

**OREGON INTERNATIONAL PORT OF COOS BAY**  
**Coos Bay, Oregon**  
**REGULAR COMMISSION MEETING**  
**3:00 p.m., Tuesday, October 20, 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; Mike Dunning, Director of Maritime Operations and Asset Management; Brandon Collura, Charleston Harbormaster; Margaret Barber, Director of External Affairs; and Mike Stebbins, Port Legal Counsel.

**Media & Guests:**

None Present.

**1. CALL MEETING TO ORDER**

President Kronsteiner called the meeting to order at 3:00 p.m.

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

**3. PUBLIC COMMENT**

**4. PORT PROJECT UPDATE**

**A. Ice Plant Rebuild Project Update, Harbormaster Brandon Collura**

Brandon Collura stated this will likely be the last project update. Ten months ago today was the date of the fire event and with the first batch of ice sold five weeks ago, that means this project has come to fruition in less than nine months' time.

As of October 15, only a few items remain until the Ice Plant Rebuild Project is complete. Items include the sealing of the topping slab, installation of a dock-to-water ladder along the North side, asphalt work at the shore side electrical building, as well as final electrical work and installation of a new public hoist at the NE corner of the dock. The new hoist had a longer than expected lead time and will likely be completed in early November.

A press release on September 11 announced the soft opening and ice sales to the commercial fleet began on September 14, with F/V Pisces being the first delivery. To date, approximately 60 tons of ice have

been sold. Once all work is complete, the plant will be fully open with sales to the commercial and recreational fleets, as well as tote delivery available on the North side of the plant via vehicle.

Mr. Collura reviewed the project timeline, beginning with the fire event on December 20, 2019. Throughout the months of January and February, the investigation took place as well as a site visit to Seattle to meet with NorthStar Ice Manufacturing. By the end of February, the decision had been made to rebuild in the same location as the previous plant. Also in February there were a number of creosote piles that were removed from the water, as well as the old dock structure and debris of the plant.

During March, April, and May the structure of the new facility was put in place with the driving of new steel piles and the pouring of cement slabs and caps. In June, the beginnings of the building were set. The ice bin installation began along with the external walls. Completion of the building structure carried into July when the second floor skids and ice machinery were placed. Welding, electrical, plumbing and other detail work continued throughout the summer.

On September 4, the plant was powered up for the first time and on September 10, professional training sessions with NorthStar, Highland Refrigeration, and Port staff took place. September 11 was the announcement of the soft opening. There are final items being completed during the month of October and by November 1, everything with the exception of the public hoist should be complete.

The project was covered with three sources of funding. The first two were from Business Oregon, including a loan from the Special Public Works Fund and the Port Revolving Loan fund, totaling \$6 million. The insurance settlement to date is just under \$3.6 million, bringing the total funding to just under \$9.6 million. There were three main contracts for this project, including the demolition at approx. \$206K, the equipment contract at just under \$1.2 million, and the construction contract at approx. \$7.7 million, bringing the total project cost to \$9,010,771 to date.

With regard to the financial impact to customers, Port staff conducted market research from San Francisco to Seattle and determined the average price of commercial grade flake ice was \$91 per ton. This is an increase from the previous cost of \$75 per ton. The total cost of ice including the loan repayment obligations, labor and utilities, is actually about 27% higher than the rate being charged. There have been mixed reactions to the price increase. Some customers are accepting of the new rate while some who are unhappy with the increase.

Mr. Collura stated there have been many people who have worked on this project in an expedited manner. Team members include West Coast Contractors, with two of their major sub-contractors being McGee Engineering and Eric Hall Architects. NorthStar Ice Manufacturing made the ice making equipment with Highland Refrigeration as a sub-contractor for the refrigeration systems.

Port Staff devoted many hours to this project including Rick Adamek, Project Manager; Lanelle Comstock, Insurance and Legal; Mike Dunning, Permitting and Agency Liaison; Megan Richardson, Finance and Accounting; Margaret Barber, Public Relations and Media; and Chris Cranford, Project Coordinator. Mr. Collura thanked all staff for their contributions including John Burns, Chief Executive Officer.

