

Port of Umpqua

Regular Meeting Minutes
September 16, 2020 at 7 p.m.
Port of Umpqua Annex
1841 Winchester Ave
Reedsport, OR

THESE MINUTES ARE FINAL and APPROVED.

Commissioners Present:

President Keith Tymchuk
Vice President Carey Jones
Secretary Barry Nelson
Treasurer Lee Bridge

Commissioners Not Present:

Asst. Secretary Deanna Schafer

Port Staff Present:

Port Manager Charmaine Vitek
Administrative Assistant Karen Halstead

NOTE: All items handed out at the meeting are available for view by request.

Proceedings:

The meeting was called to order at 7 p.m. by President Keith Tymchuk.
It was noted that a quorum of Commissioners was present for this meeting.

APPROVAL OF AGENDA:

There were no changes to the agenda as presented, Commissioner Jones made a motion to approve the agenda as presented, 2nd by Commissioner Nelson. Motion passed by unanimous vote.

APPROVAL OF MINUTES:

Commissioner Bridge made a motion to approve the meeting minutes from August 19, 2020 as drafted and presented, 2nd by Commissioner Jones. Motion passed by unanimous vote.

APPROVAL OF BILLS:

Commissioner Nelson moved to approve payment of checks in the amount of \$6,416.81 to be paid out of the General Fund, 2nd by Commissioner Bridge. Motion passed by unanimous vote.

PUBLIC COMMENT:

Deb Yates, S.T.E.P. Rock Creek Hatchery burned down recently during the wildfires. This is where S.T.E.P. usually sends their eggs, now they are trying to figure out either how to raise them here or find another hatchery to send them to. Right now, there are three other hatcheries that are under “evacuation” status.

REGULAR BUSINESS:

1. Oregon Seafoods - Mike Babcock proposal

Mike had contacted Charmaine and asked to be put on the agenda. He was at the meeting to see what may be available at the Winchester Bay peninsula location that The Port is planning to purchase from Douglas County. Keith answered that right now this possible purchase is in the very preliminary stages, adding that County Legal is known to go through things slowly. The Port will encourage The County to move as quickly as possible through all phases with hopes of having the purchase moving by early November, but this all depends on The County.

Mike has owned Oregon Seafoods since 2010. His original location was on 2nd Street in Coos Bay, after being there for about 7 years, they built a new plant in Charleston 3 years ago. He previously had looked at the Winchester Bay area before deciding to build in Charleston. This new plant has continued to grow, and Mike is at a point where he is ready to expand the business.

For his expansion Mike stated he will need a minimum of 5,000 square-feet to accommodate a building of 50-foot by 100-foot. This is the minimum; he would be able to go bigger. The ideal location on the peninsula would be where Dana Ferguson, Oceanic Logistics, is currently storing many of his totes. Another potential location would be on the opposite side of the lot where the row of parking bumpers are but, it would be hard to even get a 40-foot by 90-foot building in there which is not ideal, the bigger the plant that he can build, the bigger the opportunities.

The Oregon Seafood plant in Charleston is an FDA inspected facility. Mike said he runs a very clean operation; they co-pack and process for a lot of brands including his own, Sea Fare Pacific, which is then shipped all over the United States. He is proposing the same type of operation in Winchester Bay.

While Mike would prefer to buy the property himself, he is not opposed to a long-term lease. He would like the ability to break-ground as soon as possible; his goal is to have the facility up and running before next year’s fishing season in July 2021.

Mike then listed his requirements:

- Would need a one-inch water main with sewer hookup.
- 400-amp, 3 phase electrical service.
- Will need to be able to operate The Port’s hoist with his own crew; stating he will not come back to Winchester Bay if forced to work with Larry. He employs hoist operators who are more than qualified.

- Wants to receive the applicable tax abatement for new construction in Douglas County.
- If a long-term lease is applied, he wants the lease payments to start after receiving final billing approval; does not want to pay the lease during construction.

Questions:

Carey: Is tuna the only product you will be producing?

Mike: A lot of people think of Oregon Seafoods as just Albacore Tuna, which they do process around 700,000 pounds of Albacore when he factors in the processing for other brands that they do. What many people don't know is that Oregon Seafoods also produces Alaskan Sockeye, Oregon Pink Shrimp and East Coast Sea Clams as well. It's too early to know how these other products will work in with the Winchester Bay facility. There will be a focus on Albacore but, Mike does think there may be other markets out there that Oregon Seafoods may be able to do and probably do better than other processors currently are.

