

**PORT OF NEWPORT**  
**MINUTES**  
**February 28, 2012**  
**Regular Meeting**

**I. CALL TO ORDER**

Commission President JoAnn Barton called the regular meeting of the Port of Newport Board of Commissioners to order on Tuesday, February 28, 2012 at 6:00 PM in the Council Chambers at Newport City Hall, 169 SW Coast Highway, Newport, OR, the same being within the boundaries of the Port District.

**Commissioners Present:** JoAnn Barton, President; David Jincks, Vice-President; Walter Chuck, Secretary; Don Mathews, Treasurer; Dean Fleck, Assistant Secretary-Treasurer.

**Port of Newport Management and Staff:** Don Mann, General Manager; Patti Britton, Finance Director; Richelle Burns, Accounting Assistant; Pete Dale, Project Manager; Jim Durkee, Terminal Operations Supervisor; Maureen Keeler, Special Projects Manager; Barb Martin, Accounting Assistant; Patty Benjamin, Administrative Assistant.

**Others Present:** Jerry Ashby, Port of Tacoma; Dennis Bartoldus, Attorney; Mary Ann Bozza, Hatfield Marine Science Center; Art Braxling, Barb Dudley, and Jim Seitz, Newport residents; Tracy Burchett, Yale Fogarty, Rob Halverson, Chad Johnston, Irene and Orton Kaminski, Pat Ruddiman, Barry Tower, and Rod Worman, ILWU Local 53; Larry Coonrod, News Times; Mark Ellsworth, Governor's Economic Revitalization Team; Lee Fries, CM/GC Selection Committee; Rick Fuller, Day CPM Services; Ginny Goblirsch, Otter Rock resident; David Gomberg, State Representative candidate; Dewey and Ronnie Goodell, Leeway Logging; Chris Henarie, Henarie Trucking; Robert Hoefs, Newport Candy Shoppe; Dennis Houle, Oregon Business Development Department; David Jefferson, Dan Settlemire, and Scott Sinser, AWPPW; Cyndi Karp, MidCoast Watersheds Council; Steve Lawrence, Newport Rental; Paul Langner, Eric Oien, and Shawn Teevin, Teevin Bros.; Terry Lowenberg, Gearheart resident; Kiera Morgan, KYTE/KKNPT; Patricia Patrick-Joling, Dolphin Realty; Mike Pettis, commercial fisherman; Stan Pickens, Bayscapes Gallery; Fred Postlewait, Oregon Coast Bank; Dr. Hal Pritchett, Facility Use & Design and Terminal Steering Committees; Fran Recht, Depoe Bay resident; David Smallwood, Smallwood Logging; Grant Snyder, Wiggins Tugboat & Barge; Shannon Tower, Toledo resident; Jeff Vermilya, Hancock Forest Management; Bob, Rob, and Ryley Weinert, Road & Driveway/Cedar Creek Quarries; Ed Wiles, Wiles Construction; Vern Wiles, Central Coast Excavation.

**II. MINUTES**

- A. Work Session—January 24, 2012.**
- B. Regular Meeting—January 24, 2012.**

Commissioner Barton pointed out one typographical error in the regular meeting minutes. Commissioner Jincks moved, Commissioner Fleck seconded, to approve the minutes of the Work Session of January 24, 2012 as submitted and the minutes of the Regular Meeting of January 24, 2012 as amended. The motion passed 5-0.

**III. FINANCIAL STATEMENTS**

- B. Financial Reports.**
- C. Accounts Paid.**

There were no questions or discussion on the financial reports and accounts paid.

Commissioner Chuck moved, Commissioner Mathews seconded, to approve the Financial Statements and Accounts Paid, Check Nos. 11585-11599/Construction Fund; Check Nos. 11625-11646/NOAA Checking-OCB; and Check Nos. 32385-32503/Operating Account. The motion passed 5-0.

**IV. PUBLIC COMMENT**

Lee Fries, CM/GC Selection Committee, said he felt the Port's money would be better spent on repairing the fishermen's docks, rather than on docks at Port Dock 1 to display marine mammals for the bayfront merchants. Commissioner Barton thanked Fries for his comment and emphasized that this was only the beginning of the process where the sea lion floats were concerned and infrastructure needs were a priority.

**V. STAFF REPORTS (\* Indicates no questions or comments.)**

**A. Department Reports.**

- Kevin Bryant, Commercial Marina Harbormaster\*
- Pete Dale, Project Manager—Commissioner Jincks thanked Dale for following up on options to provide a restroom facility at Port Dock 5.

