

**OREGON INTERNATIONAL PORT OF COOS BAY**  
**Coos Bay, Oregon**  
**REGULAR COMMISSION MEETING**  
**10:00 a.m., Tuesday, April 19, 2022**

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; Margaret Barber, Director of External Affairs and Business Development; Rich Lopez, General Manager, Coos Bay Rail Line; Ray Dwire, Security; Krystal Karcher, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

**Media & Guests:**

Molly Lewis; Lance Porteur; Brittani Elm; David Young; Tom Muse; Richard Shore; and one other member of the public whose name was illegible on the sign-in sheet.

**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**

A. **Molly Lewis** stated she is here to get clarity on how the ordinance came about. She has also provided written comment stating her concern after trying to contact a local surveyor and not hearing back. A survey is needed to get insurance, and it appears there are a lot of boats that will need surveys. If the surveyor is booked out, then meeting the deadline by July 19 might be a tight situation. Ms. Lewis asked for clarification as to what brought about the decision to pursue insurance.

President Kronsteiner stated this information has been covered in past Commission meetings. It was brought about by the number of derelict vessels that are costing the Port a tremendous amount of money each year. With insurance that cost would be covered.

Written comment from Molly Lewis was submitted as follows:

Attn: Commissioners

My friend, Myron Rasmussen, has received notice of the proposed ordinance 147. Myron is disabled and cannot speak or write thus I am contacting you to represent his concerns. In order to acquire vessel insurance, a boat survey has to be completed. Since there is only one surveyor in the area and many boats

(I'm sure you know the exact number), it seems unreasonable to allow only 2 months for all boats to meet your requirements. I am asking that you extend the deadline for requiring insurance since it is obviously impossible for everyone to meet that deadline. In lieu of an extension perhaps you could provide a provision that extends the deadline for boat owners who have made a deposit with a surveyor. I can be reached at 541-\*\*\*-\*\*\*\*.

Thank you for your consideration of the matter.  
Molly Lewis

**B. Lance Porteur** stated his concern is not so much with the insurance; it is whether or not there will continue to be a Shipyard in Charleston. The rumor is spreading that the Port wants that property and Mr. Porteur stated if that is true then people want to know. There have been issues with the lift and maintenance. There are derelict boats and they need to be removed. Mr. Porteur stated his boat is 80 years old, surveys are problematic and full coverage insurance is impossible. There are people concerned they will not be able to get insurance because of the age of their boats. This is a concern of all who own older vessels but this doesn't mean the vessel is on the verge of sinking.

Mr. Porteur stated he is concerned for the people running the Shipyard. This infrastructure is needed for the fisheries. Mr. Porteur asked if the rumor was true, and if the Port wants that property for condos like in Newport. President Kronsteiner stated he has heard no conversation regarding condos on the Shipyard property. Mr. Porteur stated people do not want to see that happen in Charleston. Generations of families have fished out of this port and provided wealth to the community. People are concerned about getting pushed out of the way for development projects.

**C. Brittani Elm** stated she is an advocate for the commercial fishing industry. While the Port's expectation of insurance coverage for vessel owners may not be unreasonable, the manner of enforcement in Ordinance 147 is. Enforcement measures should be constructed to encourage compliance while minimizing the Port's vessel disposal expense. Insurance companies requiring inspection may require that vessels haul out. The Port has not established it has adequate resources to meet the sudden influx of demand. Private insurers may also require repairs for otherwise seaworthy vessels to obtain coverage. These actions require time and resource investment beyond the vessel owner's control. As currently drafted, Ordinance 147 would unnecessarily exacerbate the derelict vessel problem by deeming otherwise seaworthy vessels as derelict for failure to meet the requirements attributable to the abbreviated timeframe for compliance. Fast tracked enforcement of the ordinance is inconsiderate of circumstances precluding well-intentioned vessel owners from meeting the deadline. The fishing fleet would suffer undue financial burden, while incurring costs of work disruption and unanticipated expense of obtaining the required insurance.

