

OREGON INTERNATIONAL PORT OF COOS BAY

Coos Bay, Oregon

REGULAR COMMISSION MEETING

6:30 p.m., Monday, September 16, 2019

Port Commission Chambers, 125 Central Avenue, Suite 230, Coos Bay, Oregon 97420

ATTENDANCE

Commission:

David Kronsteiner, President; Eric Farm, Vice President; Brianna Hanson, Treasurer; Bob Garcia, Secretary; and James Martin, Commissioner.

Staff:

John Burns, Chief Executive Officer; Lanelle Comstock, Chief Administrative Officer; Mike Dunning, Director of Maritime Operations; Patrick Kerr, Director of Rail Operations; Brandon Collura, Charleston Harbormaster; Margaret Barber, Director of External Affairs; Fiona Bai, Marketing Media Specialist; Jake Jacobs, Director of Infrastructure Support Services; Krystal Moffett, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

Media & Guests:

None.

1. CALL MEETING TO ORDER

President Kronsteiner called the meeting to order at 6:30 p.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

3. PUBLIC COMMENT

4. CONSENT ITEMS

- A. Approval of August 19, 2019 Regular Commission Meeting Minutes
- B. Approval of August 19, 2019 Strategic Planning Work Session Meeting Minutes
- C. Approval of August Invoices
- D. Approval of August Contracts Awarded

Upon a motion by Commissioner Farm (second by Commissioner Martin), the Board of Commissioners voted to approve the August 19, 2019 Regular Commission Meeting Minutes, the August 19, 2019 Strategic Planning Work Session Meeting Minutes, August Invoices and August Contracts Awarded. **Motion Passed.**

5. MANAGEMENT REPORTS

All Management Reports were included within the Meeting Packet.

6. ACTION ITEMS/REPORTS

A. **David Miller and Associates Task Order 15**

At the March 28, 2016 Board of Commissioners meeting, the Commission authorized Commission President David Kronsteiner to execute an Amendment, Assignment, Assumption and Consent Agreement of the prime contract for consulting services for the Channel Modification Project from David Evans and Associates (DEA) to David Miller & Associates (DMA).

Much of the work budgeted for calendar year 2019 will be related to engineering design and environmental and regulatory compliance matters. The estimated 2019 annual budget for the project is \$3,548,893.00.

Task Order DMA 15 in the amount of \$576,992.00 describes the tasks to be undertaken during Q4 2019, along with projected costs including work on the project's Environmental Impact Statement. Many of the task categories will continue through the end of the year. Staff is only requesting authorization for the projected Q4 2019 budget at this time, in order to effectively monitor project spending pursuant to the updated Budget Management Plan for the project.

Funding for this Task Order will be provided through the Port's Reimbursement Agreement with Jordan Cove.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to authorize Commission President David Kronsteiner to execute Task Order DMA 15 for professional services related to the Coos Bay Channel Modification Project in an amount not to exceed \$576,992.00 for work to be performed on the project during the fourth quarter of 2019. **Motion Passed.**

B. **Appointment of Charleston Advisory Committee Members**

The Charleston Advisory Committee was established by the Board of Commissioners of the Oregon International Port of Coos Bay on September 17, 2003 to serve in an advisory capacity to the Port Commission in developing strategies and guidelines for various projects and issues concerning the Charleston Marina Complex. The function of the committee includes but is not limited to:

- Review of proposed projects within or affecting the Charleston Marina, Charleston Marina RV Park and Shipyard.
- Review and monitor project progress.
- Monitor and make recommendations to the Port Commission regarding various issues. Any recommendations or proposals submitted by the committee shall be considered in an advisory nature, and shall be given due consideration by the Port Commission for feasibility and implementation.

The Charleston Advisory Committee met July 17, 2019 where membership re-appointments were discussed. Prior to the meeting Margery Whitmer declined to renew her term, which expired in January 2019. At the meeting Lou Leberti agreed to renew his term for an additional three years. The Committee discussed member Will Smith and recommended his removal from the Committee for failure to continue meeting the qualifications of appointment, and for two consecutive unexcused absences.

Notice of the committee vacancies was advertised in the World Newspaper on July 24, 2019 with a deadline of August 15, 2019 for interested applicants. The Port received two applicants for consideration. Kathleen Hornstuen and Knute Nemeth were both present at the July 17, 2019 committee meeting and volunteered at that time, later submitting letters of interest. The proposed roster was included in the meeting packet.

