

UPDATED PORT OF NEWPORT COMMISSION REGULAR MEETING

Tuesday, December 19, 2023, 6:00 p.m.

Administration 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/2023-12-19-commission-meetings-2023-dec-19-2023-6-00-p-m>

Anyone interested in making public comment must complete the form on our website and submit it by 11:00 a.m. on Monday, December 18, 2023: <https://www.portofnewport.com/2023-12-19-commission-meetings-2023-dec-19-2023-6-00-p-m>

I. Call to Order

II. Changes to the Agenda

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

IV. Consent Calendar

2023

A. Minutes.....	Nov. 21.....	Page 3
B. Financial Reports.....		Page 7
C. Accounts Paid.....		Page 26
D. Declaration of Surplus Property.....		Page 28
E. Amendment 3 to Sand and Gravel License 11865.....		Page 29
F. Consent to OSU to provide a permit to University of Oregon to install Seismic Monitoring Equipment and Antennae.....		Page 33

V. Presentations

A. Introduction of MARAD Regional Director – <i>Xochitl Castaneda</i>	
B. RV Annex Plan – <i>Good Work Architects</i>	Page 49
C. Employee Recognition – 7 Year Anniversary — Don Moon	

VI. Old Business

A. Approval of Lease Renewal with Carver for Commercial Marina Fuel – <i>Bretz</i>	Page 190
B. Approval of Resolution 2023-04 Regarding Business Oregon Loan for NIT Crane – <i>Miranda</i>	Page 203
C. Approval of OSU Sublease - <i>Miranda</i>.....	Page 205

VII. New Business

A. Approval of IGA with Oregon State Police for cameras – <i>Bretz</i>	Page 215
B. Approval of Port Dock 7 Temporary Improvements – <i>Bretz</i>	Page 219
C. Approval of Admin Space Lease with TCB – <i>Bretz</i>	Page 221

VIII. Staff Reports

A. Executive Director’s Report – <i>Miranda</i>	Page 235
1. Director of Finance and Business Services – <i>Brown</i>	Page 238

2. Director of Operations – *Bretz*Page 244

IX. Commissioner Reports

X. Calendar/Future Considerations 2023

Christmas – Port Offices Closed.....December 25, 2023
New Years – Port Offices Closed.....January 1, 2024
Martin Luther King Jr Day – Port Offices Closed.....January 15, 2024
Next Commission Meeting.....January 30, 2024

XI. Public Comment

XI. Adjournment

November 21, 2023
6:00 P.M.
Newport, OR

PORT OF NEWPORT COMMISSION 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 Administration Building, 600 SE Bay Blvd., and virtually via Microsoft Teams. In attendance were Commissioners Retherford, Ruddiman, Chuck, and Lackey. Sylvia was excused. Also in attendance were Executive Director Paula Miranda, Director of Business and Finance Services Mark Brown, Operations Director Aaron Bretz, Administrative Assistant Gloria Tucker, and PR Consultant Angela Nebel. Visitors included Dietmar Goebel.

CHANGES TO THE AGENDA

Miranda suggested moving up Item B. Port Dock 3 Emergency Repairs from New Business to Old Business and removing Section 5. Presentations since the Yacht Club could not attend. Retherford agreed.

CONSENT CALENDAR

MOTION was made by Lackey, seconded by Chuck, to approve the consent calendar as presented. The motion carried unanimously in a voice vote.

OLD BUSINESS

Approval of Change Order for Rogue Seawall Project. Retherford introduced the agenda item. Bretz reported he has another change to this report. He stated the purpose of this proposal is to monitor the groundwater and head pressure behind the seawall before the project and after to see how the changes hold up. He explained the wall was designed with the assumption there would be minimal head pressure behind the wall. He noted there is pressure building up behind the wall, so the water doesn't have anywhere to flow out of, and the water finds every little crack and pulls sand with it. He indicated part of the most recent plan includes the addition of horizontal drain tubes, similar to highway projects, that will allow the water to flow in and out without causing structural problems. He added the cost is an additional \$29,960 to cover PBS' consultation with GRI, making the total \$55,460 which includes a small contingency. Miranda explained the new total is \$29,960, not \$55,000.

Chuck asked, with all that equipment in the building, was that area built to have all that weight. He noted originally the building was going to have boat storage, and now there is a lot of heavy equipment and machinery in there. Bretz replied the main difference has to do with the type of loading. He stated there is dynamic loading that was not originally designed for. He noted this project doesn't have to do with that aspect. He indicated the slab is a totally different concern, and this has to do with stabilizing the wall. Miranda stated Rogue has been notified about the areas where they are not to put additional loads, and until all this work is completed with seawall, there is only so much they could put in there.

Lackey asked if anything is in their lease about what they can put where and weights. Miranda replied that is not in the lease, but for their safety, they follow the engineer's recommendations. Lackey asked if it would be worth exploring at a lease renewal in the future to have additional language. Miranda replied once the seawall is fixed, that should not be an issue anymore. Bretz stated what's in the lease currently is if they make changes, they have to submit those to the Port, and the Port has to approve them. He explained over the years, as they have made changes, they have submitted drawings to the Port, and the Port has approved them. He added the cumulative total is the slab use is very different than when it was originally built.

MOTION was made by Chuck, seconded by Ruddiman, to authorize the Executive Director or designee to amend the PBS contract to include the addition of a monitoring well and the associated monitoring and lab work for the Rogue Seawall Stabilization Project in an amount not to exceed \$29,960. The motion carried unanimously in a voice vote.

Port Dock 3 Emergency Repairs. Retherford introduced the agenda item. Bretz reported during the recent minus tide, Newport had a small storm come through, and two pilings on the end of Port Dock 3 were damaged. He stated the Port needs to get those replaced. He explained he applied for emergency permits, and those should come through next week. He indicated Bergerson will be able to do this work, and their quote included the full mobilization costs. He added he expects the cost to be cheaper since they are already mobilized.

Bretz reported he is requesting authorization for two pilings to be driven as quickly as possible because the Port has been putting some pretty big boats on Port Dock 3. Miranda noted the Port does have some funding designated to this type of maintenance. She noted staff are going to look at how often emergency pilings are replaced annually and make sure the Port has enough funds designated.

Chuck asked what size the pilings are now and the ones to replace them. Bretz replied what's in there now is 12 inches, and the Port will be replacing them with 16 inches, half inch thick, and galvanized. Retherford asked have any of the other pilings been checked to see if anything else is cracked and ready to be replaced. Bretz replied the dock could use new pilings, but they aren't critical. He explained he can get emergency permits because of the state of these two pilings, but it is too much to ask for the others.

MOTION was made by Lackey, seconded by Chuck, to authorize the Executive Director or designee to contract with Bergerson Construction to drive two pilings at Port Dock 3 in an amount not to exceed \$56,000. The motion carried unanimously in a voice vote.

Approval of Employee Assistance Program (EAP) Agreement. Retherford introduced the agenda item. Brown reported for three years, the Port has offered an EAP program to employees. He stated it's \$2,700 a year and offers thousands of training programs, counseling, assistance to supervisors if they have difficult employees, financial services, and legal services. He noted utilization is 30 percent, and that is considered a high use. He added the cost is small, but because it is a contract, he brought it to Commission. Lackey and Retherford expressed support for the program.

MOTION was made by Chuck, seconded by Ruddiman, to authorize the Executive Director or designee to execute the EAP program contract for the period of December 1, 2023, to November 30, 2024, for \$2,700. The motion carried unanimously in a voice vote.

NEW BUSINESS

Authorization to Pre-apply to State and Local Cybersecurity Grant program (SLCGP). Retherford introduced the agenda item. Brown reported this has no cost to the Port except some time. He stated it's 100 percent grant with no matching funds. He explained the grant would move the Port from a .com environment to a .gov environment, which no one else but government agencies can apply for. He noted this is a national cybersecurity movement to move all municipalities and governments to the .gov environment to protect them from cybersecurity threats. He added there's going to be grants in future years, and the Port has to have this in place in order to be eligible for those grants.

MOTION was made by Chuck, seconded by Lackey, that should the office of Emergency Management approve the Port Registration, the Executive Director or designee is approved to apply for \$50,000 in grant funding for the migration of the Port to a .gov environment. The motion carried unanimously in a voice vote.

STAFF REPORTS

Executive Director's Report. Miranda reported it has been a short month with holidays. She stated the Port received the PDIP grant, which is great news, but now the Port has to come up with its match. She noted the concept is to purchase a couple of yard equipment for NIT, grade the nine acres, and fence three acres. She indicated the Port had the intent of grading the area anyway, and originally budgeted \$300,000. She added for the match of \$860,000, overall, the Port is adding a little over \$500,000 for these additional requests. She explained the Port will need to go through a process with the Maritime Administration (MARAD) called NEPA even if there's no pollution to obtain the grant.

