

PORT OF NEWPORT
MINUTES
July 15, 2014
Work Session

I. Call to Order/Introductions

The Work Session of the Port of Newport to discuss was called to order by David Jincks, President Pro-Tem, 6:00 pm in the South Beach Marina Activities Room.

Commissioners Present: David Jincks, Walter Chuck, Dean Fleck, Ken Brown.

Commissioners Absent: JoAnn Barton.

Port of Newport Management and Staff: Kevin Greenwood, General Manager; Rick Fuller, NOAA MOC-P Manager.

Others Present: Dietmar Goebel, Dustin Capri, Amanda Capri, Hal Pritchard, Dennis Anstine, Lee Fries.

II. Architectural Design Review for New Administration Office Building

- A. Programming Needs. Dustin Goebel interviewed current staff to learn about work flow, needs and problems with current layout. Also sent a survey out to the staff and commission liaisons (Comms. Jincks and Brown). Reviewed assignable areas including entry and circulation, administration, leased space (tentatively to US Customs), support areas. Conference room is about 840 sf, admin space is 1,920 sf, common space is 885 sf and leased space is 850 sf for a total of 4,495 sf. Architects reviewed two-story alternatives but was ultimately not recommended.
- B. Sustainable Strategies. Amanda Goebel discussed design elements that would reduce operating costs and how those were introduced into the design. Layout includes longer, narrower design. Many concepts are low tech in nature and relatively inexpensive. Lots of operable windows, use of durable, natural materials, passive heating/cooling. Though multi-story building is a sustainable strategy, it was not used as it could adversely affect the home owners' views on Fifth St. and the costs related to elevator installation and continued maintenance. Plans were shared with Yaquina Bay Yacht Club and were generally appreciated.
- C. Alternatives. Dustin shared that all three designs were shared with committee (Comms. Jincks, Brown, and staff, Greenwood and Fuller.) A survey was taken of Pros/Cons of each design and a preferred alternative was generated from this discussion.
 - a. Design 1. Dustin discussed Alternative One. This design was parallel with the Bay Blvd. with the front entry facing the road. Leased space was on the west side, admin office on the east side, conference room faced the entry to the bay. 4,112 sf total with parking (14 spaces) to south of building. Cons: not protected from weather, too close to Yacht Club (they're considering a future expansion), too much hallway with little shared work space. Pros: entry continues to Conference Room, admin offices can be locked off, easy to find.
 - b. Design 2. Dietmar discussed Alternative Two. Perpendicular to road next to Yacht Club (YC), 5,680 sf, 17 parking spaces located between the building and the YC. Conference room faces Bay Blvd, leased space to the west and admin space to the south. Entry is away from weather and parking could be used jointly with YC or other events like marathon. Roof line was not appreciated, but expansion potential was appreciated.
 - c. Design 3. Amanda discussed Alternative Three. Two story design with 4,408 sf, perpendicular to Bay Blvd., 15 parking spaces. Largest building (not counting leased space), admin offices separated from conference room, central work area and separate bank room. The feeling was that two stories could detract from neighbors, roofline similar to Englund and YC, again, concerns about being too close to YC.
- D. Preferred Alternative. Discussion about the elements pulled from other plans. Kept roof lines similar to YC and Englund. Protected view sheds by placing perpendicular to road, kept walk through into conference room, kept joint work space, parking is tentative. Goebel noted that the single story building is about 17-ft. high. Another work space could be added. Suggested reducing restrooms from three to two. A subsequent discussion about the zoning of the site took place, noting that the area on the yard to the west was changed to W-2 (more lenient). Admin building can be built in either W-1 (more

restrictive) or W-2. Discussion about construction method. Construction Manager/General Contractor (CM/GC) method has been used by the Port on NOAA and terminal project and architects have had success using it. Pritchard added that he felt that it is a relatively new model but has had great results in keeping price down.