## 5. CONSENT ITEMS

A. Approval of July 16, 2020 Regular Commission Meeting Minutes

- B. Approval of September 21, 2020 Special Commission Meeting Minutes
- C. Approval of July, August, and September Invoices
- D. Approval of July, August, and September Contracts Awarded
- E. Approval of SDIS 2020 Best Practices Program Checklist
- F. Approval of Community Giving Donation
- G. Approval of Leases

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners voted to approve the July 16, 2020 Regular Commission Meeting Minutes; the September 21, 2020 Special Commission Meeting Minutes; July, August, and September Invoices; July, August, and September Contracts Awarded; SDIS 2020 Best Practices Program Checklist; Community Giving Donation; and Leases. **Motion Passed.**

## 6. MANAGEMENT REPORTS

All Management Reports were included within the Meeting Packet.

## 7. ACTION ITEMS/REPORTS

### A. **Authorization to Execute ODOT Connect Oregon Grant Agreement**

Connect Oregon Grant funds will be used to rehabilitate or replace bridge infrastructure at various locations within the rail corridor. These locations have been determined to be strategic and in the greatest need of repair or replacement due primarily to deferred maintenance and current FRA Bridge Safety Standards. The bridges identified in this application are near or past the end of their useful life and repair or replacement of the existing structures is necessary to continue safe and reliable service on the entire line. The total project cost is estimated at \$25 million. The BUILD grant will cover \$20 million and was matched with \$5 million in lottery backed bonds authorized by the Oregon Legislature in 2019. Due to short falls in lottery bond revenues because of COVID-19, the state determined it would be unable to issue lottery bonds this biennium. Subsequently, the Port worked with the state of Oregon to secure the \$5 million match through Connect Oregon Funds in 2020.

Port staff worked with the ODOT grant team members to provide the required Project Plan for the project, which will be presented to the Oregon Transportation Committee (OTC) on October 22, 2020. Once approved by the OTC, the grant will be executed within one to two days. The draft agreement was received by the Port in early September and submitted to legal counsel for review.

Commissioner Garcia asked with the shortfall of lottery bonds if the intention was to reapply in the next biennium. Mike Dunning stated this grant funding will replace the lottery bonds. John Burns stated there were two specific lottery bond grants. This \$5 million for the bridge rehabilitation is being superseded by the Connect Oregon grant while the other \$15 million for the Channel Deepening Project will be reinitiated in January.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to authorize Chief Executive Officer John Burns to execute the Grant Agreement between the Port and the Oregon Department of Transportation for the Connect Oregon Grant covering the CBRL Bridge Rehabilitation Project. **Motion Passed.**

## **B. Tyree Oil Lease Agreement**

Tyree Oil currently has a lease agreement with the Oregon International Port of Coos Bay for a Port-owned tank farm facility located at 341 Newmark Avenue in North Bend. Tyree initially executed a month to month lease agreement for the facility with the Port in November of 2000. In November of 2001, a second agreement was executed, extending the term to a five-year term with three five-year renewals. The lease is set to expire October 31, 2021.

Tyree approached the Port beginning in April of 2017, expressing interest in entering a new lease agreement prior to expiration of the existing agreement. The facility has approximately 2.5 million gallons of tank storage space available. In the past three years, Tyree has completed improvements to the tanks, office, and catwalk infrastructure. Both Tyree and the Port wish to see the property more highly utilized, which is Tyree's intention. Port staff have conducted market research to determine fair pricing structures, industry standards in structuring an agreement, and revenue projections. Staff are working to finalize negotiations on pricing and terms with Tyree. Port Counsel will review the new agreement prior to execution.

Commissioner Garcia asked what the expected terms of the lease agreement are. Margaret Barber stated the terms and lease rate are still being negotiated. Commissioner Garcia asked if the action request would be brought before the Commission again when terms were agreed upon. Mr. Burns stated the intention is to negotiate, have legal counsel review the proposed lease, then move forward. Final terms could be agreed upon today and time is of the essence. This will be discussed in more detail during executive session.

Commissioner Hanson asked about the value of improvements already there. Ms. Barber stated the improvements to date have included painting and inspecting the tanks. Commissioner Hanson asked if the tanks could be used in any other capacity. Ms. Barber stated that it is possible, depending on the product.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to authorize CEO John Burns to negotiate and enter into a new lease agreement with Tyree Oil for the Port-owned property located at 341 Newmark Avenue in North Bend, Oregon when final lease terms are agreed upon between both parties. **Motion Passed.**

## **C. Point Adams Lease Agreement**

Port staff were approached by Bobby Graham and Robert Ma regarding the potential to lease the Point Adams facility in Charleston. This facility was formerly utilized as a seafood processing and offloading facility. The building has been vacant for approximately five years. Mr. Graham and Mr. Ma plan to initiate a live seafood and offloading operation at the facility. The operation will support approximately five employees.

