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August 13, 2018

Mr. Richard Fitzgerald Proprietary Waterway Coordinator – Midwest Region Oregon Department of State Lands 755 Summer St NE, Ste 100 Salem, OR 97301-1279

Re: Request to Allow Rondys INC. to Redistribute Dredge Material in Place

Dear Mr. Fitzgerald:

The Port of Newport requests to allow Rondys INC. to redistribute existing shore-cast dredge material within the dredge disposal site at McLean Point (see attached diagram). The Port recommends that royalties would not be owed on the material.

The Port of Newport has utilized McLean Point in Newport (tax lot# 11-11-09-D0-00100-00) as a dredge disposal site for the temporary placement of dredge material over the past decade. The Port has been permitted to perform this activity by DSL in accordance with ORS 274.550(1)(a), and has accumulated approximately 62,050 cubic yards of shore-cast dredge spoils. In accordance with ORS 274.550 (2)(b), the Port has not paid royalties on the material because dredging was performed by the Port of Newport for public purposes such as improving and maintaining marinas and public vessel berthing. The dewatering and current location of dredge spoils was a necessary but temporary aspect of dredging. The intent for final placement was to disperse and grade the spoils over the full site (see attached City of Newport conditional use permit). The spoils will not be removed from the site of first placement (tax lot 100), only redistributed by grading and compacting for upland disposal. The industrial land at McLean Point is not usable unless the dredge spoils are re-configured in a permanent fashion.

Rondys INC. is seeking to undertake an industrial development project at the dredge disposal site that will spark economic activity in the region, support the maritime industry in Newport, and create jobs. This project is on hold, awaiting disposition of the dredge spoils. Some but not all of the material that will be redistributed is being redistributed to create estuarine habitat for fish and wildlife (NWP-2018-341), which is a compensation exempt activity as identified in OAR 141-014-0320.

I hope that you will carefully consider the Port's recommendation to allow Rondys INC. to redistribute shore-cast dredge material within the above referenced tax lot without payment of royalties.

Very Respectfully,

Aaron Bretz

Director of Operations abretz@portofnewport.com

