

PORT OF NEWPORT COMMISSION WORK SESSION AGENDA

Thursday, September 29, 2020
Immediately Following the Regular Meeting

This meeting will be virtual by invitation only.

You can view the live stream of this meeting on our YouTube Channel, Port of Newport Commission Meeting Audio, <https://www.youtube.com/channel/UCCAo3VCV9Yt4coXK7pUXAIQ/videos>.

Live chat will not be monitored.

To submit public comment, please complete the form on our website here, no later than 4:00 pm on Monday, September 28, 2020: <https://www.portofnewport.com/public-comment-commission-work-session-9-29-2020>

Your comment, up to 3 minutes, will be read into the meeting at the appropriate time.

- I. Call to Order
 - II. New Administration Building
 - III. Public Comment (3-minute limit per person)
 - IV. Adjournment
- EXECUTIVE SESSION: The Port of Newport Board of Commissioners may go into Executive Session. If an Executive Session is called to order, the appropriate ORS citation will be announced identifying the applicable statute. All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media may attend Executive Sessions, as provided by ORS 192.660(4), but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.

Regular monthly meetings are scheduled for the fourth Tuesday of every month at 6:00 p.m.

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Port of Newport
STAFF REPORT

DATE: *September 24, 2020*
RE: *Work Session – New Administration Building*
TO: *Port of Newport Board of Commissioners*
ISSUED BY: *Paula J. Miranda, General Manager*

BACKGROUND

Due to safety issues, the original Port building located near Port Dock 7 was demolished several years ago. The Port at the time rented a trailer building to use as a temporary office building. After over 8 years, the temporary office is still the home of the Port Administration.

Although it may seem to be a tough time to engage in a new admin building construction, we find it more necessary than ever. Besides the fact that the current building is also starting to be in constant need of repairs; during the pandemic times we have been living through, the current building has presented itself to be quite inadequate for both employees and customers, especially in keeping self-distancing. It has also been a challenge to work without a proper meeting space, only one bathroom and no break room.

Although we have looked for existing buildings to buy or rent, we were unable to find anything suitable to the Port's needs due to location and costs.

In 2014 the Port went through a process of designing a new administration building, but decided not to proceed with the construction of the building at that time due to financial uncertainties.

I have ran the numbers with the Finance Department and the Port is in good financial position to construct a building now. Although we would rather spend the funds with something more profitable to the Port and the community, it is also necessary for the Port to have a functional building in order to continue its operations. If we don't build it now costs will continue to rise and interest rates are at its lowest right now.

The Port has since budgeted \$2.4 million for the construction of the building for the year 2020/21. Although the estimate we received from Goebel/Capri Architectures were just under \$1.9 million, including a 20% contingency. We will only know the exact cost once we go out for a construction bid. At that amount our monthly cost for a loan would vary between 1.15% to 2.19% depending on the term, down payments and other variables. Assuming a cost of approximately \$8K to \$10K per month for a 20 year loan. Currently we pay approximately \$1,100 for the Port building, which is starting to fall into disrepair and the Customs' building. Customs pays the Port \$859 per month. The new building would have an 800 sf rentable area that could be rented for approximately \$1000-1200 a month. The building would also include a new commission meeting room, which could be rented for other community uses.

Here are some questions we have been asked by some commissioners:

- 1. How many square feet is the current temporary administrative office, and how many people are currently working in it?**

The current building is 1,440 sf, but that doesn't contain any rentable space or public space such as the commission room and additional restroom space. When the temporary building was first established, we only had 6 employees working in it. Currently we have 8 employees.

2. What is your desired timing for committing to start construction and desired timing for completing / moving in?

That will depend on the availability of contractors. As we are budgeted for this year, we would like to complete the building during this fiscal year. If everything goes accordingly we will have a request for proposal out within a month from the go ahead from Commission. We will need to go through permitting, which may take another 2-3 months and construction after that.

3. Does the estimated costs include all costs / furnishings to move-in ready condition?

We have estimated around \$2.4 Million, the architect costs came in close to \$1.9, including a 20% contingency (that also takes into consideration prevailing wages, which we must pay as a public project). We won't know exactly until we get a bid offer. The current estimate include furnishings.

4. Does the board room have any fixed structures, like the table where the five commissioners would be during a meeting? The reason I ask is it seems like there has been a trend towards flexible spacing in office structures to allow accommodation of any type of set up. On a related note, the movable wall between the board room and the kitchenette looks like a good flexible use of space.

That is one thing we have worked with the architects. I agree that having fixed structures make it harder to have a flexible space, so we have specifically made sure that nothing is fixed. The City had the same kitchenette formatting where they can turn into a flexible space when needed. It seems to work very well for them. That will also make the room available to rent when is not in use.

5. Have there been any discussions during design about options using less permanent walls in favor of flexible use spacing?

We have not talked about using less walls, but definitely creating more available cubicles for future employees and interns. We've made sure the directors and General Manager had offices, as we often need privacy for meetings and phone calls. Same thing applies for most accounting personnel. The office should be quite open besides those offices.

6. Is the port's finances in a state that there could be the potential to put 30% or 40% down?

I talked about this with Finance and there is definitely a potential to put more down. However, we agreed that with such good interest rates it would be best for us to hold on to our cash to apply to our reserves or future projects. Our return on investments right now is very close to what we would be paying in interest.

