

OREGON INTERNATIONAL PORT OF COOS BAY

Coos Bay, Oregon

REGULAR COMMISSION MEETING

Thursday, October 1, 2009

4:00 p.m.

Port Commission Chambers, 125 Central Ave, Suite 230, Coos Bay OR 97420

**Executive Session will be conducted at 4pm, before the Regular Meeting.**

**ATTENDANCE**

**Commission:** David Kronsteiner, President; Caddy McKeown, Vice President; Jerry Hampel, Commissioner; Dan Smith and Brady Scott - Absent

**Staff:** Jeffrey Bishop, Executive Director; Mike Gaul, Deputy Executive Director; Martin Callery, Director of Communications and Freight Mobility; Aaron Simons, Marina Facilities Manager; Dan Lovelady, Rail Operations Manager; Holly Tavernier, Fiscal Support Specialist; David Koch, Port Counsel; Andrea Wall, Executive Assistant; Donna Nichols - Absent

**Media & Guests:** Gordon Young, Channel 14; Alexander Rich, The World; Jody McCaffree, North Bend; Mary Margaret Muenchrath, Coos Bay; Ken Messerle, Coast Consulting; Steve Pickering, Coos Bay; George Tinker, Coos Bay; Camby Collier, No LNG; Jan Dilley, North Bend; Pat Gaul, North Bend; Ginger McDonald, Mickey Pulse, Kerry Lewis, Richard Rogers and James Sperling, Port Staff; Marvin Caldera, ILWU; Chris Claflin, Business Oregon; Will Coleman Coos County Sheriff's Office

1. The meeting was called to order at 4:06 p.m. and then recessed to an Executive Session at 4:08 p.m. The regular open Commission meeting resumed at 5:02 p.m.
2. Introductions: The President requested the audience to introduce themselves.
3. **CONSENT ITEMS:**
  - A. Minutes: July 16, 2009 Regular Commission Meeting
  - B. Approval of July/August/September 2009 invoices totaling \$ 742,807.33
  - C. Ratification of Marina Paving Slurry Bid Results
  - D. Ratification of TransPacific Parkway Engineering Amendment

Upon a motion by Commissioner McKeown (second by Commissioner Hampel) the Board of Commissioners approved the July 16, 2009 meeting Minutes and the July/August/September 2009 invoices totaling \$754,807.33; Ratification of the Marina Paving Slurry Bid Results; Ratification of TransPacific Parkway Engineering Amendment.

4. **MANAGEMENT REPORTS:**

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

Mr. Claflin, Oregon Business, and Mr. Bishop received a site visit from a potential client today for the first time in probably two years. There is another scheduled for next week. A phone conversation with Jim Bruce site selection consultant today indicated that Mr. Bruce's business has also seen businesses

lining up to get started when the economy comes back. Mr. Bishop said there has quite a few leads from the State also.

Mr. Bishop addressed the President and said he would like to seek authorization in a motion to execute a small amendment to the Jordan Cove contract to raise their monthly option payment by \$100,000 for the remaining four months of their agreement for a total of \$400,000.

**Upon a motion by Commissioner McKeown (seconded by Commissioner Hampel) the Board of Commissioners authorized the Executive Director to execute an amendment to the Jordan Cove contract to raise their monthly option payment by \$100,000 for each of the remaining four months of their agreement for a total of \$400,000.**

Mr. Bishop's report continued saying that the Port's greatest assets are its employees and he would talk about it a lot tonight in different situations.

Two employees tonight have anniversaries. Holly Tavernier has been with the Port for 15 years. She is our "go to person" for technical issues; she handles our accounts payable and keeps our credit rating strong by paying the bills on time. Just about everything you see in this room, technology wise, she has had a part in. She operates our web site for both the Port and the Charleston Marina and the new site, *Fish the Oregon Adventure Coast*. We want to congratulate Holly for her 15 years. The President presented her with a Myrtlewood plaque for her years of service and said we are happy to have Holly and are looking forward to another 15 years. The Commissioners are very happy to have her here and appreciate her work; President Kronsteiner commented that he enjoys her positive attitude.