- Jim Durkee, Terminal Operations Supervisor\*
- Maureen Keeler, Special Projects Manager\*
- Gina Nielsen, RV-Marina Office Supervisor\*
- Chris Urbach\*

**B. General Manager.**

General Manager Don Mann shared a PowerPoint presentation showing photographs and videos taken over the course of the Terminal Renovation Project. The presentation included information on the ships' remediation, the project's budget and funding, an economic impact analysis, regional economic impact, and potential dock usage. Mann said he had used the presentation in seeking funding for the project from the Oregon Business Development Department and Connect Oregon.

**C. Commissioners' Reports.**

There were no reports from the commissioners.

**VI. OLD BUSINESS**

**A. Terminal Renovation.**

**1. Frank Berg, Day CPM Services**

The commission had received an update on the Terminal Renovation Project from Day CPM Project Manager Frank Berg at the noon work session. Berg had presented NMC Contract Amendment No. 16 to the board and recommended approval.

**2. GMP Amendment No. 16—Soil Stabilizing at the Gap Area.**

Commissioner Fleck moved to approve GMP Amendment No. 16 and authorize General Manager Don Mann to sign the documentation. Commissioner Mathews seconded the motion and it passed 5-0.

**B. NOAA MOC-P Facility.**

Facilities Manager Rick Fuller, Day CPM, had nothing to add to his written report and said he was available if the commissioners had questions.

**C. Port Dock 1 Sea Lion Floats—Short Term Use Plan.**

General Manager Don Mann had received an e-mail from Stan Pickens, Bayscapes Gallery, suggesting that the damaged float at Port Dock 1 where the sea lions haul out could be replaced by the three 40-foot docks that were being used as a footbridge between Port Docks 3 and 5 while repairs were being made to Port Dock 5. However, Mann said the docks were not "throw away" docks but would be needed as emergency or backup docks in the commercial marina. Mann suggested that the single existing float could be resurfaced and stabilized, at the bayfront merchants' expense, as a temporary fix. Commissioner Barton said she would defer to Mann's judgment on the use of the docks. She said she would like to set a date for another meeting with interested parties, and added that Mayor McConnell had indicated that the City of Newport was not interested in participating in the process. She said a detailed plan for a permanent haul out for the sea lions would have to be presented, and if the board approves that plan, only then would it move forward. Mann said staff would proceed with arranging and advertising a meeting with interested parties and stakeholders. In the meantime, by way of clarification, he asked if it was the board's direction to allow repairs to the existing float—not adding floats but repairing the one that was there to keep it from sinking. Commissioner Barton deferred to Mann's judgment again and said, "As long as it is a plan you approve."

**VII. NEW BUSINESS**

**A. Teevin Bros. Land & Timber Company.**

Shawn Teevin, Eric Oien, and Paul Langner, from Teevin Bros., presented a business proposal to the Port of Newport Board of Commissioners. Shawn Teevin provided a brief history of the company, which was founded in 1979, and now employs more than 200 direct employees and 100 indirect employees in Rainier, Eugene, Seaside and other locations. The company's operations include trucking and transportation, material handling, quarry operations, timberland and property management and development, road building, and marine terminal operations. Teevin said they have established a business relationship with Hancock Forest Management, which owns approximately 100,000 acres of timberland around Newport and would be one of the anchor tenants at the Port of Newport if Teevin Bros. came in. He showed before and after photographs of Teevin's Rainier location, which was built on a contaminated mill site and sand from Mt. St. Helens. Teevin spoke about barge opportunities, citing a working relationship with Sause Bros, and showed the commissioners illustrations of how a log yard would be laid out at the Port of Newport terminal. He said Teevin Bros. was prepared to help fund the development of a log yard and lease terms could be negotiated to cover pre-funding the project. He said

local contractors would be used in developing the site. Teevin said he would expect 12 to 14 vessels each year, and they would berth six days for loading. He did not anticipate storing logs on the docks, and said they would work with the fishing fleet on a traffic plan so the fleet would have access to their working areas. He said wharfage revenue at their operations ranges from \$100,000 to \$125,000 per vessel, and revenue from the log handling business alone was more than \$1 million per year. He said he anticipated creating 22 full time family wage jobs with benefits, and there would be 40-44 jobs for the longshoremen during ship loading. In answer to a question from Commissioner Fleck, Teevin said the log yard area would be up to DEQ standards for storm water run off. He noted that the Port had engaged the same environmental consultant, John van Staveren, Pacific Habitat Services, on its NOAA and terminal projects as Teevin had used in Rainier. Commissioner Barton said one of her concerns had been the company's willingness to have the commission participate in the regulatory process, which would be a stipulation for any developer on Port of Newport property, but they appeared to welcome that. The commissioners thanked Teevin Bros. for the presentation.