Miranda reported that process can take a month to six months and is scheduled to start sometime in December. She stated most MARAD projects take one to six years. She noted the equipment would take up to a year to be built as well. She indicated once staff order the equipment, the Port will need to make a downpayment, and that will be the Port's match. She added she will be meeting with Heather Mann when she gets back so they are aware of the process. She explained the intent was never to remove fishermen from the Terminal, but the Terminal is multi-use so different users need to work together.

Chuck confirmed with staff the grant is a one-to-six-year process. He asked if the Port would manage the grant or hire someone to do it. Miranda replied the Port will manage the grant. Brown noted with the new financial system, the Port has the ability to monitor the grant closely and know exactly how much has been spent.

Miranda reported in South Beach, the RV Park Annex Plan is moving forward. She stated staff would probably bring that to the December meeting. She noted the projected cost concerns her a bit because the repairs are getting more and more expensive. She indicated this type of project is difficult to get grants for and could cost \$2.5 to \$3 million for construction. She added the Port may get small grants for portions of it, but the challenge will be actual construction. Retherford stated it is nice to have the plan in place, in case something comes through. Miranda added Travel Oregon does a great job with marketing tourism, but the funds are not there for tourism infrastructure.

Miranda reported the RV Park plan has been moving forward with no major complaints. She stated the Port completed the NOAA dredging, which came in under budget at \$1.1 million. She indicated for the seawall, the Port will try to make the project fit in this in-water work window,

but is working on a variance for an extension just in case. She noted the Port is dealing with a lot of derelict vessels, 22 now. She added there is a sunk vessel in South Beach. She explained it is not leaking, but the owner did not have insurance. She noted staff are close to making sure everyone has insurance. Brown noted if vessel owners don't provide insurance within five days, they have to leave. Miranda added removing this vessel will be very costly.

Retherford asked if someone is working on all the insurance for the boats. Brown replied the new reservation system tracks it, and the new RV Park Supervisor is aggressively pursuing it. He added the Assistant Harbormasters are working on it on both sides. Bretz noted the Wharfinger is a big part of that too. He explained she is on the docks and reminds folks. He added he is hopeful with all those fronts, compliance will be better. Lackey asked what happens when vessels do not have insurance. Brown replied the Port will seize it and pull it out of the water.

Miranda reported staff are working on the Port Dock 7 plan. She noted the Connect Oregon grant is coming in January, and staff will try to get that project in there. She explained Connect Oregon funding would be the Port's match for additional grant funding. Retherford asked when the sediment sampling will be done. Bretz replied January, and permits are submitted.

Miranda reported it may be months before the Port hears about the RORO funding. She stated for the crane, the Port received the award letter for the loan from Business Oregon. She noted staff will likely bring a resolution to the December meeting. She indicated as soon as the Port gets the crane, staff will list the old crane for sale. Ruddiman asked if the crane is listed through the state auction. Bretz replied there are a couple of online brokers. He noted he talked to a few people around the area, but no one has indicated they are interested. Miranda stated the Port will try to get the best price. Chuck confirmed with staff the Port will declare the old crane as surplus property.

Miranda reported there will be a SDAO Risk Management training in Newport on December 12 from 9 a.m. to noon. She requested moving the January meeting to January 30, 2024, and the March meeting to March 19, 2024. The Commission provided consensus to move the meeting dates.

ADJOURNMENT

Having no further business, the meeting adjourned at 6:50 p.m.



PON BALANCE SHEET

Period: 07/01/23..11/30/23

Port of Newport

**General Operating
Fund**

Description Balance

Assets

Current Assets

Cash Deposits	2,168,598.00
Cash on hand - Petty Cash	725.00
Cash on hand - Cash Drawers	903,785.18
Accounts Receivable	5,508.77
Property Tax Receivable	13,005.74
Grants Receivable	(50,000.00)
Allowance for Bad Debt	409,769.55
Interfund Activity Receivable	137,674.67
Prepaid Expenses	620,974.78

Total Current Assets 48,191,548.10

TOTAL FIXED ASSETS

Deferred Outflows of Resources

Advanced Refunding (DOR)	0.00
PERS NPA(L)	(1,038,515.00)
PERS Deferred Outflow	262,672.00

Total Deferred Outflow Resrcs (775,843.00)

TOTAL ASSETS 48,036,679.88

LIABILITIES

Current Liabilities

Accounts Payable	156,753.57
Credit Cards Payable	(16,480.43)
Accrued Lodging Taxes	1,414.77
Accrued Property Tax	(10,362.11)
Unclaimed Property	75,514.92
Interfund Activity Payable	659,584.13
Payroll Payable	45,145.02
Compensated Absences	71,030.89
Accrued Payroll Taxes	(39,492.79)
Retirement Payable	5,296.67
Garnishment Payable	975.56
Benefit Payable	57,886.54
Accrued Interest	11,368.00
Deposits - SB	100,680.32
Deposits - CM and NIT	150.00
Deferred Revenue	186,478.29
Current Portion - Notes Payable	454,043.00
Current Portion - Bonds Payable	235,000.00

Total Current Liabilities 1,994,986.35

Non-current Liabilities

Long-term Debt	6,369,260.06
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PON BALANCE SHEET

12/12/2023
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MBROWN

Period: 07/01/23..11/30/23
Port of Newport

**General Operating
Fund**

Description	Balance
Less Current Portion - Long-term Debt	(689,043.00)
Bond Premiums	70,965.00
Total Non-current Liabilities	5,751,182.06
Deferred Inflows of Resources	219,726.00
Total Liabilities	7,965,894.41
Equity (Fund Balance)	
Restricted Fund Balance	1,140,000.00
Committed Fund Balance	0.00
Assigned Fund Balance	667,000.00
Unrestricted Fund Balance	34,986,426.98
Contributed Capital	7,130,788.00
Prior Period Adjustment	0.00
Total Equity (Fund Balance)	43,924,214.98
Retained Earnings	(582,858.65)
Net Assets	40,070,785.47
Total Liabilities and Equity	48,036,679.88

Period: 07/01/23..11/30/23

Port of Newport

General Operating Fund

Description	Actual	Budget	Variance
OPERATING REVENUE			
Lease Revenue	376,170.54	321,310.89	54,859.65
Moorage	1,010,597.38	955,713.38	54,884.00
Services	118,638.35	212,725.55	(94,087.20)
Cargo	18,117.85	2,300.00	15,817.85
RV Park Space Rentals	777,992.44	710,400.00	67,592.44
Fees	390,160.14	302,233.25	87,926.89
Property Tax Revenue	111,742.28	0.00	111,742.28
Discounts and Refunds	(12,315.68)	0.00	(12,315.68)
Miscellaneous Operating Revenue	95,081.73	19,042.06	76,039.67
Total Operating Revenue	2,887,094.51	2,523,725.13	363,369.38
OPERATING EXPENSES			
Personnel Services	1,127,804.45	1,224,182.98	(96,378.53)
Materials, Services	1,218,158.90	1,648,279.12	(430,120.22)
Total Operating Expenses	2,345,963.35	2,872,462.10	(526,498.75)
OPERATING INCOME (LOSS)	541,131.16	(348,736.97)	889,868.13
NON-OPERATING REVENUES			
Grant Revenue	32,245.00	0.00	32,245.00
Interest	18,260.49	2,708.31	15,552.18
Gain/Loss on Sale of Assets	107,450.00	0.00	107,450.00
Transfers In from Other Funds	133,155.48	0.00	133,155.48
Total Non-operating Revenues	291,110.97	2,708.31	288,402.66
NON-OPERATING EXPENSES			
Debt Service	700,989.69	719,763.88	(18,774.19)
Capital Outlays	701,311.58	701,797.20	(485.62)
Transfers Out to Other Funds	12,799.51	19,539.69	(6,740.18)
Total Non-Operating Expenses	1,415,100.78	1,441,100.77	(25,999.99)
Non-Operating Income (Loss)	(1,123,989.81)	(1,438,392.46)	314,402.65
Net Income (Loss)	(582,858.65)	(1,787,129.43)	1,204,270.78
GAAP Adj - Debt Service Principal	516,898.71	0.00	516,898.71
Total GAAP Adjustments	(516,898.71)	0.00	(516,898.71)
Net Income (Loss)	(1,099,757.36)	(1,787,129.43)	687,372.07