7. What is the anticipated operating costs (utilities, other?) of the proposed building vs the current structure?

We are still gathering this information, which we will provide it during commission meeting.

8. Is outside entry into the board room ADA compliant? Or is all entry into the board room expected to be from within the building?

We are required to have all new public buildings be ADA compliant. In this case the main entry to the board room would be through the front of the building where there will be a ramp next to the ADA parking spaces. As people are entering the board room we will have a sign-in table, so we expect everyone to come through from the front door.

9. What options are there for achieving the goal of a suitable permanent structure yet with a lower cost? Should we consider leaving out the large meeting room in design?

We could do that, if that is what the commissioners would chose to do. However, that would not be ideal, as it could cost way more if added later on, as mobilization and general construction would cost more if done separately. Plus it would make it much harder to get an addition financed than to do it all at once. One thing we would be doing is make sure to only spend on tenant's improvements once we have an actual tenant, as we will not know what the tenant's needs are.

- 10. One commissioner suggested looking at a South Beach location. I certainly see the good reasons for locating at staff proposed site, but looking at another location and doing a quick pros / cons list for discussion would seem appropriate. Can we possibly combine the building with the renovation of the Annex to create a revenue source for the debt that we would incur for construction?**

Aaron and I have looked at various sites within the Port, including some land located on South Beach and also including land currently leased to OSU. What we found is that we are very limited by the land we have available. With only a 5 acres site next to NOAA and the dredge disposal site, we feel that we have no other sites to expand the Marina or future tenants. We are currently looking at an interested party that may want to use part of that site for aquaculture business. As to OSU possible surplus land, we couldn't find anything suitable that wouldn't include additional cost for utilities, environmental mitigation or fill, which could increase the cost dramatically. Besides, if we move our office to South Beach, we would still require at least a part time employee to service the Commercial Marina, which could increase costs for running that service. We would also need to make sure there is an office space to house that staff, which we currently don't have, unless we kept the current building.

We have budgeted for the plan to renovate the Annex for this year. Once we have a plan, we will need to find funds for the actual construction of it. This can take few more years to accomplish. Even if we were able to get it done within the next couple years, the best we can probably do is have the Annex renovations pay for itself. It may be few years before it would yield enough revenues to add to other projects. This is different than the current RV Park, which create a good source of revenue. All we would be doing is improving an already existing Park and the difference in income wouldn't be so great to make a huge difference for few years to come.

- 11. What are the implications for building in a tsunami zone? Insurance, state & local guidelines, other?**

The Port does not currently own properties outside of the tsunami zone other than 5 acres in the woods outside of most of our service area. The Port has discussed the new building with the City. This is different than what OSU built and it should not add a whole bunch of costs. For planning purposes, that should not be a problem. As to insurance, we will just need to include tsunami to our insurance, just like we current already have. That also brings up another point on being on the North side versus the South side. Evacuation is more limited on the South side and would create additional burden to that area. Evacuations are less challenging at the intended location.

- 12. Could staff work up a general plan for the next few years showing the projects that are necessary to be done during that time frame, and show budget / debt / financial implications of completing them and the admin building? This does not have to be elaborate, but rather be a best guess of the next few years.**

Yes. That will be provided during the commission meeting.

- 13. Is there any underutilized office space at Hatfield campus? Probably a long-shot for a few reasons, but thought I'd ask.**

I have talked to OSU about this. It seems like they already have some intended uses for the space they are vacating. Besides, because of our public service status, we would need a store front sort of situation in order to serve the public. If they would have available spaces, those would be randomly available.

- 14. Out of curiosity, are there any thoughts on what could possibly happen to the current office and are there any uses for it?**

We are currently renting the office trailer building, once we vacate it, the building will be returned to the leasing company.

PORT OF NEWPORT

ADMINISTRATIVE BUILDING DESIGN PHASE - 3 SEPTEMBER 2020

A Collaborative Team of Architects Specializing in Oregon Coast Architecture

 capriarchitecture

541.961.0503 info@capriarchitecture.com

 DHGoebel, Architect

541.270.2758 dietmar@dhgoebel.com



NW PERSPECTIVE VIEW

PORT OF NEWPORT

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DHGoebel, Architect
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NE PERSPECTIVE VIEW