**B. State of Oregon IFA Marine Navigation Improvement Fund Grant Agreement.**

The General Manager explained that the grant application was for dredging related to the Terminal Renovation Project.

Commissioner Jincks moved to direct the General Manager to complete and submit the State of Oregon IFA Marine Navigation Improvement Fund Grant Agreement. Commissioner Chuck seconded the motion and it passed 5-0.

**C. Oregon State Marine Board (OSMB) Grant Application—South Beach Launch Ramp Boarding Floats.**

The General Manager said the OSMB grant application was for the replacement of the South Beach launch ramp boarding floats. The floats had unexpectedly deteriorated due to a poor design. The project total was \$123,584, and included a grant request of \$70,125; a cash match of \$12,358; and in-kind labor and materials totaling \$40,524. The commission had already approved the grant application via a telephone poll, so the paperwork could be delivered to OSMB to meet the submittal deadline. It would be necessary to ratify that action.

Commissioner Fleck moved to approve the completion and submittal of the Oregon State Marine Board Grant Application to replace the South Beach Launch Ramp Boarding Floats. Commissioner Mathews seconded the motion and it passed 5-0.

**D. New Position to Port Personnel Roster—NOAA/MOC-P Facilities Lease Manager.**

A copy of the job description for the NOAA/MOC-P Facilities Lease Manager had been provided to the commissioners for review. Rick Fuller had been employed by Day CPM Services as the lease manager for the NOAA facility for the past year. The General Manager recommended that the commission approve the job description so the position could be moved to the Port's personnel roster, as per the prior agreement with Day CPM. He said Fuller and Day CPM would work with him on the transition, which he hoped to complete in early March.

Commissioner Jincks moved to approve the job description for the NOAA/MOC-P Facilities Lease Manager. Commissioner Fleck seconded the motion and it passed 5-0.

**VII. MEETING RECESS at discretion of the chair.**

There was no meeting recess.

**IX. OTHER**

There was no other business.

**X. PUBLIC COMMENT**

David Gomberg, Otis, OR, candidate for the Oregon House of Representatives: He said he had come to hear the Teevin Bros. presentation, which he felt was absolutely critical to the Oregon Coast.

Cyndi Karp, Newport, OR, MidCoast Watersheds Council at large: She said she felt processing logs in Oregon would create more jobs than exporting them, and expressed concern about water quality in the port dock area for all species and the need for estuary restoration. She said she looked forward to working with the commissioners on common goals in the future.

Rob Halverson, Newport, OR, ILWU Local 53: He provided a brief history of the Terminal Renovation Project, citing Yaquina Bay's designation as a deep draft port; the state's mandate for cargo movement; the bond measure that the voters approved; and the transportation-related Connect Oregon funds that the Port secured to renovate the terminal. Reflecting on his time as a Port Commissioner, Halverson said there had never been enough money to maintain Port facilities, but he felt shipping would not only bring

jobs to the community but would also provide revenue that could be used for facility repairs, docks for the fishermen, and expansion opportunities. He said the Teevin Bros. proposal was a great opportunity and urged the commission to "treat it well". He thanked the commissioners for their hard work.

Yale Fogarty, South Beach, OR, ILWU Local 53: He said the longshore industry worked on a demand basis: if the demand was there, jobs got added. He estimated that Local 53, which currently numbers ten, could easily double if Newport began exporting logs, and those would be year-around jobs and the wages would go back into the community. He cited fuel savings that could be realized by shipping logs out of Newport, and said the impact would be state-wide with jobs being created as the economy improved. He added that the new dock could possibly accommodate cruise ships, which was a project that had been on the "back burner" for a while. In closing, he said the Port itself was a huge valuable commodity that belonged to the people of the State of Oregon, and should be put to work for the benefit of the State of Oregon. He thanked Shawn Teevin for his presentation and the commissioners for considering it.

