step would be an Army Corps of Engineers (ACOE) presentation to the Port of a project scope and cost share agreement for the Feasibility Study, which will be a 50/50 share. The final budget set for the study has not yet been received from the ACOE. This will be a great benefit to the Port, and represents the ACOE setting up the project. He stated that once the Port enters into the agreement, the Port will have 15 days to make payment for the study. Miranda added that the biggest benefit will be the eventual dredging. She said if it goes as expected, the estimated price of the dredging project is about \$3.5MM, of which the ACOE will pay 90%. The ACOE will also continue to maintain the dredge area. Miranda clarified that the authorization has not yet been received but is expected shortly. She said she thought it best to get the approval up front as long as it was in the budget since the Commission was already familiar with the project and the payment would be needed in 15 days. Miranda remarked that this would

have an additional benefit on the future replacement of Port Dock 7 since there would already be federal interest in this location.

Sylvia commented that the estimate of \$3.5MM could change in another year or so. Bretz responded that part of the Feasibility Study phase would be to get a good estimate. Brown added that the Port’s 10% contribution could be paid up front or financed over 30 years, and Bretz added that wouldn’t be due until the project was complete. Brown also confirmed that the reserves apart from NOAA could still be maintained. Lackey asked that a map and planned configuration be provided to the Commission at some point. Chuck asked if the Feasibility Study funds would come out of the current fiscal year’s or next fiscal year’s budget; Miranda said it depended on when the authorization was received. There was some discussion about the current depths in the marina and the extent of the proposed dredging. Bretz said the 90/10 cost share was based on the requested -20 ft depth.

A motion was made by Lackey and seconded by Retherford to approve the General Manager to negotiate and enter into a Federal Cost Share Agreement with the Army Corps of Engineers for this project not to exceed \$475K for the Port’s share. The motion passed 5 – 0.

E. Port Dock 5 Transformer Purchase from PUD (\$19,216.82)

24:03

Bretz introduced the Staff Report included in the Meeting Packet, and reinforced his recommendation to making this a high priority next fiscal year. He said the engineer’s estimate of \$644K was an all-inclusive price for both Port Docks 3 and 5. Bretz said that if the Port wanted to be able to control the project time-line, it would be important to secure availability of the needed transformers. He recommended using capital outlay in this year’s budget for the project in the next fiscal year. Burke commented this was in line with the increases to commercial marina rates.

A motion was made by Chuck and seconded by Retherford to authorize the General Manager to pay \$19,216.82 to Central Lincoln PUD for the purpose of retaining two transformers for the Port Dock 5 Electrical Upgrade and Marine Power Pedestal project. The motion passed 5 – 0.

VI. NEW BUSINESS

A. Rogue Seawall Plan Contractor Selection

27:54

Miranda introduced the Staff Report included in the Meeting Packet. She suggested an engineering analysis was needed to identify the current state of the seawall, its lifespan, and next steps. She provided background on some concerns about the seawall and discussions with Rogue about their expansion plans, and a request from the Port at this time that Rogue not place anything too heavy on the seawall supported portion of the leased building. Miranda said the Port reached out to 7 qualified engineers who had shown interest in the project, and received 3 qualified proposals. One proposal was well over the budgeted \$60K for this fiscal year. Staff proposed contracting with PBS Engineering, who includes one of the original engineers who did the reporting in 2018.

Chuck asked if Rogue was planning more construction. Miranda said they were currently planning to bring in more equipment in the current footprint, relocating some equipment, and hiring

additional employees. There was also preliminary discussion about possibly expanding the House of Spirits. Miranda said she looked under the building with some engineers after the recent king tides, but did not see any additional visible damage. Sylvia asked about the scope of the anticipated analysis and recommendations. Miranda stated she anticipated a possible phase three to take a deep look and provide more information about how to proceed with any repairs. Lackey commented that Rogue is an important tenant and part of the community, and thanked staff for continuing with the seawall evaluation. Retherford asked if phase 2 and 3 could be combined. Miranda said that would not fit in the current budget, and reminded the Commission that the Port had received a \$12,900 grant from Lincoln County for the current project. She added that there was also discussion with Business Oregon about possible technical grants.

Burke asked about the reliability of the as-builts and the short length of time planned at the site. Miranda said a lot of the changes had been made since the as-builts were prepared were far from the seawall. Bretz added there was also a study from Berger ABAM that looked at the slab and where drainage was cut, overall decent records. Miranda commented that both proposals referred to Port staff assistance, including coordinating access with Rogue. Sylvia asked about the term of the Rogue lease and if there were any contingencies relating to these issues. Brown said the lease extensions are 10 years each, with the next extension coming up in 2027. Miranda commented on the complexity of the Rogue lease, which includes lease of Port owned building, and ground lease with Rogue owned buildings. The seawall situation would go beyond typical wear and tear maintenance by the tenant, although she did not believe this was specifically spelled out in the lease. The Port does need to be concerned about liability around a building leased to a third party. Sylvia further asked if infrastructure costs were built into leases. Miranda said one could assume that leased Port buildings provided income at market rate. Chuck added for historical purposes that Rogue had declined a past proposal to move across the street to where the RV Annex is now located.

