

OREGON INTERNATIONAL PORT OF COOS BAY
Coos Bay, Oregon
REGULAR COMMISSION MEETING
11:00 a.m., Tuesday, May 21, 2024

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

ATTENDANCE

Commission:

Eric Farm, President; Brianna Hanson, Vice President; Kyle ViksneHill, Treasurer; Kyle Stevens, Secretary; and Nick Edwards, Commissioner.

Staff:

John Burns, Chief Executive Officer; Lanelle Comstock, Chief Administrative Officer; Mike Dunning, Chief Port Operations Officer; Megan Richardson, Director of Finance and Accounting; Matt Friesen, Director of External Affairs; Rick Adamek, Director of Asset Management; Brian Early, General Manager, Coos Bay Rail Line; Ray Dwire, Charleston Marina Manager; and Krystal Karcher, Human Resources Generalist.

Media & Guests:

Ross Williamson, Port Legal Counsel; Jimmy Burns; Anne Donnelly; Nicole Rutherford, Coos Bay City Manager; and Scott Frasier.

1. CALL MEETING TO ORDER

President Farm called the meeting to order at 11:01 a.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

3. PUBLIC COMMENT

A. Jimmy Burns stated he has been a fisherman in Charleston for nearly 50 years and has three boats in Charleston. Dredging in the Charleston Shipyard is necessary for safe navigation. Mr. Burns stated he parks his boats at the end of F Dock and the condition of the dock is lopsided and very hazardous. Commissioner Edwards thanked Mr. Burns for his comments. Mr. Burns further stated that conditions in the Shipyard make it awkward to get work done and the docks are in disrepair. The current depth of the channel in the Shipyard at 10' on low tide means that larger boats won't attempt access unless at half tide or more.

B. Kari Silva

Commissioner Hanson read into record the following written comment received from Kari Silva, regarding the channel entering the Charleston Shipyard:

Good morning, commissioners.

For the record, my name is Karie Silva, I am a co-owner of the fishing vessel Jeanette Marrie. An attempt was made on May 13 to re-launch our vessel back into the water. Jon, the other co-owner, was apprehensive about the re-launch. We had discussions the night before of how difficult it might be to execute a successful launch because of the lower water levels of 6.2 feet during high tide along with the deteriorated rail system. He had informed me that when Jeanette Marrie was hauled out, he had to increase the throttle or the likelihood of a successful haul out would have failed. The tide level at that time was 6.7 feet. Had he not increased the throttle, she never would have made it out of the water.

As I stated in my email on May 13, it is critical for the Charleston fleet to have a functional shipyard with the ability to move vessels to and from the water via rails. The rails or waves as I like to call them, must be maintained, and the waterway must be dredged.

I've been informed that two sections of railing have been lost due to rotting wood caused by improper structure maintenance. Furthermore, it has come to my attention that the channel adjacent to the shipyard has not been dredged in over a decade. It is imperative that owners and captains have access to a safe channel for navigating to and from the shipyard. They have the right to a channel that is clearly marked with the appropriate buoys that ensure their safety and prevent them from running aground and possibly becoming stranded on a sandbar until the next high tide. They should feel confident that the security of the rail system will safely haul their vessels out for maintenance or repairs and back into the water with ease. With great respect for the port commissioners, I consider the safety, maintenance of the rails, and secure navigation of the channel to be your responsibility. I respectfully request that the port commissioners seek funding to restore the rails' structure, add the two sections that were lost, and dredge and mark the channel.

As vessel owners, we work hard to maintain and preserve our vessels and keep them in excellent condition in order to assure our crew's safety. I feel it is your obligation as commissioners to guarantee that the rail system and channel are in excellent condition for the safety of the fleet.

Ensuring safety on our vessels has always been the main priority in the fishing industry. I feel confident that the commissioners are committed to ensure the safety of the captains and their vessels in regard to the infrastructure of the rail system and the waterways.

Thank you.

