

**PORT OF NEWPORT COMMISSION WORK SESSION**

Tuesday, May 23, 2023, 5 p.m.

Port Admin Building

600 SE Bay Blvd.

Newport, OR 97365

*This will be a hybrid meeting, which means you can attend in-person, or you can view the livestream of this meeting on our website: <https://www.portofnewport.com/2023-05-23-commission-meetings-2023-may-23-2023-5-00-p-m>*

**I. Call to Order**

**II. Goals and Objectives Discussion – Miranda**.....Page 2

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**III. Public Comment (3-minute limit per person)**

**IV. Adjournment**



## **ANNUAL GOAL SETTING**

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**DATE:** 05/12/2023  
**RE:** 2023-24 Commission Goal Setting  
**TO:** Board of Commissioners  
**ISSUED BY:** Paula J. Miranda, General Manager

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### **INTRODUCTION**

Once again, I have included a summary of plans and strategies, as well as our Capital Improvement Plan based in our Strategic Business Plan with comments of where we currently stand on those goals and improvements. We went over the Capital Improvement Plan and updated our list. We didn't have many new things to add. We mostly tried to be in sync with our budget and address any updates and add items we believe need to be addressed that were not originally listed on the Strategic Business Plan. Just like in the past some items may seem like priority number 1, we didn't list them as such due to lack of permits, lack of plans, difficulty in getting funds or lack of resource. We are still short on staff capable of doing too many projects every year. We can go over all the items, or some of the items and will have the Port management team ready to answer any questions or concerns the Board may have.

In the past the Port adopted values, mission & vision. I have included a copy for your information. Typically, it is recommended that they be evaluated every 5 years to make sure they still reflect the beliefs of the Port and the community. We will be looking into updating our Strategic Business Plan in another year. We can then also revisit our values, mission & vision at that time.

If any commissioner wishes to recommend any additions or changes to the items listed, we will be happy to make the changes. You will also have an opportunity to make additional input on priorities during the budget process. Doing this process along with the budget will assist us on mapping out some of the budget items. Items to be included don't have necessarily to be related to capital improvement. It can be anything included on the Strategic Plan or something else the commissioner wishes to see achieved. It can also be provided directly to the General Manager. Any changes provided by the commissioners will be included on the list and brought back for future approval. We will give a chance for the Board to discuss the items presented before prioritizing them.

I look forward for this process in creating measurable goals. I thank you in advance for your commitment to the Port and for helping prioritize so many things we currently strive to complete. I am sure as you evaluate our priorities you will do so with the Port's values, mission and vision in mind in order to help create a better community.

## STRATEGIC BUSINESS PLAN SUMMARY

These industries are summarized below, including market trends, constraints, and opportunities for growth.

### 1. *COMMERCIAL FISHING*

Consolidation in the commercial fishing industry is expected to continue in the next five years and beyond. Newport must seek to retain the existing fleet and processors, as well as attract additional entrants. This will require updating/improving the facilities that the sector requires, such as moorage space, offloading docks and equipment, gear storage, upland support services, processing facilities, and logistic facilities, among others.

Independent seafood buyers represent a growing industry in Newport, and one that increases the need for transient moorage space with vehicle access. Four companies are currently in operation, and more are interested. These buyers purchase fish off the boats, and use the Port's hoists to unload from boats and load onto trucks. There is currently a lack of temporary moorage space and land alongside to accommodate them, and there is also a need for additional lift capacity.

### 2. *MARINE RESEARCH AND EDUCATION*

- a. Offshore Energy. *"The Port has continued to work with offshore wave energy as they look into the transportation of cables and other items from our terminal related to the OSU project. The selected contractor hasn't engaged with the Port much, but we expect some of the work will still funnel through our port. On the other hand wind energy has been problematic for port users. The Port has provided comments to BOEM on possible conflicts to fisheries."*
- b. Aquaculture. *"In recent past the Port has entertained a couple possibilities with oyster and dulce." Since COVID we haven't heard much on this sector, but will continue to pursue if opportunities are available. Not much has changed since last year.*

### 3. *TOURISM AND RECREATION*

- a. Recreation Vehicle Camping

Combined, these four parks saw the number of overnight guests grow from 364,000 in 2011 to 438,000 in 2017, an increase of more than 20 percent. *"The Annex continue seeing a degradation and we will need to address the problem sooner. We started the process by advertising an RFP for the plan process. We are also reassessing the main RV park and may come up with a new 3-year plan to address long-term versus short-term in the next few months."*
- b. Recreational Boating

Between 2014 and 2017, the number of boats grew to nearly 166,000. There was an increased especially in the number of registered boats longer than 20 feet. *We continue with ongoing repairs on the recreation marina and also working on the plan to add an additional lane to the boating ramp. Derelict boats continue to be a problem, but the State is stepping in and adding some funds to be administer by DSL. We still don't know how the plan will apply, but hopefully this will help address some of the problem. In general we have been doing a better job in enforcing our regulations, which always makes it more challenging, as complaints arise during this time. We continue to work on addressing proper registration and conditions of the boats. We recently received some grants from*

*Business Oregon to add a couple cleaning stations. They most likely will not be installed until Fall, but it should be helpful for future uses. I am sure that with summer around the corner, parking on the street will continue to be an issue, although with the City new regulation, that should minimize the amount of folks camping on the street by tent or RV.*

#### 4. MARINE CARGO

a. Breakbulk

Since the 1970s, most breakbulk cargo has been converted to containers. As a result of this shift, the breakbulk trade has become far more specialized, targeting certain high-volume commodities, such as logs, lumber, wood pulp, paper, fruit, lumber, and some steel products. West Coast foreign imports of breakbulk/neobulk cargo dropped by more than half between the peak year of 2004 and 2016. West Coast exports of breakbulks/neobulks are led by fruits and vegetables, pulp and paper, wood products, and rice. There is also a small amount of fish exported in breakbulk form. Exports of breakbulks/neobulks have grown substantially since 2000; however, volumes peaked from 2011 through 2013 and have dropped substantially since then.