The tenants propose to make the following improvements to the facility prior to initiating operations: lighting at the loading dock, dock side, and main floor; gravel driveway improvements; brush removal on Alaskan Packers Road; freezer compressor repair and general maintenance; electrical system improvements; water pump replacement for inflow system; replacement of two bay doors; ice maker repair and maintenance; painting on the dock, office, and breakroom; and installation of a new hoist. Additionally, a water inflow system and totes outfitted with air flow systems to support live seafood landings will be installed at the facility. Repairs to the electrical system and freezer equipment will be

performed by a licensed contractor. Tenants propose to complete the other improvements themselves, with Port staff oversight and inspection.

Upon a motion by Commissioner Garcia (second by Commissioner Farm), the Board of Commissioners motioned to approve entering into a new lease agreement with Bobby Graham and Robert Ma for Point Adams Facility in Charleston. **Motion Passed.**

#### **D. Lockhart 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.

Michelle Gallino submitted an application to the City of Coos Bay to vacate an unimproved portion 102' X 60' of Lockhart Avenue right of way abutting Southwest Boulevard on October 6, 2020. Prior to beginning the public process associated with the application, 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 have reviewed the area of the proposed vacation and believe the street 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 Farm (second by Commissioner Garcia), the Board of Commissioners motioned to approve the request for consent from Michelle Gallino to the City of Coos Bay to vacate the undeveloped 102' X 60' portion of Lockhart Avenue abutting Southwest Boulevard. **Motion Passed.**

#### **E. 2020Res13: Hemlock Street Crossing Cooperative Improvement Agreement**

The Port-owned Coos Bay Rail Line in conjunction with the Oregon Department of Transportation (ODOT), and the City of Coos Bay have been working with Rock Face LLC to realign the crossing at Hemlock Street in the City of Coos Bay to provide safe and efficient traffic access and egress into the Coos Bay Village commercial property from Oregon Coast Highway No. 9 (US 101). The parties have been working collaboratively to design and develop the proposed new crossing at Hemlock Street to insure the project satisfies all regulatory concerns and maintains the property rights of each entity.

Rock Face LLC has taken on the task of developing an underutilized property in the City of Coos Bay. This property will introduce new commercial facilities to the city along the waterfront next to the Coos History Museum. The viability of this project relies on the developer's ability to insure safe access to the development from US 101. This action will require a crossing of the Coos Bay Rail Line, and the design to provide and promote safe movement of pedestrians, vehicular, and rail traffic. Port and Railroad staff have worked closely with the design and engineering team which is comprised of members from the developer, the City, ODOT and the Port. In order for this crossing modification to come to fruition, the Parties must enter into and comply with the subject Cooperative Improvement Agreement.

Port staff have worked with the Port's legal counsel to develop the appropriate contract language. The remaining Parties have reviewed and agreed to the related provisions of the agreement.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to Adopt Resolution 2020Res13 authorizing CEO John Burns to negotiate and enter into a Cooperative Improvement Agreement between the Port, ODOT, the City of Coos Bay, and Rock Face LLC for improvements to the railroad crossing at Hemlock Street in Coos Bay. **Motion Passed.**

## 8. OTHER

## 9. COMMISSION COMMENTS

Mr. Burns stated it has been many months since the last face-to-face meeting and much has happened during that time. Mr. Burns stated he would be remiss to not point out these major events. First and foremost, there have been two new members added to the Port family. Both Megan Richardson and Mary Green in the Accounting department have given birth to new babies. During that same time, the budget process was completed and more recently field work for the audit was also completed.

Mr. Burns stated during this time, Margaret Barber and Brandon Collura have been very successful in finding people to lease the available properties in Charleston. There are now only two properties which remain vacant. The Port has negotiated and signed off on \$25 million of grant funding for the bridges, both federal and state. The \$20 million tunnel project is nearly complete. The Port was successful in obtaining a \$10 million grant from MARAD for the Port Infrastructure Development Program. All of this while rebuilding a \$9 million Ice Plant at a phenomenal rate.

Mr. Burns thanked Port staff and all who worked on these projects.

## 10. NEXT MEETING DATE – Tuesday, November 17, 2020, 3:00 p.m.

## 11. ADJOURN

President Kronsteiner adjourned the meeting at 3:29 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; and
- (j) carry on negotiations under ORS Chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments.