

Port of Umpqua

Regular Meeting Minutes
December 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
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.

All Commissioners were present.

APPROVAL OF AGENDA:

Charmaine added one item to the agenda, Item #10 – Level One Environmental Assessment. Commissioner Jones made a motion to approve the amended agenda, 2nd by Commissioner Bridge. Motion passed by unanimous vote.

APPROVAL OF MINUTES:

The meeting minutes from November 18, 2020 were drafted and presented, no changes were noted, the minutes were approved.

APPROVAL OF BILLS:

Commissioner Schafer moved to approve payment of checks in the amount of \$10,596.26 to be paid out of the General Fund, 2nd by Commissioner Jones. Motion passed by unanimous vote.

PUBLIC COMMENT:

There was none.

REGULAR BUSINESS:

1. Property & Liability Insurance renewal SDIS – Debbie McKinney

The liability insurance will renew in January 2021, the rate has increased about 7% from last year. The longevity credit/rate lock had been 5% but due to some slight increases in budget, materials and supplies plus a little in personnel services it was enough for the rate to increase to 7%; the coverage and liability will remain the same.

Carey: Do you have a ballpark figure of what the insurance will cost after The Port purchases the property in Salmon Harbor?

Debbie: Not yet it's been discussed but hasn't been sent off to Special Districts. Carey was concerned it may take too long to get coverage once The Port makes the purchase, Debbie reassured him that Special Districts would have the information and coverage would be in place once the purchase is done.

- ✓ **Commissioner Jones made a motion to approve payment of \$18,117 to Special Districts Association of Oregon for continued Property and Liability insurance as presented for 2021 to be paid from the General Fund, 2nd by Commissioner Bridge. Motion passed by unanimous vote.**

After the motion, Debbie reported on a substantial water leak that had happened this week in the Winchester Building.

During the cleanup work that was being done by ServPro, they discovered quite a bit of mold along the walls. Debbie put ServPro into contact with Tim Bauer, a senior insurance claims adjuster who is working on The Port's claim. There will be an inspector coming in to look at the situation sometime this week and then will report back to Special Districts so they can determine what the damages are, and what part of those damages if not all will be covered by insurance.

2. South Coast Development Council [SCDC] membership – Shaun Gibbs via phone

Keith thanked Shaun for everything he has been doing for The Port during the purchase of the property in Salmon Harbor.

The commissioners were provided an overview of what SCDC has been working on over the last year or so. (This is available in the on-line packet), this overview also covered work that has been done in the past 4 or 5 years in the Coastal Douglas County area. Shaun expressed his hopes that The Port of Umpqua would continue to invest into the work SCDC does via membership renewal.

Charmaine: When Mike Babcock approached The Port about putting a seafood processing facility on the property in Salmon Harbor, there was a myriad of things that needed to be done. Shaun stepped right in making contacts and has been very instrumental in helping The Port move forward with the project. Keith agreed and felt it was a necessity to renew, SCDC

has been incredibly helpful to The Port as well as to every entity on the coast who has been involved with them. Deanna said that Shaun and SCDC has worked with The City regularly, helping people with loans, especially since Covid. Shaun has been keeping everyone up to date on of all the regulations and the changes that are coming out almost daily from the Governor's office. SCDC has done an excellent job.

Carey: How did you come up with the membership fee?

Shaun: The membership fees are tiered into various levels and is based on what the threshold is for folks who want to be involved and support SCDC's regional focus on economic development. These membership rates haven't changed in 20 years.

✓ **Commissioner Schafer made a motion to approve membership dues to the South Coast Development Council in the amount of \$ 7,500, 2nd by Commissioner Jones. Motion passed by unanimous vote.**

3. Proposal to install an ice making facility – Long Fisheries – Dan'l Chambers & Tyler Long

Dan'l Chambers: Have seen a local need for a more consistent, user friendly ice facility. When he heard The Port was purchasing the land at the dock, it seemed like a good time to bring the idea to the table.