A motion was made by Lackey and seconded by Chuck to authorize the General Manager to contract with PBS Engineering and move forward with the proposal as presented not to exceed an additional \$58,500. The motion passed 5 – 0.

VII. STAFF REPORTS

- A. General Manager 49:20
 - 1. Director of Finance & Business Services
 - a) January Occupancy Report
 - 2. Director of Operations

Miranda introduced the Staff Reports included in the Meeting Packet, and commented that many topics had already been discussed. She offered kudos to all Port staff, and said they were a great team, especially over the recent busy months. The Port is doing well and keeping on track with finances despite storms and other issues. Port staff is looking to next month for budget meetings. There are some anticipated revenue losses from the loss of 66' of dock in the Commercial Marina and the building at 343 SW Bay Blvd. Miranda commented this fiscal year addressed project planning so that grants could be sought next year for implementation of those projects. Miranda commented that the stormiest time was coming to an end, so there is still time for the staff work

needed to prepare a proposed plan for Port Dock 7 to address the lost dock and dock replacement. She said staff hopes to present a plan in the next couple of months.

Miranda pointed out the issues at 343 SW Bay Blvd included in the report from Bretz. She commented that the pilings were not sufficient to support the building and some bracing was installed to allow the tenants to retrieve their belongings. Miranda said the Port had received a letter from the city requiring repair plans or removal of the building in 30 days or payment of fines; the Port has asked for an extension. Miranda said there will be additional discussion regarding tenant liability in Executive Session. She added there is some asbestos that needs to be abated. Miranda remarked that there was a lot of interest in that location, and the Port may want to consider selling the property. She added that since the State owns the submerged land where the pilings are located, there are other considerations around removing or leaving the pilings, with additional research still being done. Chuck commented that the property was very valuable, and asked Burke to create a subcommittee including two Commissioners to work with staff on a plan. Burke and Miranda were both open to that. Miranda said she was not anxious to part with Port property but wants to see how that parcel fits in with the Port’s portfolio.

Miranda said prices of materials had increased since the beginning of the Administration Building planning process. She said she met this week with a consultant, the architect, and Burke to discuss options. Miranda added if the Port waits for material costs to go down, it might encounter increases in the current low interest rates and changes to building codes. She commented that if the building were completed when originally planned the price would have been less than half of current estimates. Miranda said the Port Dock 5 Pier project was underway, and the additional access walkway was built. She advised that they had not needed to take the power down. Miranda shared Bretz’s remarks that there may be a period when there would not be active construction at the pier when the in-water period ended, when the builder would be doing some in-house work on the project. He commented the builder had done a great job being resourceful and were still looking to have the in-water work complete by March 5th. Bretz said everything was going well with the EDA grant.

Miranda said she was working with Angela Nebel on a newsletter, and Burke was working with Nebel on a message for that issue. The plan is to get this distributed some time in March. Miranda reminded the Commission that this is the time of year to consider goal setting and her performance evaluation. She also mentioned that 3 Commissioners were coming up for re-election in May: Lackey, Retherford, and Sylvia. If they or anyone else in the district is interested, more information can be found on the Lincoln County Clerk’s website; a link to the Clerk’s website can be found on the Port’s website. Burke asked Brown about the amount of Seawater Seafoods Co. debt more than 90 days past due. Brown said the pandemic had hit Seawater Seafoods hard, but they had recently paid \$19K. He added Oregon Mariculture had also made a large payment. Miranda said Brown was good with working on getting debtors on a plan and making sure they comply.

VIII. COMMISSIONER REPORTS/COMMENTS

1:15:15

Burke mentioned his meeting with Miranda and Rogue regarding their plans and the seawall. In regard to the Administration Building, he said Capri and Goebel architects, along with Quality Construction, were asked to find some value engineering to see where some money can be saved and still create a good workspace. Some options for getting the price point down might be utilizing

the unused roofing from NOAA construction, changing out some options, and saving the deck for another budget year.

IX. CALENDAR/FUTURE CONSIDERATIONS 2021

Newport Seafood & Wine Festival “To Go” (Virtual) Feb 26 – 28

PNWA Mission to Washington (Zoom Webinar) Mar 15 – 18

Regular Commission Meeting Mar 23

1:17:37

There were no changes to the Calendar/Future Considerations. Hewitt will send out a Doodle poll for scheduling a Budget Priorities Work Session.

X. PUBLIC COMMENT

There was no public comment at this time.

XI. ADJOURNMENT 1:19:17

1:19:17

Having no further business, the meeting adjourned at 7:31 pm.

ATTESTED:

james m burke Digitally signed by james m burke
Date: 2021.03.26 15:19:37 -07'00'

James Burke, President

Walter Chuck Digitally signed by Walter Chuck
DN: cn=Walter Chuck, o=Port of Newport,
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Date: 2021.03.30 12:21:39 -07'00'

Walter Chuck, Secretary/Treasurer