

OREGON INTERNATIONAL PORT OF COOS BAY
Coos Bay, Oregon
REGULAR COMMISSION MEETING
10:00 a.m., Tuesday, December 20, 2022

Port Commission Chambers, 125 Central Avenue, Suite 230, Coos Bay, Oregon 97420

ATTENDANCE

Commission:

Eric Farm, President; Brianna Hanson, Vice President; Kyle Stevens, Secretary; and Nick Edwards, Commissioner. Kyle ViksneHill, Treasurer was absent.

Staff:

John Burns, Chief Executive Officer; Lanelle Comstock, Chief Administrative Officer; Mike Dunning, Chief Port Operations Officer; Megan Richardson, Director of Finance and Accounting; Margaret Barber, Director of External Affairs and Business Development; Steve Bawn, Charleston Marina Manager; Ray Dwire, Security Lead; Rick Adamek, Director of Asset Management; Laura Fortin Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

Media & Guests:

None Present

1. CALL MEETING TO ORDER

President Farm called the meeting to order at 10:00 a.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

3. PUBLIC COMMENT

A. Kari Silva, F/V Jeanette Marrie, Inc.

Ms. Silva, speaking on behalf of the Charleston Fishing Families, shared concerns for the unknown possible impacts to the marine life, ecosystem, and the future of the local fishing industry if proper testing and studies are not done before installing 200 floating wind turbines in the calling areas off the Oregon Coast. Ms. Silva asked the Port Commissioners to please sign the resolution presented by Yelena Nowak at the October 18, 2022, Regular Commission Meeting regarding the offshore wind energy development off the Oregon Coast.

B. Rex Leach, F/V Texas Lady & Ms. Julie

Mr. Leach commented on safety concerns regarding the Port Shipyard. He said the work dock area is unusable due to missing decking, structure, and ladders, and not safe to walk on. Mr. Leach added there is enough space to accommodate six to seven vessels, however, only three vessels are currently able to utilize the work docks at a time.

Mr. Leach stated the haul out system (marine ways) in the Port Shipyard is worn out and inadequate. In addition, he stated the vacuum system to pump out bilges needs to be addressed as there is no tie up dock for access and the holding tank is always full, so vessels are not able to use it. Mr. Leach provided photos to Mr. Burns.

Commissioner Edwards offered comment in support of Mr. Leach's claims, stating he had taken two of the Board Commissioners on a tour of the Shipyard to show current conditions. Commissioner Edwards also said 4 of 6 markers for guiding vessels in and out of the Shipyard and work docks are missing. Commissioner Edwards expressed safety concerns for both the docks and the Shipyard.

C. Ty Cutting, Commercial Fisherman

Mr. Cutting shared his safety concerns regarding the docks and the Shipyard stating there is no safe way to get on and off the boats, and there is currently no space to get boats into the work docks. Mr. Cutting also expressed concerns for vessels trying to get ice from the Ice Plant during an outgoing tide. He asked that the Port look into adding another piling and six feet of dock to protect both the Ice Plant and customer vessels.

Commissioner Edwards commented he had spoken with some of the Ice Plant customers over the summer and the consensus was that they feel there is a need for another 20 feet of dock and two pilings, for the safety of both the plant and for the vessels. Commissioner Edwards then asked Mr. Dunning if there are any plans for this yet. Mr. Dunning responded he needed something in writing specifically stating what is wanted. Commissioner Edwards said he would get that to staff after the meeting.

Commissioner Stevens stated he had been on the Shipyard tour and asked if there was a project priority list. Mr. Burns replied that there is a list that was completed three years ago, and staff is currently in the process of redoing the list and will have it for the next strategic planning session.

President Farm stated his appreciation for all the input and information shared. He said staff and Commissioners are aware of the Ice Plant and Shipyard needs, and this input will be utilized in planning and prioritizing projects during this next budget planning season.

D. Christine Moffett, LWVCC

Ms. Moffett shared with the Port Commissioners who the League of Women Voters of Coos County are and what they do for the local community. The LWVCC members have worked the past year to update their understanding of Port operations and projects. Ms. Moffett stated they are seeking to obtain documents to help with their study regarding the MEGA Grant for the Container Terminal, and the deepening and widening of the channel. In closing, Ms. Moffett invited one or two of the Port Commissioners to attend a Saturday meeting with the LWVCC to share and discuss positions regarding the Port projects.

E. Steve Miller, LWVCC Family Member

Mr. Miller, also speaking on behalf of the LWVCC, said they wanted to follow up on questions submitted at the March 14, 2022 Regular Commission Meeting anticipating that a Railroad Engineering Assessment has been completed and that required guidance on operation of the rail line regarding upgrades needed to handle 1 million TEUs per year has been received from the Federal Railroad Administration. The LWVCC wishes to learn more about the specific upgrades and restrictions and asked if copies of the FRA report and specific restrictions and regulations will be made available for

review once completed. In closing Mr. Miller thanked the Port Commissioners for their continuing assistance in completion of the LWVCC's study.

4. PORT PROJECT UPDATE

A. Charleston Marina Dredging Project Update

Steve Bawn, Charleston Marina Manager, provided a PowerPoint Presentation showing photos of the dredging equipment and locations where the dredging was conducted this year. Staff utilized the State owned / Port managed dredge, The Laura and the Ms. Soco assist barge for dredging operations. New equipment used this year was the Ellicott Dredge Booster Pump, and a 24' Munson aluminum dual hulled skiff. The targeted material to be dredged was approximately 10,000 cubic yards around L&S Seafoods, Russell Marine Fuel, Oregon Institute of Marine Biology, the north side of B Dock, and the Eastern Prism by Point Adams. Mr. Bawn said he was not able to give the actual amount of material dredged at this time because the engineering survey had not yet been received.

Commissioner Stevens asked if there was dredging done under any actual docks and if there is a project priority list. Mr. Bawn explained they were unable to get under B dock this year and that a survey determined L&S, Russell Fuel, and the Eastern Prism were the most needed areas for dredging with a little needed at OIMB. Mr. Dunning confirmed there are project lists and surveys have been done to make determinations.

Mr. Burns explained in order for dredging to be done under individual docks it would require customer vessels to be moved and the docks broken down and moved out of the way.

President Farm asked if the annual permit is limited to 10,000 cubic yards. Mr. Dunning explained the Port has a 10-year permit awarded two years ago for 5,000 cubic yards every two years. This year the Port requested and was granted more.

B. Audit Update

Megan Richardson, Director of Finance & Accounting, provided the Port Commissioners a brief update on the 2021/22 Audit Report. Ms. Richardson stated that while normally the Moss Adams team would be in attendance, the Audit Report had not yet been issued and the Moss Adams team would give full report in the January Regular meeting. This year the audit took longer as increased testing was needed due to the increased Federal Awards spent, the Build Grant, and ARPA Funds. The Audit Report was expected to be issued December 20, 2022 and filing with both State and Federal agencies completed within the week, on time.

Commissioner Stevens asked Ms. Richardson if she had a sense that the audit would be clean. Ms. Richardson's positive response was yes, with the supplemental audit and the estimates covering all departments, it should be a good audit.

5. CONSENT ITEMS

- A. Approval of October 18, 2022 Regular Commission Meeting Minutes
- B. Approval of October & November Invoices
- C. Approval of October & November Contracts Awarded
- D. Approval of Month-to-Month Lease Assignment

Upon a motion by Commissioner Edwards (second by Commissioner Hanson), the Board of Commissioners voted to approve the October 18, 2022 Regular Commission Meeting Minutes, October & November Invoices, October & November Contracts Awarded, and the Month-to-Month Lease Assignment. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, and Edwards. Nays: None. Absent: ViksneHill).

6. MANAGEMENT REPORTS

All Management Reports were included within the Meeting Packet.

7. ACTION ITEMS/REPORTS

A. **United States Government Lease Agreement (147 S. Broadway)**

Port staff were contacted by the United States Army Corp of Engineers regarding vacant space located at 147 S. Broadway, Coos Bay, in the Hub Building. The U.S. Army previously had a lease for a recruiting office housing multiple branches of armed services at a location in North Bend which they vacated. The United States Government began occupying 147 S. Broadway as of November 30, 2022. Payment will be made in arrears each month, similar to other agreements that the Port has for property leased by the United States Government. The length of the term of this lease agreement will be two years, terminating on October 31, 2024, with the option for renewal.

Upon a motion by Commissioner Hanson (second by Commissioner Edwards), the Board of Commissioners voted to approve the Oregon International Port of Coos Bay to execute a new two-year lease agreement with the United States Government. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, and Edwards. Nays: None. Absent: ViksneHill).

B. **Jane Stebbins Lease Agreement (145 W. Central)**

Port staff were contacted by Jane Stebbins regarding vacant office space located at 145 Central Avenue in Coos Bay in the Hub Building. Ms. Stebbins requested a six-month lease period for two of the vacant offices at 145 Central Avenue, while her new office space is being built out. Ms. Stebbins plans to begin occupying the space as of January 1, 2023.

Upon a motion by Commissioner Hanson (second by Commissioner Stevens), the Board of Commissioners voted to approve the Oregon International Port of Coos Bay to execute a new six-month lease agreement with Jane Stebbins. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, and Edwards. Nays: None. Absent: ViksneHill).

C. **2022Res15: Declaration of Emergency: Swingspan Bridge Repairs**

On October 18, 2022, Port staff was notified of a U4-L4 hanger of Span 11 that lost connection on the North Bend Swing Span bridge which effected the useability of the bridge.

Upon closer inspection by Port staff, Stantec, and Partney Construction, Span 11 U4-L4 hanger was found to be detached, and Span 6 U3-L4 and Span 2 U3-L4 were failing. Repairs needed to be made to the hangers to keep the bridge in operable condition.

Rail service is interrupted until permanent repairs are accomplished. Without timely repairs, CBRL customers will be without service for an excessive amount of time.

On October 18, 2022, Port staff determined it is in the public's best interest to sole source Scott Partney Construction to affect the repairs to the hangers, pursuant to ORS 279B.075, based on the following:

- a. Repairs needed to be expedited in an effort to mitigate the time-of-service interruption.
- b. Scott Partney Construction has extensive construction knowledge of the North Bend Swing Span and bridge repairs in general and has the ability and work force to repair the hangers in the timeframe necessary to limit the rail down time to CBRL customers.

Chief Executive Officer John Burns declared an emergency and authorized the Port to enter into a contract with Scott Partney Construction to affect the repairs to resolve this emergency condition.

Scott Partney Construction began repairs October 25, 2022 and opened the bridge to train traffic by November 30, 2022. The contracted price for repairs is \$651,447.00.

Commissioner Edwards asked how long these repairs would take. Mr. Burns responded that Partney Construction had approximately four more days of work to do on the swing span bridge. He also noted that the trains are still moving during the work being done, with inspections to the bridge required after each rail crossing. Mr. Burns added that Partney Construction still had some additional work to complete and then Legacy Contracting had about a million dollars' worth of work to be done simultaneously. Mr. Burns said the bridge is over 100 years old and there is a lot of work to be done.

Upon a motion by Commissioner Edwards (second by Commissioner Hanson), the Board of Commissioners voted to adopt Resolution 2022Res15 ratifying the Declaration of Emergency for emergency hanger repairs to the North Bend Swing Span Bridge. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, and Edwards. Nays: None. Absent: ViksneHill).

D. Assignment of Track Miles for 45G Tax Credit

Port staff has worked with Mickelson & Company in the past to arrange assignment of the Port's Section 45G tax credit on behalf of its 151-track miles of rail line to a third-party Class II railroad for allowable track mile maintenance tax credits.

The Short Line Railroad Rehabilitation and Investment Act, Section 45G of the Internal Revenue Code, creates an incentive for the private sector to invest in rail infrastructure by providing a tax credit of 50 cents for every dollar a railroad spends on track improvements. The credit is based on a track mile formula and is limited to \$3,500 per mile of rail line owned, leased or assigned to such a Class II or Class III railroad at the end of the railroad's taxable year.

Mickelson & Company is able to assign the Port's 151-track miles solely for the purpose of the Section 45G credit for \$2,100 per track mile or \$317,100. The fee for this Agreement of Assignment is not to exceed 6.5% or \$20,838, which provides the Port with revenue of \$291,732. The funds will be deposited into the Port's General Fund and are used to offset overhead, and other expenses related to the Port's ownership of the rail line.

Mickelson & Company has worked with the Port since 2013 and has provided exemplary service in the marketing and assignment of the Port’s 45G Tax Credit.

Commissioner Stevens asked how long the period for this Tax Credit is. Mr. Burns replied the tax credit period is for one year, adding that the State of Oregon has a tax credit program as well.

Upon a motion by Commissioner Hanson (second by Commissioner Edwards), the Board of Commissioners voted to approve the agreement to assign track miles for purpose of receiving tax credit revenue under Section 45G of the Internal Revenue Code, including signature authority for the Port Chief Executive Officer to execute the document. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, and Edwards. Nays: None. Absent: ViksneHill).

E. 2022Res16: Port of Coos Bay Rate Schedule

As part of the annual budget process, the Charleston Marina Complex rates are reviewed each year and may be adjusted by the Consumer Price Index (CPI) and/or by market analysis. Each year staff surveys the rates and schedules of comparable facilities.

Charleston Marina RV Park rates are evaluated in December of each year to better serve summer customers. This ensures that long-term summer customers do not experience an unknown rate adjustment mid-season.

Port Staff compared similar RV Parks in the region and found the Port’s daily, weekly and monthly rates continue to be below the market average. Port Staff recommends a rate adjustment of 10% per category based on market analysis, capital improvement projects, and overall maintenance needs.

The proposed changes are set forth in the table below. The daily and weekly rates also incur a 1.5% Coos County Lodging Tax and 9.5% Charleston Area Lodging Tax, which are not included in these listed rates.

Rate Type	2022 Rates	Recommended for 2023
Standard Hook Up - Daily	\$42.00	\$46.20
Standard Hook Up - Weekly	\$232.05	\$255.26
Standard Hook Up - Monthly	\$619.50	\$681.45
Deluxe Hook Up - Daily	\$44.10	\$48.51
Deluxe Hook Up - Weekly	\$246.75	\$271.43
Deluxe Hook Up - Monthly	\$655.20	\$720.72
Pull Through Hook Up - Daily	\$47.25	\$51.98
Pull Through Hook Up - Weekly	\$260.40	\$286.44
Pull Through Hook Up - Monthly	\$689.85	\$758.84
Yurts - Daily	\$59.85	\$65.84
Yurts - Weekly	\$281.40	\$309.54

The following are additional proposed changes:

- A \$50.00 “Lost Key” fee for yurts has been added to recoup the labor and supplies needed to rekey

the yurts when keys are lost or not returned upon check out.

- The Recreational Room at the RV Park will also incur a rental fee of \$50.00 to exclusively reserve the room for 5 hours and any portion thereof. This will cover the cost of staff time to clean and prepare the room, utilities, and amenities.
- Currently customers may store their RVs in the park during the winter season, plugged in and unoccupied. Going forward, an area will be reserved in the RV Park for winter RV storage, but the RV may not be plugged in and must remain unoccupied. Due to the fact that electricity will not be utilized, the rate will decrease from \$115.00 to \$95.00 per month. Daily storage will be discontinued.

The proposed red lined 2022/23 Port of Coos Bay Rate Schedule was attached as Exhibit A to the resolution within the meeting packet.

Pursuant to Port Policy, the Rate Schedule must be modified by resolution of the Port Commission. Upon Commission approval of the resolution, the revised Port of Coos Bay 2022/23 Rate Schedule will be republished with an effective date of January 1, 2023.

Commissioner Hanson asked how the occupancy rates are. Mr. Bawn responded the occupancy was 96-98% through the summer. He said during winter season occupancy goes down, however, looking back the past two years, occupancy rates have remained about the same.

Commissioner Stevens asked what the bottom-line dollar amount is in regard to the rate increases. Mr. Bawn replied, overall, the increased revenue will be approximately \$44,000 based on similar occupancy rates December 2021 thru November 30, 2022.

President Farm questioned Mr. Bawn's management report showing occupancy was down likely due to crabbing season. Mr. Bawn explained that in previous years customers start booking reservations in October and November to be here for crabbing season. However, with season delays the reservations begin to drop off.

Upon a motion by Commissioner Hanson (second by Commissioner Edwards), the Board of Commissioners voted to approve Resolution 2022Res16 revising the 2022/23 Port of Coos Bay Rate Schedule effective January 1, 2023. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, and Edwards. Nays: None. Absent: ViksneHill).

8. OTHER

Mr. John Burns noted a correction in the Rail Car information given in the Commission Packet. The number of cars for November was 512, not the 485 as printed. President Farm said it looked like the Port was on track for another historical good year.

9. COMMISSION COMMENTS

Commissioner Edwards made final comment on two key points, stating he hoped to see improvements made in the Shipyard by July and efforts made to protect the infrastructure of the Ice Plant.

10. NEXT MEETING DATE – Tuesday, January 17, 2023, 10:00 a.m.

11. ADJOURN

President Farm adjourned the meeting at 11:05 a.m. and entered into Executive Session to:

- (d) conduct deliberations with person designated by the governing body to carry on labor negotiations;
- (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;
- (j) carry on negotiations under ORS Chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments; and
- (n) discuss information about review or approval of programs relating to the security of a number of specified structures, activities and materials relevant to the operation of the state's infrastructure.