Mr. Bishop said the next very special occasion was the marking of Mr. Gaul's 20 years of service with the Port of Coos Bay. Mr. Bishop said that his description of Mr. Gaul's work was that "when I leave the office I do not worry about it". That is the highest compliment he has been able to extend to an employee. Mr. Gaul provides great leadership in Mr. Bishop's absence in addition to performing his own duties; he is thorough and complete. Mr. Gaul served our government with distinction many years in the Coast Guard before coming to the Port. Mr. Bishop congratulated and thanked Mr. Gaul for 20 years of fine service to the constituents of this Port. A presentation was made of an artwork by Don McMichaels depicting the motor lifeboat that Mr. Gaul served on in the Coast Guard for many years before being recruited to the Port. Mr. Bishop said it has always been very beneficial to the Port having someone with that experience on staff. He concluded by saying that a sad note is that Mr. Gaul has informed us that he will retire this next year.

Mr. Gaul commented on the picture given to him. It was of the former lifeboat Intrepid stationed in Coos Bay. It is one of four 52 ft life boats in the Coast Guard. What is more special about the painting is that it was done by another Coast Guard Chief, Don McMichaels.

The President commented that every so often he gets to travel with Mr. Gaul back to Washington D C. and he remarked on how comfortable he is being with Mr. Gaul in the presence of the congressional delegations and the work they do back there - they have a lot of respect for Mr. Gaul.

**B. Deputy Executive Director: Michael Gaul**

Mr. Gaul started his report on a sad note; a man who in the late 1980's the Port purchased the Charleston Boatyard from, Emory Hanson, passed away last night. Emory was instrumental in improving that boatyard. His working with staff and the history lessons he gave were invaluable. Our hearts and thoughts and wishes go out to his family.

Mr. Gaul continued saying on the afternoon of September 8, 2009, Port employees Richard Rogers and Mickey Pulse were in the Port skiff inspecting pilings in the Charleston Marina; at 1:30 pm that afternoon there was a vessel explosion and fire near the fueling docks at Pt. Adams. Richard and Mickey proceeded immediately to the scene where they observed the vessel on fire and two people in the water. One victim was close to B-dock and safety; they assisted the other victim struggling in the open water. Mr. Gaul added that the Coast Guard was off the jetties on a training mission that day which prevented their immediate response. Richard and Mickey retrieved the victims from the water and transported them to safety. Then they also observed that the vessel was drifting down toward B-dock which had a number of vessels moored to it. With total disregard for their own safety, Richard and Mickey were able to get a line on the vessel and pull it into the Charleston channel and away from the moored vessels in the Marina. These men remained on the scene while the Coast Guard fought the fire. Then as the vessel drifted toward the bridge the men again got a line on the vessel and held it steady while the Coast Guard completed putting the fire out. When it became apparent that the vessel was ready to sink, Port staff towed it over to the side of the channel to prevent it from becoming a hazard to navigation. Richard and Mickey's final action that day was to place a buoy on the towline of the boat to mark it for salvage. It is Mr. Gaul's belief, based on his many years of Coast Guard service, that Richard and Mickey's actions that day most likely prevented a loss of life and kept a tragic event from getting much worse.

At this point in his report, Mr. Gaul called on Mr. George Tinker, a member of the State Marine Board and Corporeal Will Coleman of the Coos County Sheriff's Department to join him in front as well as Richard and Mickey.

Mr. Tinker said that the Oregon State Marine Board is a state agency that is a small group of about 40 people in Salem and has five board members. The Marine Board provides financial support for boat ramps, law enforcement and public education. With the public education part of it, they are very interested in safety. The actions by Richard and Mickey prevented another statistic and potential loss of life. Mr. Tinker presented an award to Richard and Mickey which he read to the audience. He also gave them a couple of pictures of the event. Pictures were taken of the acceptance of the award.

