

OREGON INTERNATIONAL PORT OF COOS BAY
Coos Bay, Oregon
REGULAR COMMISSION MEETING
Monday, August 25, 2008
7:00 p.m.
Port's Commission Chambers

ATTENDANCE

Commission: David Kronsteiner, President; Caddy McKeown, Vice President; Dan Smith, Secretary; Brady Scott, Treasurer; Jerry Hampel, Commissioner

Staff: Jeffrey Bishop, Executive Director; Michael Gaul, Deputy Executive Director; Martin Callery, Director of Communications and Freight Mobility; Donna Nichols, Director of Finance and Administration; Aaron Simons, Marine Facilities Manager; Mike Stebbins, Port Counsel; and Andrea Wall, Executive Assistant

Media & Guests: Gordon Young, Channel 14; D. Stephen Pickering; Camby Collier, Ken Messerle, Coast Consulting; Jan Dilley; Russell Cox, Stuntzner Engineering; Steve Jones; Jody McCaffrey

1. The meeting was called to order at 7 p.m.
2. The President said, since there were so few people in the audience and everyone knew each other, he would dispense with the introductions.
3. CONSENT ITEMS:
 - A. Minutes: June 12, 2008 Regular Commission Meeting
 - B. Approval of June/July/August 08 invoices totaling \$ 1,574,337.58
 - C. AAPA Form of Credentials for Jeff Bishop
 - D. Ratification of Award of Bid to Bellingham Marine for \$132,200 for the Marina's F-Dock Project Float Portion

Upon a motion by Commissioner McKeown (second by Commissioner Smith) the Board of Commissioners approved the June 12, 2008 Meeting minutes, the June/July/August 08 invoices totaling \$1,574,337.58; the AAPA Credentials for voting in the Conference in Alaska and Ratification of Award of Bid to Bellingham Marine for \$132,200 for the Marina's F-Dock Project Float Portion.

4. MANAGEMENT REPORTS:

- A. **Executive Director:** Jeffrey Bishop

Mr. Bishop gave a power point presentation entitled "Railroad to our Past, Present and Future, Oregon International Port of Coos Bay Preliminary Business Plan Development, August 25, 2008". He said he wanted to provide some clarification on some of the evolving information and speculation about the Port's interest in the Coos Bay line of the Central Oregon & Pacific Railroad.

As most of you know, the Central Oregon & Pacific Railroad closed the Coos Bay line in September of 2007. A lot of people have asked if it wouldn't be better to just let the railroad go away. Mr. Bishop felt it prudent to point out why we should care.

The Shippers on the Coos Bay line employ 700 – 750 employees based on a Port survey. If you consider the multiplier the industry uses for the economic impact, those numbers represent 2,100 to 2,250 jobs in the community. If you continue, 2,100 jobs represent 2,100 families, or 4 persons per household, so over 8,400 people are depending upon their livelihood from rail and the mills that are operating on that line as well as American Bridge and other employers in this area. One of these businesses is the Danish Dairy in Bandon who is attempting to rail in organic feed for their dairy cows.

Putting these numbers in another context, the population of North Bend is slightly under 10,000. North Bend has 4,291 houses (based on the 2000 census), 2,100 families would represent 49% of the entire family housing in the community. (Mr. Bishop used North Bend simply for illustrative purposes due to its size.) The impacts would be spread throughout the region and not focused solely on North Bend or the Bay Area.

U.S. Manufacturing is certainly not dead; in fact 12% of the national economy is still based on manufacturing. Manufacturing generates about \$1.6 trillion in the U.S., and accounts for nearly three-quarters of the nation's industrial research and development (R & D), two-thirds of our nation's total exports of goods and services, and supports more than 20 million high-paying jobs. So manufacturing still is a very viable economic development opportunity.

The Bay Area, Coos County and western Douglas County still have many opportunities in manufacturing, but without rail service it is unlikely that this region will successfully compete with other communities. Mr. Bishop included an article by William Fulton called "Romancing the Factory". Mr. Bishop pointed out that in most of the economic development siting activities taking place today, a survey of those CEO's indicated that cost, speed and labor force matter and quality of life issues don't impact the siting.