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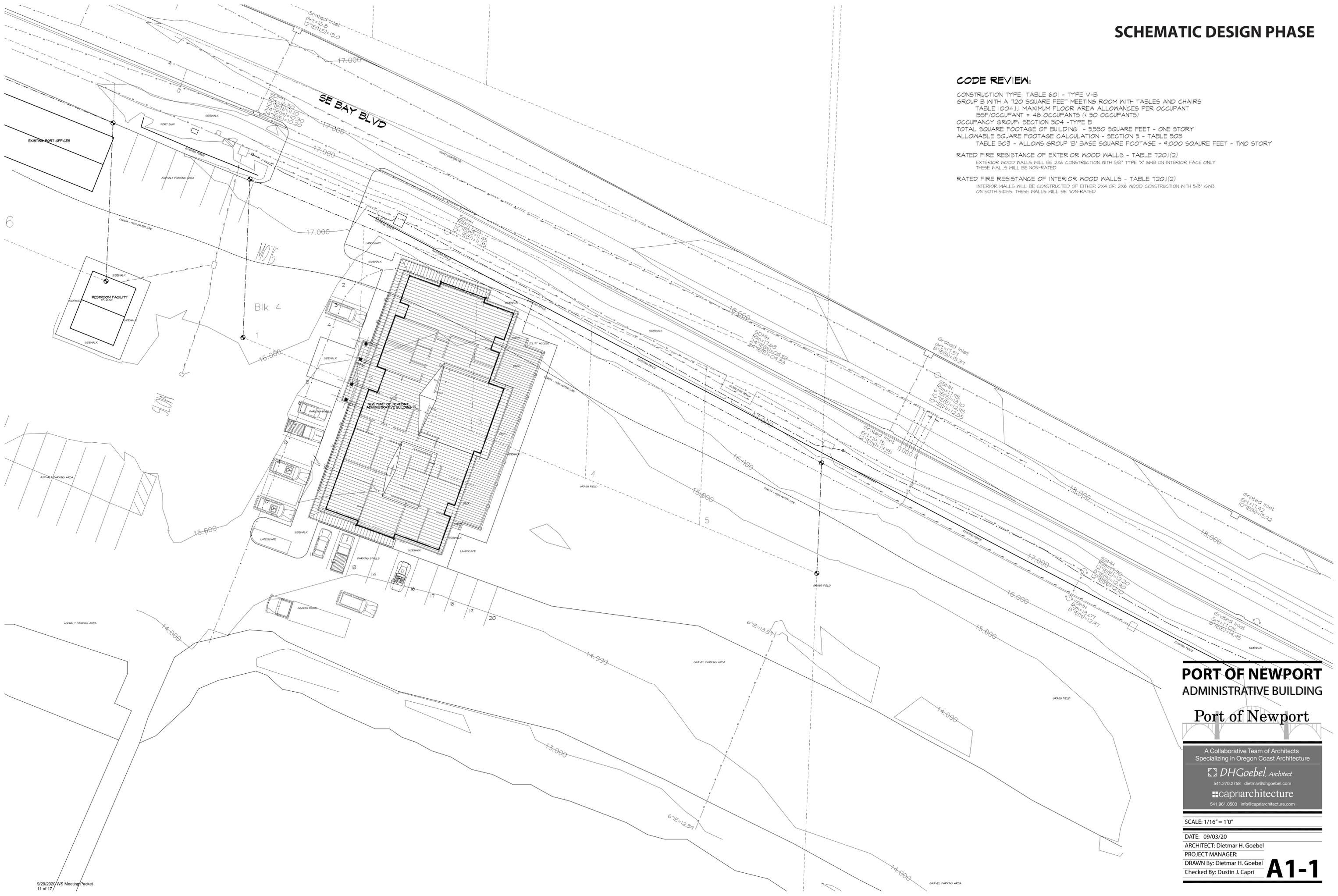
SE PERSPECTIVE VIEW

CODE REVIEW:

CONSTRUCTION TYPE: TABLE 601 - TYPE V-B
 GROUP B WITH A 120 SQUARE FEET MEETING ROOM WITH TABLES AND CHAIRS
 TABLE 1004.1.1 MAXIMUM FLOOR AREA ALLOWANCES PER OCCUPANT
 155SF/OCCUPANT = 48 OCCUPANTS (X 50 OCCUPANTS)
 OCCUPANCY GROUP: SECTION 304 -TYPE B
 TOTAL SQUARE FOOTAGE OF BUILDING - 5,530 SQUARE FEET - ONE STORY
 ALLOWABLE SQUARE FOOTAGE CALCULATION - SECTION 5 - TABLE 503
 TABLE 503 - ALLOWS GROUP 'B' BASE SQUARE FOOTAGE - 9,000 SQUARE FEET - TWO STORY

RATED FIRE RESISTANCE OF EXTERIOR WOOD WALLS - TABLE T20.1(2)
 EXTERIOR WOOD WALLS WILL BE 2X6 CONSTRUCTION WITH 5/8" TYPE 'X' GNB ON INTERIOR FACE ONLY
 THESE WALLS WILL BE NON-RATED

RATED FIRE RESISTANCE OF INTERIOR WOOD WALLS - TABLE T20.1(2)
 INTERIOR WALLS WILL BE CONSTRUCTED OF EITHER 2X4 OR 2X6 WOOD CONSTRUCTION WITH 5/8" 6#B
 ON BOTH SIDES. THESE WALLS WILL BE NON-RATED