Carey: Is this the same kind of ice as we have down there right now?

Tyler Long: No, this ice is very different. Almost a year ago there was a fire at the Coos Bay ice facility in Charleston, just about a week before crab season started. Long Fisheries buys and sells a lot of live seafood and with the ice facility having burnt down and the fact they needed ice to unload live crab, Long Fisheries was thrust into the ice business with very short notice. They contacted Mark Vondrachek, owner of Rain Country Refrigeration out of Bellingham Washington. Mark brought down an ice machine from his company, hooked it up and had it running almost immediately. That machine has proven to be very easy to operate and so far, trouble-free, meeting all their needs during crab season. When the fishermen started unloading shrimp and tuna, Mark provided another machine to Long Fisheries, and it serviced all the shrimp fleet in Charleston plus they provided ice for the tuna and salmon boats as well. This machine has also been maintenance free. After the icehouse was rebuilt in Charleston, Tyler was no longer able to sell ice from that dock. He and Dan'l are hoping to bring one of these ice machines to Winchester Bay to use for the fishing fleet plus they plan to sell ice to the public.

Carey: Do you load the ice by tote, or will you blow it into the hulls?

Tyler: In Charleston they used totes, but Mark has machines that are designed to allow them to be able to blow the ice into the hulls if they decide to go that direction.

Tyler added that these machines are designed in a way that they can be setup and moved with a forklift.

Fishermen who have used this ice have said they would like to see it still available. Once it's loaded on a boat it will hold for almost 2 weeks at a time.

Carey: Do you think the Charleston fishermen would be able to get across the Umpqua River Bar in Winchester Bay?

Tyler: In the summertime they won't have a problem, during crabbing season there may be problems crossing the bar. Tyler pointed out that most of the boats that are sitting in Charleston right now are from here and they already fish out of here year-round.

Keith: Do you have a timeline?

Tyler: Don't have one right now, first he wanted to see if The Port would be interested.

Keith polled the commissioners asking if this proposal would be something to consider. It was unanimous, all the commissioners were interested in exploring the possibility and wanted to find a way to make it work. Keith suggested that Tyler figure out how to position the ice plant so it would be close to The Port dock.

In the next couple of months, The Port should be in a position where they can have a more defined proposal to address the location, figure out how much to charge for a lease and would like work with Tyler.

Keith requested that the blueprints for the planned containers and machines be sent to Charmaine and she could then forward them to the Commissioners. That would give them a clearer idea of the project details and allow The Port to figure out any water needs, electrical needs and potential costs. The Port could possibly coordinate those costs with other projects that are already happening at property.

4. Pacific Coast Congress of Harbormasters & Port Managers membership

- ✓ **Commissioner Jones made a motion to pay the annual membership dues to Pacific Coast Congress of Harbormasters and Port Managers in the amount of \$265.00 for the 2021 calendar year to be paid from the General Fund, 2nd by Commissioner Bridge. Motion passed by unanimous vote.**

5. Oregon Seafoods – Douglas County Commercial Land Lease, review

Charmaine: This is not an action item yet; it is to provide the details for the lease that will be created by Douglas County and then taken over by The Port after the purchase of the property in Salmon Harbor. The lease was created using a template from Salmon Harbor that they are currently using for one of their tenants and then modified. One item of interest is the rate, which is 3 cents per square foot for a 15,000 square foot footprint. At this rate, the monthly lease will be \$450 per month. Mike wants to pay this annually so it will be \$5,400 per year with an annual increase of 2.5%. The initial term is 25-years with three automatic renewals. It's a triple net lease, so Oregon Seafoods will be responsible for all utilities and property taxes once they are up and running.

Carey: Felt that the rate is too low, and asked if The Port planned to increase that rate once they've purchased the land?

Charmaine: No, the rate will not go up, this is the rate that has been agreed upon between Mike and The Port.