The Oregon International Port of Coos Bay is proposing to acquire the line through the Feederline application process before the Surface Transportation Board (STB). The Port is proposing to call the line the *Coos Bay Rail Link* with the name focusing on the purpose of the rail line as a vital link to the Port and region. It was selected on the basis of the body of water and in an attempt to develop brand image. The Port has hired business consultants to draft a business plan for the operation of the *Link*. The Port will focus on the capital asset and the private sector will focus on the operational issues.

Under the Feeder program, the Port is obligated to provide operations for the line for at least 3 years (even if at a loss).

Mr. Bishop continued with a presentation outline:

- **Preliminary operation plan**
- **Initial capital improvement plan** – For the preparation of an annual capital improvement plan, the Port will file a motion to compel, if necessary, with the STB to grant Port and the consultants unfettered access to the asset. To date, the Port has only been afforded three days to inspect the line. That is a drop in the bucket of the time and energy needed to be spent on the line. It is important for us to get unfettered access to the line. As a result after listening to some of the comments of the Board members of the STB, the Port is going to file a motion to allow us to get greater access.

The Port, with the assistance of the Oregon Department of Transportation, will hire consultants to thoroughly evaluate the line and propose a schedule of improvements and related budgets. As far as the capital improvement plan, there have been several studies completed on the line. The difference between studies is in direct proportion to the level of utility desired or required on the line. Minimum rail infrastructure standards are established by Federal Railroad Administration (FRA), safety class standards and they equate to maximum speeds, so you will hear us refer to a classification based on speed.

The first service that the Port would be focused on providing today would be daily freight service which is a 25 mph maximum and a FRA class 2 status. Capital cost have not been completed because we have not had unfettered access to the line. Accurate projection is dependent on completion of a current assessment of the existing physical plant. We have some ball-park estimates of \$20 to \$50 million. Capital funding is expected through traditional governmental programs. New projects requiring additional improvements for the line will be done on a Return on Investment (ROI) business model or with grants in the case of economic development activities.

- **Potential Capital Improvements** – This covers what the rail line needs for improvement or concerns for prospective businesses in the future, such as the Container Project. The design criteria for container project would be to handle 10-20 double stack container unit trains per day, 40 mph max and FRA class 3 status. There have been two proprietary preliminary engineering reports completed by both Maersk (not APM) and the Union Pacific Railroad. The Port has not viewed those reports because they are proprietary, but the Port estimates the cost to be between \$225 and \$357 million. That is the capital funding that was identified in the funding on the hearing for the Joint Ways and Means Committee where a representative from Union Pacific Railroad said it was normally funded by the private sector. However, we do know that Public /Private Partnership exist. One similar to the Heartland Corridor is a future possibility. No improvements to the line to support container project will be proposed in the next five years although all repairs and improvements will be designed as to not unreasonably complicate such future improvements. Design criteria on the passenger service would require 60 mph max and a FRA class 3 status. Capital costs are not yet identified, however we have received a proposal from HDR Engineers to do a preliminary cost estimate – the study would cost \$20,000. The study is dependent on completion of a current assessment of the existing physical plant. The passenger related rail situations are funded through traditional governmental programs.
- **Engineering Design Activities** – It is likely staff will come to the Commission for authorization for certain engineering activities in advance of ownership. That is because time is of the essence for our customers. They are experiencing extreme costs in alternative modes of transportation. The Port wants to move as quickly as possible to relieve that. However, construction would be subject to public bidding requirements. It will not occur until ownership is secured and will not occur until funding is obtained. It is clear from some of the preliminary analysis that this line will not support debt service in the initial start up years.
- **Operating Activities** - Preliminary pro-forma financials assumed the Port operates the railroad as a base case. The preliminary pro-forma identifies a substantial operating loss to be absorbed by the shippers in a per car surcharge. That has been presented to the shippers and they have agreed to that surcharge. The Port has hired consultants to prepare a business plan. The Port's intent is to issue an RFQ for an interim operator – probably on a cost plus basis. That is for

the segment that is currently not being embargoed. The Port will later issue a RFQ for a multi-year contract for an operator on the line – proposals will be evaluated against the base case business plan. In other words, we need to do a base case to determine whether or not the proposed operations contract was equal to or less than the cost of start up operations from scratch.

