

COOS COUNTY URBAN RENEWAL AGENCY
Coos Bay, Oregon
11:00 a.m., Wednesday, November 5, 2014
Port of Coos Bay, 2nd Floor Conference Room

M E E T I N G M I N U T E S

1. CALL TO ORDER/SELF INTRODUCTIONS

Chairman Goergen called the meeting to order at 11:00 a.m.

Agency members: Chairman Todd Goergen, at Large; Eric Farm, Brianna Hanson, Oregon International Port of Coos Bay; Tom Leahy, Mike Vaughn, City of Coos Bay; Mike Erbele and Howard Graham, City of North Bend; John Sweet, Melissa Cribbins, Coos County.

Absent: Joe Benetti, At Large.

Guests: Rodger Craddock, Bruce Moore, JCEP; Richard Dybevik, RFP; Jeff Bunnell, ISSCO; David Koch, Martin Callery, Kathy Wall, Fred Jacquot, Mike Dunning, Paola Avola, Kerry Otey, Sherri Gallant, Linet Samson, Brook Walton, Martin Callery, Makenzie Marineau, Port of Coos Bay.

2. CONSENT ITEMS

- A. Approval of June 11, 2014 Meeting Minutes
- B. Approval of June 11, 2014 Budget Committee Meeting Minutes

Upon a motion by Mr. Erbele (second by Commissioner Farm), the CCURA Board voted unanimously to approve the June 11, 2014 Meeting Minutes and the June 11, 2014 Budget Committee Meeting Minutes. Motion passed.

3. PROJECT UPDATES

A. Jordan Cove Energy Project, Bruce Moore

Mr. Moore said the FERC application is deemed complete and they are on track to break ground before 2015. The process is as follows:

- 1.Approval of Draft EIS
- 2.Public Hearing period
- 3.Modifications if needed
- 4.Final EIS issued

B. Roseburg Forest Products Coos Bay Shipping Terminal, Richard Dybivik

Mr. Dybevik gave a brief history of Roseburg Forest Products Coos Bay Shipping Terminal. He stated as of November 4, 2014, they have completed 2,114 vessel loadings of mostly residual wood chips from lumber plywood and whole log chips facilities throughout Oregon and Northern California.

RFP will continue to look at increasing the efficiency of the facility, but as of now, their facility is still in high demand because of their quick loading. They continue to investigate potential avenues for the importation and additional exportation of goods.

Mr. Koch said RFP is one of the key facilities that is identified in the economic studies that are being done to justify and deepening and widening of the harbor.

C. Coos Bay Rail Link, Martin Callery

Mr. Callery said they are in the final 2 months of the *ConnectOregon* III grant. The original scope of work is 98 percent complete. Staff expects to fully expend that grant by the end of December 2014. The \$2 million *ConnectOregon* V grant with a \$500,000 non-state match from the Port has been approved and will be used primarily for tunnel repair. Chairman Goergen asked how staff proposes to take care of the water problem in the tunnels. Mr. Callery said this will be an engineering solution, as the tunnels are already ditched on both sides but there is so much water moving through them that it carries a lot of sediment back into the tunnel. Staff is looking at culverts or perforated pipe but haven't found the best solution yet.

Mr. Callery handed out a document that showed the running total of CBR rail car loadings. By the end of October they will have moved 6,327 revenue car loads, which is equivalent to almost 20,000 truckloads removed from the highway system. Mr. Graham asked what products are being transported in on rail and if there is any expansion anticipated in those areas. Mr. Callery said the primary inbound commodity is dairy feed for the Coquille Valley dairy farmers. Staff is working with Eric Geyer of RPF. They have some property at their Coquille mill at the North end of the site. Port staff believes this will be a viable site for a short spur. Mr. Callery said initially Port staff was not sure how the JCEP would impact the rail line. Both Kiewit and Black & Veatch has contacted both the Port and CBR for rail car loading opportunities in bound rebar, cement, and other supplies. Mr. Vaughan asked if there is any push back from the truckers losing business to the rail. Mr. Callery replied one trucker called Congressman DeFazio's office and said that he lost his job because of the railroad. He was advised that there were a lot of help-wanted ads for truckers in the trucking industry and the trucking industry right now is suffering from a lack of drivers. They have not heard back from the trucker.

Commissioner Hanson asked if any of the improvements could increase the rail speed. Mr. Callery said bridge rehabilitation may increase the rail line speed. Mr. Koch said the key to that is getting a higher volume of traffic on the rail line. CCURA and the Port work together to get some of the properties out on the North spit developed with Marine terminals that rely on rail, and see the unit train traffic coming in. That will be the level of traffic they will need to justify the long-term investments of getting the speeds up to 40 mph on the entire along the entire line.

Mr. Graham asked if coal is a dead project. Mr. Koch replied the Port of Coos Bay is not actively seeking any coal projects right now because they don't have one to actively pursue. Mr. Callery said the most significant inquiries regarding energy commodities that Port staff has had within the last 6 to 9 months have been industrial wood pellets. There is a tremendous demand primarily from Asia for industrial pellets.

Mr. Callery said the Port and the City of Coos Bay are looking forward to completing an aesthetic improvement of the rail corridor by buying a new fence. Safety improvement is the biggest issue, as there is a problem with public trespassing at the south end fence. ODOT, the City of Coos Bay, and the Port have all worked together to survey and define the sidewalk. The driving lanes will be slightly narrowed but will still be within American Association of State Highway and Transportation Officials (AASHTO) standards. Mr. Koch said there is a parking issue along the highway now. Parking is allowed but there is no sidewalk. Anyone parking there is either forced to trespass along the rail line or J walk across the highway. When the Port approached the City of Coos Bay about a fence that they wanted to put up for safety reasons, Rodger Craddock was proactive with coming up with this additional project.