Deanna: Where did this rate come from?

Charmaine: It came from Salmon Harbor, Savannah said that they charge 2-2.5 cents per square foot for bare land and Mike and The Port agreed upon .03 cents.

Carey felt it was much too low, Barry pointed out that The Port isn't leasing this to make a lot of money. The Port is trying to entice a business to come in and in turn that will bring money into the community, which is a lot more important.

Deanna: Is this rate comparable to other leases that The County currently has on that property. Charmaine wasn't sure what Umpqua Bait pays and pointed out that they are the only business leasing out there.

Deanna felt the rate should be comparable with any other leases on the property. Keith thought that was how they came up with the rate.

Lee: He is more interested in the 10-12 full time employees that Mike said he would be hiring and felt that would potentially be a lot of money that will be brought into town.

Keith asked Charmaine and Jim to find out where the rate of .03 came from and to bring that information back at a future meeting.

6. Approve Purchase and Sale Agreement between Douglas County and Port

The details of the purchase agreement had been provided to the board for review before the meeting. As part of the agreement, it also lists out the other documents and legal proceedings needed for a lease with Umpqua Bait and access for the oyster business that is out there.

The County will handle the submerged and submersible leases with the Department of State Lands. There will be a lease with Umpqua Bait and an irrevocable agreement with the oyster business to allow him access to his dock where his business is located.

Keith: This is an "as-is" sale with The Port being responsible for a level 1 contamination assessment. The agreement states if it's discovered that there is any harmful waste during The Port's due diligence with the assessment, The Port can back out of the sale.

- ✓ **Commissioner Bridge made a motion to approve a Purchase and Sale Agreement with Douglas County regarding the Salmon Harbor real property for a purchase price of \$65,000, in the form presented, and authorize the Board Chair to sign that Agreement and all associated documents, once finalized subject to Attorney review, 2nd by Commissioner Jones. Motion passed by unanimous vote.**

7. Review draft proposed Leases

Charmaine: No action is needed on this item it is just to inform the Commissioners of what documents The County will need for the lease holders to pay for their DSL leases, and it covers the legalities needed to move the project forward.

8. Select and approve proposal for Geo Technical Assessment of property

Charmaine: As part of The Port's due diligence, we've decided to have a geo technical assessment of the property. This would be needed regardless if Mike were putting his business out there right now or not. Keith called the engineers at HGE and asked who could provide a geo tech assessment and HGE recommended Pinnacle, located in Roseburg. Keith contacted Pinnacle and they provided an estimate. Charmaine contacted Foundation Engineering and they too provided an estimate. Mike has contacted both firms and explained exactly what his plans are, this was very helpful in giving the firms an understanding of exactly what is needed.

Carey: Will the geo tech assessment cover the entire acre or just where Mike wants to put his business?

Charmaine: It's for the whole acre.

- ✓ **Commissioner Jones made a motion to approve the proposal by Foundation Engineering for Geotechnical Analysis of the subject property at Salmon Harbor in the amount of \$22,590, 2nd by Commissioner Bridge. Motion passed by unanimous vote.**

9. Ratify Letter of Support to Keep Shutter Creek Correctional Inst.

This was a motion to ratify a letter of support to the Governor requesting that she keep Shutter Creek Correctional Institute operating, Charmaine had previously e-mailed the Commissioners about the letter. Lee had requested that Charmaine include information from Reedsport and Douglas County. There wasn't any information specifically for Reedsport, but she did include information about the work crews that have been used in the past by Salmon Harbor. The closure of this institution could directly affect Reedsport, there are at least 11 people locally who are employed there.