- **Infrastructure Maintenance Activities** – The Port will issue a RFQ for interim maintenance on the segment of the line still in service. They will issue a separate RFQ for a multi-year contract for maintenance of the line. The Preliminary pro-forma establishes a business case for annual maintenance in excess of 10k per mile. No tax levy is proposed for operational expenses in the preliminary pro-forma.
- **Institutional Structures** – The Port anticipates managing the asset with open books, but with aggregated shipper information. The STB has very unique operating standards; there are three levels of material classification - highly confidential, confidential and public. In this particular sense the Port will be required to keep individual shipper information confidential. We would be able to display aggregate information only – not individual shipper information. The Shippers will play a key role in the management of the line, participating in monthly and/or quarterly meetings, as well as being actively involved with the Port throughout the whole process advising and commenting.
- **Operating Structures** – Operating structure depends greatly on final disposition of the line. The STB process has a compressed timeline and they are attempting to have a resolution by the end of October. There are certain legal requirements that are imposed upon the operator of the line depending on what method the line is obtained. For instance, in the Feederline Application process there is the “right of first refusal”. Once the Port acquires the line through the Feederline Application, it can’t be sold to anyone else without offering first right of refusal to Rail America. Preferred structure is private-sector operations and public-owned asset. The lease preferred structure is Port owned and operated. Operational experience may lead to changes in operating structure. For example – when the North Bend Airport (Southwest Oregon Regional Airport) provided the Port an opportunity to manage the airport structure, the conclusion was, after operating it for a while, that the Port’s financial basis was too small and it was necessary to form a county-wide tax operation. That structure would be available through the STB but would require voter authorization. If the line is able to function without the need for an operating tax, this structure will be avoided.

Mr. Bishop presented another item in his report; a contract with Don Breazeale & Associates to do a study on the container market.

Due to recent changes in the national and global economies, the Port is interested in determining if certain facts are accurate, regarding the intentions, stated or otherwise, with regard to service; if it would support development of a major container port to/from North America and Asia; of Class 1 Railroads; terminal operators, and ocean carriers. The Port is interested in determining with some clarity, backed by details, how the facts arrived at, influenced positively or negatively in the decisioning process for the Port of Coos Bay with regard to developing a major container facility serving the Asia trades. Don Breazeale has over 38 years of transportation industry and consulting experience, conducting strategy, marketing, operational, organizational, and competitive assignments on behalf of container and bulk shipping companies, port authorities, terminal operators, railroads, logistics companies, brokers and forwarders, industry trade organizations, and governmental agencies. Mr.

Breazeale was in the Office of the Chief Executive at Fritz Company, a very large warehousing operation which is now operated by UPS, and prior to that Mr. Breazeale worked in Asia for SeaLand now part of Maersk-SeaLand and for SeaTrain a start-up operation in Asia. Mr. Bishop continued to give impressive and extensive background on Mr. Breazeale.

The study is expected to cost \$50,000 and is to be funded from the Special Projects Fund. It will serve as the guide to how the Port completes the Section 203 dredging study.

Discussion continued: Mr. Bishop stated that one of the reasons for hiring Mr. Breazeale was that he had personal relationships with most of the CEO's of the shipping lines. He has unique qualifications to talk to CEO's about this project and where these CEO's see the market going. The most important element here is when will the rebound recur and in what point in time would it be prudent for us to resume our dredge study? The Port is at a point in time where we can pull back on the study, slow it down somewhat and wait for the market. A question was asked about a timeframe. Mr. Bishop said the study would be done in 45 days.

President Kronsteiner said that he met with Mr. Breazeale and he thinks Mr. Breazeale's qualifications are very impressive; he fully supports this contract. Commissioner McKeown asked a question about timing. Mr. Bishop said that this is the formulation for a future recommendation on how to proceed. The next block of money that will be spent on the 203 process is quite substantial and rather than move into that haphazardly it is prudent have verification of the interest. The other element of this is it also serves as an element of how to grow the business for the rail line. There are a lot of cargo opportunities where if you assume that the container industry comes back at the level it was before, there will be opportunities with containers and there will be cargo displaced. Some of the clients we were talking to before the rail closed were being displaced at the Port of Los Angeles. Mr. Breazeale has also recently set up a contact for us through the staff members of the Port of Los Angeles for possible opportunities of relocating from their properties. This would provide us with opportunities to build some relationships of our own with some of the players we have not traditionally had a business relationship with before.