**PORT OF NEWPORT
 ADMINISTRATIVE BUILDING**

Port of Newport

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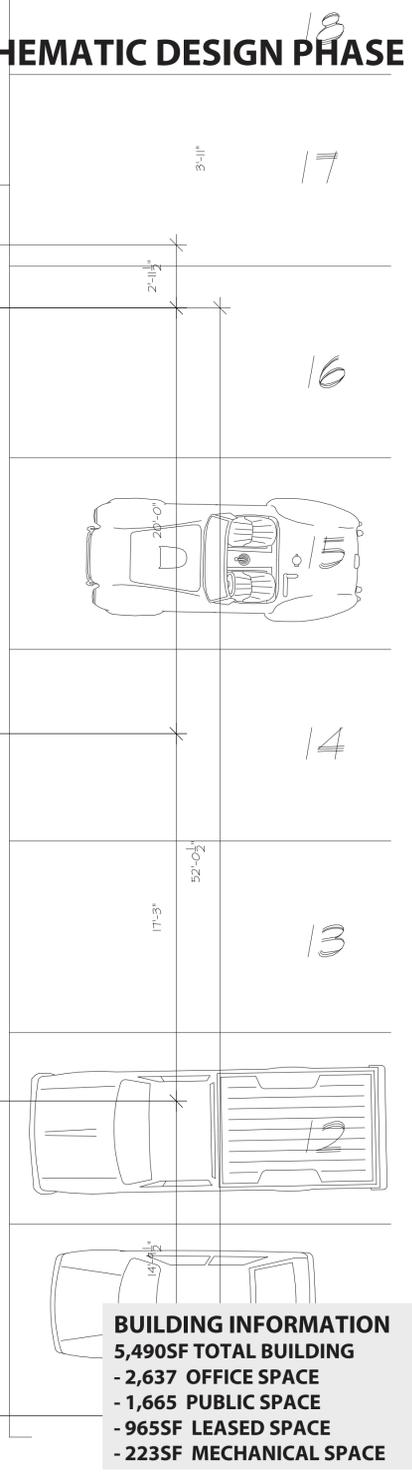
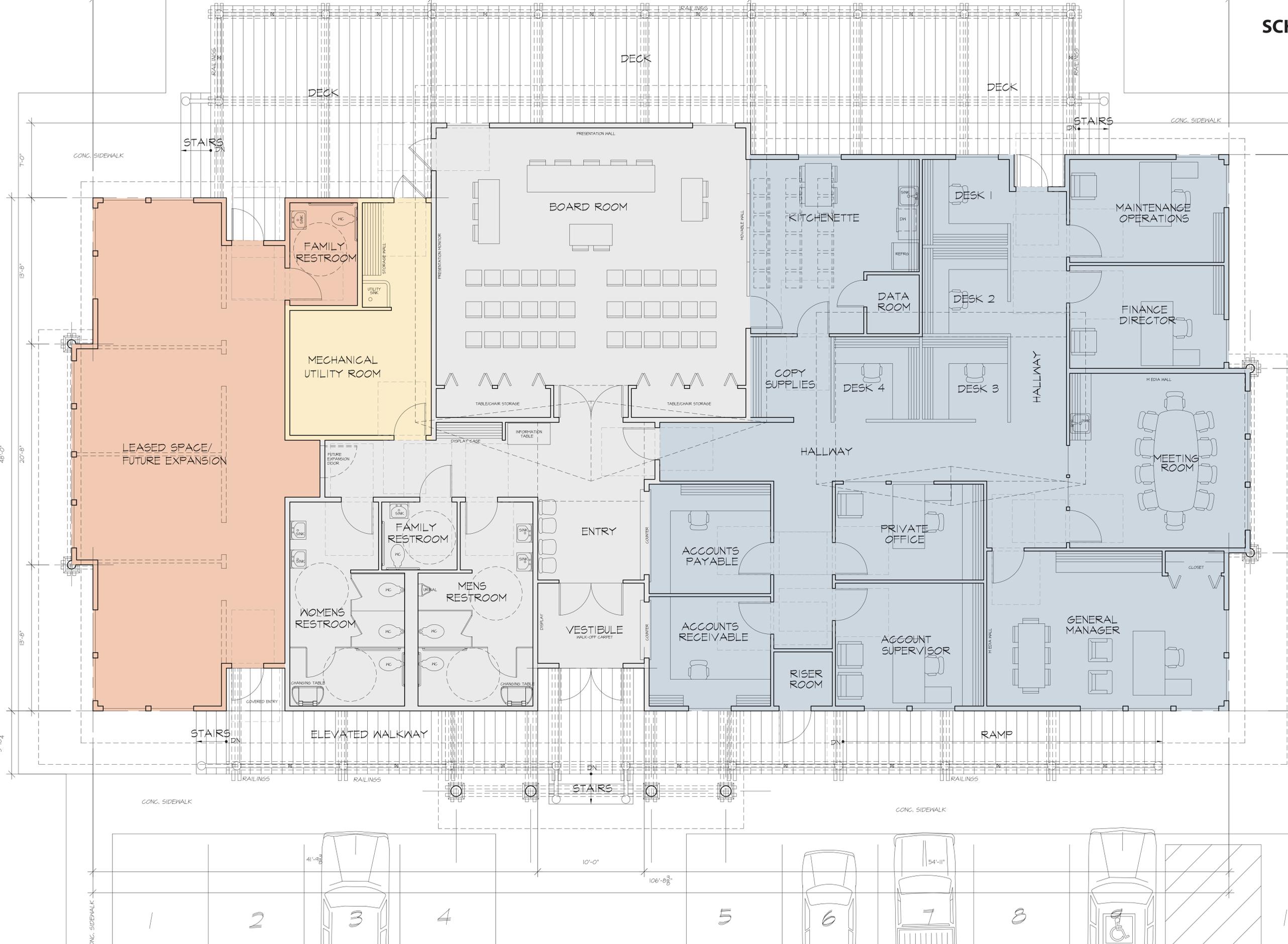
DHGoebel Architect
 541.270.2758 dietmar@dhgoebel.com

capriarchitecture
 541.961.0503 info@capriarchitecture.com

SCALE: 1/16" = 1'0"