- E. Construction Schedule. Commission reviewed schedule presented by Dustin. Conceptual Design completed in July of this year as final deliverable on this current contract. Schematic design (design 30% complete) in August, design development (design 40% complete) in October, CM/GC RFP in November, construction docs and building permit in February 2015, and construction finished by February 2016. Duration between events was added so that it'll be easy to pick back up and project schedule in future. A mailing to neighbors and citizens would be a part of the process to market the project and process as part of the design development stage. Benefits of the CM/GC is that contractor can help with the development of the design and prevents cost over-runs as a guaranteed maximum price is contracted. Architects would develop all contracts. Hal discussed selection process but also recommended going with a second floor or a mezzanine that could be used by the General Manager to view the Bay Front harbor. Goebel reiterated the view shed and costs associated with elevator; it will be a more expensive building (but does save land.) Fleck noted that Englund took some flack from neighbors with their two-story building. Jincks added that the budget will drive the discussion.
- F. Proposed Estimated Building Costs. Capri noted that the finished space is \$150/sf and the unfinished (leased) space is \$120/sf. The market rate for the area is \$1.20 / sf. The cost to construction 850 sf of leased space is estimated at \$102,000 and that the space could be paid for in less than nine years at that rate. Also reviewed soft costs such as contingency (10%), bonding (2.5%), furnishings (15%), A/E fees (10%) and permit fees (5%). Greenwood applied the rates and came up with a construction total of \$648,750 for a 4,495 sf building. With soft cost the estimate is just over \$900k. Cost includes parking which is part of the \$150/sf rate. It was also noted that Customs will probably require that the Port front the tenant improvements (TI) which would bump their rate to \$150/sf, not \$120/sf. Other options are shrinking the programming.
- G. Financing. Greenwood discussed future uses of NOAA reserves and felt that over \$600,000 is available in that fund that could be applied to this building. Furthermore any additional funds could be loaned toward the project at a market interest rate should be paid back to the NOAA fund so as to ensure that all capital replacement needs are available in the latter years of the lease. He noted that the analysis has been shared with the port's auditor to double check methodology.

III. Next Steps

Jincks opened up discussion to the Commission. He started by suggesting that the siting be moved to the western side of the yard closer to the current building and driveway. Discussion about zoning and whether to change zoning now or later; Greenwood was asked to check with the City. Greenwood added that the Port would need to approach the City with a plan to build the admin building so as to have the temporary use extended in the interim. Jincks shared history of zone change, but felt that the change is minor. Moving to current entrance would minimize asphaltting costs while taking advantage of already known access from Bay Blvd. Capri noted the addition of an additional work space plus ensuring that the rest of staff has a view of the front counter and that the admin assistant can easily help folks attending for other reasons than to pay a bill. Fuller affirmed that moving the building to the west and taking a "mirror" image of the floor plan would be a good change. He also noted that the space has been staked for the public to view and that the west end of the yard is wider and could accommodate the building depth. Discussion about utility setbacks from Bay Blvd.

The Commission had consensus to place a mirrored version of the preferred alternative on the site across from the current temporary office space and to place the parking to the west of the building.

Commission next discussed the financing. Brown suggested that the NOAA fund could be used now and the Port could have the option of a conventional commercial loan at some time in the future. Jincks felt that the risk was extremely low in using the funds based upon the analysis presented and to be affirmed by the auditor. Fuller alerted the Commission to consider future capital needs in year 21 and it was noted that there is a \$2m reserve restricted until year 20 of the lease.

The Commission had consensus to finance the admin building using NOAA reserves and that the financing will be formalized in a resolution for future repayment to ensure that all long-term capital maintenance is completed at NOAA.

It was noted that staff will have a phone conference on July 21 with GSA to discuss the options with US Customs.

IV. South Beach Fule Line Replacement

No discussion or action took place on this item.

V. Adjournment

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 7:25 pm

ATTEST:

JoAnn Barton, President

Walter Chuck, Secretary/Treasurer