

MEETING SUMMARY- SOUTH COAST UMPQUA REGIONAL SOLUTIONS ADVISORY COMMITTEE

Meeting Date: February 4, 2019; 1:00 PM

Meeting location: Room 121, Coos County Courthouse, Coquille, Oregon

Advisory Committee (AC) members present:

Keith Tymchuk *

James Seeley* (by phone)

Coos County Commissioner John Sweet*

David Kronsteiner*

Douglas County Commissioner Chris Boice

City of Port Orford Councilor James Auburn (by phone)

Coos County Commissioner Sue Gold (by phone)

*Executive Committee members

Regional Solutions Team/Agency Representatives:

Alex Campbell, Coordinator, Governor's Office

Mary Camarata, Department of Environmental Quality (DEQ) (by phone)

Sean Stevens, Business Oregon

Mark Usselman, Oregon Department of Transportation

Annette Shelton-Tiderman, Oregon Employment Department

Guests:

Sam Baugh & Shaun Gibbs, South Coast Development Council

Tracy Loomis and Brandi Welchel, CCD Business Development Corp. (by phone)

Lee Russell, N. Douglas Betterment

Brian Kraynik, Coos Boat Tours

Katy Eymann, Citizens for Renewables

Larry Mitchell

1. Minutes for October 22 were approved
2. Regional Solutions Program updates (Alex Campbell)
 - James LeBar will be the new Regional Solutions Director.
 - The Governor's budget request included \$15 million for Regional Infrastructure Finance (RIF).
 - Business Oregon & Regional Solutions are working to refine the RIF process, including adding a required letter of interest/invitation to apply step.
 - Status for each of the previously-funded Youth Work Experience RIF projects was shared.
3. Legislative Session (Alex Campbell). Alex had asked Sen. Roblan and Rep. McKeown to share their priorities for the session. They were not available to join by phone but shared the following with him to pass along to the AC.

- Sen. Roblan: Education funding, impact & accountability; housing affordability; Jordan Cove permitting; transportation funding bill compliance/reporting; coastal economic development issues, including fishing and off-shore renewable energy.
- Rep. McKeown: Assuring the integrity and compliance and make fixes to the transportation funding package; monitoring inter-play between “Cap & Invest” legislation and transportation funding; regional/rural airport funding; Port of Coos Bay dredge funding.

4. Jordan Cove.

- As Mr. Deister was not available, Alex announced that portion of the agenda would be cancelled. He added that the topic was on the agenda in response to a request by an Advisory Committee member--and that it did not mean that establishing a regional solutions project in relation to Jordan Cove was a possibility, given the Governor's clear position.
- Mary with Department of Environmental Quality offered to provide an update on the status of DEQ permits related to the topic. She gave the status of the Federal Energy Regulatory Commission (FERC) approval, and noted that the first FERC order, possibly forthcoming in fall 2019, could/would create the ability to use eminent domain. Commissioner Boice asked who would make the determination of whether there is a sufficient public interest served by the project to justify the use of eminent domain. Mary responded that it was FERC who make that determination. She added that her understanding was that while such a determination had been denied in the past primarily because of the lack of a commitment by a buyer, the project does now have an agreement to sell/export LNG. Katy Eymann disputed this point, stating that she did not believe there is a firm contract.
- Alex explained to those in the room that he was uncomfortable with the level of detail of the discussion, given that he had told several members of the public that because Mr. Deister was not attending, the AC would not be discussing the project.
- Mary related the status of state agency involvement with the removal/fill permit application (Department of State Lands comment period is closed, DEQ is now in consultation with US Army Corps of Engineers on the related 401 water quality certification, including examination of storm water impacts and reviewing Land Use Compatibility Statements). A member of the public requested clarification of who was the applicant for the removal/fill permit to dredge. DEQ responded that it was the International Port of Coos Bay, with the stated purpose of advancing both a Roseburg Forest Products expansion and the Jordan Cove project.
- Alex insisted on ending the discussion.