- ✓ **Commissioner Bridge made a motion to ratify the letter of support to the Governor to keep Shutter Creek Correctional Inst. in her budget, 2nd by Commissioner Jones. Motion passed by unanimous vote.**

10. Level One Environmental Assessment

Charmaine: Once the sale is signed there will be a 60 - 90-day due diligence time frame in which a level one assessment needs to be done. To be able to meet this timeline Charmaine contacted Land and Water Environmental Services located in Oakland, OR. According to legal counsel, The Port would need a special permit to do anything on the property until they own it. Instead of waiting until after the sale to get this started or having to request a special

permit for it to be done before the sale, this motion is asking for The Board to approve it now, so it will be ready to start as soon as the sale is final.

- ✓ **Commissioner Schafer made a motion that The Port of Umpqua move forward with a level 1 environmental assessment by Land and Water Environmental Services in the amount of \$3,250, 2nd by Commissioner Bridge. Motion passed by unanimous vote.**

REPORTS:

STAFF REPORT:

Charmaine: Are moving forward with Central Lincoln PUD to have them put in basic electrical service(s) at Salmon Harbor so that any new business that goes in will be able to access the power they will need at that time. By doing this the infrastructure will be there and from that point it will be the responsibility of each business to get the utilities hooked up for their needs.

DCIDB appointed Charmaine to the board for another 4-year term. They haven't been meeting lately because of covid but when they do meet it's very helpful in keeping her informed of what is happening in The County.

SALMON HARBOR MANAGER:

Jim: Salmon Harbor has a contract with Johnson Rock to do riprap on Ork Rock Rd. starting January 6th, this will take about a week.

Recently received a substantial completion letter for the RV Resort, Laskey has submitted the last of the documentation needed so they can close out the project.

At a previous meeting Jim mentioned that Jack Aiken was working on a feasibility study for a small dredge that Salmon Harbor would purchase. The feasibility study came back that it was a great idea. The dredge is an electric pump style that can pump between 37 to 50 yards per hour. They found out if Salmon Harbor were to do maintenance dredging on a small scale it would be adequate, it doesn't silt up that much in the harbor because most of it sluffs off into the federal channel. Right now, it all depends on being able to do "in harbor" disposals. Jack is working with all the regulatory agencies to do estuary enhancements in the small lagoon by Ork Rock Park. The plan is to be able to put the dredge spoils in one of the basins that will never get used. It appears the cost for the dredge will be under \$300,000, which is a good price considering when they investigated having someone come in and dredge it was going to cost \$400,000.

COMMISSIONERS:

Deanna: Announced that she is submitting her letter of resignation from The Port board. As of yesterday, she has taken the permanent position as City Manager. There are a lot of projects with The City and she doesn't feel she would have the time to give to The Port of

Umpqua that it deserves. She thanked the commission for the opportunity to serve on the board.

Charmaine: Deanna has been awesome while she's been on the board, she's been great about signatures and is always very helpful.

Keith: Christian Walters is most likely going to approach The Port again seeking to purchase the property he leases downtown. Keith said he plans to push that The Port move forward with that, Christian is going to develop the property better than The Port ever would, and The Port could use the money from the sale to put towards the Salmon Harbor property. Carey said he disagreed with selling the property.

Deanna: Christian has talked to the city regarding improvements he wants to do to that property. Her suggestion was that The Port get a "fair market value" appraisal on that property, it seems that the assessed value on the properties in that area are too low.

The meeting was adjourned at 8:40 p.m.

The next Port of Umpqua Regular Meeting will be held January 20, 2021 at 7:00 p.m. at the Port of Umpqua Annex building, 1841 Winchester Ave., Reedsport, Oregon 97467.

****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:**

11/30/20

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

There were no questions.

Checks were signed by Commissioners Schafer and Tymchuk.

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

Jones: When are we going to fill the forklift tires w/foam?

CV: She told Larry that the next time there was a flat to do it! The issue is that Les Schwab must take the tires off and send them off to do it which leaves us without that forklift. This is going to be done in the future.

Checks were signed by Commissioners Jones and Schafer.

Keith Tymchuk, President

Karen Halstead, Admin. Assistant