Commissioner McKeown asked how this works in relationship to the Corps of Engineers (COE) at the Federal level versus timing of the 203. Mr. Bishop said how the 203 process works is that we are self-directing and the COE will react to our direction. He said the COE was relieved at the slow down because the schedule we proposed previously was very aggressive.

Mr. Bishop reminded the Commissioners to keep in mind that that the last agreement with APM gives the Port the opportunity to start developing some relationships of our own.

Upon a motion by Commissioner Scott (second by Commissioner Smith), the Board of Commissioners approved the contract with Don Breazeale and Associates, finding them uniquely qualified to perform the task defined by the scope of work and they are exempt from bidding requirements as permitted by Chapter 6.1.2(o), and the Executive Director is authorized to execute the contract with Don Breazeale and Associates to study the current container market for an amount not to exceed \$50,000.

Mr. Bishop brought up two last items in his report. The conference of the Association of American Port Authorities is in Anchorage this year and starts September 21st. Tonight in the consent calendar the Board approved Mr. Bishop's voting authority for the official Coos Bay delegation. Also on September 9th and 10th, Oregon State University is sponsoring a seminar on offshore-aquaculture in Newport and Mr. Bishop is going to attend that conference also and monitor what is said. He will be bringing a report to the Commission at the next meeting.

B. Deputy Executive Director: Mike Gaul

Mr. Gaul does not have a normal management report because he has been out of the office quite a bit. However, he said that next month he would be bringing two long terms leases before the Board; and a couple of change orders to the David Evans contract in regards to the 404 process. There will also be a joint report from the Harbormaster and Mr. Gaul on this year's budget projects. It will be basically what is done; what is being done; and what the timeline is for everything else.

C. Director of Communications and Freight Mobility: Martin Callery

Mr. Callery has been involved in a lot of rail projects the last couple of months. Included is two of three days in which the Port had access to the line with our engineering consultants looking at the entire rail or at least what they could get to. Much information was gained from it and Mr. Callery did a lot of photography. The other people he worked with were very thorough and are writing up their report. They also did a tie count in which the level of quality of the ties are determined; they also looked at the quality of rail, the rail link, the type of head on it, and wear patterns. With all of that data, they will be going into many of the things that Jeff referred to as we look at the due diligence of the line.

Additionally, Mr. Callery has been pinch-hitting for Mike at OPPA the last couple of months. With the reorganization of the Oregon Economic Development Department, OPPA has been looking at the port's division and how ports are going to be represented within those programs. Mr. Callery received the Phase II report which he plans to go through and observe the areas that refer to ports and their role within the department.

The Oregon Freight Advisory Committee has been busy for the last couple of months; still looking at projects. They were just given a list of about 110 projects to evaluate for support at the Federal and State level. Mr. Callery was asked to pass on to Mr. Kronsteiner the fact that the committee the President was asked to serve on is going to have a meeting, maybe two meeting before the end of the year. The President will be receiving some information about the meetings shortly. After those two meetings, the committee will try to meet quarterly as the Freight Master Plan moves forward. Within the Economic Development Department they are working on a strategic plan for ports which eventually will become a component of the state's Freight Master Plan.

In between times, Mr. Callery has been doing marketing and communications including many TV and newspaper interviews.

Commissioner McKeown said that she knows how hard Mr. Callery has been working and she thanked him for all of his efforts.

D. Director of Finance and Administration: Donna Nichols

Ms. Nichols said that she wanted to apologize for not having July financials. Her computer crashed and she still doesn't have all her programs up but the June 30th preliminaries are in the packet. The audit should be done soon and in September you will have July and August financials in the packet.

E. Marine Facilities Manager: Aaron Simons

Mr. Simons gave an update on the New Carissa. He referred to the photos which were included in the packet. He also said that on August 15th, the Coos Bay Response team was called out to clean up some tar balls; there weren't very many. Mr. Simons said that comparing the New Carissa photos with going out to the area now, you will see a huge difference. Titan Marine has made a difference and there isn't much left to do.

President Kronsteiner congratulated Mr. Simons on beating his budget on his projects.