DATE: 09/03/20
 ARCHITECT: Dietmar H. Goebel
 PROJECT MANAGER:
 DRAWN By: Dietmar H. Goebel
 Checked By: Dustin J. Capri

A1-1



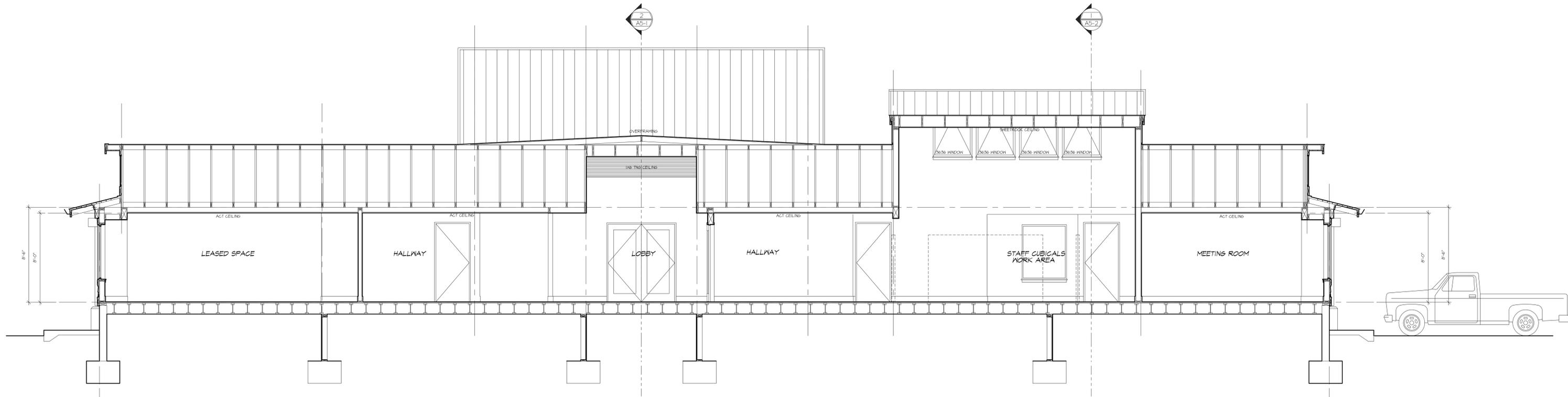
BUILDING INFORMATION
 5,490SF TOTAL BUILDING
 - 2,637 OFFICE SPACE
 - 1,665 PUBLIC SPACE
 - 965SF LEASED SPACE
 - 223SF MECHANICAL SPACE

**PORT OF NEWPORT
 ADMINISTRATIVE BUILDING**

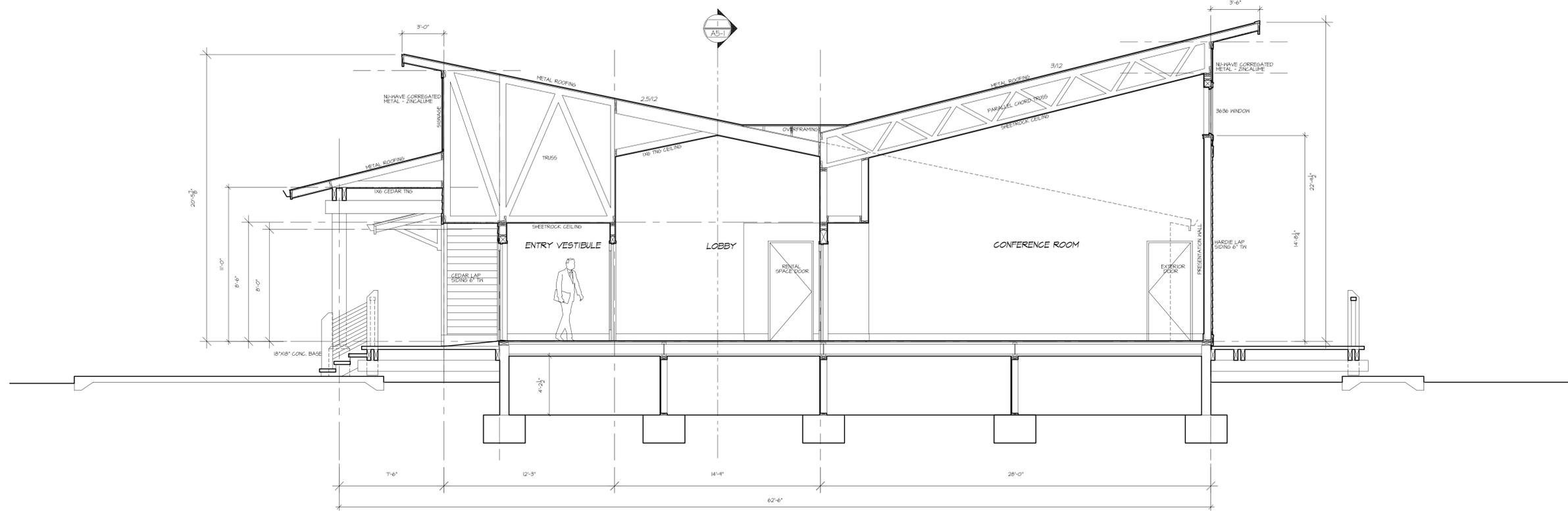


A Collaborative Team of Architects
 Specializing in Oregon Coast Architecture
DHGoebel, Architect
 541.270.2758 dietmar@dhgoebel.com
capriarchitecture
 541.961.0503 info@capriarchitecture.com

