

**OREGON INTERNATIONAL PORT OF COOS BAY**  
**Coos Bay, Oregon**  
**REGULAR COMMISSION MEETING**  
**11:00 a.m., Thursday, March 19, 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; Bob Garcia, Secretary; and James Martin, Commissioner.

**Staff:**

John Burns, Chief Executive Officer; Lanelle Comstock, Chief Administrative Officer; Krystal Moffett, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

**Media & Guests:**

Greg Demers, Lost Creek Rock Products.

**1. CALL MEETING TO ORDER**

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

**2. INTRODUCTION OF GUESTS AND PORT STAFF**

**3. PUBLIC COMMENT**

**4. PORT PROJECT UPDATE**

**A. Coronavirus (COVID-19) Situation Update**

John Burns began by thanking Commissioners for their flexibility in conducting this meeting. Mr. Burns stated that only essential staff are in attendance, in accordance with the Governor's directive to hold meetings with no more than 10 people. Staff are also ensuring the appropriate level of social distancing is maintained. Staff will continue to monitor the situation with the coronavirus (COVID-19) as it develops. Staff is in the process of creating contingency plans should it become necessary to shut down Port operations. Security and other essential functions would be maintained. At this time, there is sufficient space to conduct operations as normal; or if needed, staff can work from home if it is appropriate for their position.

**B. Charleston Ice Plant Rebuild Project**

Mr. Burns stated the Charleston Ice Plant Rebuild Project continues to progress. The fire event happened on December 20, 2019, completely consuming the existing plant and doing considerable damage to the

dock, as well as some of the structural members beneath the dock. The emergency was declared on December 23, 2019, giving staff the opportunity to begin rebuilding as expeditiously as possible. Insurance investigators were given the opportunity to inspect the damaged remains. The investigation is complete, and staff continue to move forward. In January, staff traveled to Seattle and met with NorthStar Manufacturing and Highland Refrigeration, essentially the only manufacturers of the needed flake ice equipment. Staff then immediately gathered together the needed team, including the general contractor, engineer, architect, and many others. Staff have been fortunate to have state and federal agencies working closely and assisting to expedite. Federal permits have been secured, and DSL has given assurance their permit will be issued on March 26, 2020. Once that is in hand, work can begin to drive the new piles.

The schedule has been aggressive from the beginning, with the goal to have the new plant operational by June 1, 2020. As with many construction projects, the schedule has slipped somewhat, possibly into July or August. The current situation with COVID-19 will further hinder progress on this project. There are already indications that some of the sub-contractors may struggle with sufficient staffing in the coming months.

The new dock head will have a positive environmental impact when complete. The old structure was made entirely of wood, including the piling and caps. There have been 116 creosote piles removed, which will be replaced with 49 - 24" steel piles equipped with cathodic protection. The old pile caps were pressure treated wood; the new caps will be concrete. The old dock surface was also pressure treated wood, which will be replaced with concrete. This will be in compliance with all regulations.

The new plant will increase in both capacity and production. The old plant had twin-60 ice manufacturing machines which are being replaced with twin-90's, increasing the production capacity by about 50%. It will also have a greater refresh rate, from 2-tons/hour to 5-tons/hour, and the size of the storage bin is being increased from 115-tons to 158-tons. This greater capacity will help to meet demand in the high season peak times, when in the past the plant struggled to keep up.

The new plant will have greater safety features including two separate heating and air conditioning units. It will be equipped with a dry fire suppression system. There will also be an ammonia detection system with an alarm. There will be security cameras both inside and outside of the plant.

Rough price projection at this time is about \$8 million. Fortunately, the Port had the dock and ice plant covered with full replacement insurance. Staff will continue to work with the provider to ensure that all available funding is secured. There will be excess charges, stemming from the increased code requirements, structural changes, and the increased production and capacity. Staff have reached out to Business Oregon and the Oregon Infrastructure Finance Authority to obtain funding should it become necessary. Staff are also looking into several grants to defray the costs of rebuilding. Staff will keep everyone updated and informed as much as possible, as this project continues to move forward.

## **5. CONSENT ITEMS**

- A. Approval of February 18, 2020 Regular Commission Meeting Minutes
- B. Approval of February Invoices

Upon a motion by Commissioner Farm (second by Commissioner Martin), the Board of Commissioners voted to approve the February 18, 2020 Regular Commission Meeting Minutes and February Invoices. **Motion Passed.**

## **6. MANAGEMENT REPORTS**

All Management Reports were included within the Meeting Packet.

## **7. ACTION ITEMS/REPORTS**

### **A. 2020Res01: Amendments to Port Policy 10.1 Vehicle and Equipment Use**

Over the past year and a half, the Port has acquired a substantial vehicle fleet and large operating equipment. In order to reflect current practices with the Port's vehicle fleet, and to include the use of equipment, Port Policy Manual Section 10.1: Vehicle Use, needed to be majorly revised.