5. PUBLIC COMMENT:

Steve Pickering: He said he wanted to make a statement from a public point of view outside the inner circle. After watching Jeff's presentation on the rail issue, he feels that if the public had been made more aware of how much the Port has looked at the proper way to do this with the railroad, he doesn't think there would be as many snipes and potshots at the Port. His own experience in reading the paper every day, says the Port is not very well liked right now. He doesn't think people realize that you have looked at this closely and your intention is not to run a railroad. That is an important thing that needs to be made public. Too many people are not aware that if we lose this railroad, we will have real estate, bike paths and a scrap yard full of metal but that is all. The rail will never ever come back. If the Port doesn't win, since it is the only player in the game, what they are spending \$50,000 on they may as well not do. There is very little chance of the area seeing additional industry, not to mention what we are doing to the air. He said, I don't agree with all the numbers on fuel purchases, but with the amount of diesel we are burning right now, it is a tough time to keep our local businesses going; it is unrealistic. Mr. Pickering said that this Commission needs to make a better effort to let the people that are not in the inner circle know what the Port is doing. Everything he just saw in Mr. Bishop's presentation, he didn't know a thing about. Mr. Pickering also wanted to know what the other counties are doing. The rail goes through Douglas and Lane Counties, and Coos County. He has not seen anything about them jumping in to help. They have responsibilities also; this rail line does not just support Coos Bay/North Bend. Mr. Pickering said he does support what the Port is trying to do - he supports getting the rail line, just not necessarily the Port running the rail line. If the voters say no, you can't have another tax district, you can't do this. You might own the property and eventually down the road 15-20 years they may say OK we need this, but have to look at that closely. What do the voters think about letting you form another tax district like what was done at the Airport since the Port does not have the money to run a railroad?

Jeff Bishop asked the President if he could respond to some of what Mr. Pickering said regarding the process of communicating. A lot of this information tonight was not ironed out or determined until just recently. The reason for that is because the process before the STB has been an uncooperative event to say the least. We did not have any detailed information from Rail America until about two weeks ago. It took \$30,000 of attorney's fees and motions to get the information reclassified from

highly confidential, which can only be seen by your attorney and he can't tell you what they have seen, to confidential in some instances and in others public. In a lot of the information that was necessary to perfect the per-forma, the basic underlying need was to determine how much the shippers have to pay over and above what they were paying traditionally for service. It took quite a bit of time. The Port was derailed in the middle of the process by the STB issuing a show cause order to the railroad to respond to the legal question of whether or not the abandonment was not legal. That required us to divert all attention away from the Feederline application and to respond. The response required coordinating the Attorney General's office, Port's Counsel and Council from the Coos Siskiyou Shippers Coalition. The information was delayed with the Port being able to get to it. This is the first scheduled meeting the Commission has had after receiving this information for the Port to respond to. Mr. Bishop always briefs the governing body (Commission) before he briefs others. He appreciates Mr. Pickering's comments and will do all he can to get the information out as soon as possible.

Commissioner McKeown added her thanks to Mr. Pickering for attending the meeting. She also stated that all meetings were taped and available on the web site; they are on Channel 14 and the DVD's of the meeting are available in the Administration office for \$5 shortly after the meeting. She also commented that there is not a reporter from the World here tonight and often they don't show up for the meetings any more, so you are not always getting all the information by reading the paper. The Commissioner said that Mr. Pickering could always contact the staff for the public information - the office is open from 8am-5pm.

Donna added that the Commission packets are also on the website in PDF format as well in case some people could not view the DVD. Mr. Bishop gave Jody McCaffree credit for the Port getting the packets on line.

The President commented that the members from Lane County, Douglas County, Mayor of the City of Reedsport, and lot of other community members testified on our behalf to the STB.

Camby Collier: She loves how Charleston looks. It is really cleaned up and it is now a joy to go to Charleston. She has lived here for 20 years and 20 years ago it was not a joy. Now there are several new restaurants and businesses and you can actually spend a whole day in Charleston. She appreciates the work the Port has put into Charleston.

Ms. Collier continued saying she and Jody are at the meetings because they like to follow what is going on; they are concerned with some of the direction things are going. It has forced them into learning more than they ever intended.