SCALE: 1/4" = 1'0"
 DATE: 09/03/20
 ARCHITECT: Dietmar H. Goebel
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1 A5-1 LEASED SPACE, LOBBY, PORT ADMINISTRATION BUILDING SECTION



2 A5-1 ENTRY, LOBBY, BOARD ROOM BUILDING SECTION

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capriarchitecture

541.961.0503 info@capriarchitecture.com

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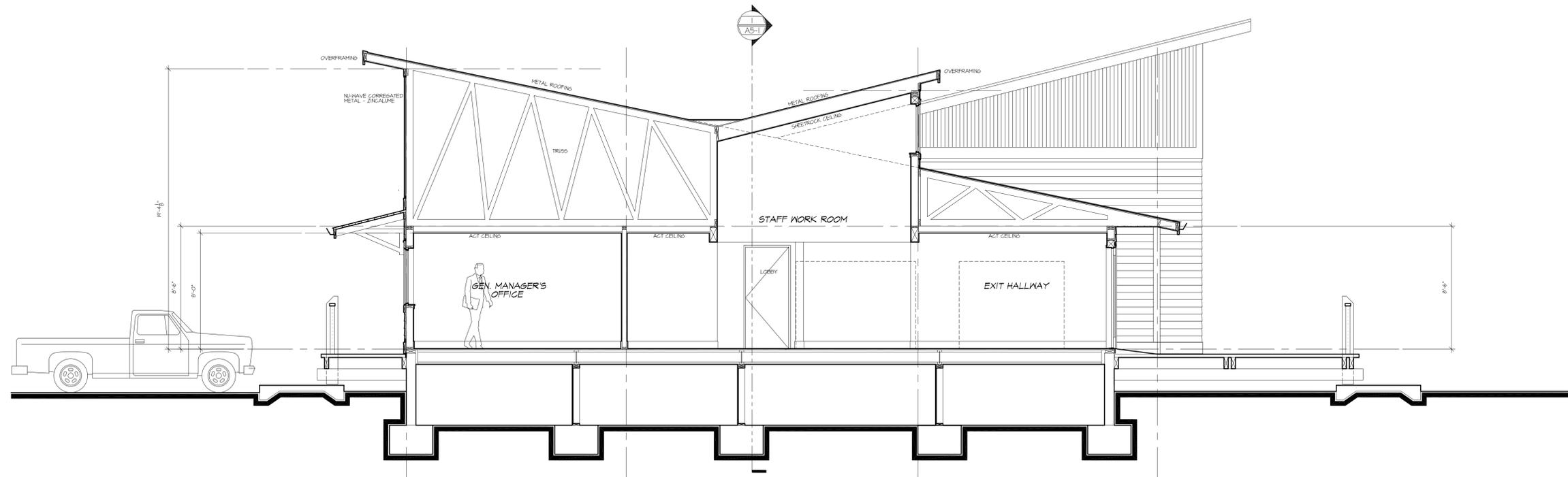
ARCHITECT: Dietmar H. Goebel

PROJECT MANAGER:

DRAWN By: Dietmar H. Goebel

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A5-1



A5-2 GENERAL MANAGER, STAFF WORK AREA BUILDING SECTION

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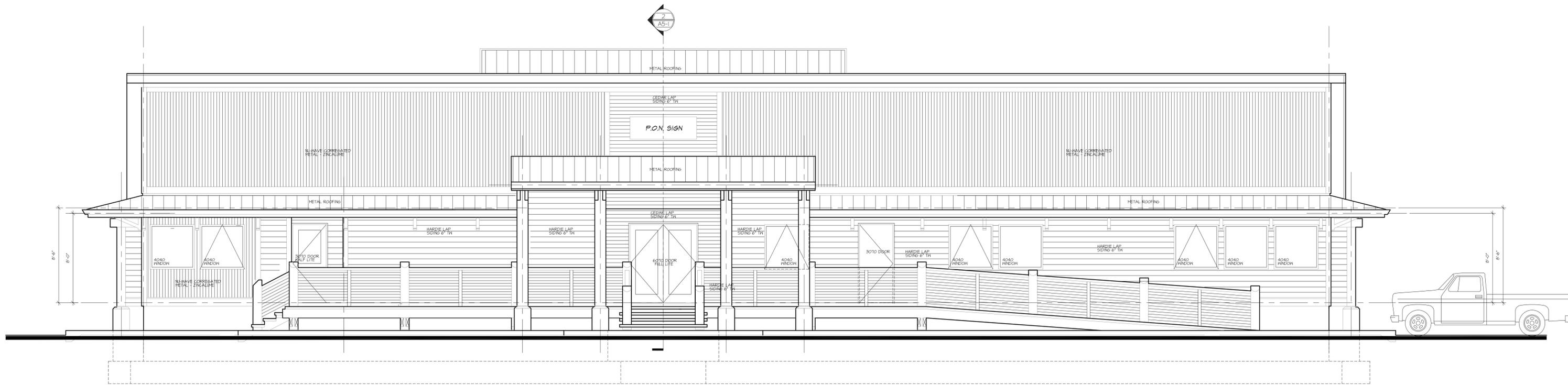
DHGoebel Architect
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capriarchitecture
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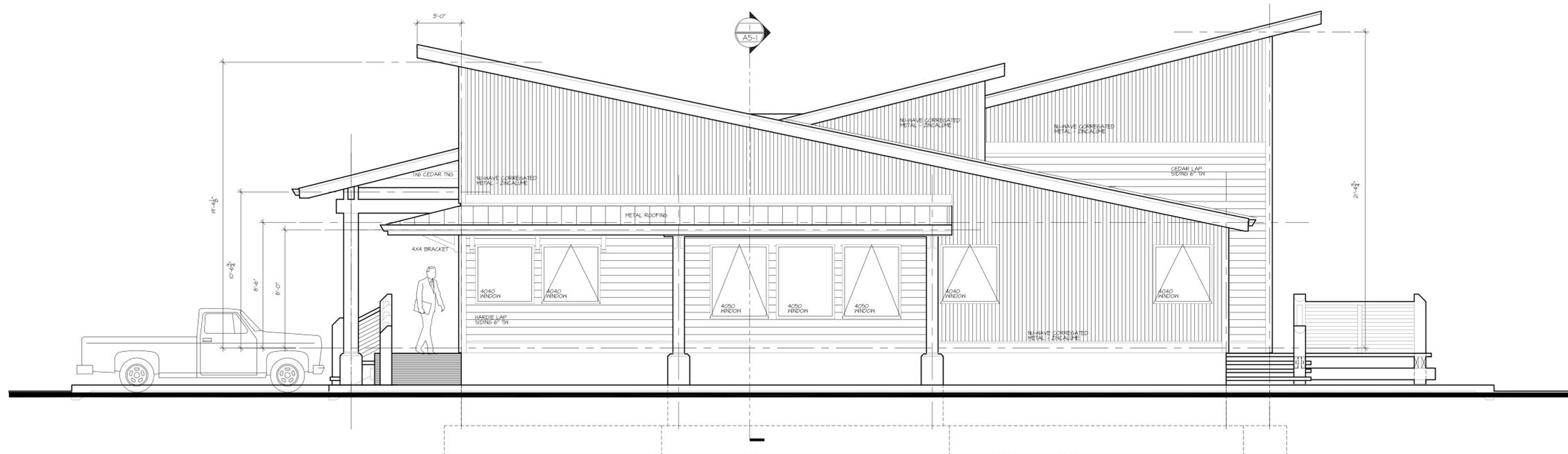
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A5-2



1 A5-1 ENTRY EXTERIOR BUILDING ELEVATION



2 A5-1 WATERFRONT EXTERIOR BUILDING ELEVATION

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ADMINISTRATIVE BUILDING**



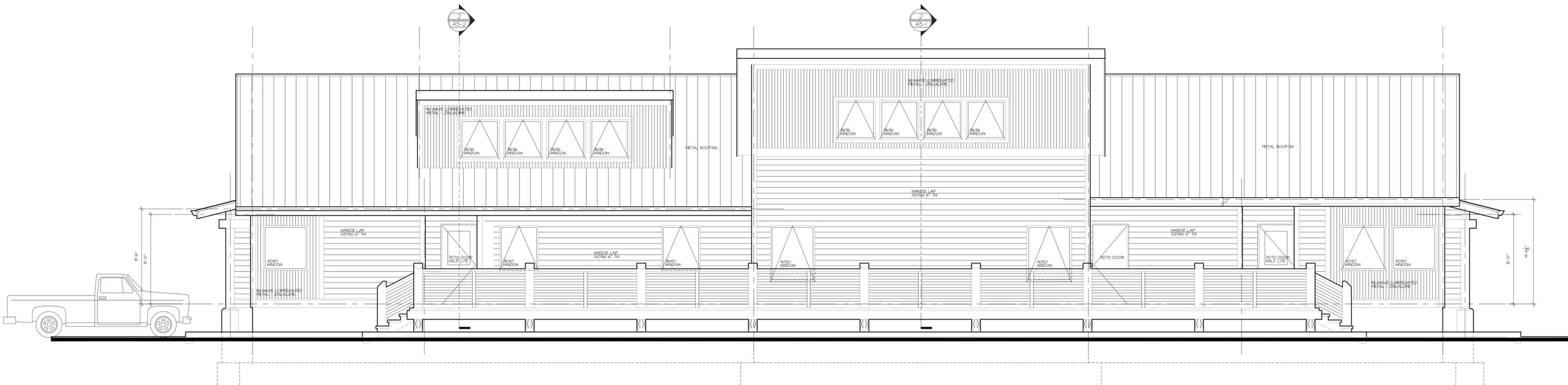
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DHGoebel Architect
541.270.2758 dietmar@dhgoebel.com