### **C. Director of Communications and Freight Mobility: Martin Callery**

For the last two months, Mr. Callery has been working on the Coos Bay Rail Line and the pending Coos Bay Rail Link.

Mr. Callery, Donna Nichols and Kathy Wall had the opportunity to attend Railroad 101 put on by Union Pacific in Omaha. It was an informative class; they met a lot of the top notch people at UP and received a very thorough grounding in what the rail industry is doing and the direction they are going as far as meeting the transportation needs of the U.S.; how they work with other railroads and a good briefing with the critical need for additional rail infrastructure in the U.S.

This past week, Mr. Callery was invited back to Union Pacific for their annual shortline conference. It was again very informative for Mr. Callery. He sat through six different presentations on market segments that primarily UP is involved in with their shortline partners such as construction products, minerals, consumer products, forest products, metals and ores, several factors in the energy industry, ethanol's, and wind energy. He will be getting a full set of the power point presentations soon. The railroad is looking for growth in some areas; it is flat in others and unfortunately, for 2010, forest products are one of the flat categories. The railroad is looking at other opportunities and one is one we have explored - the movement of wind turbine components. There has been a shift in the industry; and many of the components have been manufactured off shore but now some components are being manufactured in the U.S. may provide some opportunities.

Mr. Callery also sat through several presentations on actual operations while he was in Omaha. One was a presentation on train control which has been mandated by Congress and must be in place by 2015. All seven of the class I railroads in North America plus 22 commuter passenger services will be investing in this. It will cost the industry in excess of \$10 billion over 5 years to put Train Control into play. It will require a retrofitting of all locomotives used in long haul service and it will require every switch, every grade crossing, every kind of a bridge crossing to have some kind of a relay that communicates with the locomotive and provides up to date information on the switch itself, on the bridge opening, and any critical issue that can cause a problem. It is a big task and the railroads are doing their best to meet it.

In addition to that, the Port filed a submission to the USODOT Tiger grant application for rail infrastructure on September 15<sup>th</sup>. The request was for \$43 million (they give a minimum of \$20 million per project) and we hope to get our full requested amount. But if not, we hope to get a significant amount to move us forward on the restoration of the line. The results of the grant distribution should be sometime between late fall and February 17, 2010.

In addition to the Tiger grant, the Port will be pursuing a ConnectOregon III - two different applications; one for additional tunnel work and one for bridges.

Mr. Callery is working on a Request for Qualifications which will go out late in the year for the first part of the new year, seeking responses from interested operators for the line. We will consult with ODOT rail as part of our agreement with the State. We have had a number of inquiries. The RFQ will also require a maintenance component which Dan Lovelady has been hard at work on.

Before the Port acquired the rail line, when it became public knowledge, the Port was contacted by the Siuslaw Watershed Association. They have projects both on the main stem of the Siuslaw River and the and on Siltcoos Lake. They want permission from us to go onto the rail property and access several blocked culverts. They are looking to improve water quality and fish passage. They did initial assessments but they needed permission to go on the line and it wasn't until we accomplished the sale in March that we could grant their request. The Port entered into an agreement with them so they could access the line. It required them to have the required safety gear necessary before they went on the line; and the Port provided them with modified railway worker briefings on what is required - trip and fall education etc. They sent their people on the line and have identified five projects on the main stem of the Siuslaw River and four on the Siltcoos Lake that they would like to see funding for. If the Port is able to come up with some funding to assist we will, but at this point the request for funding is

in their court. They are going after some stimulus funding that was set aside for environmental enhancement; staff is working with them. The agreement in front of you was done before we realized that we needed Commission ratification. We hope you will ratify it. The second agreement is with Long Tom Watershed Council which also is in the Lane County area. They want to pursue some issues on culverts in the areas they are working. It is a mirror image of the Siuslaw agreement. Both agreements were passed by Port Counsel.