She said she would like to know more about the process of the Port taking over the railroad. She thinks the railroad should be a private business and she doesn't know where the line is when the government steps in and takes over a private business. Was it on the market? Was it in limbo? Her concern is that the Port has so much on their plate already; she doesn't know how the Port could take on the railroad. However, she does admire the Commission for wanting to do something. She doesn't know why it wasn't taken over immediately for the businesses here. From the hearing she learned that CORP wants to sell for \$9.8 million - they want to sell it? They should be getting fined each day; they shouldn't get anything for what they have done to this community. Isn't there a railroad department in the State of Oregon that can take this on? She just doesn't understand all of it. However, she does

want the public to know that the taxpayers are paying for it. It will cost hundreds of millions of dollars. She knows someone who has walked the rails and there is an enormous amount of repair to do. She thinks the public should know that this will be a losing venture. There is too much money needed in maintenance \$10-15,000 per mile. There will be no profit in the immediate future.

Jan Dilley: Ms. Dilley is a local citizen and normally doesn't get involved but she has been moved to action for some grave concerns. She started attending meetings, drawn by the Jordan Cove project. She wanted to know how a reasonable responsible group could come to the decision on Jordan Cove. The principle of this project provides that private corporations can condemn public and private land under the precedence set by a Supreme Court ruling in 2005. Unfortunately it was restricted to domestic corporations and Jordan Cove is Canadian by majority. This project opens up liabilities to a foreign corporation under Chapter 11 of our NAFTA agreement with no recourse to our Supreme Court. This project detracts from our domestic economy and endangers our lives. However, by following the Port meetings, she has become impressed by their effectiveness. She feels the Commission might be the vehicle to look into the alternative energy. She said she is not sure everyone knows though, that 2/3's of the energy in generation and transmission is lost. We are using only 1/3 of the energy, so we don't need any more energy; we just need to use the energy we have more efficiently. Ms. Dilley went on to talk about other areas both foreign and domestic and how they were working with energy. We need to do something here; we have lots of wind on the North Spit. She has been looking forward to having a wind turbine on her home, but there needs to be some improvements first. She has also inquired on Commercial applications. There is a 50% tax credit, payable in five years from the Energy Trust and she went on to explain some of the financial benefits available. She said the Port could be the leading force in decentralizing us. She asks the Port to seriously consider these options, wind turbines and solar panels; they are much more efficient than those of 5 years ago. Cheaper power and more work for our guys. How about that!

Commissioner McKeown thanked Ms. Dilley for following all of this. Commissioner McKeown sits on the Energy Trust Board and understands what Ms. Dilley is talking about. The Commissioner then went on to comment that the Port has walked on the North Spit for the possibility of using wind turbines. The Port had some people from Oregon State and the Energy Trust down to see if there was an appropriate place to put wind turbines on the North Spit. The Commissioner said that even for a very small number it would be very difficult. There is a lot more to wind technology and our wind doesn't seem to be the right kind. However, the Commissioner said that she is pleased Ms. Dilley is willing to look at it and to personally take some of it on. Those incremental moves are important and will make a difference over time. The Commissioner said to keep in mind also, that if LNG comes in there is a great possibility for a co-generation facility on the North Spit.

6. ACTION ITEMS/REPORTS:

A. 10 Merit Goals for FY08/09

The Port of Coos Bay wants to recognize the exceptional performance of its employees through a competitive compensation system. This system consists of four major components.

- Market Comparability
- Cost of Living Adjustments
- Merit Pool
- Star Award

Annually in conjunction with the preparation of the fiscal year budget, the Executive Director budgets and recommends the formation of the Merit Pool line item. The amount is determined on the basis of the Port's financial capabilities and performance at that particular time.

The Executive Director also submits to the Port Commission ten goals for the Port to accomplish in the respective fiscal year. Each goal, if successfully met or exceeded, represents 10% of the merit pool established in the fiscal year budget. Upon acceptance of the Executive Director's recommendation to award merit funds, the Commission shall authorize the dispersal across the board of the merit pool to all employees in the form of a proportionate annual increase. For FY2008/2009 the Port staff recommends the following goals, each representing 10% of the remaining merit pool.

