

February 17, 2017
Noon
Newport, Oregon

**JOINT WORK SESSION
NEWPORT CITY COUNCIL
And
PORT OF NEWPORT COMMISSION**

Councilor Members present: Saelens, Swanson, Goebel, Engler, Allen, and Sawyer. Roumagoux was excused.

Port Commissioners present: Patrick, Brown, Beck, Chuck, and Lamerdin.

City staff present: Nebel, Hawker, Tokos, Gross, Malloy, Murphy, and Harvey.

Port staff present: Greenwood and Hewitt.

Others in attendance: Dennis Anstine, from the Newport News-Times, Rex Capri, and Wayde Dudley.

Engler called the meeting to order at noon and reported that Mayor Roumagoux had been excused.

INTRODUCTIONS

Introductions were made.

OVERVIEW OF STATUTORY ROLE AND RESPONSIBILITIES OF PORT

Greenwood made a PowerPoint presentation regarding the statutory role and responsibilities of port districts in Oregon. He reported that Ports in Oregon have a "Principal Act" which is similar to a City Charter, and can be found in ORS 777 which states what the duties can be. He added that Oregon has 23 Ports many of which were formed in 1910 including the Port of Portland.

Greenwood reported that Oregon has extensive navigable waters but ocean and river navigation is hazardous because of changing conditions and unmarked channels. He stated that before the jetties and other improvements were made, the navigation channels would move after major storms or floods, and maintaining safe navigational access is the first responsibility of ports. He added that a big part of the Port of Newport's responsibility is advocating on behalf of the US Army Corps of Engineers for continued federal funds to dredge the Yaquina Bay Channel to 40 feet. He noted that the Port also maintains the

recreational South Beach docks, commercial fishing docks, the international terminal and the NOAA MOC-P facility.

Greenwood reported that proprietary docks remain an important component of Oregon's marine transportation system. He stated that most of those improvements - such as the jetties at the mouth of the Columbia - were federal projects built by the COE using funds authorized by Congress. He added that other improvements - such as the breakwaters that protect commercial fishing facilities, like the East End Boat Basin in Astoria or the commercial basin at Newport, were constructed by local port authorities. He noted that most of the coast's jetties are federal property, but some ports construct and maintain jetties. He stated that ports are also responsible for maintaining water depths in their boat basins, marinas, and berths, either using their own equipment or contracting that work.

Greenwood reported that over the years, the activities of Oregon's ports evolved in response to the needs of the communities they served and changing economic opportunities. He stated that Oregon's port statutes provide very broad authority to the ports, and there have been a number of statutory changes to clarify and expand those powers. He added that the rise of intermodal cargo movements in the 1960s expanded the transportation reach of many ports.

Greenwood reviewed the financial viability of the Port of Newport, noting that it is critical that the Port be attentive to its financial condition. Greenwood reviewed the statutory framework of ports in Oregon, and discussed the establishment of port programs. He also reviewed the Port and Water Transportation Study. He noted that there is a port revolving fund that assists ports in planning and construction of facilities and infrastructure. He discussed the Port Planning and Marketing Fund, noting that this is a grant program that helps ports fund planning and marketing studies related to expanding trade and commerce. He reviewed eligible types of projects for these grant funds, including the Port of Newport's NOAA efforts. He talked about the Marine Navigation Improvement Fund which is a grant program in which most of the projects have no revenue stream associated with them. He reviewed federally authorized projects and non-federally authorized projects along with criteria and funding.

Greenwood responded to Council questions.

SHIPPING FACILITY/HALL PROPERTY UPDATE

Chuck reported that the Port is negotiating to fill funding gaps for this project. It was noted that work on the Hall property is on hold until the Port's project starts. It was added that construction is likely to be completed by late fall of 2017 or winter of 2018. Beck reported that there is a fair amount of deferred maintenance, and other projects are delayed due to work on the International Terminal. It was noted that 50 new jobs are anticipated from the completion of the International Terminal. Allen asked about the potential use of the International Terminal by the commercial fishing fleet. Brown reported that this is one of the few ports with international shipping and commercial fishing together. Chuck stated that an International Terminal User's Group will be formed.

UPDATE ON THE BAY/MOORE PROJECT

Gross presented an overview of the project and timing. He reported that the job was previously bid, and had been recently rebid. He stated that the work window is July. He added that the project extends up several roads from Bay Boulevard, and will include storm drains at 4th and Harney Streets, Fogarty Street and Bay Boulevard, and Bay Boulevard and Moore Drive. He stated that city staff would communicate with everyone in the involved areas. He added that Bay Boulevard will be overlaid from Eads Street to the Embarcadero at the conclusion of the project.

BAYFRONT DEVELOPMENT

Update on Sale of City Property to Bornstein Seafoods. Nebel reported that Council had approved the sale of city-owned property to Bornstein Seafoods, and it is anticipated to close by the end of the month. He added that the land swap with the Port was a great collaborative effort.

Pacific Seafood/Hallmark Property. Nebel reported that this property is to be redeveloped. Greenwood noted that he is enthused about public input into the redevelopment. Tokos reviewed possible uses for the property, including fish processing, retail, and an educational component. He added that the work will be phased.

Port Dock Redevelopment Concept. Chuck discussed Port Dock 5 redevelopment concepts, noting that the facility had to be closed due to degrading pilings. He added that consideration was given to repairing it; repairing and enhancing it; or expanding it. He stated that engineering is being performed at this time. It was noted that the URA might be a source of potential funding for Port Dock 7, and that the Port Dock 7 project will cost \$3.4 million for a complete replacement, and the Port Dock 5 access will cost \$1.5 million. A discussion ensued regarding parking, and it was suggested that parking district funds be considered to create more fleet parking. Tokos noted that there may be an opportunity for parking district funding delineated through the parking study.

FIRE BOAT DISCUSSION

Murphy made a PowerPoint presentation regarding the potential uses and model of a proposed fire boat. He reported that the boat manufacturer has a grant specialist on staff that could help with a grant for the majority of the cost which is estimated at \$900,000. He added that there may be reliance on community partners to provide a part of the match. A discussion ensued regarding housing of the boat and long-term maintenance costs. It was asked whether the existing OSP boat could be retrofitted for use by the Fire Department. It was suggested that this item be considered as a future work session discussion item.

DIRECTIONAL SIGNAGE IN SOUTH BEACH

Nebel reported that this is a mutual issue. It was noted that the Aquarium has a signage program. A discussion ensued regarding directional signage from the state highway into

the Port. It was suggested that the blue and white signs be replaced with brown and white signs. Greenwood reviewed signage issues associated with the Port.

UPDATE ON PUBLIC ART - ROGUE BREWERY EXPANSION

Greenwood reported that the Port has received a conceptual drawing of a mural to be painted on the Rogue's cooerage. He stated that Ardis DeFreece worked with the Port Commission to develop the concept which has been sent to Rogue's corporate office. He added that it is anticipated that work will begin in the summer. It was noted that the Rogue plans one more expansion to be completed by 2020.

SCHEDULE TOUR OF PORT FACILITIES

It was agreed that Greenwood and Nebel would coordinate a tour of Port facilities.

ADJOURNMENT

Having no further business, the meeting adjourned at 1:38 P.M.