4. DISCUSSION/ACTION ITEMS

A. Financial Report, Paola Avola

Ms. Avola introduced herself. She said she would like direction as to what the Agency would like to see in the financial reports that she provides. Mr. Koch said there have not been a lot of expenses for the agency. There is

insurance, some legal counsel expenses for Mr. Andy Combs, and some professional services that need to be coded out of the general fund related to the Eastside mitigation project. This is an ongoing mitigation project related to the Transpacific Parkway Realignment project and the use of that mitigation site. Commissioner Farm said he likes the new format, it is easy to understand.

B. Authorization for Soliciting proposals for plan update, Fred Jacquot

Mr. Jacquot said that as the Port's Capital Programs & Project Manager, he has been looking at the different assets the Port is responsible for and looking for ways to invest in that infrastructure, and one of those ways is the CCURA. He has been reviewing the 2006 updated plan that was based on the 1986 original plan for potential structure improvements projects on the North spit. The change in the local economy, the addition of the rail line, and the movement of the Jordan Cove Project could shift the focus of the CCURA from general infrastructure and improvements on the North spit to some specific infrastructure improvements associated with developing some of those properties.

He said the action requested is to authorize Port staff as the CCURA administrator to solicit proposals for professional services to update the North Bay CCURA Plan. Mr. Koch said when staff prepared the Fiscal Year budget for the CCURA, they set aside up to \$600,000 for professional services for that project. He said he would be surprised if it incurred that level of expense during the current Fiscal Year but they put it in as a place holder so they had a budget available to pursue a plan update.

Commissioner Hanson said she thinks this is really important because in 2006 the US peaked as being an exporter of finished goods. Now Asia is importing concentrates and doing the value added work there. She said it would be in the Port's favor to look into it more.

Mr. Koch said staff is mindful that the CCURA plan is set to expire in 2018. It will be important as the County and CCURA Board decide whether to extend the plan, the agencies life, or allow it to expire. Doing the plan update will provide the agency with the data and information the County Board of Commissioners will need to make that decision within the next few years. The timing is good for a number of reasons to do this plan update now.

Upon a motion by Commissioner Hanson (second by Mr. Graham), the CCURA Board voted unanimously to approve Authorization for Soliciting proposals for plan update.

Motion passed.

Commissioner Sweet said \$600,000 seems like a lot of money. HE said it seems so often these plans get created and then before they are implemented, things change. A lot has happened but not because of the plan. He said he has to voice some concern as the world economy changes so quickly. He asked if there is a possibility they are wasting money.

Chairman Goergen said he believes the action is to only solicit for proposals. He said the board should certainly have that discussion before deciding to choose a proposal, proceed with it, and authorizing to spend.

Mr. Koch said he would like to clarify the \$600,000 is simply a budget place holder. Port staff is not asking the agency to approve a contract with a consulting firm of any dollar amount today. They simply need authorization to solicit proposals. Under the statute CCURA is required to operate off of a plan. Any capital projects the Port invests the agencies money has to be identified in a plan. The issue they have today is the 2006 plan identified projects some of which have been completed, but some which are not necessarily relevant to the conditions they find. It is necessary for the Port to update that plan based on existing conditions knowing they change. Mr. Koch said the Port is at the point where in order to continue moving forward with investing in projects and the right kinds of projects for today, they need current information rather than 8 year old information.

Chairman Goergen said he thinks it is wise to incorporate in the request for proposal process, the ability to opt out and/or suspend at any given time. He said if for some reason the existence of the CCURA agency changes, the agency definitely needs to be prudent about spending the money and maintain flexibility.

Mr. Koch said staff will put together the request for proposal and forward a copy to all of the Committee members so they can see what the Port's solicitation is. Commissioner Sweet, Chairman Goergen, and Mr. Leahy said they would like to view them. Mr. Koch said Port staff will inform them when they receive the proposals.

C. IGA for Administration of the CCURA, David Koch

Mr. Koch said there was a backgrounder and draft of an Inter-governmental Agreement prepared by Attorney Andy Combs included in their packets. It is based on Inter-governmental Agreements that exist between Urban Renewal Agencies and the Municipalities that administer them.

When the County, who had been the CCURA Administrator, cut staff and eliminated its economic development department, Commissioner Whitty made the suggestion that the Port take on that role. Mr. Koch feels it has worked well and the Port is happy to take on that role of Administrator. Mr. Koch said the Port wants to have a written agreement of what the agencies expectations are of them as the CCURA Administrator, and make it clear what the reimbursement amount was for staff time and effort in doing all of the administrative duties. The Port's expectations are they will hold at least quarterly meetings of the board, prepare the agenda and program, and actively manage more agency projects. The plan update is the kicking off point for that. Mr. Koch said this is a 5 year agreement and the Port chose a monthly flat fee rather than tracking staff time and billing hours. He said he would like to present this action to the committee for their consideration.

Commissioner Cribbins said she realizes these are relatively low dollar amount contracts but it seems like they should have more of a termination provision included in there with options for either side to terminate. The agency agreed that a 90 day termination option by either party would be appropriate.

Upon a motion by Commissioner Cribbins (second by Mr. Erbele), the CCURA Board voted unanimously to approve an Inter-governmental Agreement for Administration of the CCURA subject to adding the clause for a 90 day termination by either party.

Motion passed.

Mr. Koch said this has to be approved by the Port Commission so it will be brought up at their Regular Commission meeting this month.

5. OTHER ITEMS

6. BOARD COMMENTS

7. ADJOURN

Chairman Goergen adjourned the meeting at 12:10 p.m.