Upon a motion by Commissioner Farm (second by Commissioner Martin), the Board of Commissioners motioned to approve the reappointment of current member Lou Leberti; the removal of member Will Smith; and the appointment of new members Kathleen Hornstuen and Knute Nemeth to the Charleston Advisory Committee with 3-year terms. **Motion Passed.**

C. Bay Area Enterprise Zone Plan for Distribution of Community Service Fee IGA

In 1986, the governing bodies of the Cities of Coos Bay and North Bend, Coos County, and the Oregon International Port of Coos Bay entered into an Intergovernmental Agreement (IGA) with the approval of the State of Oregon which created an enterprise zone within Coos County. That enterprise zone is now known as the Bay Area Enterprise Zone. The Bay Area Enterprise Zone is approximately 10.24 square miles with areas in and adjacent to the Cities of Coos Bay and North Bend. As part of the IGA, the CCD Business Development Corporation serves as the Bay Area Enterprise Zone Manager. Representatives from Coos Bay, North Bend, Port, and County serve on the Bay Area Enterprise Zone Committee which evaluates applications for tax abatement incentives as allowed under Oregon law.

The Zone Sponsors have been working with community stakeholders for several years and conducted numerous public meetings to develop a sensible distribution process regarding Community Service Fees that will be collected during both construction and operational phases of the Jordan Cove Energy Project.

The Port's Commission at its January 22, 2019 Regular Commission Meeting voted unanimously to approve the Plan for Distribution of the Community Service Fee that was recommended by the CEP work group on December 7, 2018. That Plan for Distribution failed to be approved by the Commissioners of Coos County as well as the City of Coos Bay. Therefore, the members re-engaged to develop an alternative Plan for Distribution. On August 20, 2019, a meeting was held at the City of Coos Bay Council Chambers and was attended by designated representatives from each of the four Zone Sponsors. At that meeting, a vote was taken of the members and the recommendation made that the alternative Plan for Distribution of Community Service Fee, Intergovernmental Agreement be presented to each governing body for ratification. This will also require that the previous Plan for Distribution of Community Service Fee Intergovernmental Agreement, which was approved by the Port of Coos Bay at the January 22, 2019 Regular Commission Meeting, be rescinded.

The IGA, which the representatives of the Zone Sponsors endorsed to be brought before each governing body, included:

1. TERM of the Agreement, which will remain in effect until full performance of the Enterprise Zone Agreement between The Sponsors and the Jordan Cove Energy Project LP.
2. PAYMENT CALCULATION will be performed by a CPA firm (the current firm of record is Harwood, MacAdam, Wartnik, Fisher, and Gorman) pursuant to the terms of their engagement letter.

3. PAYMENT PROCESSING will be made pursuant to the Enterprise Zone Agreement. CCD Business Development Corporation shall be the Agent for handling the collection and distribution of funds.
4. AMENDMENTS can be made by unanimous consent of the Zone Sponsors after being so moved by at least two of the Zone Sponsors.

This process has been one that is born from the true sense of building consensus through a process of give and take. The intent of the IGA has always been to find the best path forward for the entire community and to look to creating a mechanism to focus on the future of our schools, the community and our citizens and this agreement delivers on that desired outcome.

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners motioned to authorize Commission President David Kronsteiner to rescind the Intergovernmental Agreement between the Bay Area Enterprise Zone Sponsors executed at the January 22, 2019 Port of Coos Bay Regular Commission Meeting, and execute the revised Intergovernmental Agreement between the Bay Area Enterprise Zone Sponsors addressing the Plan for Distribution of the Community Service Fee associated with the Jordan Cove Enterprise Zone Agreement. **Motion Passed.**

7. **OTHER**

8. **COMMISSION COMMENTS**

Because the Plan for Distribution of the Community Service Fee associated with the Jordan Cove Enterprise Zone Agreement has been changed, Commissioner Garcia requested to update the old available information regarding the fees to reflect the changes. John Burns stated that staff will work on that, with the best information available today. President Kronsteiner asked that projections include both construction and operation.

9. **NEXT MEETING DATE** – Monday, October 21, 2019, 6:30pm.

10. **ADJOURN**

President Kronsteiner adjourned the meeting at 6:39 p.m. and entered into Executive Session to:

- (e) conduct deliberations with persons designated by the governing body to negotiate real property transactions;
- (h) consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed; and
- (j) carry on negotiations under ORS Chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments.