

November 15, 2022

5:00 P.M.

Newport, OR

PORT OF NEWPORT COMMISSION WORK SESSION MINUTES

This is not an exact transcript. The video of the session is available on the Port's website.

The Port of Newport Commission met on the above date and time at the South Beach Activity Room, located at 2120 SE Marine Science Dr. In attendance were Commissioners Burke, Lackey, Sylvia, Retherford, and Chuck. Also in attendance were General Manager Paula Miranda, Finance Director Mark Brown, Operations Director Aaron Bretz, RV Park Supervisor Neva Rogers, Administrative Assistant Gloria Tucker, and PR Consultant Angela Nebel. Visitors from the public included Rex Capri, Paul Zellman, and Jim Shaw.

NEW BUSINESS

Discussion on Future of South Beach Marina and RV Park. Burke introduced the agenda item. Miranda reported there's been a lot of concern from the user-side and the Commissioner-side why certain things happen. She noted staff do have short-term users who complain, asking why people can't get a space and how come the park looks empty. She stated at the RV users group meeting staff spent three hours listening to concerns. She indicated when the Commission looks at the RV Park, they need to ask why does the Port have it.

Miranda reported often ports decide to have RV Parks. She noted ports usually focus on maritime and economic development. She stated at the Port of Newport, the RV Park has a relation to the water and gives access to the marina, which otherwise wouldn't be there. She indicated the RV Park does produce a fair amount of revenue for the Port, which is utilized throughout the Port in order to fulfill its mission. She added it allows folks who have moorage space to stay as well.

Miranda reported throughout the years, the park has been heavily discounted for people who stay long-term. She noted that's why the Port ends up with weeks of empty spaces that can't be double booked. She explained some folks find it's cheaper to have RVs stay for the whole summer and only come on the weekends because of the discount. She indicated the RV Park should provide tourism opportunities.

Miranda reported one part of having long-term stays benefits the marina because some folks who have moorage may want to spend several months here. She stated the Port can create policies so that folks must arrive at a certain time when they book or that people must be with their RV; otherwise, this is becoming storage. She noted short-term stays make more money than the long-term stays. She indicated all the parks around the state are booked full, so the demand is there for the summer. She added during the winter, the Commission might consider giving discounts to encourage people coming to town.

Rogers reported currently (mid-November), the park is at 15-20 percent occupancy. She noted there will be a large crowd for Thanksgiving, and they had a large amount with Veteran's Day. She stated most of June, July, and August are already booked up next year. Retherford clarified with staff advanced reservations procedures. Rogers added the lottery's largest demand was six months. Brown stated the Code doesn't specify the length of time for an RV reservation, but it does for vessels in the marina. He noted staff use the marina for a guideline. Miranda added

staff tried to limit half of the stays to long-term for the lottery and folks were not happy. She explained the more staff allow, the more people want. She indicated they make friends who want to stay longer because it becomes a community. She asked if commissioners want an RV Park or a trailer park.

Sylvia suggested going back to first principles, and framing this as optimization problem. He asked should the Port try to increase economic opportunities to the community subject to the Port covering their costs and providing a good return. He also asked what creating opportunities for everyone means. Miranda replied everyone wants long-term and short-term stays. Sylvia asked starting without the history, how does the Port get to what is in the best interest for the Port. Miranda replied in her perfect world, the Port does not drive away marina users and allows them to have long-term stays. She stated beyond that, the Port should get away from long-term stays in the busy time, allowing that only during the shoulder season. She added Florence, which is the only other public entity offering long term, only allows six month stays during the winter months.

Miranda stated in her perfect world, the Port gets away from 51 percent discounts across the board. She suggested creating a scaled discount and during the winter, increment the discount higher. She noted the Port has no reason to attract people during the summer, even at 70-80 percent full. She indicated the Port's revenue partially comes from the RV Park, covering some of the other services that don't bring in enough revenue. She added staff can also consider a policy to not allow empty spaces.

Burke summarized the idea as to have a couple year approach to incentivize the shoulder season, putting it into action for next year. Miranda stated it does not have to be drastic, the change can be phased. Retherford stated she looked up different stays for different kinds of parks. She suggested the RV Park is more of a resort-type of park because of the marina and the activities available. She noted looking at sport fishing, halibut, salmon, and bottom seasons go through the summer. She added it doesn't make sense to work against what is here as a port.

Rogers stated the Port has many charters who take advantage of the discounts. She noted she thinks the Port can better utilize short-term stays, so it benefits their businesses and the Port. Chuck noted improving the annex is important. Miranda stated part of what the Commission does here might help with the annex. She noted the Port has it in the budget to plan rebuilding the annex. She explained the project is going to cost millions of dollars to be built and add about 10 spaces.

Chuck asked if the Port could fill the annex if it was the same level of service as the RV Park. Rogers replied it would fill during the busy season and holidays. Brown noted there are people who refuse to use the annex as it is. He added this discussion doesn't address landlord tenant issues.

Miranda stated she had a long conversation with the attorney, and once there are 30-day stays, the Port has to follow the landlord-tenant laws, meaning certain notices and using circuit courts for problems. Retherford asked why phase the change rather than make it. Miranda replied in phases, the Port has more time to inform folks and gives them time to adjust. She added there will be a lot of negative feedback if the change is too drastic.

Lackey asked why people refuse to use the annex. Brown replied the condition in general and they don't like to park in grass and gravel because RVs can sink. Miranda noted the utilities are in bad shape, and restrooms are terrible. She added there is a lot of work to be put in it. Bretz explained the sewer is all cast iron. He added cable is another problem.

Lackey stated he thinks a lot of the considerations in the packet are reasonable. He noted he likes incremental change so there aren't unintended consequences. He suggested the nexus between the RV Park and the marina is important to consider. He asked in places that limit stays

to two weeks or a month, how long do people have to stay away in between stays. Brown replied some places have to be gone a minimum of five days. Retherford stated change is part of improving, and, economically, the Port may be coming into a position where it isn't as fluent as it has been in the last ten years. She noted to change is not a bad thing, and the Port has to change with the times too. She added if people want the Port to be better, the Port needs to reflect that behind the scenes.

Sylvia asked if the Port assumes costs are relatively invariant. Miranda replied the costs shouldn't change much, except the cost of enforcement. She noted staff are trying to get an RV Park host to help manage the park. Sylvia asked what the net cash flow is roughly. Brown replied it's a positive cash flow of about \$400,000 to cover operations. Sylvia summarized the changes will generate \$300-500,000 roughly. Miranda added 25 percent of the stays make more than the rest of the stays. Sylvia summarized except for some people being upset, he doesn't see any other downsides.

Retherford asked why long-term stays receive such a deep discount. Miranda replied it has just happened over time. Brown replied it's the same for the marinas. Miranda noted at least there the Port is working with local businesses, with this, the discounts go to out-of-town visitors. Bretz noted everyone wants the Port to compare to other places in Oregon, but all the ports here have these problems.

Chuck recommended setting up a reserve fund for the RV Park with some of the revenues that come from these changes. Miranda agreed and mentioned that some of the additional revenue will stay with the Park. Retherford noted people can see what happens because the Port didn't set up those reserves. She added in order to get the Port back to health, the Commission needs to be good stewards.

Sylvia asked if it is harder to get grants for RV Parks as compared to the Commercial Marina. Miranda replied it is hard for them all. She noted RV Park grants require creating more tourism. She explained when it comes to construction, most of that money comes from loans. She added she has not seen any RV Park improvements paid with grants.

Miranda stated staff need guidance on what to do. Burke suggested a phased approach to maximize revenue within 3 years. Miranda stated the Commission can have another work session to look at different plans, and then come up with best solution to bring to a Commission meeting. Retherford suggested offering options for each needed change. Sylvia suggested laying out plans based on who they are benefiting, the community, the users, the facility. Lackey added a community has developed over the years and that is not lost on him. Retherford suggested showing discount differences too. Miranda added they will show the reserve as well.


PUBLIC COMMENT

Shaw stated he attended the user group meeting and noticed a major problem was parking for cars, not trucks and trailers. He confirmed with staff charters are commercial and range in size between 6 passengers to 40. He suggested part of the parking problem is charters. He added during the RV Park users meeting, not much time was given to marina users to speak. He gave staff a letter from 17 years ago on these issues.

Zellman stated the Port will not be able to say they want to maximize profit but creating a reserve will be good. He noted the Port is bordering on a mobile home park. He suggested stepping back and asking what is the mission. He asked is the mission to provide housing or recreation.

ADJOURNMENT

Having no further business, the meeting adjourned at 6:03 p.m.


James Burke, President


Walter Chuck, Secretary/Treasurer