

**OREGON INTERNATIONAL PORT OF COOS BAY
REGULAR COMMISSION MEETING
3:00 p.m., Tuesday, September 21, 2021**
Port Commission Chambers, 125 West Central Avenue, Suite 230, Coos Bay, Oregon 97420

AMENDED AGENDA

1. **CALL MEETING TO ORDER**
2. **INTRODUCTION OF GUESTS AND PORT STAFF**
3. **PUBLIC COMMENT**
4. **PORT PROJECT UPDATE**
 - A. Purchase of Hub Building Lanelle Comstock
5. **CONSENT ITEMS** **Page**
 - A. Approval of August 26, 2021 Regular Commission Meeting Minutes 4
 - B. Approval of August Invoices 8
 - C. Approval of August Contracts Awarded 9
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 - B. 2021Res05: Finance Agreement for the Hub Building Purchase Megan Richardson
 - C. 2021Res06: Finance Agreement for Debt Refinance Megan Richardson
8. **OTHER**
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 - A. Dun & Bradstreet Credit Scores as of August 1, 2021 44
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10. **COMMISSION COMMENTS**
11. **NEXT MEETING DATE** – Tuesday, October 19, 2021, 3:00 p.m.
12. **RECESS TO EXECUTIVE SESSION**
13. **ADJOURN**

**OREGON INTERNATIONAL PORT OF COOS BAY
BOARD OF COMMISSIONERS
ACTION/DECISION REQUEST**

DATE: September 20, 2021

PROJECT TITLE: 2021Res05: Approval of the Financing Agreement for the Hub Building Purchase

ACTION REQUESTED: Approve resolution 2021Res05 authorizing Chief Executive Officer John Burns to execute and deliver a not to exceed \$2,900,000 financing agreement to purchase the Hub Building.

BACKGROUND:

The Port previously sought and received Commission approval for the authority for Chief Executive Officer John Burns to negotiate and execute a loan agreement for the purchase of the Hub Building and refinance existing debt to reduce debt service.

The original approval was for a combined agreement that would cover the building purchase and the refinancing of old debt. Due to the timing of the building closing, and the necessity to have a taxable portion and non-taxable portion, there will be three financing agreements. This resolution is approving the financing agreements with Kitsap Bank at approximately 2.2% to purchase the Hub Building.

The financing of the building has two financing agreements where one is Taxable and the other is Non-Taxable. The taxable agreement is to cover the square footage of the building that is leased out, and the non-taxable agreement represents the square footage that the Port occupies.

The total of these financing agreements will not exceed the \$2,900,000 amount for the purchase of the Hub Building.

RECOMMENDED MOTION:

Approve resolution 2021Res05 authorizing Chief Executive Officer John Burns to execute and deliver a not to exceed \$2,900,000 financing agreement to purchase the Hub Building.

RESOLUTION 2021Res05

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
OREGON INTERNATIONAL PORT OF COOS BAY**

**AUTHORIZING THE EXECUTION AND DELIVERY OF THE
FINANCING AGREEMENT FOR THE HUB BUILDING PURCHASE**

WHEREAS, the Oregon International Port of Coos Bay (the “Port”) is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance real or personal property which the Board of Commissioners of the Port (the “Board”) determines is needed so long as the estimated weighted average life of the financing agreement does not exceed the estimated dollar weighted average life of the property that is financed; and

WHEREAS, the Port has identified a need to acquire real property to house the Port’s administration office and commission chambers (the “Project”); and

WHEREAS, the Board hereby determines that the Project is needed, and that it is desirable to finance the Project pursuant to ORS 271.390; and

WHEREAS, the Port may make expenditures on the Project (the “Expenditures”) before the Port borrows to finance the Project, and the rules of the United States Internal Revenue Service require the Port to declare its official intent to reimburse itself for amounts that the Port will spend before it borrows, in order for the Port to reimburse itself for those Expenditures from the proceeds of a tax-exempt borrowing;

NOW THEREFORE, BE IT RESOLVED, by the Oregon International Port of Coos Bay Board of Commissioners, as follows:

SECTION 1. Financing Agreement Authorized. The Port is hereby authorized to enter into one or more financing agreements (collectively, the “Financing Agreement”) pursuant to ORS 271.390 in a combined principal amount sufficient to provide up to \$2,900,000 for the Project, plus additional amounts estimated to be sufficient to pay costs of issuance of the Financing Agreement. Proceeds of the Financing Agreement shall be used to pay costs of the Project and costs associated with the Financing Agreement. The Chief Executive Officer or Director of Finance and Accounting, or the person designated by the Chief Executive Officer or Director of Finance and Accounting (each of whom is referred to herein as a “Port Official”) are hereby authorized, on behalf of the Port and without further action by the Board, to:

- A. Determine the final principal amount, interest rate, payment dates, prepayment rights and all other terms of the financing;
- B. Negotiate the final terms of, and execute and deliver the Financing Agreement, which may be in the form of a draw down borrowing or fully amortizing loan, and any related documents;
- C. Select a commercial bank or another lender to fund the Financing Agreement;

D. Covenant for the benefit of the lender to comply with all provisions of the Internal Revenue Code of 1986, as amended (the “Code”) which are required for the interest paid under the Financing Agreement to be excluded from gross income for federal income tax purposes;

E. Designate the borrowing as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code, if applicable;

F. Appoint and enter into agreements with bond counsel, financial advisor and other service providers for the Financing Agreement; and

G. Execute and deliver any other certificates or documents and take any other actions which the Port Official determines are desirable to carry out this resolution.

SECTION 2. Security. Pursuant to ORS 287A.315, the Port is authorized to pledge its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the amounts due under the Financing Agreement. The Port is not authorized to levy additional taxes to pay the amounts due under the Financing Agreement.

SECTION 3. Declaration of Intent to Reimburse. The Port hereby declares its official intent pursuant to Section 1.150-2 of the Treasury Regulations to reimburse itself with the proceeds of the Financing Agreement for any Expenditures paid before the Financing Agreement is issued.

SECTION 4. Effective Date. This resolution is effective immediately upon adoption.

APPROVED and ADOPTED, by the Board of Commissioners of the Oregon International Port of Coos Bay this 21st day of September 2021.

David Kronsteiner, President

Eric Farm, Vice President

**OREGON INTERNATIONAL PORT OF COOS BAY
BOARD OF COMMISSIONERS
ACTION/DECISION REQUEST**

DATE: September 20, 2021

PROJECT TITLE: 2021Res06: Approval of the Financing Agreement for the Debt Refinancing

ACTION REQUESTED: Approve resolution 2021Res06 authorizing Chief Executive Officer John Burns to execute and deliver a loan agreement refinancing existing debt to reduce Debt Service.

BACKGROUND:
The Port previously sought and received Commission approval for the authority for Chief Executive Officer John Burns to negotiate and execute a loan agreement for the purchase of the Hub Building and refinance existing debt to reduce debt service.

The original Commission approval was for a combined financing agreement that would cover the building purchase and the refinancing of the old debt. Due to the timing of the building closing, it is necessary to address the refinancing subsequent to the building loan. This resolution is approving the financing agreement using Kitsap Bank to refinance \$7.57 million of existing debt at approximately 2.2%.

RECOMMENDED MOTION:
Approve resolution 2021Res06 authorizing Chief Executive Officer John Burns to execute and deliver a loan agreement refinancing existing debt to reduce Debt Service.