Ms. Elm stated the Port's intention as conveyed by the deadline is to complicate, rather than encourage compliance. Through deadline extension the Port would demonstrate good faith effort. Such an extension would not unduly interfere with the fishing industry's summer season and permit reasonable opportunity to conduct research and budget for expenses. This would prevent undue burden on the Port and other local resources. Ms. Elm stated consideration of Ordinance 147 should be suspended until such a time as when a reasonable deadline for compliance may be established.

President Kronsteiner asked if there was anyone else present who would like to provide comment.

**D. Lance Porteur** asked about the Port's intention to sell the Shipyard property. He stated there has been interest by the owners of the Boatworks to purchase the Shipyard property, and that he has been

told they have approached the Port multiple times and keep getting pushed aside. Mr. Porteur asked whether the Port wants to sell this property. Mr. Porteur stated people want information and not rumors; the Shipyard is crucial.

**E. Ed Fleming.**

Written comment submitted was submitted by Ed Fleming and read into the record by Administrative Assistant Krystal Karcher, as follows:

When a Special District, in this case a Port, passed a new ordinance like Ordinance 147, that effects so many peoples lives, that leads to the destruction of so many small family businesses that have supported that family, the Special District and the community for decades, providing jobs and fresh seafood to that community, when that Special District does not offer viable options and opportunities to solve the problem that precipitated that new ordinance, it is not doing its job of representing the community in that Special District.

I ask that the Commissioners not pass Ordinance 147. That the Port step back and reconsider options that don't disrupt so many lives in such a radical way.

Sincerely, Ed Fleming

**4. CONSENT ITEMS**

- A. Approval of March 15, 2022 Regular Commission Meeting Minutes
- B. Approval of March Invoices
- C. Approval of March Contracts Awarded

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners voted to approve the March 15, 2022 Regular Commission Meeting Minutes, March Invoices and March Contracts Awarded. **Motion Passed.**

**5. MANAGEMENT REPORTS**

All Management Reports were included within the Meeting Packet.

**6. ACTION ITEMS/REPORTS**

- A. Ordinance No. 147 Amending Ordinance No. 143 Regarding Registration, Documentation, and Insurance Requirements for Charleston Marina Complex Customers and Agreements Holders, Second Reading and Adoption; and 2022Res03 Amending the Port of Coos Bay Rate Schedule**

At the March 15, 2022 Regular Commission Meeting, Staff presented the background information and first reading of Ordinance 147 amending Ordinance 143 to include registration, documentation, and insurance requirements for Charleston Marina Complex Customers and Agreement Holders.

If adopted, the ordinance will take effect on May 19, 2022 and new customers must provide documentation and insurance effective that date, but existing customers will be given until July 19, 2022

which is a greater time than previously specified. Existing customers that do not obtain insurance by the deadline will be in violation of the ordinance, may be considered a hazardous vessel, and will be treated according to Port Ordinance. After the second reading and motion to adopt the ordinance, there will be a second recommended motion to approve the revision of the 2021/22 Port of Coos Bay Rate Schedule. The Resolution and proposed rate sheet were included in the meeting packet.

Ordinance 147 has been drafted to amend Ordinance 143, identifying registration, documentation, and insurance requirements for Charleston Marina Complex Customers and Agreement Holders.

The proposed ordinance states the following:

**ORDINANCE NO. 147**  
**AN ORDINANCE AMENDING ORDINANCE NO. 143**

**BE IT ENACTED BY THE BOARD OF COMMISSIONERS OF THE OREGON INTERNATIONAL PORT OF COOS BAY AS FOLLOWS:**

**Section 1.** Ordinance No. 143 is hereby amended to include Ordinance No. 147 identifying registration, documentation and insurance requirements for Charleston Marina Complex Customers and Agreement Holders.