Financial Report - Budget Vs. Actual

Port of Newport

Period 07/01/23..11/30/23

DEPARTMENT: 000-Unallocate

Description	Actual	Budget	Variance
OPERATING REVENUE			
OPERATING EXPENSES			
Personnel Services			
Materials, Services		44,306.25	(44,306.25)
Total Operating Expenses		44,306.25	(44,306.25)
OPERATING INCOME (LOSS)		(44,306.25)	44,306.25
NON-OPERATING REVENUES			
Grant Revenue			
Transfers In from Other Funds	133,155.48		133,155.48
Total Non-operating Revenues	133,155.48		133,155.48
NON-OPERATING EXPENSES			
Debt Service	700,989.69	719,763.88	(18,774.19)
Transfers Out to Other Funds	1,539.69	19,539.69	(18,000.00)
Total Non-Operating Expenses	702,529.38	739,303.57	(36,774.19)
Non-Operating Income (Loss)	(569,373.90)	(739,303.57)	169,929.67
Net Income (Loss)	(569,373.90)	(783,609.82)	214,235.92
GAAP Adj - Debt Service Principal	501,545.58		501,545.58
Total GAAP Adjustments	(501,545.58)		(501,545.58)
Net Income (Loss)	(1,070,919.48)	(783,609.82)	(287,309.66)

Financial Report - Budget Vs. Actual

Port of Newport

Period 07/01/23..11/30/23

DEPARTMENT: 100-Administra

Description	Actual	Budget	Variance
OPERATING REVENUE			
RV Park Space Rentals	(1,609.92)		(1,609.92)
Property Tax Revenue	111,742.28		111,742.28
Discounts and Refunds	1,373.00		1,373.00
Miscellaneous Operating Revenue	1,737.93		1,737.93
Total Operating Revenue	113,243.29		113,243.29
OPERATING EXPENSES			
Personnel Services	393,912.92	470,278.38	(76,365.46)
Materials, Services	356,854.67	452,256.22	(95,401.55)
Total Operating Expenses	750,767.59	922,534.60	(171,767.01)
OPERATING INCOME (LOSS)	(637,524.30)	(922,534.60)	285,010.30
NON-OPERATING REVENUES			
Grant Revenue			
Interest	18,260.49	2,708.31	15,552.18
Gain/Loss on Sale of Assets	107,450.00		107,450.00
Total Non-operating Revenues	125,710.49	2,708.31	123,002.18
NON-OPERATING EXPENSES			
Total Non-Operating Expenses			
Non-Operating Income (Loss)	125,710.49	2,708.31	123,002.18
Net Income (Loss)	(511,813.81)	(919,826.29)	408,012.48
Total GAAP Adjustments			
Net Income (Loss)	(511,813.81)	(919,826.29)	408,012.48

Financial Report - Budget Vs. Actual

Port of Newport

Period 07/01/23..11/30/23

DEPARTMENT: 300-Commerci

Description	Actual	Budget	Variance
OPERATING REVENUE			
Lease Revenue	92,538.78	50,750.01	41,788.77
Moorage	341,846.71	272,916.69	68,930.02
Services	69,828.02	130,758.86	(60,930.84)
Fees	128,990.33	64,583.25	64,407.08
Discounts and Refunds	(6,098.59)		(6,098.59)
Miscellaneous Operating Revenue	8,734.36	5,000.00	3,734.36
Total Operating Revenue	636,749.09	524,008.81	112,740.28
OPERATING EXPENSES			
Personnel Services	233,462.25	262,730.37	(29,268.12)
Materials, Services	226,534.03	179,999.96	46,534.07
Total Operating Expenses	459,996.28	442,730.33	17,265.95
OPERATING INCOME (LOSS)	176,752.81	81,278.48	95,474.33
NON-OPERATING REVENUES			
Grant Revenue	32,245.00	32,245.00	
Total Non-operating Revenues	32,245.00	32,245.00	
NON-OPERATING EXPENSES			
Capital Outlays	33,133.62	111,020.62	(77,887.00)
Total Non-Operating Expenses	33,133.62	111,020.62	(77,887.00)
Non-Operating Income (Loss)	(888.62)	(78,775.62)	77,887.00
Net Income (Loss)	175,864.19	2,502.86	173,361.33
Total GAAP Adjustments			
Net Income (Loss)	175,864.19	2,502.86	173,361.33

Financial Report - Budget Vs. Actual

Port of Newport

Period 07/01/23..11/30/23

DEPARTMENT: 500-Internation

Description	Actual	Budget	Variance
OPERATING REVENUE			
Lease Revenue	75,047.24	72,644.19	2,403.05
Moorage	9,206.75	91,666.69	(82,459.94)
Services	24,610.33	81,666.69	(57,056.36)
Cargo	18,027.58	2,300.00	15,727.58
Fees	122,981.57	118,750.00	4,231.57
Discounts and Refunds	217.28		217.28
Miscellaneous Operating Revenue	84,525.06	833.31	83,691.75
Total Operating Revenue	334,615.81	367,860.88	(33,245.07)
OPERATING EXPENSES			
Personnel Services	87,091.55	121,256.29	(34,164.74)
Materials, Services	103,802.00	151,100.00	(47,298.00)
Total Operating Expenses	190,893.55	272,356.29	(81,462.74)
OPERATING INCOME (LOSS)	143,722.26	95,504.59	48,217.67
NON-OPERATING REVENUES			
Grant Revenue			
NON-OPERATING EXPENSES			
Capital Outlays	588,697.57	607,352.57	(18,655.00)
Total Non-Operating Expenses	588,697.57	607,352.57	(18,655.00)
Non-Operating Income (Loss)	(588,697.57)	(607,352.57)	18,655.00
Net Income (Loss)	(444,975.31)	(511,847.98)	66,872.67
Total GAAP Adjustments			
Net Income (Loss)	(444,975.31)	(511,847.98)	66,872.67

Financial Report - Budget Vs. Actual

Port of Newport

Period 07/01/23..11/30/23

DEPARTMENT: 700-South Bea

Description	Actual	Budget	Variance
OPERATING REVENUE			
Lease Revenue	208,584.52	197,916.69	10,667.83
Moorage	658,218.96	591,130.00	67,088.96
Services	24,200.00	300.00	23,900.00
Cargo	90.27		90.27
RV Park Space Rentals	779,602.36	710,400.00	69,202.36
Fees	135,616.08	118,900.00	16,716.08
Discounts and Refunds	(8,587.50)		(8,587.50)
Miscellaneous Operating Revenue	84.38	13,208.75	(13,124.37)
Total Operating Revenue	1,797,809.07	1,631,855.44	165,953.63
OPERATING EXPENSES			
Personnel Services	323,192.03	369,917.94	(46,725.91)
Materials, Services	526,642.10	820,616.69	(293,974.59)
Total Operating Expenses	849,834.13	1,190,534.63	(340,700.50)
OPERATING INCOME (LOSS)	947,974.94	441,320.81	506,654.13
NON-OPERATING REVENUES			
Grant Revenue			
NON-OPERATING EXPENSES			
Capital Outlays	79,480.39	79,480.39	
Transfers Out to Other Funds	11,259.82		11,259.82
Total Non-Operating Expenses	90,740.21	79,480.39	11,259.82
Non-Operating Income (Loss)	(90,740.21)	(79,480.39)	(11,259.82)
Net Income (Loss)	857,234.73	361,840.42	495,394.31
Total GAAP Adjustments			
Net Income (Loss)	857,234.73	361,840.42	495,394.31

Period: 07/01/23..11/30/23

Port of Newport

**NOAA Lease
Revenue Fund**

Description	Balance
Assets	
Current Assets	
Cash Deposits	2,286,050.00
Accounts Receivable	431,197.48
Property Tax Receivable	0.00
Grants Receivable	0.00
Interfund Activity Receivable	563,322.92
Prepaid Expenses	35,215.27
Total Current Assets	3,379,962.54
TOTAL FIXED ASSETS	20,152,506.18
Deferred Outflows of Resources	
Advanced Refunding (DOR)	390,615.04
PERS NPA(L)	(54,658.00)
PERS Deferred Outflow	13,824.00
Total Deferred Outflow Resrcs	349,781.04
TOTAL ASSETS	23,882,249.76
LIABILITIES	
Current Liabilities	
Accounts Payable	2,656.16
Interfund Activity Payable	1,010,368.36
Compensated Absences	13,657.27
Accrued Payroll Taxes	4,412.12
Retirement Payable	9,292.73
Benefit Payable	1,477.48
Accrued Interest	164,613.00
Current Portion - Bonds Payable	1,380,000.00
Total Current Liabilities	2,586,477.12
Non-current Liabilities	
Long-term Debt	12,515,000.00
Less Current Portion - Long-term Debt	(1,380,000.00)
Total Non-current Liabilities	11,135,000.00
Deferred Inflows of Resources	11,565.00
Total Liabilities	13,733,042.12
Equity (Fund Balance)	
Restricted Fund Balance	1,761,721.00
Committed Fund Balance	432,000.00
Assigned Fund Balance	432,000.00
Unrestricted Fund Balance	8,082,423.78
Contributed Capital	0.00
Prior Period Adjustment	0.00
Total Equity (Fund Balance)	10,276,144.78
Retained Earnings	(1,506,937.14)



PON BALANCE SHEET

12/12/2023
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Period: 07/01/23..11/30/23

Port of Newport

**NOAA Lease
Revenue Fund**

Description	Balance
Net Assets	10,149,207.64
Total Liabilities and Equity	23,882,249.76



Period: 07/01/23..11/30/23

Port of Newport

NOAA Lease Revenue Fund

Description	Actual	Budget	Variance
OPERATING REVENUE			
Lease Revenue	1,077,993.70	1,073,850.00	4,143.70
Total Operating Revenue	1,077,993.70	1,073,850.00	4,143.70
OPERATING EXPENSES			
Personnel Services	51,931.67	95,052.85	(43,121.18)
Materials, Services	621,601.33	1,320,468.74	(698,867.41)
Total Operating Expenses	673,533.00	1,415,521.59	(741,988.59)
OPERATING INCOME (LOSS)	404,460.70	(341,671.59)	746,132.29
NON-OPERATING REVENUES			
Grant Revenue	0.00	750,000.00	(750,000.00)
Interest	29,432.03	2,708.34	26,723.69
Total Non-operating Revenues	29,432.03	752,708.34	(723,276.31)
NON-OPERATING EXPENSES			
Debt Service	1,577,534.87	1,578,100.00	(565.13)
Capital Outlays	363,295.00	40,000.00	323,295.00
Total Non-Operating Expenses	1,940,829.87	1,618,100.00	322,729.87
Non-Operating Income (Loss)	(1,911,397.84)	(865,391.66)	(1,046,006.18)
Net Income (Loss)	(1,506,937.14)	(1,207,063.25)	(299,873.89)
GAAP Adj - Debt Service Principal	1,380,000.00	0.00	1,380,000.00
Total GAAP Adjustments	(1,380,000.00)	0.00	(1,380,000.00)
Net Income (Loss)	(2,886,937.14)	(1,207,063.25)	(1,679,873.89)



PON BALANCE SHEET

Period: 07/01/23..11/30/23

Port of Newport

NOAA Reserves

Description	Balance
Assets	
Current Assets	
Cash Deposits	1,958,786.19
Property Tax Receivable	0.00
Grants Receivable	0.00
Interfund Activity Receivable	357,758.81
Total Current Assets	2,316,545.00
Deferred Outflows of Resources	
Advanced Refunding (DOR)	0.00
PERS NPA(L)	0.00
PERS Deferred Outflow	0.00
Total Deferred Outflow Resrcs	0.00
TOTAL ASSETS	2,316,545.00
LIABILITIES	
Current Liabilities	
Interfund Activity Payable	3,526.14
Total Current Liabilities	3,526.14
Non-current Liabilities	
Total Non-current Liabilities	0.00
Deferred Inflows of Resources	0.00
Total Liabilities	3,526.14
Equity (Fund Balance)	
Restricted Fund Balance	2,278,074.94
Committed Fund Balance	0.00
Assigned Fund Balance	0.00
Unrestricted Fund Balance	0.00
Contributed Capital	0.00
Prior Period Adjustment	0.00
Total Equity (Fund Balance)	2,278,074.94
Retained Earnings	34,943.92
Net Assets	2,313,018.86
Total Liabilities and Equity	2,316,545.00



Period: 07/01/23..11/30/23

Port of Newport

NOAA Reserves

Description	Actual	Budget	Variance
OPERATING REVENUE			
OPERATING EXPENSES			
Personnel Services	0.00	0.00	0.00
Materials, Services	0.00	0.00	0.00
Total Operating Expenses	0.00	0.00	0.00
OPERATING INCOME (LOSS)	0.00	0.00	0.00
NON-OPERATING REVENUES			
Grant Revenue	0.00	0.00	0.00
Interest	34,943.92	1,500.00	33,443.92
Transfers In from Other Funds	0.00	186,744.00	(186,744.00)
Total Non-operating Revenues	34,943.92	188,244.00	(153,300.08)
NON-OPERATING EXPENSES			
Total Non-Operating Expenses	0.00	0.00	0.00
Non-Operating Income (Loss)	34,943.92	188,244.00	(153,300.08)
Net Income (Loss)	34,943.92	188,244.00	(153,300.08)
Total GAAP Adjustments	0.00	0.00	0.00
Net Income (Loss)	34,943.92	188,244.00	(153,300.08)



PON BALANCE SHEET

Period: 07/01/23..11/30/23

Port of Newport

Bonded Debt

Description	Balance
Assets	
Current Assets	
Cash Deposits	844,976.16
Accounts Receivable	33,838.43
Property Tax Receivable	0.00
Grants Receivable	0.00
Interfund Activity Receivable	(2.55)
Total Current Assets	878,812.04
TOTAL FIXED ASSETS	139,746.00
Deferred Outflows of Resources	
Advanced Refunding (DOR)	553,083.64
PERS NPA(L)	0.00
PERS Deferred Outflow	0.00
Total Deferred Outflow Resrcs	553,083.64
TOTAL ASSETS	1,571,641.68
LIABILITIES	
Current Liabilities	
Interfund Activity Payable	(2.55)
Current Portion - Bonds Payable	435,000.00
Total Current Liabilities	434,997.45
Non-current Liabilities	
Long-term Debt	10,815,000.25
Less Current Portion - Long-term Debt	(435,000.00)
Bond Premiums	572,487.00
Total Non-current Liabilities	10,952,487.25
Deferred Inflows of Resources	0.00
Total Liabilities	11,387,484.70
Equity (Fund Balance)	
Restricted Fund Balance	(10,520,959.61)
Committed Fund Balance	0.00
Assigned Fund Balance	0.00
Unrestricted Fund Balance	0.00
Contributed Capital	0.00
Prior Period Adjustment	0.00
Total Equity (Fund Balance)	(10,520,959.61)
Retained Earnings	705,116.59
Net Assets	(9,815,843.02)
Total Liabilities and Equity	1,571,641.68



Period: 07/01/23..11/30/23

Port of Newport

Bonded Debt

Description	Actual	Budget	Variance
OPERATING REVENUE			
Property Tax Revenue	701,554.07	0.00	701,554.07
Total Operating Revenue	701,554.07	0.00	701,554.07
OPERATING EXPENSES			
Personnel Services	0.00	0.00	0.00
Materials, Services	0.00	0.00	0.00
Total Operating Expenses	0.00	0.00	0.00
OPERATING INCOME (LOSS)	701,554.07	0.00	701,554.07
NON-OPERATING REVENUES			
Grant Revenue	0.00	0.00	0.00
Interest	3,562.52	0.00	3,562.52
Total Non-operating Revenues	3,562.52	0.00	3,562.52
NON-OPERATING EXPENSES			
Debt Service	0.00	197,028.00	(197,028.00)
Total Non-Operating Expenses	0.00	197,028.00	(197,028.00)
Non-Operating Income (Loss)	3,562.52	(197,028.00)	200,590.52
Net Income (Loss)	705,116.59	(197,028.00)	902,144.59
Total GAAP Adjustments	0.00	0.00	0.00
Net Income (Loss)	705,116.59	(197,028.00)	902,144.59



PON BALANCE SHEET

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Period: 07/01/23..11/30/23
Port of Newport

**Facilities Maintenance
Fund**

Description	Balance
Assets	
Current Assets	
Cash Deposits	452,029.08
Property Tax Receivable	0.00
Grants Receivable	0.00
Total Current Assets	452,029.08
Deferred Outflows of Resources	
Advanced Refunding (DOR)	0.00
PERS NPA(L)	0.00
PERS Deferred Outflow	0.00
Total Deferred Outflow Resrcs	0.00
TOTAL ASSETS	452,029.08
LIABILITIES	
Current Liabilities	
Total Current Liabilities	0.00
Non-current Liabilities	
Total Non-current Liabilities	0.00
Deferred Inflows of Resources	0.00
Total Liabilities	0.00
Equity (Fund Balance)	
Restricted Fund Balance	0.00
Committed Fund Balance	0.00
Assigned Fund Balance	489,484.67
Unrestricted Fund Balance	74,780.71
Contributed Capital	0.00
Prior Period Adjustment	0.00
Total Equity (Fund Balance)	564,265.38
Retained Earnings	(112,236.30)
Net Assets	452,029.08
Total Liabilities and Equity	452,029.08



Period: 07/01/23..11/30/23

Port of Newport

Facilities Maintenance Fund

Description	Actual	Budget	Variance
OPERATING REVENUE			
OPERATING EXPENSES			
Personnel Services	0.00	0.00	0.00
Materials, Services	0.00	0.00	0.00
Total Operating Expenses	0.00	0.00	0.00
OPERATING INCOME (LOSS)	0.00	0.00	0.00
NON-OPERATING REVENUES			
Grant Revenue	0.00	0.00	0.00
Interest	7,345.63	0.00	7,345.63
Transfers In from Other Funds	13,573.55	750,000.00	(736,426.45)
Total Non-operating Revenues	20,919.18	750,000.00	(729,080.82)
NON-OPERATING EXPENSES			
Transfers Out to Other Funds	133,155.48	133,156.00	(0.52)
Total Non-Operating Expenses	133,155.48	133,156.00	(0.52)
Non-Operating Income (Loss)	(112,236.30)	616,844.00	(729,080.30)
Net Income (Loss)	(112,236.30)	616,844.00	(729,080.30)
Total GAAP Adjustments	0.00	0.00	0.00
Net Income (Loss)	(112,236.30)	616,844.00	(729,080.30)



PON BALANCE SHEET

12/12/2023
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Period: 07/01/23..11/30/23

Port of Newport

Construction Fund

Description	Balance
Assets	
Current Assets	
Cash Deposits	13,190.52
Property Tax Receivable	0.00
Grants Receivable	0.00
Total Current Assets	13,190.52
Deferred Outflows of Resources	
Advanced Refunding (DOR)	0.00
PERS NPA(L)	0.00
PERS Deferred Outflow	0.00
Total Deferred Outflow Resrcs	0.00
TOTAL ASSETS	13,190.52
LIABILITIES	
Current Liabilities	
Total Current Liabilities	0.00
Non-current Liabilities	
Total Non-current Liabilities	0.00
Deferred Inflows of Resources	0.00
Total Liabilities	0.00
Equity (Fund Balance)	
Restricted Fund Balance	0.00
Committed Fund Balance	0.00
Assigned Fund Balance	0.00
Unrestricted Fund Balance	13,146.21
Contributed Capital	0.00
Prior Period Adjustment	0.00
Total Equity (Fund Balance)	13,146.21
Retained Earnings	44.31
Net Assets	13,190.52
Total Liabilities and Equity	13,190.52



Period: 07/01/23..11/30/23

Port of Newport

Construction Fund

Description	Actual	Budget	Variance
OPERATING REVENUE			
OPERATING EXPENSES			
Personnel Services	0.00	0.00	0.00
Materials, Services	0.00	0.00	0.00
Total Operating Expenses	0.00	0.00	0.00
OPERATING INCOME (LOSS)	0.00	0.00	0.00
NON-OPERATING REVENUES			
Grant Revenue	0.00	0.00	0.00
Interest	44.31	0.00	44.31
Total Non-operating Revenues	44.31	0.00	44.31
NON-OPERATING EXPENSES			
Transfers Out to Other Funds	0.00	14,695.00	(14,695.00)
Total Non-Operating Expenses	0.00	14,695.00	(14,695.00)
Non-Operating Income (Loss)	44.31	(14,695.00)	14,739.31
Net Income (Loss)	44.31	(14,695.00)	14,739.31
Total GAAP Adjustments	0.00	0.00	0.00
Net Income (Loss)	44.31	(14,695.00)	14,739.31

Accounts Paid Report
November 2024

Check Date	Check No.	VENDOR	GENERAL LEDGER DESCRIPTION	FUND	DEPARTMENT	Amount
11/30/2023	EFT2392568	Windcave	SB - Credit Card Transaction Fee	General Fund	700 South Beach	\$ 175.00
11/28/2023	WIRE240011	Western Pacific Crane & Equipment	Capital Outlay - Equipment	General Fund	500 NIT	\$ 581,345.00
11/28/2023	12624	Tom Pfister	Discounts and Refunds	General Fund	300 Commercial Marina	\$ 46.98
11/28/2023	12623	Coastal Marine & Hydraulic LLC	Repairs and Maintenance	General Fund	300 Commercial Marina	\$ 399.20
11/28/2023	12622	Newport Ace Hardware Inc	Repairs and Maintenance	General Fund	300 Commercial Marina	\$ 19.17
11/28/2023	12621	Advance Backflow Testing LLC	Repairs and Maintenance	NOAA Lease Fund		\$ 592.93
11/28/2023	12620	Amazon Capital Services Inc	Operating Supplies	NOAA Lease Fund		\$ 3,002.67
11/28/2023	12619	Arxcis, Inc.	Repairs and Maintenance	General Fund	100 Admin	\$ 3,355.23
11/28/2023	12618	AVS Elevator LLC	Repairs and Maintenance	NOAA Lease Fund		\$ 3,800.00
11/28/2023	12617	Bergerson Construction Inc	Capital Outlay - Land Improvements	NOAA Lease Fund		\$ 363,295.00
11/28/2023	12616	Century Link	Utilities	General Fund	700 South Beach	\$ 41.33
11/28/2023	12615	City of Newport	Utilities	NOAA Lease Fund		\$ 313.00
11/28/2023	12614	Coastal Paper & Supply Inc	Operating Supplies	General Fund	100 Admin	\$ 43.12
11/28/2023	12613	Lincoln County Tax Collector	Accrued Property Tax	General Fund	700 South Beach	\$ 11,614.16
11/28/2023	12612	WHA Insurance Agency Inc	Benefits	General Fund	100 Admin	\$ 25.00
11/28/2023	12611	TCB Security Services Inc	SB	General Fund	700 South Beach	\$ 13,109.00
11/28/2023	12610	Streamline	Utilities	General Fund	100 Admin	\$ 535.00
11/28/2023	12609	Special Districts Insurance Services	NOAA	NOAA Lease Fund		\$ 21,769.76
11/28/2023	12608	Simply Design Studios	Office Expense	General Fund	100 Admin	\$ 250.00
11/28/2023	12607	Sierra Springs	Operating Supplies	General Fund	300 Commercial Marina	\$ 156.10
11/28/2023	12606	Quadient Finance USA Inc	Office Expense	General Fund	100 Admin	\$ 400.00
11/28/2023	12605	Pioneer Printing Inc	Office Expense	General Fund	100 Admin	\$ 4,192.34
11/28/2023	12604	NW Natural	Utilities	General Fund	700 South Beach	\$ 175.34
11/28/2023	12603	MASA	10044 - DW/2252902	General Fund	700 South Beach	\$ 179.00
11/28/2023	12602	Lincoln County Public Works	Operating Supplies	NOAA Lease Fund		\$ 556.95
11/28/2023	12601	KPFF	Capital Outlay - Docks and Piers	General Fund	500 NIT	\$ 2,130.07
11/28/2023	12600	KOPIS	21-10-100-02	General Fund	100 Admin	\$ 200.00
11/28/2023	12599	Kings III of America LLC	Utilities	NOAA Lease Fund		\$ 170.22
11/28/2023	12598	Kelley Retherford	Travel	General Fund	100 Admin	\$ 229.45
11/28/2023	12597	Keller Supply Company	Repairs and Maintenance	General Fund	700 South Beach	\$ 5,600.00
11/28/2023	12596	Idea Print Works	Operating Supplies	NOAA Lease Fund		\$ 3,341.30
11/28/2023	12595	Ground FX Landscape Management LLC	Contract and Support Services	General Fund	300 Commercial Marina	\$ 369.00
11/28/2023	12594	Grainger Inc	Operating Supplies	NOAA Lease Fund		\$ 268.52
11/28/2023	12593	Englund Marine Supply Co Inc	Operating Supplies	General Fund	300 Commercial Marina	\$ 114.17
11/28/2023	12592	DOWL	Capital Outlay - Docks and Piers	General Fund	300 Commercial Marina	\$ 12,207.50
11/28/2023	12591	Dept of Administrative Services	Dues And Subscriptions	General Fund	100 Admin	\$ 500.00
11/28/2023	12590	Copeland Lumber Yards Inc	Repairs and Maintenance	General Fund	300 Commercial Marina	\$ 23.04
11/28/2023	12589	Coastal Refrigeration Heating & AC LLC	Repairs and Maintenance	General Fund	700 South Beach	\$ 280.00
11/28/2023	12588	Astound CoastCom By Wave	Utilities	General Fund	700 South Beach	\$ 1,992.68
11/28/2023	12587	AKS Engineering & Forestry, LLC	Contract and Support Services	NOAA Lease Fund		\$ 13,000.00
11/20/2023	12586	Gil Sylvia	Travel	General Fund	100 Admin	\$ 183.30
11/16/2023	12585	Zebulen Thomson	Operating Supplies	General Fund	300 Commercial Marina	\$ 150.00
11/16/2023	12584	Thompson's Sanitary Service Inc	Utilities	General Fund	300 Commercial Marina	\$ 7,215.43
11/16/2023	12583	T & L Chemical Toilet Service LLC	Contract and Support Services	General Fund	700 South Beach	\$ 1,240.00