5. Project Reports.

- Port of Port Orford (Alex): RIF contract is being drawn up by Business Oregon based on the match shares needed to complete the project as proposed/approved by the AC. If match is not fully secured, the AC will be consulted prior to any renegotiation of the grant contract. Project is making a lot of progress on both design and financial planning. Alex will be seeking an opportunity to brief Gov. Brown.
- Back Nine Industrial Park (Alex): Team is providing assistance to property owner with navigating 401 Water Quality Certification needed to fill mitigation sites that were

“over” built in comparison to the original project’s actual need. First project (a distribution center) is under construction.

- Yoncalla Wetlands Bank (Mary): Dioxin above the very low allowable screening levels has been detected. Working on a plan for additional sampling to clear the site.
- Elk River Restoration (Mary): Wild Rivers Trust is seeking to reconnect Bagley Creek, bypassing an old fire pond. The State is assisting with site characterization to allow purchase of property needed to complete the project.
- Coos Bay Village (Mary): Old vaults have been removed and DEQ expects to issue a “No Further Action” letter in February or March. The removal/fill permit has been issued and mitigation completed (in the form of removing the old decaying dock structures). Owners are currently placing over-burden on site. Alex added that negotiations with Port of Coos Bay regarding rail crossing improvements remain one of the final significant hurdles. Port CEO John Burns is taking a personal interest and assisting directly.
- South Douglas County CTE Oregon Solutions Project (Alex): The project partners met last week to sign a Declaration of Cooperation, committing to move forward on a joint Career and Technical Education facility to serve 5 rural school districts. The program will launch this fall at South Douglas High with a construction/architecture program. Commissioner Boice reported that Douglas County has resolved a potential land use barrier and donated an 11 acre parcel just south of Myrtle Creek for the future home of a new, dedicated facility.
- Gardiner IP Site (Sam Baugh): The site has excellent potential, given power availability and large buildable area, despite not being on I-5. Business Oregon recruitment team recently visited site and shared that the absence of natural gas is the primary barrier to business recruitment. SCDC is exploring how the site might be served, but have not been able to identify a feasible/cost-effective method. Larry Mitchell asked, if gas is not available, why continue to pursue development at the site. Commissioner Boice, Keith Tymchuk, and Sam responded that the site does have some very attractive attributes and has the potential to support significant employment and tax generation.
- Opportunity Zones (Sean Stevens): The State of Oregon, with foundation partners, is exploring a method to review projects in the established OZ’s and make them known to Qualified Opportunity Funds (investors) as those funds are established. Commissioner Boice asked how the zones were selected. Sean explained the technical requirements for low income census tracts, of which the state could designate up to 25%. Alex explained that input from a wide variety of governmental entities was requested. That input, combined with metrics developed by Business Oregon, was used by Governor Brown to choose the zones. There are 5 zones in the South Coast Umpqua Region (2 in Coos Bay/North Bend, 1 each in Reedsport/Gardiner, downtown Roseburg, and Port Orford area).
- Cross-Laminated Timber (Sean Stevens): The recent Oregon Mass Timber Development Summit hosted by the Tallwood Design Institute (the U. of Oregon/OSU collaboration on mass timber) and Business Oregon high-lighted continued growth in the mass timber sector. Four hundred projects are under construction or have been completed nationwide, including 40 in Oregon, which remains a leader in the sector. Changes to the International Building Code will make possible construction of 15-story mass timber buildings. DR Johnson reported at the conference that their Cross Laminated Timber

(CLT) production capacity is booked through the 3rd quarter of this year and employment is up by 30 people, mostly in higher tech aspects of production. They recently booked a very large job in northern California, which will be announced soon. Freres Lumber is encouraged by the market reception for their Mass Plywood Panel (MPP) product and is already planning to expand capacity to 1.5 million cubic feet/year. Katy Eymann asked if there were concerns about de-lamination. Alex explained that there had been a failure on the Peavy Hall project at OSU, but the issue had been determined to be a manufacturing process error. David Kronsteiner noted that the glue technology is essentially the same as that used in glu-lam beams that have been in use for decades. The CLT product has been in use in Europe for several decades