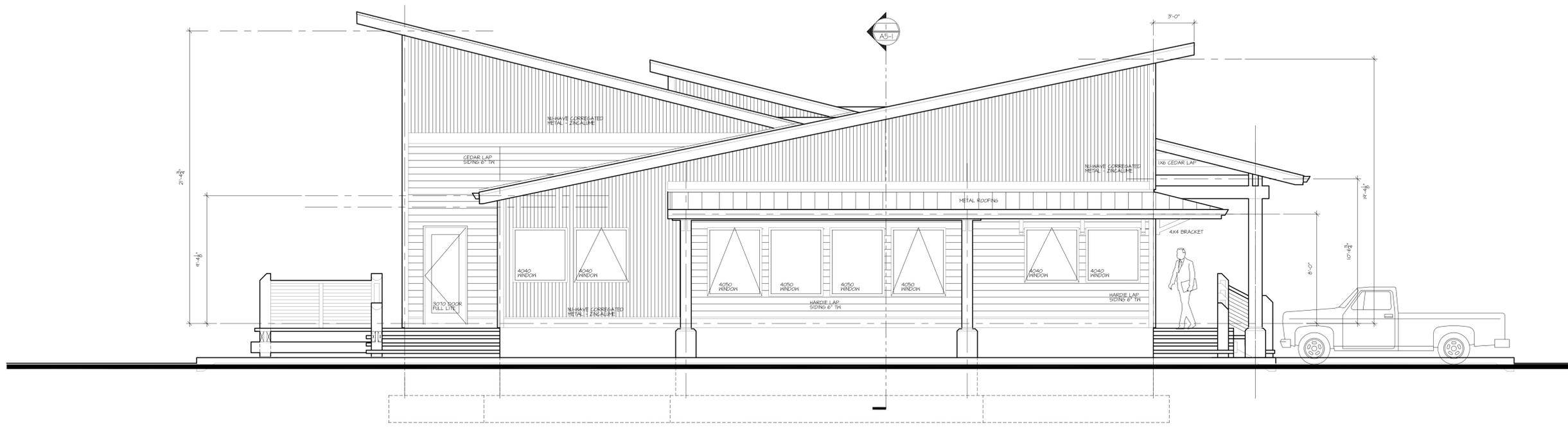
capriarchitecture
541.961.0503 info@capriarchitecture.com

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1 A6-2 REAR SDECK EXTERIOR BUILDING ELEVATION



2 A6-2 STREET EXTERIOR BUILDING ELEVATION

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ADMINISTRATIVE BUILDING - DRAFT PROJECT BUDGET

PORT OF NEWPORT ADMIN BUILDING - PROJECT BUDGET

	SQUARE FOOTAGE	\$200/SF
ADMINISTRATIVE SPACE	2,637	\$527,400
	SQUARE FOOTAGE	\$225/SF
PUBLIC SPACE	1,665	\$374,625
	SQUARE FOOTAGE	\$150/SF
LEASED SPACE / MECH SPACE	1,188	\$178,200
	SQUARE FOOTAGE	\$50/SF
DECKS (REPURPOSING MATERIAL FROM PORT DOCK 5)	1,650	\$82,500
	SQUARE FOOTAGE	\$10/SF
PARKING & HARDSTAND	3,500	\$35,000
CONSTRUCTION COSTS TOTAL (INCLUDING CONTINGENCY)		\$1,197,725
CONTRACTOR		
CONTRACTOR GENERAL CONDITIONS (5%)		\$59,886
CONTRACTOR OVERHEAD AND PROFIT (5%)		\$59,886
CONTRACTOR BONDING & INSURANCE (1.5%)		\$17,966
SUBTOTAL		\$137,738
FIXTURE, FURNISHINGS, & EQUIPMENT (FIXED)		\$50,000
COST OF DESIGN, CONSTRUCTION INSPECTIONS, OVERSIGHT AND COMMISSIONING		
ARCHITECTURAL DESIGN (7%)		\$83,841
STRUCTURAL ENGINEERING (1.5%)		\$35,932
SURVEYING CIVIL & GEOTECHNICAL ENGINEERING (2%)		\$23,955
MECHANICAL ELECTRICAL PLUMBING ENGINEERING (BY CONTRACTOR)		-
COMMISSIONING AGENT (BY CONTRACTOR)		-
SPECIAL INSPECTIONS (0.5%)		\$5,989
SUBTOTAL		\$149,716
PERMITS AND FEES		
PLANNING APPROVALS (EST.)		\$15,000
BUILDING PERMIT (EST.) (\$4 / \$1,000.00 VALUE)		\$4,791
BUILDING AND SAFETY PLANS REVIEW (65% OF PERMIT)		\$3,114
MISC. PERMIT FEES (10% OF PERMIT)		\$479
BOLI FEES (0.10% OF CONSTRUCTION COST, \$7,500 MAX, \$250 MIN)		\$1,198
STATE SURCHARGE (12% OF PERMIT)		\$575
SYSTEM DEVELOPMENT CHARGES (EST. FROM CITY OF NEWPORT)		\$16,819
SUBTOTAL		\$41,976
PRINTING FEES		\$5,000
SOFT COSTS TOTAL		\$384,430
CONTINGENCY ITEMS		
SITE WORK & UTILITIES CONTINGENCY (FIXED)		\$50,000
ESTIMATE CONTINGENCY (20%)		\$239,545
TOTAL PROJECT COSTS (No Contingency)		\$1,582,155
WITH CONTINGENCY		\$1,871,700

*The following figures are estimates based on the preliminary program and will be refined during the design development phase

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9/29/2020 WS Meeting Packet
17 of 17 541.961.0503 info@capriarchitecture.com

 DHGoebel, Architect

541.270.2758 dietmar@dhgoebel.com