C. Rex Leach

Commissioner Edwards read into record the following written comment received from Rex Leach, regarding the channel entering the Charleston Shipyard and pilings needing repair:

I would like it to be put on record that for safety and the ability to utilize the Charleston shipyard with larger vessels we need to have the channel dredged so we can access without a high tide and have the channel marked with buoys for safer navigation. I have also requested that the pilling be repaired on my to slips in the Charleston marina. They have rotted out have been tearing up my tie up lines on a monthly basis. It's gotten bad enough where I need to put chain around the pilling to save my tie up lines. Thank you for your time.

4. CONSENT ITEMS

- A. Approval of March 19, 2024 Regular Commission Meeting Minutes
- B. Approval of March and April Invoices
- C. Approval of March and April Contracts Awarded

Upon a motion by Commissioner Hanson (second by Commissioner Edwards), the Board of Commissioners voted to approve the March 19, 2024 Regular Commission Meeting Minutes, March and April Invoices and March and April Contracts Awarded. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, ViksneHill, Stevens, and Edwards. Nays: None).

5. MANAGEMENT REPORTS

All Management Reports were included within the Meeting Packet.

6. ACTION ITEMS/REPORTS

A. **Neptune's Vault Lease Agreement**

On April 8, 2024, Neptune's Vault and the Oregon International Port of Coos Bay signed a one-year Commercial Lease Agreement, for Neptune's Vault to lease Building #30, located at 63472 Pelican Road in the Charleston Marina, beginning June 1, 2024.

Building #30, which is adjacent to and connected to the Charleston Marina Maintenance Shop, is approximately 1,480 square feet and consists of a store front, warehouse, Connex refrigerator unit, and a restroom. The negotiated rate for the one-year agreement is \$1,171.35 per month with CPI increases each July 1.

Neptune's Vault also has an annual moorage agreement to use 100 feet of moorage space within the marina, and a monthly dry storage/land lease agreement to use 800 square feet of property.

Per the lease agreement, the tenant has the option to renew the lease for four additional one year terms.

Commissioner Hanson asked if the lease is gross or triple net. Ms. Comstock said the lease is triple net, as the Customer pays taxes on the property and utilities.

Upon a motion by Commissioner Edwards (second by Commissioner Hanson), the Board of Commissioners motioned to ratify the execution of a one-year lease agreement with Neptune's Vault to lease Building #30 in the Charleston Marina. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, ViksneHill, Stevens, and Edwards. Nays: None).

B. **Date Avenue Street Vacation**

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 public places within 5,000 feet of the harbor or pier head 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 pier head lines requires Port Commission approval.

The Coos Bay City Council has requested the vacation of Date Avenue east of N Front Street (highlighted in red in the image below). The vacated land would be distributed to the adjacent property owners: the southern half (30 feet) would go to 896 N. Front Street (Heidi Sause) and the northern half (30 feet) would go to 912 N. Front Street (Sause Bros Inc.). The purpose of this vacation is for private use, however per the City of Coos Bay, Oregon Statewide Planning Goal 17 and the 6th Implementation Requirement, a public access easement should be retained.



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

Prior to the City of Coos Bay 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 Hanson (second by Commissioner ViksneHill), the Board of Commissioners motioned to approve the request for consent from the Coos Bay City Council to vacate Date Avenue east of N Front Street in Coos Bay. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, ViksneHill, Stevens, and Edwards. Nays: None).

C. Charleston Advisory Committee Appointment

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, 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 term of Michael Armstrong expired in January 2024. Port Staff thanks Mr. Armstrong for nearly 20 years of service on the Committee.

In March, the Port announced the Committee vacancy and published an ad in the World Newspaper. The Port received two letters of interest to fill the vacancy. Port Staff recommends appointing John Blanchard, owner of Sharky's Charters, to the Charleston Advisory Committee. Mr. Blanchard's letter of interest was included in the meeting packet.

Commissioner Edwards said John Blanchard has increased the recreation footprint in Charleston and he is going to be a great addition to the Charleston Advisory Committee.