1. Creation and Distribution of Port Newsletter - e-report and newspaper insert. Two per year - may include the biennial report.
2. Completion of scheduled Marina projects (Saltair work-vessel upgrade, Inner Basin Restroom Project, F-Dock Project, Tarheel Roof replacement, Dolphin Terminal improvements) and to maintain the base maintenance plan.
3. Increase value of the Port asset base through real estate transactions.
4. Grow the Business Financial Plan/increase commercial occupancy rates and new business revenues primarily in Charleston. Complete planning for 25 additional moorage slips.
5. Creation of "Green Policy Statement" including completion of an energy audit and completion of (5) five green pilot projects resulting in reduction of energy usage.
6. Completion of a Marine bio-tech incubator feasibility study in Charleston
7. Management Plan for "Pest Species" (sea lions, seagulls) in the Marina facilities.
8. Update Port's Strategic Business Plan as required by OECDD, including completion of Port/Charleston Tourism strategy.
9. Creation of "Fishing Website" - a separate website linked to the Port's website providing up-to-date conditions and data.
10. Recruitment of 50 jobs in the Port District.

Discussion: An audience member said that he didn't understand the bio-tech incubator. Mr. Bishop explained the concept to him.

Upon a motion by Commissioner McKeown (second by Commissioner Smith) the Board of Commissioners approved the 10 proposed Merit Goals for FY08/09.

B. Resolution FY08/09-1 Kudos to the City of Coos Bay

The Port has used the City of Coos Bay's Council Chambers for the Port Commission meetings since March of 2004. In April 2008, the Port finished and started using its own space in the Hub Building and does not require the City's facility anymore. In the transition of moving to the new space, the Port failed to properly thank the City of Coos Bay for the partnership of providing a facility for the Port Commission meetings. The Port wants to apologize to the City and rectify the omission with Resolution FY08/09-1.

Upon a motion by Commissioner Smith (second by Commissioner Scott) the Board of Commissioners approved Resolution FY08/09-1 recognizing the contribution of the City of Coos Bay to the Oregon International Port of Coos Bay.

Commissioners McKeown and Kronsteiner thanked for City for all of their help.

**Oregon International Port of Coos Bay
Resolution FY08/09-1**

**Recognizing the Contribution of the City of Coos Bay to the
Oregon International Port of Coos Bay**

WHEREAS, The City of Coos Bay has a public facility suitable for Council Chambers with a large Council Desk, microphones, screen and audience capacity, and

WHEREAS, the Oregon International Port of Coos Bay did not have a sufficient public facility to use for their Port Commission meetings, and

WHEREAS, the City of Coos Bay offered use of their Chamber space and equipment to the Oregon International Port of Coos Bay for their Port Commission Meetings, and

WHEREAS, the Oregon International Port of Coos Bay now has their own Chambers space and no longer requires the use the City of Coos Bay's Council Chambers.

BE IT THEREFORE RESOLVED that the Board of Commissions of the Oregon International Port of Coos Bay thanks and commends the City of Coos Bay for their significant contribution of their Chamber space to the Commission of the Port District and the citizens of the Port District.

Approved and Adopted by the Board of Commissioner of the Oregon International Port of Coos Bay this 28th day of August, 2008.

By: _____ By: _____
David Kronsteiner, President Dan Smith, Secretary

C. Amendment to SWOCC Lease at Business Center

At the Business Development Center, Southwestern Oregon Community College (SWOCC) leases three offices totaling 1,390 square feet. The current lease is dated February 1, 2008. When the lease was written, it stated that SWOCC would pay internet access charges to the Port at the rate of \$50 per line per month. SWOCC provides their own internet connections to the Business Development

Center so the objective of this amendment is to remove the language regarding those charges from the lease. The rest of the terms and conditions remain in effect throughout the term of the lease.

Upon a motion by Commissioner McKeown (second by Commissioner Smith) the Board of Commissioners approved the amendment to the Southwestern Oregon Community College lease dated February 1, 2008 at the Business Development Center.

7. **OTHER:**

8. **INFORMATION ITEMS:**

- A. June 2008 Business Center Newsletter
- B. July 2008 Business Center Newsletter
- C. Letter from Oregon Transportation Policy Institute

9. **COMMISSION COMMENTS:**

Commissioner McKeown again thanked all the staff for their hard work. She said it was appreciated very much.

10. **NEXT MEETING DATE** -Thursday, September 18, 2008

11. **ADJOURN:** The meeting was adjourned at 8:15pm to go into Executive Session