**Challenges:** *“Lack of rail, deep water beyond -30’, infrastructure and general transportation continues to be a problem. We continue to work with possible projects related to wave energy. We also have a project coming up for Georgia Pacific.”*

b. Logs

Currently, Coos Bay and Astoria are the only ports in Oregon that handle log exports. A recent forecast projected that Pacific Northwest log exports are likely to grow slowly through 2035, assuming that Chinese demand continues to grow. The timber harvest in the Newport region is less than half of what it was during the mid-1960s, but has seen growth since bottoming out in 1998. Lincoln County’s share of the regional harvest averaged 8.5 percent from 1962 to 2017. Log shippers have demonstrated interest in using the International Terminal to ship logs, and the Port should consider accommodating log shipments.

**Challenges:** *“The market for logs is still a bit weak as far as exporting goes. However, we have been working with a national company and recently have discussed the use of the terminal with a regional company We have been working with a couple forest industry tenants, but because of the lack of equipment we haven’t been able to bring them aboard. The port has once again submitted a grant request to MARAD to address grading and equipment for the operations at our 9 acres. We updated some of the information and hopefully had a better application this time. We should know more by Fall.”*

c. Dry Bulk

For the most part, the dry bulk commodities that move in and out through West Coast ports are transported to or from inland point by rail or by barge, with smaller volumes moving directly into or out of plant or moving by truck. Because the Port is not served by rail or by river barge, the Port is unlikely to attract a substantial volume of most dry bulk cargo. Woodchips are a major dry bulk cargo handled by ports in the Pacific Northwest. The Georgia-Pacific (G-P) mill in Toledo may represent a potential market for receiving woodchips through the International Terminal. The G-P mill has been in operation for approximately 60 years, and at one time, it received woodchips by barge, but now receives woodchips only via truck and rail. The International Terminal may be able to attract some

of the G-P woodchips if the economics of the combination barge/truck move are competitive. The Port should consider approaching G-P to determine if this is feasible.

**Challenges:** “We have not found opportunities for dry bulk yet. I once again spoke to Business Oregon about a possible grant to search for opportunities. We may be applying for that soon.”

d. Liquid Bulk

**Challenges:** Newport does not have a large population base, and does not have industries that use or produce liquid bulks, the “Port is unlikely to attract liquid bulk cargoes”

e. Containers

**Challenges:** Smaller ports face a number of issues attracting container trade due to trends toward larger ships in the trans-Pacific trade and the fact that port alliances control almost 90 percent of it. Because Newport lacks water depth, rail access, and a large population base, it is unlikely to play a significant role in West Coast container markets.

“Unfortunately, as explained by consultants, it is very unlikely this Port will ever be home for large amounts of containers, as we were just not built for it. We don’t have enough real estate to accommodate containers and the lack of rail and deep draft is pretty much a non-started for this type of cargo.”

Local production represents the best cargo opportunity for the International Terminal. The two main production industries in Lincoln County are forest products and commercial fishing. The output volume of the commercial fishing industry is probably too small to support shipping via water, but may be sufficient to attract service from small breakbulk freighters.

The forest products industry represents an opportunity for the Port. Newport may be able to attract logs to the International Terminal, either for loading onto ship for export, or loading onto oceangoing barges for transport to another port for export, such as Astoria, Coos Bay, or Longview. As noted above, log shippers have demonstrated interest in using the International Terminal to ship logs.

The ability of Newport to attract cargo from farther inland, such as the Willamette Valley, is limited by a number of factors, including:

- Competition from other ports whose hinterlands overlap those of Newport. For example, for points north of Albany, Portland is closer than Newport and offers multiple shipping terminals. Similarly, points south of Eugene are closer to Coos Bay than Newport
- Insufficient volumes of non-containerized cargo. The overwhelming majority of international cargo shipped from the Willamette Valley is containerized, and the remaining non-containerized volume is likely not sufficient to attract vessel service. In addition, the state of Oregon is also studying the potential to locate an intermodal terminal in the Willamette Valley to handle containerized international export and import cargo.
- Water depth in the Yaquina Bay shipping channel limits the size of ships that can use the International Terminal. Because smaller ships are less efficient than larger ones, this increases the ocean shipping costs.

Because of these limitations, inland cargoes do not represent as strong an opportunity for the Port as do forest products.

*“As mentioned above, we have been working with the forest industry, which is the most likely opportunity we will have here in Newport to attract cargo business. Once we have the proper equipment we will know how well this will fit into the terminal.”*

## 5. OTHER MARKETS AND INDUSTRY OPPORTUNITIES

### a. Rogue

- i. There are approximately 500 feet of dock in front of the brewery that could be used for transient moorage.
- ii. Potential opportunities that Rogue is considering include producing dulce and/or salt – some is used to produce gose, a fermented beer.

We had discussions with the Oregon State Marine Board on upgrading the dock near the seawall at the same time we repair the seawall. However, the marina is in need of additional long term moorage spaces and not transient spaces. OSMB is unlikely to invest on long term moorage. We also discussed the issue with Business Oregon. We will continue to work in finding for this project.

We started our work on trying to address the seawall. Meanwhile, Rogue has continued to invest in their operations growing the business here in Newport. Rogue is still working on their wastewater system and may soon start construction.

### b. Cruise Ships

- i. Newport could attract cruise ships as a port of call during repositioning trips. The Alaska cruise market is based in Vancouver, BC, and in Seattle, Washington. At the beginning and the end of the Alaska cruise season, each vessel must be repositioned (moved) from or to its winter homeport, and these repositioning cruises present an opportunity for coastal ports such as Newport. Air draft under the Highway 101 bridge is a more important limitation. Most of the large cruise ships that operate in the Alaska market cannot pass under the bridge. Several smaller ships operate in that market, however, and they may present an opportunity for Newport. In order to explore this opportunity, the Port and the community should make contact with the industry group, Cruise the West, as well as with cruise directors from lines that operate small vessels.

*“The Port has made some contacts and evaluation of cruise opportunities. As stated on the Strategic Business Plan, the bridge clearance is the biggest challenge. For instance, most cruise ships that call on Astoria are over 184’, the Newport bridge has a clearance of 133’.*

*I made contact with American Cruise Lines during the PNWA conference as they provide services with small vessels. Unfortunately, most of their vessels serve the river. They are not ready to come to the Coast. We will continue to look at small cruise opportunities in the future. No other opportunities have been discussed since last year.”*

## MANAGEMENT PLAN

**Goal 1: Develop a management plan that enables Port Commissioners and staff to achieve the Port's mission and prioritize economic development opportunities within the District.**

**Policy 1.1:** Prioritize projects and identify target businesses and potential partnership opportunities with public and private entities that will leverage Port resources.

- a. Strategy 1.1.1: Annually review and update the capital facilities plan and develop a list of priority projects in conjunction with the budget development process. Strategy 1.1.2: Pursue partnership opportunities with private businesses to develop industrial/commercial facilities that meet market demand and provide greater economic development opportunities within the District.
- b. Strategy 1.1.3: Integrate the strategic business plan as a planning tool and review its key projects and policies annually in conjunction with budget meetings.
- c. Strategy 1.1.4: Expand the Port's portfolio by targeting and pursuing new industries identified in the market analysis, such as seaweed and oyster cultivation, log exports, and attracting small cruise ships as a port of call.
- d. Strategy 1.1.5: Incorporate the strategic business plan into the Port Commission's decision making to ensure continued alignment with the Port's mission and commitments to its funding partners, other agencies, its stakeholders, and the Port district.

Status: "We have continue to evaluate our capital facilities during our budget on an annual basis. We have also updated our capital Improvement Plan to reflect our latest improvements completed and our future improvements needed. We have consistently been engaged with regional partners, associations and in regular discussions with funding partners to make sure our needs are in sync with those needs of the community."

**Policy 1.2:** Maintain and optimize marine assets.

- a. Strategy 1.2.1: Develop a set of metrics to evaluate projects and properties, including underutilized and vacant properties.
- b. Strategy 1.2.2: Lease marine facilities, but do not sell marine assets.
- c. Strategy 1.2.3: Develop a mitigation plan to address impacts of capital projects and streamline future permitting.
- d. Strategy 1.2.4: Develop an International Terminal Plan to study a mix of uses and opportunities, required transportation improvements, and the maximization of terminal space at the International Terminal.
- e. Strategy 1.2.5: Develop a North Commercial area plan to develop and evaluate solutions to address service, infrastructure, capacity, and long-term financial sustainability issues.
- f. Strategy 1.2.6: Develop additional business unit plans for Newport International Terminal, NOAA, and South Beach
- g. Strategy 1.2.7: Adhere to and periodically update the Ports strategic business plan to determine priorities and provide for long-term efficiency and financial sustainability.

We are continuing to work on our plans to improve, create and replace several of our assets. Most of those efforts can be found on the annual budget or on the Capital Improvement Plan. Our port just like many other ports have a lot of aging assets in need of replacement and that poses a big challenge when we are so dependent on grant funding. It is important to have plans in order to ask for infrastructure funding. Our goal is to

complete all necessary plans, so we don't lose opportunities during this major cycle of infrastructure funding.

Port Strategic Business Plans are typically updated every 5 years. We are planning on starting an update process within the next year.

**Policy 1.3:** Port Commission members and staff will participate in inter-governmental forums related to target industry development.

- a. Strategy 1.3.1: Sustain and leverage current partnerships for inter-governmental coordination needed to develop projects, even if the Port is not the lead agency.
- b. Strategy 1.3.2: Maintain focus on the Port's vision, mission, and target industries in the pursuit of partnership opportunities.
- c. Policy 1.4: Maintain Port operations and pursuit of market opportunities through staff and management changes.
- d. Strategy 1.4.1: Develop a staffing strategy and succession plan to account for employee turnover and future employment needs.

Status: "The Port is currently a member of several boards within the Port District that target industries and opportunities to the area (i.e.: YBEF (Port GM is the current President), City of Newport Vision 2040, Economic Development Alliance of Lincoln County, Chamber, Oregon Coast Aquarium).

We have been working and have made improvements to our policies and ongoing issues with employee turnover and will continue addressing issues that arises in order to address such changes. We have been providing good training and increase our pay and benefits."

## **Goal 2. Enhance the existing ability of the Port Commission and professional staff.**

**Policy 2.1:** The Port will provide appropriate training opportunities to enable ongoing professional development of Commissioners and staff.

- a. Strategy 2.1.1: Plan and budget for periodic training opportunities to allow Port Commissioners and staff to gain knowledge relevant to their positions, as well as existing protocols and policies.
- b. Strategy 2.1.2: Encourage Commissioner and staff participation in professional organizations (e.g., Pacific Northwest Waterways Association, Oregon Public Ports Association, Association of Pacific Ports, Special Districts Association of Oregon, and other entities).

Status: "The Port has budgeted for training for Commissioners and staff on an annual basis. Those trainings include attending conferences, SDAO trainings and various other professional trainings needed for individual positions. We continuously encourage staff and commissioners to take appropriate trainings to better their skills."



