

November 16, 2021  
6:04 P.M.  
Newport, OR

**PORT OF NEWPORT COMMISSION MINUTES**

*This is not an exact transcript. The video of the session is available on the Port's website.*

The Port of Newport Commission met on the above date and time virtually via Microsoft Teams. In attendance were Commissioners Lackey, Burke, Retherford, and Sylvia. Commissioner Chuck was excused. Also in attendance were General Manager Paula Miranda, Operations Director Aaron Bretz, Finance Director Mark Brown, Administrative Assistant Gloria Tucker, and PR Consultant Angela Nebel.

**PUBLIC COMMENT**

**Public Comment.** Miranda reported she and the Commission received an email from Pat Ruddiman. She noted she replied to him that that public comment should go through the website, as the form is posted under each meeting. She indicated people should put their names with their comments. She read Ruddiman's comments into the record. She added Midwater Trawlers was supposed to present at the joint meeting with the City of Newport, and Ruddiman made similar comments then.

Miranda reported if the longshoremen have a presentation which impacts the Port district, they are more than welcome to share that information with the Commission, and staff would put them on the agenda. She explained Midwater Trawlers approached her and asked if their economic analysis for the seafood industry could be on the agenda. She noted it is information the Port needs to hear. She indicated she will address Ruddiman's comments on the Administration Building during that part of the meeting.

**CONSENT CALENDAR**

MOTION was made by Lackey, seconded by Sylvia, to approve the consent calendar as presented. The motion carried unanimously in a voice vote.

**OLD BUSINESS**

**Accounts Paid.** MOTION was made by Lackey, seconded by Retherford, to approve accounts paid as presented. The motion carried unanimously in a voice vote.

**Admin Building Contract Selection.** Miranda noted Dustin Capri, architect for the project, is present in the meeting. She reported she had a question from a commissioner on why the Port did not present all three bids in the packet. She stated the main reason is because staff put out a request for quotes, with the concept everything will be ready, the engineering and architect work, and whoever bids on this, will do the building exactly as presented. She indicated the concept was the lowest bid would be selected as long as they have proper qualifications. She added the Port has a consultant working on this to make sure the Port is properly following procedure.

Miranda reported the Port received three bids due on November 10. She stated the lowest bid is Baldwin General Contracting, Inc. at \$2,031,000; the next was \$2,048,000; and the last was

close to \$2.3 million. She noted staff haven't seen anything that disqualifies Baldwin, and they will go through the process of negotiating a contract if the Commission approves going forward. She indicated a few months ago, a consultant gave the Port a general estimate for the cost of the building at \$2,085,000. She added the bid is in line with what was expected.

Miranda reported looking at the numbers, staff are looking to do the building as it was bid. She noted originally she explained to Ruddiman that this is not an overly expensive building. She emphasized staff looked at this very closely to address the necessities of the Port currently. She stated the original cost was \$2.4 million, and staff stripped this down as much as they possibly could. She indicated at this level; the Port is not completely finishing the rentable portion of the building with the concept that whoever decided to rent that portion would finish it as they want. She added she is asking for a 10 percent contingency, and if that money is not used, the Port could possibly finish that part of the building.

Miranda reported staff worked with Business Oregon to receive a loan with an interest rate of 2.25 percent. She stated she has requested assurance from the state that the interest rate is locked. She noted a contract should be coming at any moment. She explained this project will be contingent upon the funding. She indicated a lot of information was included in the newsletter about why the Port needs a building, and other than this public comment, she has not heard anything negative. She added in fact, it has been the opposite; a lot of people have expressed support. Burke praised the newsletter and the talking points.

Lackey stated having a small, temporary, portable building is not a good situation and past due for a permanent solution. He noted it was not a good workspace pre-COVID, and it is worse after. He indicated a permanent structure is required long-term for the Port. He added to him it is not a question of if, but when to take the necessary step. Lackey stated experience with large capital expenditures and maintenance teaches that investments only get more expensive over time. He noted the industry is seeing an inflationary period where that dynamic is accelerating, leaving the future even more uncertain. He indicated Port staff have worked through the process with the architects during the bid process to minimize costs, be thorough in the bid process, and set the Port up for a successful workspace for the long-term. He added Port staff have been diligent in managing the Port so that it is in a good financial position to proceed on the building while still making great progress on other infrastructure projects.

Lackey stated the down payment with the secured loan from the state with a low interest rate is advantageous. He noted for these reasons, he fully supports proceeding at this time. Retherford stated she is also in favor of doing this. She noted it has been a long process, well-thought out, with many involved, and plenty of opportunity for public comment. She indicated there is such a need there, and the Port planned to be at this place at this time. She added it will be neat to see the project through. She thanked everyone who has been diligent on this project.

Sylvia stated there has been a multi-decade process to get here. He noted the due diligence has been done. He indicated this is a reasonable price, and it's not a luxurious building, but very practical. He asked if the alternative bids had any statements about or recommended changes for the structure. He asked if anything came out of the bids that suggests changes or issues. Capri replied the bid prices were within range. He stated he would be concerned if one of the contractor's bids was very low or very high. He noted he does not have experience with Baldwin, but they do have great references. He indicated he reached out to Chris Janigo at the City of Newport, where Baldwin did the fire station retrofit. He added Chris' comments were they were very good to work with, they addressed issues as they arose, and all positive.