Staff is asking that you ratify the cooperative agreement between the Siuslaw Watershed Association and the Port of Coos Bay; approve the cooperative agreement between the Long Tom Watershed Council and the Port of Coos Bay; and we also ask for authority for Port staff to sign future similar agreements that help benefit restoration efforts on the rail line.

**Upon a motion by Commissioner Hampel (second by Commissioner McKeown) the Board of Commissioners, ratified the agreement with Siuslaw Watershed Association; approved the agreement with the Long Tom Watershed Council; and approved delegation for the Executive Director to sign future similar agreements without individual Board approval.**

The President asked if the ConnectOregon Bridge money would be specific to Cushman. Mr. Callery said that he and Dan Lovelady needed to talk about that. They have a scope of work in mind and Dan is going to talk more about a conversation he had with HDR and Gene Davis. They did a high rail on the line for a week. Gene was on the rail the whole time; he is from RL Banks and Associates. HDR had several of their people on and off the line. They looked at the entire line from Coquille to Coos Bay; the tunnels, track, at grade crossings, locations of the signals. There are a couple of things we know we have coming up based on new federal regulations; one is an inventory of all crossing - private crossings, industrial crossings - agriculture crossings; the second is an inventory of all bridges. Dan now has a much better idea of what the conditions are.

**D. Director of Finance and Administration:** Donna Nichols - Absent

**E. Marina Facilities Manager:** Aaron Simons

Mr. Simons commented regarding the contract the Board authorized with the slurry coat seal, during the pre-construction walk-through. There were some additional areas that needed some skin patching and extra asphalt removed and replaced. Photos were submitted to the Marine Board for their engineer's approval and recommendations. The Board recommended following through with these additional items. Mr. Simons asked the Executive Director to sign a change order in the amount of \$1,750 to take care of these items. The project will still be under the approved budget.

**F. Rail Operations Manager:** Dan Lovelady

The Port has been working on a lot of projects since Mr. Lovelady last reported to the Commission. He will go over some of the priorities and highlights tonight.

Hwy 126 overpass project: The State is going to put a new bridge over Hwy 126 just this side of Eugene. The Port sold them the property and their check is in the mail; we will receive about \$13,000

for that property. We received a construction maintenance agreement which we have had Port Counsel review. The changes have been sent to the State and we expect the agreements back any day.

We are going to have lots and lots of railroad agreements - crossing, wire line, waterline agreements, etc. once we get our inventory done. Again we discussed some type of a policy change where we would have Jeff sign them rather than bring each one to the Board.

Mr. Bishop added that we routinely do that now on our existing policy as it relates to the lease of real property. We do not have anything in the policy about the railroad because it is a new acquisition, but it is going to be a bit different. There are hundreds and hundreds of leases that will be renewing every year. Many are trivial or minor crossing agreements. There will be a lot of administrative things we need to do with the FRA which are just routine and normal business with railroad. Counsel has some specific ideas about drafting some specific changes to our policy.

David Koch asked that the Commission consider tonight if you agree with adopting such a delegation of authority, if you vote on it tonight staff write up the actual policy and put it in resolution form and it will be on the consent agenda for the next meeting. If you have any questions or concerns, you can pull it off the consent agenda for discussion. We will do the same thing with the prior delegation of authority.

Mr. Bishop said that there is not a position of Port Director on the Statutes right now; every authority is with the Commission. For every option and every action Mr. Bishop takes, there has to be a direct correlation and delegation of authority. This is a new area that we have never encountered before.

**Upon a motion by Commissioner McKeown (second by Commissioner Hampel) the Board of Commissioners approved the delegation of authority for administrative actions on the railroad in concept with specific direction to staff to develop a policy on the delegation of authority and the scope of delegation of authority to the Port Executive Director for the purpose of managing the rail line and to come back to the Commission at the next meeting as a resolution for consideration.**

Mr. Lovelady continued talking about the HWY 126 overpass and said they would like to start the project on November 1, 2009. A temporary bridge will be built first and then a permanent one. The project is expected to last three years. The Port has agreed to accept some lesser than standard width and height requirements for the temporary bridge but for the permanent one it must span the entire right-of-way so we do not have any clearance issues in the future. The President asked if that was part of the same maintenance agreement. Mr. Lovelady said yes. The President asked if there was a construction maintenance agreement and then a permanent one. Mr. Lovelady said they were both included in one. This is the project Mr. Lovelady talked about in his first meeting where we will provide flagging for them. The flagging charge is \$1,000 a day. Rather than hiring a flagger from another company, we are working to have our own flagger to reduce cost through a temporary agency and train them on railroad safety. We have had some issues with that, but we have a couple of fall back plans also. Mr. Bishop inserted that this would be the first profit on the rail line.

The Port has continued to build on the relationship with the local CORP people. Prior to moving the flat cars to the tunnel, the line had to be inspected. We did not have an inspector so CORP provided

their road master and then they moved the flat cars from Eugene to Vaughn for us. They have a tariff charge, but it was nice for them to do that for us.

On September 1<sup>st</sup>, we began the stimulus project which was the tunnel repairs. LRL Construction out of Tillamook was the company awarded the contract. The project was for four tunnels, 13, 15, 18 & 20. It began on September 1<sup>st</sup> and tunnel 13 will be finished this week; the plan is to move the flat cars to tunnel 15 next week. Tunnel 15, near Canary Road, is in the worst condition. It will utilize most of our funds; and it is the one that caused the rail line to be closed down. Our bids on the repair tunnels came in considerably lower than the amount of stimulus money we received. As a result, we are able to add additional work, but only able to add it in the three tunnels, 13, 15, and 18 because they were in our original application plus 20 because we had done the environmental work. We were able to pay for the engineering staff to be out there daily; we are paying for some of our administrative costs; we were able pay for the cost of moving the flat cars to the tunnel; and we were able to pay for some of the line inspection.

The Port received \$20,000 from ODOT from a shortline infrastructure fund from 2006 which still had some money left in it. It is being used to clear the right away. An RFP went out and West Rail out of Vancouver WA was selected. West Rail came in for eight 10 hr. days and went from Danebo through to the sand; we didn't clear the sand piles because we felt they would just fill up again. We will wait until closer to opening the line before removing that sand. West Rail made the trip in 4 days so they then turned around and went back and cut things back more and did more clean up, which needed to be done prior to the first week in September.

HDR came on line and leased a high rail and brought R L Banks to look at track, and Jacobs Engineering to look at the remaining tunnels and also a person from HDR to look at the bridges. A complete inspection of the line was done all the way to Coquille. We have had verbal reports but are still waiting for the written reports. The verbal reports were pleasantly surprising that the rail line was much better than they expected. There were no real huge areas of concern, although we need more ties and we need some surfacing on ballast. The biggest concern will be the bridge reports which we are still waiting for.

Mr. Bishop asked Mr. Lovelady about the condition of tunnel 13 and asked if it was better than was expected. Mr. Lovelady said yes it was considerably better than expected. We saved some money on tunnel 13, but will probably spend it on tunnel 15.

Commissioner McKeown asked what the time frame for completing all the tunnels. Mr. Lovelady said it was a 6-month contract.

Commissioner Hampel asked how many of the bridges were anticipated to have some problems. Mr. Lovelady said that his main concerns were the turn spans; the Umpqua, Siuslaw and the bridge over Coos Bay. Looking back at the 2006 reports that CORP had done by OSMOS, there are a lot of the steel bridges that had deterioration from salt. The wooden bridges look really good.

President Kronsteiner asked if someone from R L Banks or somewhere had looked at the bridges prior to us purchasing. Mr. Bishop said we did a cursory review of the bridges, but we relied mainly on the

written reports from the bridge inspections. We had David Evans do a large report on the bridges; we had better data on the bridges than anything else. Those reports were done during the acquisition. Commissioner Hampel asked about the number of bridges. Mr. Bishop said that there were over 100 bridges - 153 water crossings. There are only three really big bridges. Mr. Lovelady continued and said that he has asked that the bridges be re-qualified to make sure they can handle the really big cars - 286,000 pound cars. President Kronsteiner said that he would be interested in knowing what rating we are striving for.

5. **PUBLIC COMMENTS:**

Camby Collier: She is with the "no LNG" group. She stated that she is not against natural gas; she is just against siting a terminal on the North Spit. She has a paper with 72 reasons as to why it shouldn't be sited there.

She also commented on the meeting being set early at 4pm; to attend she has to take time off work and it is sometimes difficult.

She then said that she has been following LNG nationally and internationally for the last 5 ½ years. She grew up in Long Beach California and worked on 9<sup>th</sup> Street near the docks. She followed the story when Long Beach refused to have a terminal there. The process was that the Port of Long Beach went to the city council; presented their plan for the LNG terminal. The city studied all angles and then refused to have it.

Jan Dilley: She said that she lives very close to ground zero. She thinks we have several reasonable voices in our community and feels that Ron Sadler is one. She proceeded to read Mr. Sadler's letter to the editor of the World from August 8<sup>th</sup>.

Mary Margaret Muenchrath: She agreed with support of Ron Sadler. She then talked about a meeting in Coquille on the 23<sup>rd</sup> of September regarding the mitigation of land at Kentuck. During the meeting it was brought up about what kind of oversight the Port has when it is concerning the environmental issues of that area. Mr. Gaul answered the question and said that the Port had an oversight committee and two members on the committee were involved with environmental issues. Ms. Muenchrath said that Mike Graybill was Director of the South Slough sanctuary and she seemed to think he was on the committee. There was objection to this because he shouldn't be on a committee if he is involved with the issue. She had a conversation with Mike Graybill two weeks ago and she asked him if he had concerns with this issue. He told her that he is not involved in it and does not care to be.

Mr. Bishop stated that Mr. Graybill is not on the Port's Advisory committee. Dr. Steve Rumrill of South Slough is on that committee.

Mr. Gaul commented that he would like to correct the record which Ms. Muenchrath got wrong. He testified before the County Commissioners. A request of Ms. McCaffree was that the Commission required the Port to form an oversight committee to oversee the mitigation site. His testimony was that the appropriate committee was already in place, the Port's Technical Advisory Committee. The chair of that committee is Dr. Steve Rumrill and Dr. Jon Souder from the Coos Watershed was also a part of that committee. No time during Mr. Gaul's presentation was Mike Graybill mentioned.

Jody McCaffree: Ms. McCaffree said that an oversight committee was needed but she couldn't understand how an applicant could have their own oversight committee. She went on to say she is here to request a copy of the recent application that the Port of Coos Bay has submitted to the Army Corps and the DEQ for the slip and access channel. She requested a copy several times through the Army Corps of Engineers that her group be given a hard copy of that application. They sent her a disk which she has not been able to use so she is asking the Port for a hard copy.

Ms. McCaffree also reported that on Saturday, October 3<sup>rd</sup>, there will be a solar workshop at SOCC starting at 9am. There will be a lecture for an hour and then you can go on a tour bus to see different projects of solar.

On October 8<sup>th</sup>, at South Slough there will be a solar wind and energy trade show from 6-9 p.m. There will be manufacturers of those products. The County has also agreed to put the information on their website. This is for contractors to get them up to speed; once they are, you can hire the contractors for projects and get credits on your house and get advantages from Energy Trust. You can actually get about 80% in federal tax credits.

## 6. ACTION ITEMS/REPORTS:

### A. Industrial Cluster Study

Mr. Bishop said that he knows a man named Jim Bruce who has been a site selector for many years. He works with communities and with cities in siting businesses and has a lot of experience. Mr. Bishop worked with Mr. Bruce before in other jobs.