## ***FINANCIAL PLAN***

***Goal 1: Develop a financial plan that enhances the Port's long-term financial stability.***

***Policy 1.1: Develop a long-term cash flow model that projects the Port's anticipated financial performance in order to support and evaluate its strategic decisions.***

*Status: A model has been researched and data input will allow us to develop a 5-year financial plan. As accurate forecasts of future "projects" are developed, we will be able to develop an accurate cash flow. As we wrap up long outstanding items there will be sufficient time to complete this task. The Port has recently completed implementation of a new financial system. This new system will help us on the forecasting of revenue/expenditure trends. This will eliminate the need for separate spreadsheets and data extracts/imports. The model will provide the Port will cash flows based on existing historical data and known upcoming changes. Meanwhile, we started some forecasting on a spreadsheet that has helped us look into the future. We are still working on some glitches, but overall the system is mostly working as it should.\**

***Policy 1.2: Develop a finance manual that assists Port financial management.***

- a. ***Strategy 1.2.1: Establish a set of investment and borrowing guidelines that define the expected rate of return of capital projects with all costs and economic benefits considered. Review the financial implications of capital improvement projects, prior to approval.***
- b. ***Strategy 1.2.2: Continue set-asides of cash reserves to fund the match portion of future grants. It is likely that the proposed capital improvement plan will require grant funding.***
- c. ***Strategy 1.2.3: Continually seek opportunities to refinance portions of the Port's long-term debt.***
- d. ***Strategy 1.2.4: Continue efforts to streamline accounting processes including elimination of duplicative processes in the accounting office (integrate computer hardware and accounting software).***
- e. ***Strategy 1.2.5: Review salaries and benefits for Port personnel.***

*Status: The Port has a beginning model of the investment plan. First Interstate Bank has offered to assist the Port with development of this model. The structure for capital reserves and proper accounting for financial reserves has been implemented. The Ports balance sheet identifies reserves as required by GASB, anyone can review the balance sheets to identify reserve amounts and accounts. As a maintenance project occur, that funds have been set aside for payment for a portion or all of the project will come the reserve account.*

*Port staff identified a potential opportunity to offer a better benefits package, this would lower the maximum deductible from \$5,000 to \$750, reduce the out-of-pocket maximum and offer other benefits to staff, while keeping the cost within the budget of the Port. Because of timing, any changes in plan may not occur until 2022-23.*

***Goal 2: Continue to improve and enhance the financial performance of each line of business.***

***Policy 2.1: Improve the financial performance of the Commercial Marina. The Port is considering \$18.7 million in capital improvements to the Commercial Marina. Efforts should be considered to improve its financial performance.***

- a. Strategy 2.1.1: Consider raising rates and/or reducing the rate discount for annual moorage at the Commercial Marina. Consider a moorage rate that increases progressively with boat length.
- b. Strategy 2.1.2: Expenses have grown very rapidly at the Commercial Marina. Consider ways to increase reimbursement for expenses by assessing the cost for provision of services.
- c. Strategy 2.1.3: Consider changing operations to improve net revenues, such as consolidating gear storage, in order to enable other lease activities.
- d. Strategy 2.1.4: Consider establishing a modest parking charge for tenants.
- e. Strategy 2.1.5: The accounting system at the Commercial Marina uses a different software system that is not fully integrated into the Port's accounting system. Consider integrating the systems in the near future.

*Status: The Port has been reviewing and progressively raising its rates to catch up with the cost of running the marina. We have also been evaluating all costs related to operations and services we provide to customers. We also made collections a priority. Since implementation, roughly 36 percent of Port customers were 90 days or more overdue, now that has dropped considerably. The new financial software will integrate all systems to create better efficiencies. The system will allow the Port to track collections more closely. Our financial department has done an excellent job in keeping track and following through in our collections.*

*The financial system has the potential to better determine the cost of different lines of Port business. This will allow the Port to evaluate prices as compared to costs. The new financial system will also allow automation, improving financial performance. The new financial system should allow for the entry of service tickets as the service occurs, for monthly inventory of lot storage to occur electronically and for the inventory of vessels to occur electronically increasing the financial performance of the Port.*

**Policy 2.2:** Continue to enhance the financial performance of South Beach facilities. The Port is considering \$5.3 million in capital improvements at South Beach. Efforts should be considered to improve the financial performance to assure that net revenues are available to recapitalize the South Beach marina when required.

- a. Strategy 2.2.1: Consider ways to improve the rate of return on leases (OSU and Oregon Aquarium) that were very generous (\$1 per year).
- b. Strategy 2.2.2: Consider reducing discounts or finding other ways to increase revenues from moorage at South Beach. Consider a moorage rate that increases progressively with boat length and/or reducing discounts for annual moorage.
- c. Strategy 2.2.3: Consider increasing revenues by improving facilities at the R.V. Park Annex and Overflow lots; and consider providing higher end R.V. facilities as a part of development plans.
- d. Strategy 2.2.2: Expenses have grown very rapidly at the Recreational Marina. Consider ways to increase reimbursement for expenses by assessing the cost for provision of services.

*Status: Unfortunately, there is not much we can do on ongoing leases with OSU and the Aquarium. The focus of those leases were to bring opportunities to Newport and the Port did just that. The lease terms are long and until then we have to abide by the term of the leases. Meanwhile, we will just continue to work with those tenants as partners and mutual contributors to the community. We should start decreasing the annual discount on moorage and begin charging a fee for utilities, while also increasing minimally the rates in the marina. The Port reduced the discount for annual moorage holders in the South Beach Marina and began charging a utility fee to the liveaboards. The Recreational marina continues to be super busy during summer months and now through the Fall when most of the park is sold out. Plans to invest on the RV Park will be included in the*

coming budget, as we do believe those will contribute to revenue increases. Pricing for the Main RV Park may be at its maximum for now. There are no other reimbursable expenses we can foresee at the moment.

We are still evaluating the implementation of a parking charge stations at the marina. We are hoping to be able to implement that during the 2022-23 fiscal year.

We have renegotiated some maintenance requirements under the Marina Store, which will help the Port's financial requirements.

**Policy 2.3:** Seek ways to improve the financial performance of Newport International Terminal. The Port has invested \$26 million in capital improvements at the Terminal. The facility is in good condition and requires modest improvements (estimated at \$497,000) during the next five years.

- a. Strategy 2.3.1: Consider ways to attract and retain cargo operations (logs, wood chips etc.) under a plan that produces sufficient net revenue for the Port.
- b. Strategy 2.3.2: Consider ways to attract and retain uses for the 9-acre unimproved area toward the road (gear storage, other operations).
- c. Strategy 2.3.3: Seek ways to supplement and enhance efforts underway at the Rondys property.
- d. Strategy 2.3.4: Consider raising rates for moorage by commercial fishing boats.
- e. Strategy 2.3.4: Consider ways to increase reimbursement for expenses by assessing the cost for provision of services.

*Status:* We continue to entertain prospects from the forest industry, but need the proper equipment, which a grant has been recently applied. Conversations started again with Business Oregon on funding a marketing plan for NIT.

**Policy 2.4:** Seek ways to assure the continued sound financial performance of the NOAA Facility. The lease for the facility is essentially a break-even enterprise.

- a. Strategy 2.4.1: Review NOAA reserve calculations to ensure that operating revenues will cover long-term capital needs as well as short-term needs (dredging, repair, etc.).

*Status:* With the Refinancing of the Bonds, the NOAA facility is profitable, the additional revenues has been put aside for future use. We will soon start discussions with NOAA on the future of their lease. I started discussions with the City in efforts to help renegotiate NOAA's lease when it expires in the next 10 years.

## **ENVIRONMENTAL PLAN**

*The Port's goals include being environmentally responsible in the management of operations and facilities.*

*Sustainability is another of the Port's governing values - maintaining and expanding facilities while not compromising local resources and the natural environment. The following goal, policies, and strategies are proposed to assist the Port in maintaining its commitment to sound environmental stewardship.*

**Goal 1: Operate Port facilities consistent with established best management practices.**

**Policy 1.1:** *Establish green policies and best management practices to ensure compliance with current environmental regulations and balance economic development opportunities with regional sustainability.*

- b. Strategy 1.1.1: Work with local representatives to address environmental concerns and engage community input as needed for special projects.*
- c. Strategy 1.1.2: Share resources, funds, and opportunities with local and regional partners as appropriate to achieve common environmental goals and projects.*
- d. Strategy 1.1.3: Achieve "Clean Marina" and "Clean Shipyard" certifications from the OSMB.*
- e. Strategy 1.1.4: Develop a mitigation plan to address impacts of capital projects and streamline future permitting.*
- f. Strategy 1.1.5: Complete a risk assessment that forecasts the potential cost of negative environmental impacts and recommends risk mitigation and avoidance measures.*
- g. Strategy 1.1.6: Complete a comprehensive wetland mitigation strategy that identifies all wetlands on developable port property, as well as mitigation strategies (i.e., wetland enhancement, replacement, wetland bank) where avoidance is determined infeasible given site development programs.*

*Status: The Port has always work well with members of the environmental agencies and environmental groups. There has been no major violations that the Port had to address. The Port of Newport South Beach Marina is currently a Certified Clean Marina. Unfortunately, that does not apply to the Commercial Marina, as there is no such certification. We do not have a shipyard, therefore the "Clean Shipyard" comment does not apply to our Port. We have been working in developing mitigation plans as needed to address capital projects. Some of those along with risk assessment will be include in the plan process for each project as we are looking to budget for this incoming year. We have discussed banking some mitigations with some of the agencies. Although that may seem possible with some of the State agencies, that doesn't seem to be the case with the federal agencies. We would like to create a more comprehensive plan for wetland mitigation. Unfortunately, that takes a bit of funding and it is a bit harder to do without a project attached. Fortunately, the wetland at NIT did not need mitigating.*

***Policy 1.2:*** Consider the potential impacts of natural disasters and climate change on Port operations and facilities.

- a. Strategy 1.2.1: Partner with local agencies, industries, and organizations to create a resiliency plan, studying impacts from potential earthquakes, tsunamis, and rising sea level to local facilities and businesses.

*Status: We are always working with our partners, including the City, County, State, NOAA, OSU and other stakeholders for potential disasters. The Port has actually partnered on the purchase of the emergency storage boxes housed at the Safe Haven Hill in the event of a tsunami. The Department of Land Conservation and Development just started on a review of the Yaquina Bay Management Plan, which we have been invited to be on the steering committee. We will be working this month with OSU on Cascadia Subduction Zone earthquake and tsunami preparedness.*

## **MARKETING PLAN**

*The following marketing goals and policies are intended to assist the Port in maintaining positive relationships with the community and its current users and tenants as the Port pursues economic development opportunities.*

**Goal 1: Market the Port District, its services, assets, opportunities, innovations, and communities in three focused areas: (1) promotion, protection, and expansion of existing Port tenants and users; (2) recruitment of international, national, and/or local industries to maximize use of Port facilities; and (3) exploration of tourism, recreation, research, and education opportunities.**

**Policy 1.1:** *Develop marketing materials that focus on the Port District and local community assets, resources, job opportunities, and land availability.*

- b. **Strategy 1.1.1:** Work with Discover Newport to capture the rise in tourism by marketing local facilities and amenities to trades groups.*
- c. **Strategy 1.1.2:** Partner with CWEDD and the Economic Development Alliance of Lincoln County to promote the distinct advantages of the region and its assets, opportunities, and synergies in marketing efforts.*
- d. **Strategy 1.1.3:** Market directly to target industries and businesses that could locate in the Newport area and where demand exists.*
- e. **Strategy 1.1.4:** Identify opportunities to market the Port nationally and internationally.*

*Status: The Port has continued to work with Economic Development Alliance, the chamber and other partners to promote the region's assets and opportunities. During COVID time things were a little slow. We will revamp those efforts on this coming year.*

**Goal 2: Build trust, transparency, and excitement within the local community.**

**Policy 2.1:** *Develop public relations strategies that highlight the history of the Port, build community excitement and pride around the future of the Port, and establish a reliable communication mechanism between Port staff and Commissioners and the community.*

- a. **Strategy 2.1.1:** Host community events, such as barbeques, where the community can come and learn about the history of the Port and the projects that are underway or on the drawing board, and meet Port staff and Commissioners.*
- b. **Strategy 2.1.2:** Partner with local businesses to give joint tours of research, education, and recreational facilities.*
- c. **Strategy 2.1.3:** Establish a responsive single-point of contact, such as the marketing manager, for community inquiries, suggestions, or concerns.*

*Status: "We have continued working with Summit Communications on sharing our projects through Facebook, newspaper articles and newsletters." We also have some listening sessions regarding the RV Park, South Beach Marina and the Public Fishing Pier."*

Criteria Used to evaluate and group Projects:							
	0. Project Underway, continuation or completed						
	1. Large adverse affect on operating revenues, and\ or has a large adverse affect high paying jobs in district						
	2. Moderate to small adverse affect on Operating revenues and/or impacts lower paying jobs in the district						
	3. Improves overall operations, resulting in a better port, with better services, may or may not impact jobs						
	4. No impact to operations, does not generate revenue						
CAPITAL IMPROVEMENT PLAN							
	<u>Capital Improvements</u>	<u>Cost Estimate</u>	<u>Original Timeline</u>	<u>Budget Year</u>	<u>Criteria</u>	<u>Rationale for group</u>	<u>Funding Source (Grant, Loan, OP Funds)</u>
NIT	Planning project to identify a mix of uses/opportunities that will maximize use of the terminal and adjacent vacant port-owned properties, and increase net revenues to the Port. Project completion primarily by Port staff	Original: \$15,000 Current: \$30,000	2,019	Not Necessary	1	This may or may not help improve the marketability of the site.	OP FUNDS, Potential Grant
Mitigation Plan	Planning project to address mitigation needs of future capital projects and potential inventory of mitigation sites. Anticipated to be completed by Port staff in partnership with the Port of Toledo, Yaquina Bay users, NOAA, ODFW, and the USACE. Project completion primarily by Port staff	\$25,000	2019-2021	Not Necessary	0	We are unable to bank for mitigations on a federal level. Therefore, mitigation plans should be done on a needed basis based on projects, but the Port should budget some amounts to cover for consultants.	OP FUNDS, Potential Grant
RV Park Annex Plan	Planning and conceptual design project to redesign and reconfigure the RV Park	\$120,000	2019-21	2023-24	1	Does not affect high earners, but park is showing its age, major revenue could be lost.	Potential Grant Funds

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Port Dock 5 Interim Improvements	Interim improvements to replace pier and improve dock. Approach pier replacement; replace 6 pilings; replace rods, whalers, rub boards, bumpers and triangles (PD 5C); replace rods, bumpers, rub boards and 6 whalers (PD 5B); replace rods and rub boards (PD 5x); new power pedestals	\$3,500,000	2019-22	2021-24	1	There are still some projects left to complete, and they are crucial to the Port operations and should be finished as soon as practical.	OP FUNDS
Port dock 7 Interim Improvements	Interim improvements prior to reconfiguration /replacement: Miscellaneous float and pile improvements	\$348,000	2019-22	2022-23	1	Some of the repairs are crucial to keep PD7 in operations until replacement.	OP FUNDS



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Reconfiguration and Reconstruction of Marina	Complete reconstruction and reconfiguration of commercial marina, including Port Docks 3 and 7, Upland Improvements, Swede's Dock and Commercial Marina channel	Original Budget: \$14,75,000 New budget: \$20,000,000 Plus Channel \$5,000,000	2019-24	2024-2025	1	PD7 is at end of life, high wage earners will move elsewhere, major economic impact to Port and community	Grant (s)/Op Fund
Fishing Pier Improvement	Identify replacement strategy and design new fishing pier	\$2,900,000	2,022	2024-2027	4	Although we recognize the fishing pier has great value for the community, it does not improve the overall operations or revenues of the Port, it does not create jobs or impact the overall economy of the community. This project will provide greater value by combining it with the replacement of PD7 where it will support mitigation opportunity and possible use of grants.	Grants

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Rogue Seawall Repair	Repair Rogue seawall based on Engineers Report	\$1,400,000	2019-21	2022-24	1	Major economic loss, Rogue brewery could move, causing large loss to community and revenue to the Port. Many come to community to visit Rogue.	Grant received
Electric Work, Fuel Tanks and Security Cameras Replacements and Upgrades (Safety and Security)	South Beach Marina electric load centers; South Beach fuel tank replacement; relocate/replace hoist dock electrical lines; consolidate and upgrade total security camera network port-wide.	\$2,560,000	2019-2024	2021-24	3	These projects mostly affect the operations of the Port and the functionality of its assets. Because of that it is hard to obtain grants other than security cameras and lighting.	OP-Funds/Some grants

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NIT Improvements	Grading of Port's 9-acre lot (does not include wetland mitigation); asphalt lot west of shop, behind shop, and near the east entrance; asphalt nw corner of laydown area; installation of waste oil collection tank; mutually beneficial project, as required by development agreement with McLean Point developer	Grading: \$153,000; Asphalt: \$234,000; Tank; \$45,000, Other: \$50,000. Total NIT \$482,000 Plus removal of dredge Material \$200,000	2019-2023	2021-2022	0	We are currently finishing the grading work and have not much choice on completing some projects that have been agreed under the agreement with Rondy.	OP Funds
RV Annex	Final plans, new RV Annex; New RV Annex construction	\$2,620,000	2019-2022	2023-25	1	Does not affect high earners, but park is showing its age, major revenue could be lost.	OP Funds/Grants
Port Admin Building+A21;J44	Build a new building for administrative staff and commission meetings	\$2,400,000	N/A	2021-23	0	Although this was not originally included on the Strategic Business Plan, the project has been discussed and even planned in a couple occasions, because the need to replace a temporary building that is now almost 10 years old.	Loan/Op Funds

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South Beach Marina Improvements	Repair to South Beach Marina Buildings		N/A	2021-22	0	These major maintenance items were never added to Strategic Business Plan	Op Funds
South Beach Marina Storm Water	Emergency Storm Water Work	\$345,000	N/A	2020-2021	0	This was an emergency project that was completely unexpected.	Op Funds
343 SW Bay Blvd Removal	Emergency Building and Dock Removal	\$200,000	N/A	2021-23	0	The building was removed due to safety issues. We are hoping to remove the dock as a mitigation project.	Op Funds
North Commercial Oil Tank Removal	Emergency Commercial Oil Tank Removal and Upgrade	Tank: \$200000 Building \$86,000	N/A	2021-23	0	Old Tank was removed due to leaking issue. We are researching on a replacement	Op Funds
South Beach Marina GFI Breaker Installation	The GFI Breakers have all been purchased, moving towards installation	\$115,000	N/A	2021-22	0	The supply chain has caused some issues, but project is currently underway.	OP Funds

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NIT Conditional Assessment	Conditional Assessment	\$230,000	N/A	2022-24	2	The Pilings at NIT RoRo dock needs assessment and most likely repair and/or treatment to extend their life.	Op Funds
NIT Repair of RORO dock Pilings	Repair of RORO dock Pilings	\$687,000	N/A	2023-24	1	Assessment has been completed and some Pilings at NIT RoRo dock needs repairs and/or treatment to extend their life.	Op Funds
South Beach Marina Outfall Sleaving	Repair/Maintenance of Outfall at South Beach Marina	\$230,000; \$500,000	N/A	2022-23	3	The outfall at the marina needs to be addressed to avoid future issues (sinking).	Op Funds

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South Beach Buildings (previous fruit processing facility)	Demolishing, rebuilding, new roofs, new siding	\$300,000	N/A	2022-23	2	South Beach buildings are in pretty bad shape. We are in the process of leasing two of the buildings, but they need new roof and sidings. We also should demolish the unhabitable building and instead build a smaller building to house all the power to the property.	Op Funds
CM and NIT Forklift Replacement	1 Forklift has passed it's replacement cycle based on hours used.	\$128,000	N/A	2022-23	1	We deferred purchase of a new lift for 2 years; our forklifts in the Marina are heavily used and they must be reliable to keep the hoist dock working. We are well over the 6,000 limit for replacement on two forklifts	Op Funds
CM Shop Expansion	Expand shop at Commercial Office	\$30,000	N/A	2022-23	3	Need office space for Harbormaster, no confidential conversations can be held with current configuration.	Op Funds
Dredge Swedes Dock	Dredge Swedes Dock	\$150,000	N/A	2023-25	3	It hasn't been dredged in over 33 years and it is starting to show.	Op Funds
CM HOIST Dock Fenders	Replace Hoist Dock Fenders	\$35,000	N/A	2023-24	3		Op Funds

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CM PD 3 Access Power and Water	Remove PD 3 Power and Water Access from Neighboring Property	\$250,000	N/A	2025-27	3	Current Power and Water is attached to the neighboring building. We don't know the condition of the pilings.	Op Funds
SB HVAC system	Replace HVAC System at SB Shop	\$15,000	N/A	2024-25	3	HVAC systems are old and soon in need of repair	Op Funds
SB End ties A-E docks	Replace Rods and Whalers at end ties A-E in SB Docks	\$100,000	N/A	2022-24	3	The end ties are the largest single berths in South Beach. They "re used for the bigger vessels that use the marina, and are in need of rods and whalers to stay in operation	Op Funds
CM Swedes Ddock 12-14 Pilings	Replace pilings at Swedes Dock	\$215,000	N/A	2024-24	1	The Dock is at the end of its service life and in need of replacement	Op Funds
SB Asphalt Overlay	Asphalt Overlay at SB	\$100,000	N/A	2023-24	3	The asphalt in the area where Seafood & Wine is held along with other festivals has been patched again and again due to the impact of tent stakes and concrete curbing. It needs to be repaved.	Op Funds
Rogue Gutter Replacement	Replace Gutters at Rogue Building	\$100,000	N/A	2022-24	1	There are currently holes in the eves on the building. These need to be repaired to prevent impacts to the walls.	Op Funds

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SB Expo Center		\$30,000	N/A	2022-23	2	Facility to enhance the recreational theme of South Beach and add attractions for tourists. Would bolster hotel business and tourism in the region.	Op Fund/Grants
SB Forklift replacement	Purchase New Forklift for SB	\$40,000	N/A	2024-25	3	Current forklift is reaching the top end of operating hours	
Fillet Tables		\$130,000	N/A	2022-23	3	Tables are over crowded and we need to add capacity	Op Funds/Grants
NIT Crane replacement	Crane is at max capacity, in order to handle cargo or other heavy loads will have to be replace	\$700,000	N/A	2022-23	1	This is new potential revenue to Port, but could also affect high income earners should Crane fail	Grant - MARAD
North Commercial Cranes Replacement		\$160,000	N/A	2024-26	3	We need to consider replacing North Commercial cranes within the next 2-3 years	Op Funds
Port vehicles	Replace aging vehicles with high mileage all throughout the Port	\$100,000	N/A	2022-24	3	Vehicle breakdowns could cause Operational issues	Op Funds



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NIT Equipment plus Building	Purchase Terminal Equipament and Storage Building	\$4,305,125	N/A	2022-23	1	In order to establish future cargo operations, the Port should consider obtaining some equipment and a building to house such equipment. We should consider applying for future MARAD grants.	Op Funds/MARAD
NOAA Dredging	Dredge NOAA's Berth	\$1,099,000	N/A	2022-23	1	We have an obligation to dredge NOAA. We have skipped this year, but will be required to dredge in the following year.	Op Funds
NIT dredging	Dredge NIT's Berth	\$1,100,000	N/A	2022-23	1	NIT will need to be dredged within the next 1-2 years.	Op Funds
South Beach Marina Dredging	Dredge South Beach Marina	\$1,500,000 - \$2,000,000	N/A	2022-24	1	South Beach Marina will need to be dredged within the next 1-2 years. Coordinated efforts will be made to dredge the marina at the same time as we dredge NOAA if we are able to obtain permits in time.	Op Funds/OSMB

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South Beach Operations	Expand shop at SB	\$30,000	N/A	2023-24	3	Need office space for Harbormaster, no confidential conversations can be held with current configuration.	OP Funds
South Beach Marina Service Dock near the Rogue Seawall needs repairs	The current dock is not useable	\$400,000	N/A	2022-23	1	The South Beach Marina service dock needs some major repairs. We spoke to the Oregon State Marine Board, but they are unlikely to fund this project, unless the majority of the dock is to service transient boats, which it is not the case here. We are hoping to complete this work in parallel with the Rogue Seawall Repairs.	Op Funds

## PORT VALUES, VISION, AND MISSION

The Port's values, vision, and mission were updated as part of the process of developing the strategic business plan.

The following articulate the Port's current values, vision, and mission statements.

### Values Statement

Values are the Port's most deeply held beliefs and help us determine our highest priorities. They are the foundation on which we as Port Commissioners and as staff conduct ourselves and work. They serve as our guiding principles – the motivation for our goals, strategies, and actions to accomplish our mission. They clarify who we are as the Port of Newport, articulate what we stand for, and express what we deem to be acceptable standards for how the Port of Newport treats users, customers, partners, and our own team members.

The Port identifies the following governing values:

***Leadership.*** The Port of Newport proudly accepts responsibility as the leader, on behalf of the citizens of the Port District, to actively pursue economic progress and make decisions that are in the best interests of current and future users of the Port. This means building and maintaining an economically diverse and thriving Port that is resourceful in how we weather changing conditions and circumstances.

***Service.*** Our business is to serve the public – the commercial and recreational fishing fleets, the marine and tourist industries, our current lessees, potential new business partners, and the citizens of the Port District. We are professionals who provide the highest quality service.

***Collaboration.*** We pursue and invest our time in building partnerships within our community, including the private sector while maintaining strong ties to local, state and federal government agencies. We believe successes in our community result when public agencies and citizens work together with determination toward a common goal in a spirit of mutual respect and cooperation. At the core of these successes will be a deep commitment to maintaining high levels of communications with all stakeholders.

***Accountability.*** The Port must be a careful steward of public resources. Managing our assets responsibly, investing wisely in new infrastructure, administering budgets efficiently, and capitalizing on external sources of financial support are all integral to accomplishing our mission. The Port is committed to conducting our work with the highest degree of integrity, professionalism and transparency.

***Sustainability.*** The Port is committed to managing our business operations as well as our human and physical assets in a manner that meets our current needs while ensuring we do not compromise the needs of future generations. We protect and enhance the natural environment wherever possible and seek to invest the funds entrusted to us wisely, prudently and ethically. We are responsible neighbors and community members who treat our employees fairly and with

respect. Our work is conducted with the goal of helping nurture a healthy estuary that is at the foundation of our working waterfront.

***Optimism.*** We are deeply committed to the execution of our mission and in our ability to be resilient and seize opportunities. We pursue our vision through steadfastness of purpose, awareness of our core values, and a persistent focus on positive relationships.

## **Vision Statement**

The idea behind a vision statement is to express, more or less in future tense, what we want the Port (and Newport) to be at some future point. Because a mission statement and the strategic business plan itself are typically 5-year efforts, the vision statement looks a little farther (10 or 20 years) into the future. Our vision expresses what we want to see, and what we believe we can accomplish if we stretch our capabilities and aim for the vision.

The Port's current vision statement emphasizes its leading roles in commerce, recreation, and research.

*The Port of Newport will serve as the foremost Oregon coast port for the commercial fishing, recreational fishing and tourism, and marine research support. We will fully utilize the international terminal with fishing, waterborne commerce, and other uses. We will continue to protect and enhance the beauty and integrity of the natural environment, which is at the foundation of our working waterfront community.*

## **Mission Statement**

A mission statement defines the Port's purpose - what we do and why we do it. The intention of a mission statement is to give the Port's public, its customers (and ourselves) a succinct awareness of that purpose.

This is the Port's current mission statement:

*Provide and professionally manage waterfront facilities and services in collaboration with our community with the express purpose of retaining and creating business opportunities and increasing economic development for the Port and the community.*