Accounts Paid Report
November 2024

11/16/2023	12582	Susan Taylor	Travel	General Fund	700	South Beach	\$	174.11
11/16/2023	12581	Suburban Propane	Operating Supplies	General Fund	700	South Beach	\$	530.48
11/16/2023	12580	State Forester	State Land Fees	General Fund	100	Admin	\$	20.74
11/16/2023	12579	Staples Advantage	Office Expense	General Fund	100	Admin	\$	243.81
11/16/2023	12578	Spiro Landscapes Inc	Contract and Support Services	General Fund	700	South Beach	\$	1,545.00
11/16/2023	12577	Pioneer Printing Inc	Office Expense	General Fund	100	Admin	\$	448.85
11/16/2023	12576	Pioneer Connect	Utilities	General Fund	500	NIT	\$	452.22
11/16/2023	12575	Pacific Source Administrators Inc	Flat Monthly Fee	General Fund	100	Admin	\$	502.08
11/16/2023	12574	Pacific Habitat Services Inc	Miscellaneous Expense	NOAA Lease Fund			\$	1,346.96
11/16/2023	12573	Orkin	Contract and Support Services	General Fund	700	South Beach	\$	137.99
11/16/2023	12572	OR Business Development Dept. -OBDD	Debt Service - Interest	General Fund	000	unallocated	\$	15,600.00
11/16/2023	12571	Newport News Times	Dues And Subscriptions	General Fund	100	Admin	\$	150.00
11/16/2023	12570	Newport Fab Shop	Repairs and Maintenance	General Fund	100	Admin	\$	1,000.00
11/16/2023	12569	Newport Ace Hardware Inc	Repairs and Maintenance	General Fund	700	South Beach	\$	241.70
11/16/2023	12568	Mascott Equipment Co Inc	Repairs and Maintenance	NOAA Lease Fund			\$	1,427.76
11/16/2023	12567	MacPherson, Gintner & Diaz	Professional Services	General Fund	100	Admin	\$	656.25
11/16/2023	12566	Integrity Data	IT Hardware and Software	General Fund	100	Admin	\$	790.00
11/16/2023	12565	Industrial Welding Supply, Inc.	Operating Supplies	General Fund	100	Admin	\$	420.00
11/16/2023	12564	Hyak	Contract and Support Services	General Fund	100	Admin	\$	6,584.99
11/16/2023	12563	Government Finance Officers Association	Dues And Subscriptions	General Fund	100	Admin	\$	160.00
11/16/2023	12562	Good Work Architects, PLLC	Capital Outlay - Land Improvements	General Fund	700	South Beach	\$	6,025.13
11/16/2023	12561	Englund Marine Supply Co Inc	Operating Supplies	General Fund	300	Commercial Marina	\$	127.47
11/16/2023	12560	Carver Inc	Operating Supplies	General Fund	700	South Beach	\$	115.07
11/16/2023	12559	Bill's Pest Control LLC	Utilities	General Fund	500	NIT	\$	155.00
11/16/2023	12558	Bay Area Enterprises Inc	SB - 79%	General Fund	700	South Beach	\$	15,238.82
11/16/2023	12557	Barrelhead Supply Inc	Repairs and Maintenance	General Fund	700	South Beach	\$	268.78
11/16/2023	12556	Association of Pacific Ports	Utilities	General Fund	500	NIT	\$	1,647.54
11/16/2023	12555	Amazon Capital Services Inc	Office Expense	General Fund	100	Admin	\$	246.82
11/16/2023	12554	Alsco Inc	Contract and Support Services	General Fund	500	NIT	\$	32.95
11/14/2023	12550	Patrick Bishop	Weld broke pilings	General Fund	500	NIT	\$	375.00
11/13/2023	EFT240010	PERS	Retirement Payable	General Fund			\$	19,720.37
11/8/2023	12548	City of Newport Room Tax	Accrued Lodging Taxes	General Fund	700	South Beach	\$	7,995.73
11/5/2023	EFT240009	Asure - ***AUTOPOST***	Payroll taxes - PPE	General Fund			\$	24,494.47



CONSENT CALENDAR AGENDA ITEM

DATE: 07 December 2023
RE: Surplus Property Declaration
TO: Port of Newport Board of Commissioners
ISSUED BY: Aaron Bretz, Director of Operations

BACKGROUND

We have purchased and received a new 50-ton crane to replace our Grove RT530E-2. As soon as training is complete and the new crane is fully in service, we will be listing our old crane for sale. Our procurement and property disposal procedures require that the Port Commission declare any old property as “surplus” so that staff can negotiate a sale of the old property.

DETAIL SUPPORTING

We purchased the new crane outright because we believe we can maximize the sale price of the old crane on the private market. The old crane has logged approximately 5,700 operating hours, and when not in operation has been stored indoors for its entire life at the Port. It's in great condition.

RECOMMENDED MOTION

I MOVE TO DECLARE THE GROVE RT530E CRANE AS SURPLUS PROPERTY



CONSENT CALENDAR

DATE: December 7, 2023
RE: South Beach Dredge Disposal Site Sand and Gravel License Amendment
TO: Paula Miranda, General Manager
ISSUED BY: Aaron Bretz, Director of Operations

BACKGROUND

The Port still has maintained a license from the Oregon Department of State Lands to move material dredged from Yaquina Bay through the South Beach Dredge Disposal Site. Previous editions of this license granted authorization for material dredged from the NOAA berths, but did not include other areas that we expect to dredge. It also did not previously have accurate volumes in the agreement.

DETAIL

This amendment was made with the future dredge projects in the South Beach Marina, Commercial Marina, and Newport International Terminal added to the standing project at the NOAA pier included. Additionally, it authorizes us to dredge up to 80K cubic yards per year. For reference, the recent NOAA MOC-P maintenance dredging project yielded about 20K cubic yards. I estimate that the 80K cubic yards in one year limit on this authorization is adequate for future projects, but we can amend this if we have an unusual year in which we exceed that amount.

We have already paid the \$750 fee to process this amendment and no other fees are currently due. Royalties on the material are paid as we move the sand offsite, unless we apply for an exemption when transferring sand to other government entities.

RECOMMENDATION

I RECOMMEND A MOTION TO APPROVE THE ATTACHED SAND AND GRAVEL LICENSE AMMENDMENT.

**STATE OF OREGON
DEPARTMENT OF STATE LANDS**

**Amendment No. #3
to
Sand and Gravel License 11865-SG**

THIS AMENDMENT NO. #3 TO SAND AND GRAVEL WATERWAY LICENSE (11865-SG) (this "Amendment") is made effective as of this ___ day of _____, _____ (the "Effective Date"), by and between the State of Oregon, acting by and through the Department of State Lands ("State") and Port of Newport ("Licensee") (each a "Party" and together the "Parties").,

RECITALS

- A. State and Licensee are the parties to that certain Amended and Restated Sand and Gravel Waterway License Agreement (11865-SG) dated April 1, 2022 (the "Agreement").
- B. The License was executed on April 1, 2022, and expires March 31, 2025.
- C. The Agreement authorizes the use of the Premises for the purpose of removing up to 20,000 cubic yards of shore cast dredge spoils material annually from existing ship berths at the NOAA Marine Operations Center-Pacific.
- D. Any removal of material must be in accordance with the current operation plan on file with Aquatic Resource Management and the current general permit #61588-GP.
- E. The Parties wish to amend the Agreement as set forth below. Capitalized terms used but not defined in this Amendment shall have the same definitions as set forth in the Agreement.

AGREEMENTS

The Parties hereby amend the Agreement as follows:

- 1. A new three (3) year term will commence the day this Amendment is executed.
- 2. Licensee is authorized to remove up to 80,000 cubic yards of shore cast dredge spoils material annually from State-owned submersible and submerged lands. Such projects should be for the purpose of maintaining navigable marinas and waterways or for construction required for Port improvement.
- 3. Removal of any material must be in accordance with the State Removal-Fill rules. The project must be reviewed by the State and accordingly permitted by the Aquatic Resource Management Section and any other local, state, or federal agencies.

4. Sand and Gravel License #11865-SG was issued to hold shore cast dredge spoils material at the South Beach Marina Disposal Site, Newport, Tax Lot 400. From the execution date of this Amendment, the site contains a total of 52,674.5 cubic yards.

5. Compliance with Oregon Tax Laws. Licensee certifies under penalty of perjury that Licensee is, to the best of the undersigned's knowledge, not in violation of any Oregon Tax Laws. For purposes of this certification, "Oregon Tax Laws" means a state tax imposed by ORS 320.150 (Amusement Device Taxes), 403.200 to 403.250 (Tax For Emergency Communications), 118 (Inheritance Tax), 314 (Income Tax), 316 (Personal Income Tax), 321 (Timber and Forest Land Taxation) and 323 (Cigarettes And Tobacco Products); and any local taxes administered by the Department of Revenue under ORS 305.620.

6. Continuation of License Terms. Except as expressly amended herein, all other terms and conditions of the License shall remain in full force and effect.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Amendment.

STATE:

The State of Oregon, acting by and through the Department of State Lands
775 Summer ST NE, STE 100
Salem, OR 97301-1279
503-986-5200

LICENSEE:

PORT OF NEWORT
600 SE BAY BLVD
NEWPORT, OR 97365
541-265-7758

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

#10185318v2 DOJ approved May 28, 2020

CONSENT CALENDAR

DATE: December 19, 2023
RE: OSU Permit approval
TO: Port of Newport Board of Commissioners
ISSUED BY: Paula J. Miranda, Executive Director

BACKGROUND

In 1962 the Port entered into a lease with the Oregon State University (OSU). Under the lease OSU is required to obtain Port's approval to allowed others to use the property.

The attached permit grants the University of Oregon a permit to install, operate, maintain, monitor and service a Seismic Monitoring Equipment and antennae within OSU's leasehold with the Port through August 31, 2028.

The Port has requested to also be included under the indemnification and insurance under the permit.

RECOMMENDATIONS

I recommend "a motion authorizing the Executive Director to provide an approval letter allowing OSU to enter into such a permit with the University of Oregon."

Permit for Seismic Monitoring Equipment

This Permit (“Permit”) is by and between Oregon State University (hereafter called “OSU”) and the University of Oregon (hereafter called “Permittee”).

OSU and Permittee agree as follows:

1. Use/Permit Area. OSU leases from the Port of Newport property located at Hatfield Marine Science Center, Ship Support Building #901, 2030 SE Marine Science Drive, Newport, OR 97367 (“Property”). OSU hereby gives Permittee permission to install Seismic Monitoring Equipment and antennae (“Equipment”) as shown on attached Exhibit A, in the location as shown on attached Exhibit A (“Permit Area”), together with access for ingress and egress, for the purpose of installing, operating, maintaining, monitoring, and servicing the Equipment. Permittee is solely responsible for the cost of any inspection, operation, maintenance, improvement, repair, construction, reconstruction, location or relocation, removal of the Equipment in the Permit Area.

OSU reserves the right to require Permittee, at Permittee’s sole cost, to temporarily or permanently relocate all or any portion of the Permit Area, from time to time and in its sole discretion, with not less than 30_ days prior written notice to Permittee.

2. Term of Permit. This Permit shall commence as of the date of the last signature below and end on August 31, 2028, and will automatically renew for additional one (1) year terms unless terminated by either party. OSU may terminate this Permit at any time and without cause upon ninety (90) days’ prior written notice to the Permittee.

Services and Utilities. OSU will furnish heat, electricity, water, internet and trash removal service to the Permit Area. If Permittee uses an excessive amount of utilities or services of any kind, OSU may impose a reasonable charge for supplying such extra utilities or services, which charge shall be payable by Permittee within 10 days of notification by OSU.

4. Condition of Permit Area. Permittee accepts the Permit for the Permit Area in an “as is” condition and upon expiration of the Permit, agrees to restore the Permit Area as nearly as possible to the condition at the start of the Permit. Permittee shall keep the Permit Area clean and generally cared for during the term. Permittee shall not injure or in any manner deface the Permit Area, and shall not cause or allow the Permit Area to be injured or defaced. If, during the term of this Permit, the Permit Area or any portion of the Property or grounds are damaged by the act, default or negligence of Permittee, or its agents, employees, or any other person or persons admitted to the Permit Area by Permittee, Permittee shall pay to OSU, upon demand, such sum as shall be necessary, in OSU’s discretion, to restore the Permit Area to its original condition. Permittee shall, upon each

and every occasion that activities conducted pursuant to this Permit disturb OSU's Property or improvements thereon, restore what was disturbed to a condition as near as practicable to the pre-disturbance condition, and if not practicable, then pay to OSU reasonable compensation for such conditions that cannot be practicably restored.

Permittee shall not authorize or cause to be filed any liens on the Permit Area.

3. Observance of Laws, Rules, Policies. Permittee agrees to comply and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors, and invitees to comply with all federal, state, and local laws, regulations, executive orders and ordinances applicable to this Permit, including all then-current rules, standards and policies of OSU for its HMSC Campus (including but not limited to non-smoking policies, public safety standards regarding firearms, sexual harassment standards and environmental health and safety standards).

4.

OSU is mandated by Federal law to follow the reporting guidelines in the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act which covers a wide range of security, crime, and fire related incidents. If an incident occurs on the Permit Area, or adjacent to, and may involve safety, security, criminal acts, or fire, Permittee must report it to the Oregon State University Public Safety Department. In life-threatening situations call 911.

Indemnification. Permittee shall indemnify, defend and hold harmless OSU, including its officers, trustees, employees and agents (hereinafter collectively referred to as the "Indemnities"), from all losses, claims, suits, or actions of any nature arising from Permittee's or its officers', contractors', employees' and or agents' use of the Permit or use of the Permit Area. OSU will not be held responsible for, and Permittee shall hold OSU harmless for, any loss of, or damage to, the Permittee's Equipment. OSU does not waive the right of subrogation.

During the term of this Permit, Permittee agrees to keep in full force and effect general liability insurance with a minimum limit of \$2,000,000 per occurrence, \$4,000,000 aggregate with a minimum sublimit of \$1,000,000 for fire damage, and auto liability insurance with a minimum combined single limit of \$2,000,000, issued by an insurance company authorized to do business in

Oregon, with an AM Best rating of no less than A-VII. OSU and its officers, trustees, agents and employees shall be named as additional insureds on Permittee's general liability policy. Permittee shall maintain Property Insurance during the term of the Permit that covers all Permittee-owned property used, located or stored at OSU. This property insurance must include a waiver of subrogation in favor of OSU.

Each insurance policy required by the insurance provisions of this Permit shall provide the required coverage and shall not be suspended, voided or cancelled except after thirty (30) days

prior written notice, except when cancellation is for non-payment of premium, then fifteen (15) days prior notice may be given. The insurance requirements herein are minimum requirements for this Permit and in no way limit the indemnity covenants contained in this Permit. OSU in no way warrants that the minimum limits contained herein are sufficient to protect Permittee from liabilities that might arise out of this Permit. Permittee may purchase such additional insurance as Permittee determines necessary. Permittee shall provide OSU a certificate of insurance showing compliance with this section of this Permit upon request.

Permittee shall require subcontractors, if any, to secure at their own expense and keep in effect during the term of their agreement a general liability insurance policy with a minimum limit of \$2,000,000 per occurrence and auto liability insurance with a minimum combined single limit of \$2,000,000, issued by an insurance company authorized to do business in Oregon.

Permittee,

OSU and their respective officers, trustees, agents and employees shall be named as additional insureds in said insurance. Each insurance policy required by the insurance provisions of this Permit shall provide the required coverage and shall not be suspended, voided

or cancelled except after thirty (30) days prior written notice, except when cancellation is for non-payment of premium, then fifteen (15) days prior notice may be given. Permittee shall require

any subcontractor to provide a certificate of insurance showing compliance with this section of the Permit upon OSU's request.

5. Notices. Notices required under this Permit must be delivered as follows:

To OSU:

Oregon State University
HMSC
Attn: Associate Director
2030 Marine Science Drive
Newport OR 97365
mark.farley@oregonstate.edu

With a copy to:

OSU Leasing
Attn: Director
850 SW 35th Street
Corvallis OR 97333
realproperty@oregonstate.edu

To the Permittee:

Department of Earth Sciences
University of Oregon

With a copy to:

Contracts Manager
Purchasing and Contracting Services

1272 University of Oregon
Eugene, Oregon 97403-1272
Attn: Dr. Douglas Toomey
Email: _____

1600 Millrace Suite 306
Eugene, Oregon 97403-1995
Email: _____

Any notice so addressed shall be deemed effective three days after mailing in the US mail, postage prepaid, certified or registered mail, return receipt requested, or by confirmed receipt of electronic mail. Any notice by personal delivery shall be deemed given when actually delivered. Either party may change the address to which notices may be given by giving notice as provided in this section.

Transfer of Interest. No part of the Permit Area, nor any interest in this Permit, may be sold, assigned, pledged, transferred, mortgaged, or subleased by Permittee, whether voluntarily or by operation of law, nor may any right of use of any portion of the Permit Area be conveyed or conferred on any third party by Permittee by any other means, without the prior written consent of OSU, which consent may be given or withheld in its sole discretion.