Capri reported having a local municipality who had a good experience working with them is a good start. He stated he wants something in writing from Baldwin that they are comfortable signing a contract for the bid amount and complying with construction documents. He noted that helps with contract negotiation and future change orders. He indicated once he has that, the only question mark is the time it takes to build. He added there were no big concerns from any of the contractors that proposed.

Miranda reported staff did an initial pre-bid meeting in which all the contractors had opportunities to address any concerns, issues, or questions. She noted all of those things made it into an amendment. She thanked the architects, consultants, and staff for their efforts. Capri reported there were 18 or 19 items that came up in an addendum. He explained those were clarifications on items like shelving, type of carpet, and door schedules. He noted great specific questions came from that pre-bid meeting.

Sylvia asked if change orders fall into the 10 percent contingency. He also asked what happens if the Port runs into serious problems above 10 percent. Miranda replied the chance of having change orders on a brand-new building is less likely than a retrofit. She stated with a brand-new building, chances of something going wrong is very minimal, however, this is a world where it can be hard to get supplies and there is a bit of uncertainty. She noted projects generally have a contingency, and most of the time it is 20 percent. She indicated the chances of this project going beyond 10 percent is unlikely.

Capri reported the availability of materials and delay in shipping are concerns. He stated his biggest concern is the geotechnical report; the soil conditions are always the wildcard. He noted, fortunately, the building is not digging down that deep, so he is not anticipating a problem, but he said he will feel a lot better once the foundation has been poured. Sylvia confirmed the contractor will have to stick to the prices quoted.

Burke stated the optics may not be clear to some people, but the talking points in the newsletter are great to share as commissioners hear questions and comments. He noted this is a pretty utilitarian building, not anything fancy. He indicated staff did value engineering on anything they could. He added it will help the health and productivity of the staff. He asked if Baldwin cited any local subs. Capri replied there are regional subs, but not a lot directly in Newport. He added the concrete was out of Lincoln City. Miranda noted according to the state, local means Oregon, not a specific region. Burke added he understands Newport's small pool of contractors are swamped.

MOTION was made by Retherford, seconded by Sylvia, to direct the General Manager to enter into a contract with Baldwin General Contracting, Inc. pending negotiations in an amount not to exceed \$2,031,000 plus a 10% contingency. The motion carried unanimously in a voice vote.

MOTION was made by Retherford, seconded by Sylvia, to approve additional expenditure in the amount of \$120,000 for additional costs related to the administration building as described above. The motion carried unanimously in a voice vote.

### NEW BUSINESS

Fishing Industry Economic Activity Tends (Presentation). Heather Mann, Executive Director of Midwater Trawlers Cooperative, presented the report included in the packet. Retherford thanked Mann for such a complete and thorough presentation. She stated this is such important knowledge that the Commission can take forward, for commercial and recreational, in



meeting with legislators. She added she is thankful Mann saw a need for this economic data, and for the partnership with Lincoln County Commission and everyone who has contributed to the report. She emphasized the report will be huge going forward and an asset to the community. Mann added previous Lincoln County Commissioner Terry Thompson helped get the report going too. Miranda thanked Mann. She stated as far as chasing funds for fixing docks, dredging, or any other project, everything is factored on the needs of and economic impact to the area. She noted this report is very helpful. She explained staff use this kind of information when chasing money, especially on the federal level. She added this reflects not just a regional impact, but a nationwide impact. She explained the fleet that is housed here goes beyond the state of Oregon to create an economic impact in the nation.

Lackey agreed with Retherford. He thanked Mann for providing the information in a digestible form. Sylvia agreed with the Commission. He suggested before the Port does its next strategic plan, they do some strategic thinking about the future. He explained the Port makes decisions lasting 20 to 40 to 50 years. He indicated the Port's plan may be five years, but that is built on the vision for 40 years. He added a lot of Port infrastructure is designed to last 40 years.

Sylvia stated there are lots of elements that come together to create all the assets fishermen and processors need to be successful in a port, and the Port of Newport has a lot of those elements. He noted the research and education sector are unique elements to Newport. He explained a lot of the fishermen here participate in research, which makes this port unique. He indicated there are a lot of unique synergies between these different sectors, tourism, marine science, education, fishing, and other sectors. He added exploiting those with strategic thinking is important. Sylvia suggested the strategic planning use this kind of material. He noted there's lots of challenges and risks going forward, and if the Port doesn't plan for those, then the Port could be in a problem 10 to 20 years from now. He recommended creating risk-adverse strategies going forward.