**Section 2.** Chapter 11A: Operational Policies Ordinance 143, Policy 11A.2: Charleston Marina, Section H: Registration / Documentation / Insurance, states:

1. All moored vessels must be currently registered with the State of Oregon or documented with the Coast Guard in the Moorage Holder's or Vessel Owner's name.
2. All vessels moored, stored, or using Travel Lift services, must be insured as outlined in the Port of Coos Bay Rate Schedule. These requirements are subject to periodic review by the Port's Insurance Broker of Record. Current proof of the minimum insurance requirements must be submitted with the appropriate License Agreement, or upon request.
3. Vessel owners with expired registration will be reported to the Marine Patrol and Oregon State Marine Board.
4. If requested by the Marine Patrol or the Oregon State Marine Board, the Port will provide boat owner information for unregistered vessels.

**Section 3.** This ordinance amendment shall take effect May 19, 2022.

Passed and enacted by the Oregon International Port of Coos Bay Commission this 19<sup>th</sup> day of April, 2022.

Commissioner Farm stated people are concerned with the quick timeline but there is never going to be a perfect deadline. Commissioner Farm stated that if customers have made the effort to comply and communicated that with staff, then perhaps there should be some leeway before declaring a vessel hazardous. Commissioner Hanson stated that hearing there may be improvements required for some vessel owners, there should be a plan of compliance with that in mind.

Commissioner Stevens asked how far out the surveys are booking currently. Ms. Lewis stated she has called twice but they have not returned her call, so she does not know. John Burns stated Port staff spoke to a local surveyor last week and he is booked through the middle of May, but beyond that he is open. There are also two other surveyors who would be available to come to Coos Bay, one is from Newport and the other is out of Portland.

A Marina customer stated he called the Shipyard office and they couldn't tell him what a lift would cost, making it difficult to schedule. He also asked what would happen if someone had paid their yearly moorage but couldn't get insurance, then loses the boat to the Port. Mr. Burns stated a situation such as this would be evaluated on a case by case basis. Mr. Burns further stated there is discussion of a fee schedule that would provide discounted rates for those who need lifts to accommodate surveys; this would be graduated to provide a greater discount the earlier the lift is done.

Upon a motion by Commissioner Farm (second by Commissioner Stevens), the Board of Commissioners motioned to approve and adopt Ordinance 147 amending Ordinance 143 to include registration, documentation, and insurance requirements for Charleston Marina Complex Customers and Agreement Holders. **Motion Passed.**

Pursuant to Port Policy, the Rate Schedule must be modified by resolution of the Port Commission. Upon Commission approval of the resolution (coinciding with adoption of the Ordinance), the revised Port of Coos Bay 2021/22 Rate Schedule will be republished with an effective date of May 19, 2022.

Upon a motion by Commissioner Garcia (second by Commissioner Farm), the Board of Commissioners motioned to approve Resolution 2022Res03 revising the 2021/22 Port of Coos Bay Rate Schedule to include Insurance Requirements, effective May 19, 2022. **Motion Passed.**

**B. 2022 IJA MEGA Grant Application: Channel Deepening, EcoPort Container Terminal, and CBRL Corridor Improvement Project**

The Port has been working with North Point Development of Kansas City, MO, since March 2021, when the Port and North Point entered into an Exclusive Negotiating Agreement to develop a container terminal on the Port's North Spit property. As part of this development, the project will require the continued upgrading of the Coos Bay Rail Line corridor between Coos Bay and Eugene, the construction of a new eco-friendly Container Terminal, and the planned deepening and widening of the Federal Navigation Channel.

In partnership with North Point Development LLC, Port staff proposes the development of the infrastructure necessary to support the CBRL Corridor, EcoPort Terminal, and Channel Improvement Project. The infrastructure improvements proposed in this application are to ensure that the railroad infrastructure between the North Spit and Eugene is capable of handling the rail volume that will be created by the introduction of container movements as well as the balance of CBRL rail customers. Also, the funding necessary to fulfill the balance of the work necessary to accommodate the appropriately sized vessels that will call on EcoPort and other marine terminals on the North Spit. The terminal will be designed, engineered, permitted, and constructed to have two wharfs capable of mooring 4 ships at a time and offloading and loading approximately 1 million containers.