6. Governor's Executive Order on Wildfire (Alex)

- Governor Brown signed last week an order creating a Council to look at both the state's wildfire fire-fighting funding model and structure, on the one hand, and ways to tackle prevention through more aggressive stewardship and fuels reduction.
- Matt Donegan, with extensive experience in the forestry sector, will chair the Council, which is tasked with generating a report by fall of this year. The goal is to be ready to prepare any legislative changes needed for the 2020 short session.
- Alex shared maps from Oregon Explorer [<https://oregonexplorer.info/topics/wildfire-risk?ptopic=62>], which is capable of showing a variety of wildfire risk calculations at a very high level of detail.

7. Advisory Committee Roundtable

- Jim Seeley shared an update on the enormous amount of work that has been done by the Gorse Action Group (GAG) over the last year since the completion of the Oregon Solutions effort, including multiple demonstration projects, cooperation between the county and City of Bandon on the "donut hole," collaboration between City of Bandon and ODOT on gorse removal in the Highway 101 corridor, and Oregon Department of Agriculture efforts on scientific work. Wild Rivers Coast Alliance recently funded a half-time position at the Coquille Watershed Council to work on gorse and the Oregon Invasive Species Council is heavily engaged on funding discussions.
- David Kronsteiner reported that the rail swing span over Coos Bay should be back in operation by the end of February. New locomotives are in operation. Port recently received a \$20M BUILD grant for additional repairs/rehab to rail bridges and tunnels. Expecting EIS for the channel deepening project by spring 2020. GMA is using a pilot plant and producing; they are working with USACE on developing a project to extend the channel further up the bay.
- Commissioner Sweet noted that the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians have filed with the State Historic Preservation Office requesting historic designation for most of lower Coos Bay. Coos County is considering how to respond given the Tribes' legitimate interests, while also considering the impact of adding another layer of protection in the context of many regulations that already exist.
- Keith reported that he had a good discussion with Governor Brown recently. He affirmed that he would like to continue in his role of convener of this Advisory Committee and requested her help with a resolution of the Elliot State Forest issue that would meet the needs of all parties.

- Commissioner Sweet noted that Douglas & Coos Counties have made a joint proposal to the State Land Board to purchase the Elliot; their plan would include long rotation timber harvest. OSU has been given one year to develop a proposal by the State Land Board. OSU have also said that any workable arrangement would require some harvest. Commissioner Sweet noted that the counties have a current vested interest in the forest and bonding capacity to complete the purchase. Commissioner Boice suggested that a joint proposal by OSU, the counties, and perhaps tribe(s) might ultimately make the most sense.
8. Public Comment
- Kate Eyman shared a document with Advisory Committee members that shows a significant opportunity for the collection of off-shore wind energy off the coast of Coos Bay. She suggested that this was an opportunity for the International Port of Coos Bay to deploy and maintain wind turbines, and potentially to manufacture them. California legislation will require 100% renewable electrical generation by 2045, providing a significant market opportunity. As a representative of Citizens for Renewables (formerly Citizens Against LNG), she requested the Advisory Committee urge the Port of Coos Bay to look closely at this opportunity. Larry Mitchell noted that this kind of deployment would not require additional dredging. David Kronsteiner responded that Port has looked closely at off-shore wind; there are still some very significant permitting challenges.
 - Bryan Kraynik, owner of Coos Boat Tours, requested assistance in discussions with the Oregon Marine Board. He would like to enter a concession contract with Oregon Parks & Recreation Department to provide water taxi service between Bullards Beach State Park and Port of Bandon, but has not been able to do so because of Oregon Marine Board's policy of prohibiting any commercial activity on docks that they have funded. Alex agreed to follow up with him.
9. Meeting Adjourned at 3 PM.