Mike added that as far as seafood processors go, Oregon Seafoods provides a higher than average pay scale, he will be looking for a local labor pool and these folks would be paid well.

Carey: Will you be offloading directly off the boats in Winchester Bay or will you be trucking the product in?

Mike: Would probably direct those boats to come to Winchester Bay.

Carey: Would this processing plant also have a retail store?

Mike: Probably not, Oregon Seafoods is a manufacturer, although there has been interest in retail; Tyler Long has shown an interest in bringing a retail type facility to town.

Barry: Do you buy strictly air-blast or brined?

Mike: They buy a lot of brined fish. He added the plan is to add a blast freeze component to the freezer facility in Winchester Bay. The problem is when the fish get in close there isn't enough processing capacity. This will allow them to shore freeze fresh fish. This can include squid and whatever else that may come in.

Barry: Where are you buying from in Coos Bay?

Mike: They lost their hoist earlier this year so currently working off Tyler Long's dock.

Carey: How many employees do you anticipate having once the facility is up and running?

Mike: It depends on the size of the facility, could be as few as 3 to 5 guys but, if they do decide to provide blast freezing of albacore he could see up to 10 or 12. Currently there are around 20 employees in Charleston. The local workforce can also dictate how many will be employed. The market is there but, at this time he isn't sure what the work force will be like in Reedsport and Winchester Bay.

Keith said he felt he was speaking for the commission when he says The Port would love to work with Mike.

Mike asked what the next steps are and who would he contact to get a lease created? He understands The Port is in the early stages of acquiring the area but, if for some reason this doesn't work out, he would like to know as soon as possible as there are other opportunities that he will be looking for.

Charmaine will be his contact, and Keith is the Commissioner who has been designated to work on real estate opportunities, both will be available to start the process.

Keith will contact Douglas County immediately and see if he can get them to work on this quickly.

Mike inquired if there was some type of a letter of intent or a document that he could sign. If he knows The Port is actively planning for his facility, he can start vetting out the power and utilities. He needs to get his facility plans in the works and make sure a building can go in that space. Once the building is on order there is the question of how quickly it could be built taking into consideration the current Covid pandemic. There will be a lot of concrete work to do, then installing the freezers will be a huge project; the planning and prepping needs to start as soon as possible.

The building itself will need a one-inch main, and 400 amps which Carey said is already there plus they will need sewer. Charmaine stated there currently is no sewer on the site but, that was something The Port already planned to have done.

REPORTS:

STAFF REPORT:

There was no staff report.

SALMON HARBOR MANAGER:

Jim Zimmer, Harbor Master: May be able to complete the contract for the RV Resort around Mid-October. The contractor, Laskey, has said Salmon Harbor can open the remaining spots as of October 14th, and in turn he has told staff that people can start making reservations after that date, making sure people are made aware that some spots will have fresh topsoil and seeds. The RV Resort reservations are already filling up.

Getting ready to start getting quotes to do the riprap on the east side of the middle spit. One spot has gotten to the point that a good storm could make it erode close to the road.

Jim spoke to Cindy owner of the oyster place and she said she was getting her electrical inspections done today. The plan is to open when everything is complete; probably in about 3 weeks.

Pretty exciting to think about Mike Babcock bringing his business to town. It would include more business for Salmon Harbor; more fuel being sold, and more slips being used.

COMMISSIONERS:

Nothing to report.

The next Port of Umpqua Regular Meeting will be held October 21, 2020 at 7:00 p.m. at the Port of Umpqua Annex building, 1841 Winchester Ave., Reedsport, Oregon 97467.

The meeting was adjourned at 7:47 p.m.

****Note: THESE ARE QUESTIONS FROM THE COMMISSIONERS WHILE SIGNING CHECKS, BOTH AT THE END OF THE MONTH, AND DURING THE CHECK SIGNING AT THE MEETING:**

8/31/20

Commissioner questions from check signing at end of the month to be included in the September 16, 2020 minutes:

There were no questions.

Checks were signed by Commissioner Tymchuk and stamped because there were no other commissioners available.

Questions from check signing at the September 16, 2020 meeting:

There were no questions.

Checks were signed by Commissioners Nelson and Jones.

Keith Tymchuk, President

Karen Halstead, Admin. Assistant