Using the existing policy as a template, Section 10.1 has been completely revised and renamed to Vehicle and Equipment Use. Before being presented to the Port Commission, Section 10.1 has been reviewed, edited, and approved by Port Staff and Port's legal counsel. The original policy (last approved by the Commission in 2004) and the draft version of the recommended policy, were included within the packet.

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners motioned to approve resolution 2020Res01 authorizing the amendments to Port Policy Manual Chapter 10: Vehicles and Equipment, Section 10.1: Vehicle and Equipment Use. **Motion Passed.**

### **B. 2020Res02: Entering into a Financing Contract with IFA**

In 2006, the Oregon State Legislature approved lottery bond funding totaling \$60 million to support the Coos Bay Channel Modification Project in three separate allocations. The first allocation of \$5 million has been entirely utilized. The second allocation of \$15 million (for engineering and permitting of the Channel Modification Project) will be sold in the spring of 2021.

The project is in the final phases of the design and engineering process and working toward completion of the draft EIS, thus it is critical that such work continue uninterrupted until completion of the permitting process which is anticipated for the first half of 2021. To continue the work, additional funding is immediately needed to cover costs, thus Port staff have applied for a \$2,500,000 loan from the Oregon Infrastructure Finance Authority. A portion of the \$15 million will be utilized to repay the \$2.5 million IFA loan as soon as the bonds are sold, and funds are made available.

This project has been in various stages of development for the past 12 years. The Port's project team continue to work closely with the USACE to ensure that all required studies and permit related work is completed as required.

IFA staff is finalizing review of the loan application. If successful, an agreement will be reviewed by Port legal counsel prior to execution by the Port CEO.

Upon a motion by Commissioner Farm (second by Commissioner Martin), the Board of Commissioners motioned to approve resolution 2020Res02 authorizing Oregon International Port of Coos Bay Chief Executive Officer John Burns to execute a \$2,500,000 loan agreement with the Business Oregon Infrastructure Finance Authority (IFA) pending preparation of final agreement by IFA and review by Port legal counsel. **Motion Passed.**

**C. 2020Res03: Entering into a Financing Contract with IFA**

Following the fire that destroyed the Charleston Ice House, Port staff began exploring financing options to support construction of a new plant to replace facility, dock head and equipment. Although the Ice House had replacement insurance coverage, building code requirements and the desire to increase the capacity of the previous facility will result in a project cost that exceeds the insurance coverage. To bridge the funding gap, Port staff worked to identify potential grant and loan funding sources. Part of the funding package will include the Special Public Works Fund program which allows forgiveness for up to \$500,000 of the total funding package. Funds will be utilized to support the engineering, design, permitting, and construction of the new Ice House facility.

IFA staff is finalizing review of the loan application. If successful, an agreement will be reviewed by Port legal counsel prior to execution by the Port CEO.

Upon a motion by Commissioner Farm (second by Commissioner Martin), the Board of Commissioners motioned to approve resolution 2020Res03 authorizing Oregon International Port of Coos Bay Chief Executive Officer John Burns to execute a \$2,999,000 loan agreement with the Business Oregon Infrastructure Finance Authority (IFA) pending preparation of final agreement by IFA and review by Port legal counsel. **Motion Passed.**

**D. Lost Creek Rock Products Industry Track Agreement (ITA)**

The Port intends to grant a right and use and operation of track to Lost Creek Rock Products (Industry) at or near Mile Post 653-50, known as Green Hill Facility in Veneta, Oregon. The agreement will allow “Industry” the right to use, operate, maintain, repair and reconstruct the portion of the Spur Track located on the Port’s right of way on the “Industry” side of the clearance point.

Cost and expenses related to the construction and maintenance and repair of the Spur will be the obligation of “Industry”. Fees for use of the Spur and any Port owned property will be negotiated and agreed to prior to Industry utilizing the property.

The agreement term for this ITA will commence with the signing of the agreement by the parties and remain in effect until 30 days’ notice is given by either party.

The ITA has been reviewed and approved by legal counsel.

Upon a motion by Commissioner Farm (second by Commissioner Martin), the Board of Commissioners motioned to approve Chief Executive Officer John Burns to negotiate and execute an Industry Track Agreement between Lost Creek Rock Products and the Oregon International Port of Coos Bay to connect a track spur at the Green Hill Facility. **Motion Passed.**

8. **OTHER**

9. **COMMISSION COMMENTS**

10. **NEXT MEETING DATE** – Thursday, April 16, 2020, 11:00 a.m.

11. **ADJOURN**

President Kronsteiner adjourned the meeting at 11:24 a.m.