

OREGON INTERNATIONAL PORT OF COOS BAY

Coos Bay, Oregon

SPECIAL COMMISSION MEETING

10:00 a.m., Friday, October 22, 2021

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 Kyle Stevens, Commissioner.

Staff:

John Burns, Chief Executive Officer; Lanelle Comstock, Chief Administrative Officer; Mike Dunning, Director of Maritime Operations and Asset Management; and Mike Stebbins, Port Legal Counsel.

Media & Guests:

None.

1. CALL MEETING TO ORDER

President Kronsteiner called the meeting to order at 10:01 a.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

3. PUBLIC COMMENT

4. ACTION ITEMS/REPORTS

A. Authorization to Negotiate and Execute a Purchase and Sale Agreement for the Former Georgia Pacific Mill Site

The Port of Coos Bay's mission is to promote sustainable development that enhances the economy of southwest Oregon and the State.

The Port is regularly approached by companies eager to move commodities through a terminal in Coos Bay. Because the Port does not currently own or operate a terminal, many of these inquiries are referred to other terminals, put on standby, or turned away from the Port of Coos Bay. Acquiring property to develop a multi-modal facility will create an economic boost to not only Southwest Oregon, but to the State of Oregon. Each ship call has a value to the local economy of approximately \$750k - \$1 million, and a terminal has the potential to create at least 100 family wage jobs.

In 2018, the Georgia Pacific mill site (GP property) ended operations, resulting in the loss of over 125 family wage jobs. The GP property was purchased and is currently owned by Coos Bay, LLC, a member of Commercial Development Company, Inc. from St. Louis, Missouri.

The former GP Property lot is approximately 162 acres, of which 100-115 acres are of value for a multi-modal facility. The property contains:

- An 800' marine terminal dock on the 37' navigation channel
- Two existing rail spurs
- 45,000 square feet of building facilities

Port Staff and Port's legal counsel have been in discussions with Coos Bay, LLC, over the last six months regarding the Port's interest in acquiring the property. To proceed with the purchase of the property, a Purchase and Sale Agreement must be drafted, negotiated, and executed.

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners motioned to authorize Chief Executive Officer John Burns to negotiate and execute an agreement with Coos Bay, LLC to purchase the property known as the former Georgia Pacific Mill Site. **Motion Passed.**

B. Connect Oregon 2021 Grant Application

The Oregon International Port of Coos Bay owns the Coos Bay Rail Line. As owner of the rail line, the Port retains responsibility for capital repairs, rehabilitation, and replacement of the infrastructure on the rail line. Since acquiring the line through two separate transactions in 2009 and 2010, the Port has undertaken a comprehensive capital rehabilitation campaign designed to restore and improve service to regional employers that ship and receive cargo by rail.

On September 15, 2021, the Oregon Department of Transportation (ODOT) announced it is accepting applications for the Connect Oregon 2021 grant cycle. Approximately \$46 million is available for aviation, marine, and rail capital projects. The grant requires a 30% match from the Grantee. Following an analysis conducted by Port Staff and Engineers (Stantec), the most critical need is steel truss member repairs on the three swing bridges (Siuslaw River, Umpqua River, and Coos River). Due to the size and complexity of repairing each bridge, failure at any of these locations has the potential to significantly impact rail service and operations, as experienced in 2018 on the Coos River bridge.

Port staff is requesting authorization from the Port Commission to apply for a Connect Oregon 2021 grant that would be used to fund the costs of replacing or reinforcing steel truss members on the three swing bridges. The total project cost will not exceed \$5 million; \$3.5 million from the state and the Port's match of \$1.5 million. The Port will pledge matching funds from existing reserves and ongoing rail revenues.

Upon a motion by Commissioner Hanson (second by Commissioner Farm), the Board of Commissioners motioned to authorize Port Staff to apply for a Connect Oregon 2021 Grant for a total project cost not to exceed \$5 million, with a total Port pledged match not to exceed \$1.5 million. **Motion Passed.**

5. OTHER

6. COMMISSION COMMENTS

7. NEXT MEETING DATE – Tuesday, November 16, 2021, 10:30 a.m.

8. ADJOURN

President Kronsteiner adjourned the meeting at 10:10 a.m.