**Resolution No. 2021-09 Liveboard Policy.** Bretz reported through the Facilities Code, the Port can pass resolutions to administer the Port's facilities, especially regarding liveboard vessels in the recreational marina. He noted there is a Code section for the commercial marina, but that isn't in this resolution because the Port does not have any liveboards in the commercial marina. He indicated this resolution is only about the recreational marina. He explained in the Facilities Code, the Port may set a maximum number of liveboard vessels allowed in the recreational marina and eligibility criteria for liveboard vessels including, without limitation, the size, type, and condition of the vessel, as well as the creditworthiness, criminal, and rental history of the party seeking enter the liveboard agreement. He indicated this resolution is not a change of anything but trying to manage people's expectations and make it clear for Port users the criteria looked at when granting liveboards. He added people often enter into a MLA, and they think they have one next year. He explained that is not the case; having a current MLA does not entitle people to have one the following year.

Bretz reported this resolution allows staff to scrutinize vessel seaworthiness and operability, and it directs staff to scrutinize the behavior of the people attending the vessel. He noted he ran this by the Port's lawyer. He stated the wording is adequate. He indicated he doesn't want to get into liveboard agreements with people whose conduct is not conducive to a community environment. He added staff chose 21 days as the start of a liveboard because that length of time is long enough it does not bother the people passing through for a week or two. He explained at the 21-day mark, staff will expect someone to apply for liveboard status.

Miranda provided background on liveaboard issues at the Port. She explained people are selling their boats with the expectation that the new owner could have a liveaboard. She stated there is a laundry list of things the Port has to check to make sure they take care of their boats and their rent. She noted a lot of those liveaboards tend to turn into derelict boats, and the Port has to pay steep fees for the Port of Toledo to take them. She explained liability-wise, when dealing with liveaboard, the Port is creating a landlord-tenant agreement, almost like the Port owning an apartment complex. She indicated certain laws are applicable that are not typically applicable to boat agreements. She added, for instance, during COVID, if a tenant didn't pay, there was nothing the Port could do. She emphasized the laws are complex when dealing with a liveaboard, so it is important to have the policy finalized when they start and end.

Sylvia asked why the Port has liveaboards. He also asked how many liveaboards are there and how much does that change. Bretz replied there are 21 liveaboards, and that has not changed in the last several years. He noted the Port stopped granting new ones. He noted it is traditional that people live on their boats and move them from port to port regularly. He indicated the Facility Code is made to address operational boats. He explained the concept as a high-class marina with a bunch of yachts, and it would be common for some folks to live on their yacht for several months of the year. He added the key thing is to pay attention to the material condition of the boat and the frequency of people coming and going.

Miranda reported there is a concept that liveaboard folks can be a watchdog, and they keep a lookout when port staff are not there. She noted the Port did not set a maximum number of liveaboards, because then people will expect there to be that many. She indicated the Port wants to shrink liveaboards to a point that the ones who stay are amazing tenants. She stated it's not a bad idea to have a few. She added every port has some liveaboard of some kind. Bretz emphasized the Port is not compelled to do this, so staff can use judgement. Retherford asked how do liveaboards work with liability and guests with extended stays. Bretz replied there is not a formal process for checking in when going to a boat, but staff know pretty well who is down there and have a good idea when someone is there for a while. He added it's pretty evident. Miranda replied the general liability required by the MLA covers it.

MOTION was made by Lackey, seconded by Retherford, to adopt Resolution No. 2021-09 as presented. The motion carried unanimously in a voice vote.

## STAFF REPORTS

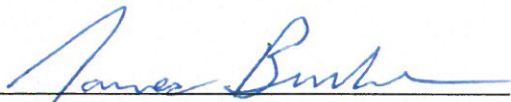
**General Manager Report.** Sylvia asked when the report for Port Dock 7 improvements will be available. Bretz reported the consultant is reviewing the draft report, and it should be available by next meeting. Sylvia noted the federal government passed the bill for infrastructure. He asked if that means additional funding support beyond traditional agencies. Miranda replied current federal and state agencies will receive those funds. She explained she is working with the grant writer on conversations with those agencies. She noted the folks she has been working with are very aware of those funds coming around. She emphasized the need to have plans and reports so that projects are eligible for funding. Retherford asked if staff have heard anything on grant applications for Port Dock 7. Miranda replied she has not heard back yet. She added the budget this fiscal year includes Port Dock 7, and she would rather use grant money, but if at the last hour that does come through, the Port has some funding and should not delay it any further. She added she is working so the budget and goals and objectives are in sync this time. She explained the goal is to have more of a chance to brainstorm before making the budget this year.

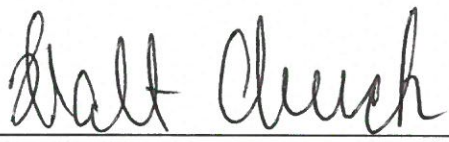
**Calendar/Future Considerations.** Miranda reported there will be a seafood cook off next year, and she is working with Fishermen's Wives and Jim Myers. She noted the tentative date is July 23. She asked if that date will work, since that's how they will reach out to sponsors. The Commission agreed that date seemed fine. Miranda added the event won't come before Commission until she has a better handle on the sponsors. Retherford thanked the Port staff who helped on Fishermen's Appreciation Day. She added the community needs to know the Port is involved in the community.

**ADJOURNMENT**

Having no further business, the meeting adjourned at 7:42 p.m.

ATTEST:

  
\_\_\_\_\_  
James Burke, President

  
\_\_\_\_\_  
Walter Chuck, Secretary/Treasurer