

OREGON INTERNATIONAL PORT OF COOS BAY
Coos Bay, Oregon
REGULAR COMMISSION MEETING
6:30 p.m., Tuesday, February 18, 2020

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

ATTENDANCE

Commission:

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

Staff:

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

Media & Guests:

Elise Hamner, Southwestern Oregon Community College; Todd Goergen, BOOST; Rick Skinner, BOOST; Rick Osborn, BOOST; Dick Leshley, BOOST; Steve Jansen, BOOST; Tera Martinez, BOOST; and Maera Mosieur, Budget Committee.

1. CALL MEETING TO ORDER

President Kronsteiner called the meeting to order at 6:31 p.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

A. SWOCC Health & Science Building Project Update – Elise Hamner, SWOCC

Elise Hamner presented an update on the Health & Science Building Project. Ms. Hamner thanked the Port Commission for being supportive of this ambitious project. Fundraising began five years ago, and local donors such as the Port and Bay Area Hospital stepped up to support the project. With the help of Representative Peter DeFazio, the college was able to secure a grant from the US Economic Development Administration. There was still a funding gap of nearly \$2 million; fortunately with the support of local employers and organizations, the college was successful in closing that gap. The \$24 million project is under way and currently about 50% complete. Bogatay Construction have made great progress and hope to be done in September, with the new building open for classes in January 2021. There will be a celebration, scheduled for Friday, October 9, 2020.

Ms. Hamner shared a time-lapse video of construction progress. Construction started with an old shell of a building; only the structure of the historic building was saved, then another 20,000 square feet was added on. This includes new science labs, small lecture halls, a mid-size lecture hall, and electrical upgrades. The building is 70% more energy efficient than other buildings of its' kind in

Oregon. It is the most energy efficient building on the South Coast. There will be a solar array installed on the roof, as well as on the nearby Recreation Center building. That will provide about 48% of the energy used for the building. It will keep long-term costs down and save money for tax payers and students. It also helps to make the college more competitive for the community with modern technology and updated labs. It is important for the local workforce, the students and the faculty.

The size of the nursing program has doubled in anticipation of the new building. A physics instructor has been added who is building a pre-engineering program. The college is hoping to move into the new building at full speed. This would not have been possible without community support.

Ms. Hamner shared the news of a new public-private partnership for the college. The Columbia Pacific Maritime School is a trade school in Portland, and it is the only school in Oregon to offer the licensing and certification for tugboat operators and commercial fisherman. The owners of the school will be relocating to Coos Bay. They train hundreds of mariners from throughout the Pacific Northwest in their school. They will be moving in April and open for classes in May. This a great opportunity for our community, the Port and the college.

3. PUBLIC COMMENT

4. CONSENT ITEMS

- A. Approval of January 21, 2020 Regular Commission Meeting Minutes
- B. Approval of January Invoices
- C. Approval of January Contracts Awarded
- D. Approval of Community Giving Donations

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners voted to approve the January 21, 2020 Regular Commission Meeting Minutes, January Invoices, January Contracts Awarded, and Community Giving Donations. **Motion Passed.**

5. MANAGEMENT REPORTS

All Management Reports were included within the Meeting Packet.

The Accounting and Finance Department monthly financial reports, detailed by department, were not available at the time of publication of the meeting packet. These were provided before the February Commission meeting and will be included within the March meeting packet.

Commissioner Hanson stated with the financial reporting, it would be helpful to have more information when there is an expectation of a future income to offset a negative balance or expenditure. John Burns stated he will discuss this with the Accounting Department.

6. ACTION ITEMS/REPORTS

A. **Charleston Advisory Committee Member Reappointments**

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.

Terms for committee members Nick Nylander, Mark Fleck, and Kyle Cox expired in January 2020. All have expressed interest in serving on the Charleston Advisory Committee for another three year term, expiring in January 2023. The proposed roster was included within the meeting packet.

Commissioner Hanson asked if there were any other applicants. Brandon Collura stated there were not. Mr. Burns stated the Port is fortunate to have seven active members on the Committee; that had been a struggle in the past.

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners motioned to approve the reappointment of committee members Nick Nylander, Mark Fleck, and Kyle Cox to the Charleston Advisory Committee with 3-year terms. **Motion Passed.**

B. **Vacation of Alley Way at Virginia and Broadway, North Bend**

Per Oregon Revised Statutes 271.180 and 271.190, municipalities are required to seek approval from Ports and other adjoining property owners for proposed vacation of streets, alleys, and common or public places within 5,000 feet of the harbor or pierhead lines of the Port. Port Policy Manual Section 13.6: Street Vacations in the Cities of Coos Bay and North Bend, states anything within 1,000 feet from the harbor and pierhead lines requires Port Commission approval.

Provident Real Estate Ventures submitted an application to vacate a portion of the unimproved alley way located at Virginia Ave and Broadway in North Bend (see attached map). The alley way is adjacent to their proposed self-serve carwash. The application was filed on November 25, 2019 and on January 27, 2020, the North Bend City Planning Commission voted unanimously to recommend the city council vacate a portion of the alley way. The council is scheduled to hear the recommendation on February 25, 2020. Prior to beginning the public process, the City is requesting the proposed vacation be added to the Port of Coos Bay, Board of Commissioners agenda for review (*As required by Resolution 90 91-14, Port must approve proposed vacations within 1,000 feet of the harbor and pierhead lines of the Port*).

Port staff has reviewed the area of the proposed street vacation and believes the street vacation action will not create a negative impact on rail or marine transportation infrastructure serving the Coos Bay harbor.

Prior to the City of North Bend taking any formal action on the proposed right-of-way, the Port's Board of Commissioners must approve the vacation.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to approve the request for consent from the City of North Bend for a street vacation of a portion of the alley way between Virginia Ave and Broadway. **Motion Passed.**

C. Appointment of Budget Officer for FY 2020/21

Oregon Local Budget Law (ORS 294.305 through 294.565) governs the preparation of the Port's annual budget. Pursuant to ORS 294.331, the Port Commission is required to designate one person to serve as the Budget Officer, who shall prepare or be responsible for preparing the budget document under the direction of the Chief Executive Officer. The Budget Officer also presents a balanced budget to the budget committee, publishes all notices required by Local Budget Law, monitors budget expenditures during the budget year and notifies the governing body of the need to make any budget changes required after adoption.

Port staff recommends Megan Richardson, the Port's Director of Finance & Accounting, to be appointed as the Budget Officer for the fiscal year 2020/21 budget process.

Upon a motion by Commissioner Garcia (second by Commissioner Farm), the Board of Commissioners motioned to approve the appointment of Megan Richardson, Director of Finance & Accounting, as the Budget Officer for the FY 2020/21 budget process. **Motion Passed.**

D. Bay Area Enterprise Zone Agreement Revisions

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.

An Enterprise Zone program or zone is designed to encourage businesses of all sizes to make new or additional investments that will improve employment opportunities, spur economic growth, and diversify business activity within the communities each zone encompasses. The primary benefit to qualifying businesses is 100 percent abatement from local property taxes for at least three years; and in some cases, five years on plant and equipment newly invested in the zones. Property tax exemptions of 7 to 15 years may be available to businesses making a sizeable investment and bringing well-paying jobs.

The Port's Commission at its January 22, 2019 Regular Commission Meeting voted unanimously to approve the Oregon Long-Term Rural Enterprise Zone Extended Abatement agreement with Jordan Cove Energy Project L.P. that was recommended by the Enterprise Zone Sponsor group. It was discovered that the agreement recommended by the Zone Sponsors and approved by the Port's Commission had several errors. Attorney's representing the Zone Sponsors and Jordan Cove Energy Project L.P. have developed appropriate changes to the language of the contract that meet the true intent of the agreement the parties reached.

The changes recommended by the Zone Sponsors consist of:

1. Dates:
 - a. The Agreement execution date between the Zone Sponsors and JCEP L.P. which reflects that the agreement will be entered into in calendar 2020 rather than 2019.
 - b. Construction of the facility will begin following receipt of regulatory approvals rather than 2019.
2. Clarification of millage rates, bond obligations, and CSF payments which ensures that current GO Bonds are paid at the appropriate rate and paid to the appropriate governing body while removing the potential for JECP L.P. being obligated to make double payment.

Commissioner Garcia asked to confirm whether the previous agreement would need to be rescinded. Mr. Burns confirmed that it will be rescinded and the new agreement will then take effect in its' place.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to authorize Commission President David Kronsteiner to rescind the Bay Area Enterprise Zone Agreement with Jordan Cove Energy Project L.P. executed at the January 22, 2019 Port of Coos Bay Regular Commission Meeting, and execute the revised Bay Area Enterprise Zone Agreement with Jordan Cove Energy Project L.P.. **Motion Passed.**

E. Lease Agreements – North Spit Transload Facility

Port staff were approached by Lost Creek Rock Products, LLC, regarding the establishment of a transload facility on the North Spit. The Port is able to secure exclusive use of property owned by Jordan Cove. This property is part of the old Weyerhaeuser mill site. This site was formally used as a transload facility for Georgia Pacific and K2 when the Coos Bay Swing Span bridge was out of commission.

Port staff worked with the landowner and Lost Creek Rock Products to create an appropriate operational plan and site preparation plan. The plans outline the type of work that will be carried out by the tenants, as well as work that is required to be completed in order to satisfy the property owners requirements to uphold standards for safety and environmental and regulatory compliance.

The parties plan to open the transload facility as soon as practical to begin moving materials into and out of the facility. The current agreement period is for 1 year and 6 months with the possibility of an extension should the property not be required by Jordan Cove.

Upon a motion by Commissioner Garcia (second by Commissioner Farm), the Board of Commissioners motioned to approve Oregon International Port of Coos Bay executing lease

agreements between the Port and Jordan Cove and the Port and Lost Creek Rock Products, LLC for the Coast Yard Transload Facility located on the North Spit. **Motion Passed.**

F. Termination, Release, and Abandonment of Easements

The Termination, Release, and Abandonment of Easements between Fort Chicago Holdings, Goergen and the Port of Coos Bay terminates the Port's easement rights over the Trans-Pacific Parkway created in Easement #2009-9373, which is one recorded document that is comprised of two separate easement agreements:

- FCH Easement dated March 20, 2008 between Weyerhaeuser Co. (as predecessor-in-interest to FCH) and the Port, which includes:
 - o Public Roadway Easement for the TPP.
 - o Temporary Construction Easement.

- Goergen Easement, dated March 12, 2008 between Goergen and the Port, which includes:
 - o Public Roadway Easement for the TPP.
 - o Slope Easement.

Once Easement #2009-9373 is terminated (which will terminate the FCH Easement and the Goergen Easement), FCH and Goergen will execute new and separate easement agreements with the County for the current as-built configuration of the TPP.

Port Counsel has worked with the parties involved and Stuntzner Engineering to ensure the validity and accuracy of this action.

Commissioner Farm asked whether execution of the abandonment documents would be simultaneous. Mr. Burns stated that he will sign, then the other parties will sign, and it will be turned over to the County.

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners motioned to authorize Port CEO John Burns to enter into the Termination, Release, and Abandonment of Easement #2009-9373 between FCH, Goergen, and the Port, covering areas of the Trans-Pacific Parkway which were erroneously omitted in 2008. **Motion Passed.**

7. OTHER

8. COMMISSION COMMENTS

9. NEXT MEETING DATE – Thursday, March 19, 2020 at 11:00 a.m.

Mr. Burns stated the next meeting is currently scheduled for Monday, March 16, 2020, at 6:30 p.m. but due to scheduling conflicts, the regular meetings have been rescheduled to the third Thursday of each month at 11:00 a.m.

10. ADJOURN

President Kronsteiner adjourned the meeting at 6:51 p.m. and entered into Executive Session to:

- (d) conduct deliberations with person designated by the governing body to carry on labor negotiations;
- (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;
- (i) review and evaluate the job performance of a chief executive officer, other officers, employees and staff, if the person whose performance is being reviewed and evaluated does not request an open hearing; and
- (j) carry on negotiations under ORS Chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments.