

**OREGON INTERNATIONAL PORT OF COOS BAY**  
**Coos Bay, Oregon**  
**REGULAR COMMISSION MEETING**  
**10:30 a.m., Tuesday, February 15, 2022**

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

**ATTENDANCE**

**Commission:**

David Kronsteiner, President; Eric Farm, Vice President; Brianna Hanson, Treasurer; Bob Garcia, Secretary; and Kyle Stevens, Commissioner.

**Staff:**

John Burns, Chief Executive Officer; Lanelle Comstock, Chief Administrative Officer; Mike Dunning, Chief Port Operations Officer; Brandon Collura, Charleston Harbormaster; Rick Adamek, Director of Asset Management; Rich Lopez, General Manager, Coos Bay Rail Line, Inc.; Ray Dwire, Security; Krystal Karcher, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

**Media & Guests:**

None Present.

**1. CALL MEETING TO ORDER**

President Kronsteiner called the meeting to order at 10:32 a.m.

**2. INTRODUCTION OF GUESTS AND PORT STAFF**

**3. PUBLIC COMMENT**

**4. CONSENT ITEMS**

- A. Approval of January 18, 2022 Regular Commission Meeting Minutes
- B. Approval of January Invoices
- C. Approval of January Contracts Awarded

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners voted to approve the January 18, 2022 Regular Commission Meeting Minutes, January Invoices and January Contracts Awarded. **Motion Passed.**

**5. MANAGEMENT REPORTS**

All Management Reports were included within the Meeting Packet.

## 6. ACTION ITEMS/REPORTS

### A. **2022Res02: Declaration of Emergency for Salvage Operations of MV Gypsy Artist**

On January 10, 2022, MV Gypsy Artist sank at approximately 8:55 a.m. while tied to the Distant Water Fleet Dock (DWF) dock. Emergency services responded and environmental protocols and notifications were initiated. Oregon Emergency Response and National Response Centers were notified, and Port staff worked closely with the USCG to investigate and monitor the situation. After the vessel sank, an oil sheen was immediately present and Port staff placed two oil booms around the vessel to capture the petroleum products. Upon further investigation and discussion with the owner, it was determined that there was over 30 gallons of diesel and other petroleum products onboard that posed a threat to the environment. The owner also stated that he did not have insurance and did not have the means to remove the vessel. The DWF Dock is at the head of South Slough and experiences high currents and large wind wave conditions, which caused significant concern that if the vessel broke loose from the dock, it may become a hazard to navigation or sink in the channel.

Due to the conditions and circumstances of the situation, the Port deemed it necessary to immediately remove the sunken vessel from the water. Port staff reached out to a local diver and multiple marine contractors with the equipment to provide availability and quotes. One contractor was able to quickly provide a quote, mobilize to the scene and start salvage operations. Due to changing environmental conditions and ongoing environmental impacts/navigation concerns, the Port proceeded with the first quote received. The vessel was removed by a local contractor at approx. 9:45 p.m. on January 13, 2022.

Port Procurement Rule 4.6.3 allows the Chief Executive Officer or his designee to award emergency contracts up to \$200,000 in value, and rule 4.6.5 allows the CEO to enter into a direct award for construction. These actions require a Commission Resolution to ratify the Declaration of Emergency at its next regularly scheduled meeting or as soon as practical. The executed contract was not to exceed \$55,000.

Upon a motion by Commissioner Farm (second by Commissioner Stevens), the Board of Commissioners motioned to adopt resolution 2022Res02 ratifying the Declaration of Emergency by Chief Executive Officer John Burns, including the execution of a contract between Oregon International Port of Coos Bay and Knutson Towboat Company for a not to exceed amount of \$55,000 to complete the emergency salvage operation of MV Gypsy Artist. **Motion Passed.**

### B. **Disposal of Surplus Mill Equipment at Terminal One Property**

When the Port acquired the Terminal One property, several large pieces of mill equipment were left in the existing buildings. This equipment is lumber mill specific and of no use for Port operations. This equipment includes items such as a four-band sawmill, outfeed conveyors, trimmers, chippers, and miscellaneous other items. The Port has determined that this equipment, a list of which was included in the meeting packet, is not needed for Port operations.

Per the Port's Local Public Contracting Rules, Section 6.3.2, because the combined value of the sellable surplus property is expected to exceed \$20,000, the surplus property shall be sold at public auction. On behalf of the Local Contract Review Board (LCRB), Port staff shall give notice of the public auction by posting notice of the means by which the property will be disposed of either on the Port Internet

website, or by at least one advertisement in a newspaper of local circulation not less than one week prior to the auction.

Port Staff will recommend other appropriate means of disposal to the Chief Executive Officer for any unsold property.

Commissioner Stevens asked whether the equipment would be auctioned item by item. Rick Adamek confirmed that Port staff will first attempt to sell individual items. There has been interest from multiple companies to purchase the remaining equipment as a lot after the auction.

Upon a motion by Commissioner Garcia (second by Commissioner Hanson), the Board of Commissioners motioned to approve the Chief Executive Officer's recommendation to attempt to sell these items identified as surplus property in accordance with the procedures set forth in Section 6 of the Port's Local Public Contracting Rules. **Motion Passed.**

### **C. Authorization to Execute Coronavirus State Fiscal Recovery Fund Grant Agreement**

Pursuant to Oregon Laws 2021, chapter 669, section 74, the Department of Administrative Services (DAS) is authorized to distribute grant funds from funds received by the State of Oregon under the federal American Rescue Plan Act Coronavirus State Fiscal Recovery Fund (codified as 42 U.S.C. 802). During the last legislative session, HB 5006 appropriated money from the General Fund to the Emergency Board and included ARPA allocations, and as a result all State Senators were given \$4 million and State Representatives were given \$2 million. This was a decision made by Legislative Leadership midway through the 2021 Legislative Session. The purpose of these dollars was for legislators to choose projects within their respective legislative districts. After many discussions Representative Wright and Senator Anderson both agreed to spend \$2 million each for the Port of Coos Bay with the purpose of helping to acquire the former Georgia Pacific site in order to facilitate job growth in the region. The Port closed on the site in January 2022 and has renamed the property Oregon International Port of Coos Bay Terminal One.

The Port received the draft grant agreement from DAS and will execute the agreement following legal review and Port Commission approval. After the grant agreement is fully executed, \$4 million will be transferred to Business Oregon to pay down on the original \$10.2 million loan obtained to purchase the facility.

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners motioned to authorize Chief Executive Officer John Burns to execute the Grant Agreement in the amount of \$4 million between the Oregon Department of Administrative Services (DAS) and the Port for the purchase of the former Georgia Pacific Mill site. **Motion Passed.**

### **7. OTHER**

### **8. COMMISSION COMMENTS**

### **9. NEXT MEETING DATE – Tuesday, March 15, 2022, 10:30 a.m.**

## **10. PORT PROJECTS UPDATE**

### **A. Coal Bank Slough Bridge Replacement, Director of Asset Management Rick Adamek**

Mr. Adamek shared a photo slideshow of the progress on the railroad bridge replacement at Coal Bank Slough. The contractor took the bridge out of service on December 21, 2021 and began disassembling. Since then, all piling have been driven, rebar cages have been installed, and concrete has been poured. The contractor is now in the process of disassembling the remainder of the bridge, which had been used as a walking platform and working access for fall protection. Today, the subcontractor started on the track work. The contractor has done a great job after a slow start. There were weather delays, which caused shipments to be delayed. The contractor has been working six and sometimes seven days a week to make up for lost time and to stay on schedule.

Mr. Adamek described the pile driving with the bubble curtain. The piling are now all installed at depth and engineers have inspected them. Currently, the project is on track to return the bridge to service by March 22, 2022. There will still be some track work remaining after that.

President Kronsteiner stated the progress looks good up to this point. Mr. Adamek agreed, stating the contractor has done well at making up the early time lost and considering some issues with pile driving. The Geotech report had shown a greater depth than what was needed, and quite a few were driven then had to be pulled back out to ensure the coated portion was at depth in the mudline. These were pulled out, cut and welded, then driven again. President Kronsteiner stated this should save money on the project contract. Mr. Adamek confirmed, stating piling was a line item with a per foot price. Savings are estimated at nearly \$300,000.

### **B. Terminal One, Chief Executive Officer John Burns**

John Burns stated the Port has closed on the property formerly known as the Georgia Pacific Mill, now renamed as the Oregon International Port of Coos Bay Terminal One. The property is approximately 167 acres; of that, it is estimated more than 100 acres is usable property while the remainder is wetlands. The property is adjacent to the federal navigation channel, which is currently at 37' Mean Lower Low Water. Dredging will be needed at the dock, which is included in the Army Corps' next fiscal year budget up to River Mile 15. The property is served by the Coos Bay Rail Line, with two rail spurs going into the facility and potential for expansion. There is 800' and 1200' of dock, parts of which are in good condition. Work has begun to determine what will be needed to rehabilitate the docks. The property has a water tank onsite available for fire suppression use, which is approximately 1-million gallons and sourced from a reservoir. The property is serviced by NW Natural Gas, Pacific Power, Coos Bay North Bend Water Board, and the City of Coos Bay wastewater infrastructure.

The Port entered into a Purchase and Sale Agreement with CDC in October 2021. After that, there was a 90-day due diligence period. During that time, a Phase 1 Environmental Analysis was conducted and no significant issues were found. All existing permits and technical documents were reviewed, as well as site plans and physical inspection of the property. The sale closed on January 14, 2022. The purchase price was \$8.25 million, of which \$4 million was covered by the ARPA funds from Senator Dick Anderson and Representative Boomer Wright. The balance of funds was secured through a loan from Business Oregon Infrastructure Finance Authority. Port staff continue to work towards creating a number of business opportunities, speaking with different entities with interest in developing a footprint within the Terminal One property.

The Port pursued this project in part because of the tremendous opportunity for job creation. The former mill supported 125 high wage jobs. That, coupled with the closure of Shutter Creek, has had a dramatic impact on the employment conditions in Coos County. This project will also diversify the economic base for the region. Port staff anticipate this will be a facility utilized for breakbulk cargo and possibly even small containers. A Port owned facility provides greater opportunity to attract more business interests.

The future buildout of the facility will include possibly building a loop or ladder track that will come onto the property and allow for the movement of more railcars. Engineering work has begun for dock improvements. Ground improvements will also begin soon. The rock apron needs to be addressed, as well as stormwater monitoring. Surplus equipment that remains onsite will be auctioned if it is not usable to the Port. Staff from both the Charleston Marina Complex and Railroad have been on site and will continue to evaluate if there are any items or materials that are usable for operations.

Staff will continue commodity analyses to look at the opportunities available, looking both at the value of commodities and the current difficulties in moving those commodities in or out of the United States. Staff continue to entertain business inquiries and look at the highest and best use of the property, for the community's best interests as well as the environment and the Port. Staff will also continue to look at funding opportunities as this project moves forward.

## **11. ADJOURN**

President Kronsteiner adjourned the meeting at 11:01 a.m. and entered into Executive Session to:

- (e) conduct deliberations with persons designated by the governing body to negotiate real property transactions;
- (g) consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;
- (h) consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed;
- (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.