When the Port entered into the real estate agreement with Jordan Cove for construction of a LNG facility, staff and Commission members performed due diligence. Primary was to examine what comprehensive benefits would come from siting of a LNG facility. There was specific evidence to support that if properly managed, a LNG facility could act as a catalyst for secondary benefits. One benefit would be additional job creation.

Three areas were identified as possible targets for secondary development:

1. Maritime Commerce, focusing on economies of scale and development of common infrastructure.
2. Financial capacity creating opportunity for development of infrastructure on the North Spit in partnership with CC Urban Renewal Agency.
3. Industrial clustering around LNG facility with symbiotic development.

Research indicated some firms would consider the location advantageous for their operations. The prospect of the facility was and remains a serious component in the recruitment of polysilicon manufacturing who needs both direct energy and co-generation benefits.

Other industries use natural gas as a component of their manufacturing process such as plastic and hydrogen sections. Further analysis indicated possible benefits of a super cold substance that could be harnessed as a coolant.

Mr. Bishop would like to have a study, paid for by the Special Projects Fund directly from profit of the LNG agreements, done by consultant Mr. Bruce of Bruce Facility Planning Consultants, LLC. He will work to identify specific target industries for the Port and their partners to pursue additional economic development opportunities. The base cost of the study is \$15,000 for a general overview of the community, its strengths and weaknesses for economic development.

The second element of this study of \$25,000 would be to look specifically at the Jordon Cove Energy project and identify specific target industries for a combined cost of \$40,000.

Should the Port be interested in further work on one of the specific industries identified, the consultant has provided a copy of that work product for your review and it is in the Commission packet.

**Upon a motion by Commissioner McKeown (second by Commissioner Hampel) the Board of Commissioners approved a contract between the Port and Bruce Facility Planning Consultants, LLC and signature authorization for the Executive Director to Execute the contract.**

#### **B. U.S. Coast Guard “F” Dock Improvements**

The U.S. Coast Guard is rebuilding their boat house located between “E” and “F” docks in the outer basin. They will be needing moorage for their two 47 foot rescue vessels while the rebuild is being done. They will be leasing two slips, F-9 and F-10 during construction of their moorage. The slips need upgrading of the electrical pedestal and a security fence across the finger entrance. The Coast Guard’s contract states they will reimburse the Port for all costs associated with the improvements and the Port will retain ownership of all improvements.

The contract has been reviewed by Port Counsel and due to time constraints, staff has moved forward on this project.

**Upon a motion by Commissioner Hampel (second by Commissioner McKeown) the Board of Commissioners ratified the U.S. Coast Guard’s contract for moorage and electrical improvements on “F” dock.**

#### **C. Transportation Enhancement Grant – Boat Basin Improvements**

The Port partnered with Coos County on a Transportation Enhancement Grant for improvements to Boat Basin Drive in Charleston. They pledged \$43,000 (budgeted) as a match. The County has pledged in-kind assistance.

The Oregon Transportation Commission has approved our project with an award of \$1,107,000. This project is one of 13 new projects that received TE funding in fiscal years 2010-2013. One criterion for receiving the grant is official acceptance.

The Coos County Board of Commissioners approved acceptance of the grant at their September 23, 2009 meeting. The Port must also accept the grant. The Port will manage the project on behalf of Coos County. Following acceptance, the County and the Port will be required to enter into an IGA

with ODOT. The Port will also need to enter into an IGA with the County similar to the agreement we have for the TransPacific Improvement project. The County/Port IGA is scheduled to be on the Port Commission's November 2009 agenda.

**Upon a motion by Commissioner Hampel (second by Commissioner McKeown) the Board of Commissioners formally accepted the Transportation Enhancement Grant for the Boat Basin Drive improvements.**

#### **D. OCZMA Representative Selection**

As a member of Oregon Coastal Zone Management Association (OCZMA), the Port annually selects a designated representative and designated alternate who will represent the Port throughout the fiscal year. The representative must be an elected or appointed official. The alternate may be an elected or appointed official member of staff.

The designated representative will attend OCZMA meetings and functions during the fiscal year, which are typically quarterly. In the absence of the representative, the selected alternate will assume the duties. Commissioner Scott currently serve's as the designated representative of OCZMA and the Port's Deputy Executive Director serves as the alternate.

**Upon a motion by Commissioner Hampel (second Commissioner McKeown) the Board of Commissioners appointed Commissioner Scott again as the designated representative and Kathy Wall, the Port's Business Development Manager, was appointed as the alternate representative.**

#### **E. SOCC Lease and Contract of Services**

The Port took over management of the Business Development Center (BDC) from Coos County in February 2000. This was during the same time that the Port was managing the North Bend Airport and Business Park. Shortly thereafter SOCC, the Business Development Center and the Port agreed to move the BDC to the Business Center. Services would be combined to provide incubator tenants with services provided by the BDC. Additionally, the BDC would have a business management role with the Business Center. A lease was put into place in February 2002 with a term of 5 years. A contract for services was agreed upon in February with a term of 3 years. A one year extension was signed in February 2007 and again in February 2008 for both agreements. An amendment to the Lease Agreement was completed with an ending date of August 1, 2009. It is past time for another renewal to both agreements.

With the change of staffing at the college and staff reductions with the BDC program, both agreements require some changes. Both agreements needed to be reviewed and updated by Port's legal counsel. 30-day agreements are in place until these agreements are approved by the Commission.

The BDC is reducing the number of offices leased from the original four to two. The Contract for Services is being reduced due to the reduction of BDC staffing and overall reduction of management of incubator activities.

Donna Nichols met with Arlene Soto, BDC Director and agreed the two offices would continue to be leased at a rate of \$200 each on a monthly basis. The Port will pay the BDC \$400 monthly for their Contract for Services. The cost of the lease would be covered by the cost of services or visa versa.

The Port has a contract employee located at the Business Center that acts as Administrative Coordinator for all incubator tenants and provides support for classes offered by the College and BDC.

Both agreements will have a term of one year with the option to renew for two successive terms. Port Counsel has reviewed both agreements.

**Upon a motion by Commissioner McKeown (second by Commissioner Hampel) the Board of Commissioners approved the Lease and Contract for Services renewal for Southwestern Oregon Community College Business Development Center.**

**F. Tokeland Fish & Oyster Dock Lease**

The former North Coast Fisheries Dock located in the outer boat basin adjacent to the Ice Dock has been leased on a month to month basis by South Bend Products, LLC for the past few months. South Bend Products has been working with Tokeland Fish & Oyster in a joint venture project.

South Bend Products has elected not to renew the month to month lease agreement. Tokeland Fish & Oyster has made a proposal for a longer term relationship with the Port. The lease will be for a period of one year and includes four one-year renewal options. The lease has an initial lease rate of \$1,300 per month and includes annual CPI adjustments. This is a triple net lease.

Counsel stated that there were a few minor changes to the lease that were not caught when it was first written and they should be corrected.

**Upon a motion by Commissioner McKeown (second by Commissioner Hampel) the Board of Commissioners approved, with Counsel's adjustments, the lease agreement with Tokeland Fish & Oyster, Inc.**

**7. OTHER:**

**A. Cooperative Agreements between Watershed Councils & OIPCB for CBRL**

Action on these agreements was moved into Martin Callery's management report.

**8. INFORMATION ITEMS:**

**A. Letter from BASA re: Grant of \$500 to place a cover over an existing fish cleaning station.**

**B. Tunnel Work Report**

**C. DWF Complaint Response**

9. COMMISSION COMMENTS:

President Kronsteiner stated to Camby Collier that the meeting was moved for his convenience since he was unable to attend at the normal 7 p.m. time slot. He also said that because of moving the meeting Brady Scott was unable to attend. Dan Smith was out of town.

10. NEXT MEETING DATE -Thursday, November 19, 2009

11. ADJOURN: The meeting was adjourned at 6:20 p.m.