RESOLUTION 2021Res06

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
OREGON INTERNATIONAL PORT OF COOS BAY**

**AUTHORIZING THE EXECUTION AND DELIVERY OF THE FINANCING
AGREEMENT FOR THE REFINANCING OF EXISTING DEBT**

WHEREAS, the Oregon International Port of Coos Bay, Oregon (the “Port”) has a number of loans outstanding from the State of Oregon (the “Outstanding Borrowings”), including:

- (1) Special Public Works Fund Development Project Financing Contract Number L13004 that financed the rebuild and rehabilitation of B-Dock located at the Charleston Marina and is outstanding in the approximate principal amount of \$157,858,
- (2) Special Public Works Fund Development Project Financing Contract Number L17013 that financed updates to the Charleston Complex Stormwater System and is outstanding in the approximate principal amount of \$962,405,
- (3) Oregon Port Revolving Loan Fund Financing Contract Number 525202 that financed the purchase, installation and equipment for the Charleston Gantry Crane Lift and is outstanding in the approximate principal amount of \$463,897,
- (4) Special Public Works Fund Financing Contract Number L09007 that financed the acquisition of the Coos Bay Rail Line and is outstanding in the approximate principal amount of \$5,183,745, and
- (5) Special Public Works Fund Development Project Financing Contract Number L15006 that financed rehabilitation of the Coos Bay Rail Line Tunnels and is outstanding in the approximate principal amount of \$491,445, and

WHEREAS, ORS 271.390 authorizes Oregon governments to refund outstanding borrowings that financed projects that the Port Board of Commissioners (the “Board”) determines are needed, as long as the estimated weighted average life of the borrowing does not exceed the estimated dollar weighted average life of the real or personal property that is refinanced with the borrowing; and

WHEREAS, current interest rates may be lower than the interest rates that are payable on the Outstanding Borrowings and the Port may be able to reduce debt service costs by refunding all or a portion of the Outstanding Borrowings;

NOW THEREFORE, BE IT RESOLVED, by the Oregon International Port of Coos Bay Board of Commissioners that:

SECTION 1. Determination of Need. The Board hereby determines that the projects being refinanced were needed at the time they were financed and that they remain needed.

SECTION 2. Financing Authorized. The Board is hereby authorized to enter into one or more financing agreements (the “Financing Agreements”) to refinance all or any portion of the projects financed with the Outstanding Borrowings pursuant to ORS Section 271.390, 287A.360 through 287A.375 and the other relevant provisions of ORS Chapter 287A. The Financing Agreements may be issued in an amount that is sufficient to refund all or any portion of the Outstanding Borrowings and to pay estimated costs related to issuing the Financing Agreements and refunding the Outstanding Borrowings.

SECTION 3. Delegation. The Chief Executive Officer or Director of Finance and Accounting, or the person designated by the Chief Executive Officer or Director of Finance and Accounting to act on behalf of the Port under this Resolution (each of whom is referred to in this Resolution as a “Port Official”) may, on behalf of the Port and without further action by the Board:

- A. Select all or a portion of the Outstanding Borrowings to be refunded;
- B. Determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of the Financing Agreements;
- C. Negotiate the final terms of, and execute and deliver the Financing Agreements, which may be in the form of draw down borrowings or fully amortizing loans, and any related documents;
- D. Select commercial banks or other lenders to fund the Financing Agreements;
- E. Take any actions to call, defease and prepay any of the Outstanding Borrowings;
- F. Apply legally available revenues to prepay all or a portion of the Outstanding Borrowings;
- G. Covenant for the benefit of the lenders to comply with all provisions of the Internal Revenue Code of 1986, as amended (the “Code”), that are required for the interest paid under the Financing Agreements to be excluded from gross income for federal income tax purposes;
- H. Designate each of the Financings Agreements as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code, if applicable;
- I. Appoint and enter into agreements with bond counsel, financial advisor and other service providers for the Financing Agreements; and
- J. Execute and deliver any other certificates or documents and take any other actions that the Port Official determines are desirable to carry out this Resolution.

SECTION 4. Security. Pursuant to ORS 287A.315, the Port is authorized to pledge its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the amounts due under the Financing Agreements. The Port is not authorized to levy additional taxes to pay the amounts due under the Financing Agreements.

SECTION 5. Effective Date. This resolution is effective immediately upon adoption.

APPROVED and ADOPTED, by the Board of Commissioners of the Oregon International Port of Coos Bay this 21st day of September 2021.

David Kronsteiner, President

Eric Farm, Vice President