Commissioner Hansen asked how the Port Commission is advised by the Charleston Advisory Committee. Mr. Burns said draft minutes are published in the Commissioner's meeting packets after each meeting. Commissioner Hansen asked if a summary of the minutes could also be provided, with concerns and priorities identified. Mr. Burns confirmed.

Upon a motion by Commissioner Edwards (second by Commissioner Stevens), the Board of Commissioners motioned to appoint John Blanchard to the Charleston Advisory Committee for a three-year term expiring January 31, 2027. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, ViksneHill, Stevens, and Edwards. Nays: None).

D. DMA Task Order #18

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).

In April of 2024, the Oregon Governor signed House Bill 5201, which revised language to the allowable use of lottery bond funds set in place by section 15, chapter 746, of Oregon Laws 2007. This change in language allows funds to be used for the design, engineering, permitting, and land acquisition efforts related to the Pacific Coast Intermodal Port. As such, the scope of services for the prime contractor, DMA, is being expanded in Task Order #18 to include work associated with environmental baseline studies, permitting, and consultation with engineers to inform NEPA and permitting work.

Task Order DMA #18 in the amount of \$16,722,100 describes the tasks to be undertaken during FY 2024/25, along with projected costs including work on the project's Environmental Impact Statement, environmental baselines studies for the terminal and rail improvements, and permitting.

Funding for this Task Order will be provided by state grant funds, future Federal grant awards, and private partner funds. Funding received from these three sources will ultimately determine the level of expenditure under Task Order #18.

Recommended motion is to authorize Commission President Eric Farm to execute Task Order DMA #18 for professional services related to the Coos Bay Channel Modification Project and Pacific Coast Intermodal Port in an amount not to exceed \$16,722,100 for work to be performed on the project during FY 2024/25.

Commissioner Hanson stated more information is needed prior to moving forward. President Farm called for a motion on the action request. **Action item failed due to lack of motion.**

E. Rail Engineering Service Agreement

As part of the Permitting/NEPA process associated with the Pacific Coast Intermodal Project, each element of the project will need to meet prescribed levels of design and engineering. Port staff have engaged RailPros, Inc to conduct this level of design work to aid in the advancement of the project.

RailPros conducted the preliminary design of the rail infrastructure that will be needed to accommodate the level of projected rail traffic to support PCIP. While the contract price of \$247,049 is within the authority of the Port CEO, it is an unbudgeted item and therefore must be brought before the Local Contracting Board for approval. This work will also be used in support of various funding applications such as CRISI, RRIF, and INFRA.

Funding source for this contract is State of Oregon, Channel Deepening and PCIP Permitting, Engineering Planning funding. Commissioner Stevens asked where this contract appears in the budget. Mr. Burns stated it is budgeted within the Special Projects Fund.

Upon a motion by Commissioner Hanson (second by Commissioner ViksneHill), the Board of Commissioners motioned to approve the execution of a professional service agreement between the Oregon International Port of Coos Bay and RailPros, Inc. for 10% design of the Coos Bay Rail Line to support the PCIP Project. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, ViksneHill, Stevens, and Edwards. Nays: None).

7. OTHER

8. COMMISSION COMMENTS

Commissioner Edwards asked for an update on the progress staff has made with the additional work in the Shipyard. The Commission had voted 3-2 to move forward with the connection of docks 1 and 2 for the ConnectOregon application, with a motion to direct Port staff to come up with additional funding and a plan for connecting docks 2 and 3. Mr. Burns stated staff continue work to identify funding sources and also to look at additional engineering work needed for the project. Mr. Burns stated staff are also working to ensure that funding is secured for the first phase of the project.

9. NEXT MEETING DATE – Tuesday, June 18, 2024, 11:00 a.m.

10. ADJOURN

President Farm adjourned the meeting at 11:34 a.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;
- (f) consider information or records that are exempt by law from public inspection;

- (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.