Fran Recht, Depoe Bay, OR: She appreciated the presentation and the opportunity to bring jobs back to Newport through shipping; however, she felt more jobs could be created by marketing processed logs to Japan. She encouraged the commission to arrange for a certain number of processed logs to be exported for every ship of unprocessed logs, in order to create more full employment opportunities.

Ginny Goblirsch, Otter Rock, OR: She said the proposal sounded like a doable scenario and a perfect fit for Newport, since there was an area already in place that is zoned for that kind of operation. She felt shipping would enhance Newport's working waterfront and bring in revenue to maintain Port facilities. She encouraged the commission to keep the fishing industry and its needs as a priority, as it has in the past. She cited the positive impact the Port has had on Yaquina Bay by adding deep water habitat and clean water and the "good work" at the NOAA facility. As a former commissioner, she appreciated the hard work that goes into seeing things through, and thanked the commissioners for their efforts.

Mike Pettis, Newport, OR, commercial fisherman: He said deep water shipping equaled dredging; and dredging equaled a safer bar. As a commercial fisherman, he was well aware that a few feet of water can make all the difference in crossing a rough bar. He said it bothered him a little bit to think about sending away jobs that might be created by processing logs in Oregon; however, if those logs were going directly to Japan by ship or barge anyway, they might as well be going from Newport. He said he would support the effort.

Rex Capri, Newport, OR: He said that there used to be a lot of lumber mills in the area and thought shipping logs out of Newport might stimulate a mill starting up again. He encouraged the commission to take advantage of this opportunity but not be limited by it. He hoped the commission would look to the public as partners in developing the economy.

Grant Snyder, Depoe Bay, OR, Wiggins Tugboat & Barge: He described the services his operation provided and said that working with local businesses had allowed him to provide employment for others. He felt the cargo proposal was encouraging and exciting.

Terry Lowenberg, Gearheart, OR: He said the community on the north coast had benefited greatly by the presence of Teevin Bros. They were actively involved in community affairs and ran an exemplary operation. He said the community would be devastated if they left.

Scott Sinsler, Toledo, OR, AWPPW: He said he appreciated Teevin Bros. presentation. He works for Georgia-Pacific and felt a shipping operation would benefit both the town and the mill. He said it would be great to be able to process logs here and doing so would increase family wage jobs.

Willie Worman, Toledo, OR, AWPPW: He also works for Georgia-Pacific. He said there are a couple of local sawmills still in the area that could possibly ship their products out of the Port as well. He said the AWPPW supports the Teevin Bros. operation and the community needs the jobs. There are a lot of people out of work so he encouraged the commission to strongly consider it.

Patricia Patrick-Joling, Newport, OR, Dolphin Realty: She said Teevin Bros. had done their research and covered all the bases, and it was a great presentation. In her business she represents a lot of owners and they are constantly asking what's on the horizon. She said NOAA was a great effort and this was another huge opportunity for economic development. She asked the commission to seriously consider the benefits.

Commission Chair JoAnn Barton closed the public comment period. She reminded the audience that the Port was in the beginning stages of considering log exports from the cargo facility and no decisions had been made. She anticipated further public process because there were important stakeholders and a lot was riding on the decision. She said there was a strong possibility that the Port would have to borrow money to finish the terminal renovation project, and would have to demonstrate that there would be an income stream to cover loan payments. She said she was proud of what the Port had accomplished with the NOAA buildout and the Terminal Renovation Project. She said she realized that time was of the essence both for the Port and for log handlers and exporters who would need to know how to plan. She said the commission was weighing everything carefully, including stewardship of the bay, and would welcome input in a fluid and dynamic public process. She reiterated that no decision had been made.

**XI. UPCOMING MEETINGS/EVENTS**

- A.** 2012 PNWA Mission to Washington DC, March 4-8
- B.** Basic Local Budget Law Workshop 2012, March 9, 9:00 AM-3:30 PM, OCCC
- C.** Fishermen's Forum, Port Office, March 14, 8:30-9:30 AM
- D.** Newport Fishermen's Wives—Blessing of the Fleet, March 17
- E.** Marina Users Meeting, March 21, South Beach Marina, 8:30-9:30 AM
- F.** Work Session, Port Conference Room, March 27, 12:00 PM
- G.** Regular Meeting, Port Conference Room, March 27, 6:00 p.m.

**XIII. ADJOURNMENT**

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 7:45 PM.

ATTEST:

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JoAnn Barton, President

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Walter Chuck, Secretary

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