Port staff is requesting authorization from the Port Commission to apply for a MEGA 2022 grant that will be used to fund the costs of the CBRL Corridor Improvements, EcoPort Terminal, and Channel Improvement Project. The total estimated project cost is \$1 Billion, with a pledged match of 20%.

Matching funds will be provided by North Point Development, by written agreement, prior to executing a grant agreement with the FRA.

A guest in the audience asked that Commissioners consider the environment when moving the Channel Project forward. President Kronsteiner confirmed.

Upon a motion by Commissioner Stevens (second by Commissioner Farm), the Board of Commissioners motioned to authorize Port Staff to apply for a MEGA 2022 Grant for a total project cost of \$1 Billion, with a Port pledged match of 20%. **Motion Passed.**

Mr. Porteur asked whether container movements would be all by rail or some by truck. Mr. Burns stated this is one of the unique features of the terminal, that all containers will be moved by rail. Mr. Porteur stated that ship traffic needs to be considered as well, and the large vessels carrying containers will not see the smaller fishing vessels. This could lead to a catastrophic accident.

### **C. RRIF Loan Application: EcoPort Container Terminal, and CBRL Corridor Improvement Project**

The Port has been working with North Point Development of Kansas City, Mo since March of 2021, when the Port and North Point entered into an Exclusive Negotiating Agreement to develop a container terminal on the Port's North Spit property. As part of this development, the project will require the continued upgrading of the Coos Bay Rail Line corridor between Coos Bay and Eugene, the construction of a new eco-friendly Container Terminal, and the planned deepening and widening of the Federal Navigation Channel.

Port Staff and North Point have been working to source funding to support the development of Port property to design, build and operate an eco-friendly container terminal and associated infrastructure improvements associated with such development.

The RRIF is led by the Build America Bureau (BAB), which has been in existence for over twenty years. RRIF is a low interest federal financing tool that has been supporting small railroads with maintenance, upgrades, equipment purchases, acquisitions and other innovative necessary projects that strengthens the railroad industry.

In partnership with North Point Development LLC, Port staff proposes the development of the infrastructure necessary to support the CBRL Corridor, EcoPort Terminal, and Channel Improvement Project. The infrastructure improvements proposed in this application are to ensure that the railroad infrastructure between the North Spit and Eugene can handle the rail volume that will be created by the introduction of container movements as well as the balance of CBRL rail customers. Also, the funding necessary to fulfill the balance of the work necessary to accommodate the appropriately sized vessels that will call on EcoPort and other marine terminals on the North Spit. The terminal will be designed, engineered, permitted, and constructed to have two wharfs capable of mooring 4 ships at a time and offloading and loading approximately 1 million containers.

Port staff is requesting authorization from the Port Commission to apply for a RRIF Loan that will be used to fund the Match requirement of the \$1B MEGA Grant for which the Port is applying. The total amount of the RRIF loan will be repaid by North Point Development, by written agreement, prior to executing a loan agreement with the BAB.

Mike Stebbins stated that prior to this motion, the meeting needs to be backed up to the previous motion for a final vote. President Kronsteiner stated there was a motion and a second on the floor to authorize Port Staff to apply for a MEGA 2022 Grant for a total project cost of \$1 Billion, with a Port pledged match of 20%. **Motion Passed.**

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners motioned to authorize Port Staff to apply for a RRIF Loan covering the 20% matching funds associated with the Port's MEGA Grant application. **Motion Passed.**

7. **OTHER**

8. **COMMISSION COMMENTS**

9. **NEXT MEETING DATE** – Tuesday, May 17, 2022, 10:00 a.m.

10. **ADJOURN**

President Kronsteiner adjourned the meeting at 10:38 a.m. and entered into Executive Session to:

(e) conduct deliberations with persons designated by the governing body to negotiate real property transactions;

(g) consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;

(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.