6. Authority. OSU represents and warrants that it has the legal authority to enter into the Permit.

AGREED TO BY:

OSU

PERMITTEE

By: _____
Nicole Neuschwander
Director, Leasing and Strategic Real Property
Management
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

ShakeAlert Station Equipment Report

Station: UW.NEWO

Coordinates (sensor): 44.62392, -124.04622

Coordinates (enclosure): x

Elevation: 4.3 m (14 ft)

Site Address: Hatfield Marine Science Center
Ship Support Building # 901
Newport, OR 97367

Land Owner: Oregon State University - Hatfield Marine Science Center
2030 SE Marine Science Drive
Newport, OR 97365

Contacts: Mark Farley, Associate Director, Hatfield Marine Science Center
Mark.farley@oregonstate.edu
Cell: (541)207-5283
Office: (541)867-0234

Paige Olsen, OSU Real Property and Leasing Contracts Manager
Paige.olsen@oregonstate.edu
(541)737-2850

Site Type: Ship support building on OSU Hatfield Marine Science Center Campus

Report by: Sierra Morgan

Equipment Location:

- Inside Building:
 - AC-powered 3-channel accelerometer.
 - Sensor Type: TitanSMA (See Figure 6.)
 - Enclosure Type:
 - Aluminum enclosure (20" x 20" x 20")
 - Interstate back up Battery
 - Sunwize Power Distribution Power Panel
- Outside Building:
 - GPS antenna
 - Location: Mounted onto the roof. (See Figure 7.)

Equipment Location:

The aluminum enclosure is located inside of the Ship Support Building #901 at the Hatfield Marine Science Center. The 3-channel seismic sensor is mounted to floor and is housed inside of an aluminum 20" x 20" x 20" enclosure. The back up battery resides next to the enclosure. The station is powered by a nearby AC outlet and plugs into an ethernet port for on-site internet. The cord leading to the outdoor mounted GPS antenna runs from the enclosure, up the wall through a small hole and to the roof.

Power:

- AC

Telemetry:

- On site internet connection



Figure 1 – State-scale view of location for site UW.NEWO. (Purple triangle- Not to Scale)



Figure 2 – Regional-scale view of location for site UW.NEWO. (Purple triangle- Not to Scale)



Figure 3 – Neighborhood-scale view of location for site UW.NEWO. (Purple triangle- Not to Scale)



Figure 4 – Building-scale view of location for site UW.NEWO. (Purple triangle- Not to Scale)



Figure 5 – Aluminum enclosure housing the 3-channel seismic sensor. The backup battery resides directly next to the enclosure. The station plugs directly into a nearby ethernet port for on-site internet.



Figure 6 – The seismic station is powered by plugging into a nearby outlet (yellow circle). The black cord running up the wall to the ceiling from the enclosure connects to the outdoor mounted GPS antenna.

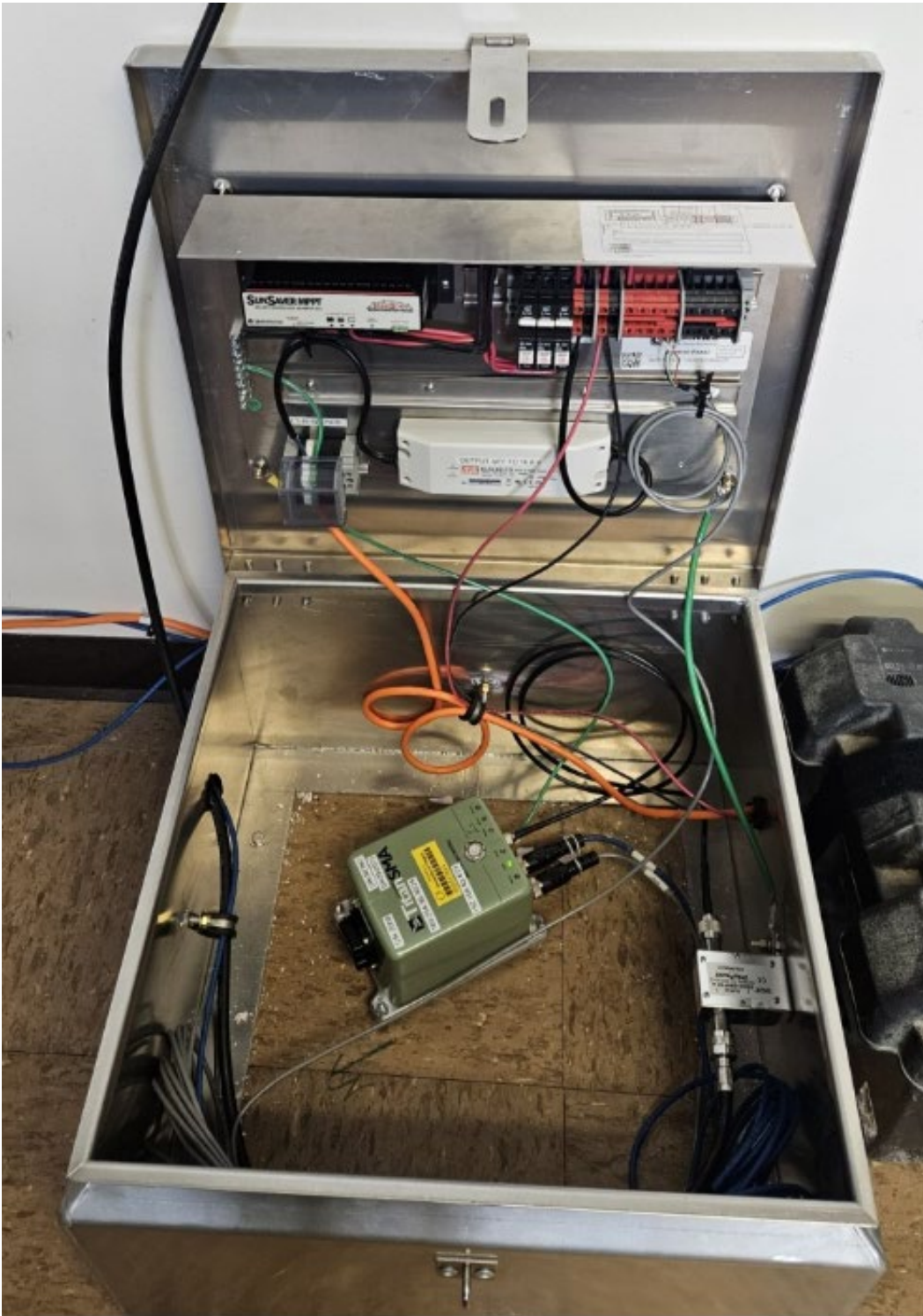


Figure 6 – The 3-channel seismic sensor is mounted to the floor and is protected by the aluminum enclosure.



Figure 7 – Outdoor mounted GPS antenna resides on the frame of the roof.

P R E S E N T A T I O N

DATE: December 12, 2023
RE: RV Park Annex Conceptual Redesign and Analysis
TO: Paula Miranda, General Manager
ISSUED BY: Aaron Bretz, Director of Operations

BACKGROUND

Good Work Architects have been putting together the recommendation for a new concept for the RV “Annex” in South Beach since we contracted with them this summer. They’ve produced a comprehensive report that includes market analysis by Sage, as well as site analysis and concept development for a new “Annex” that would be better integrated into the site in South Beach. This is just the first level of planning necessary to start work on the replacement for the Annex, and determining development of the current site.

DETAIL

During the course of the analysis, it became apparent that developing the currently unfinished “dry camp” area adjacent to the boat ramp lot to replace the RV Annex would bring numerous advantages to the redevelopment project including:

- More available space
- Better symmetry for the development of RV Spaces
- Better integration to the existing amenities
- Easier transition to the new RV Park addition without having to phase construction, which results in no revenue lost during the project
- Opportunity to address the boat ramp staging lane as part of the project
- Opportunity to significantly increase parking inventory by using the old Annex for paid parking
- Reduced construction cost associated with removal of old in-ground infrastructure prior to development

In light of these advantages, Good Works has integrated recommendations from Sage Outdoor Advisory on the market place to recommend a target customer, appropriate sizing, and potential amenities into a comprehensive concept for the redevelopment of the current RV Annex and Dry Camp.

Cost estimates for the next phase of planning are not included in the packet, but will be presented at the Port Commission Meeting.



Port of Newport RV Park

Revenue Projection

Sage Outdoor Advisory

A Division of Sage Commercial Advisory

RV Park

2120 SE Marine Science Dr
Newport, OR 97365

Authors

Shari Heilala, MAI
President

Connor Schwab, MBA
Vice President

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Letter of Transmittal



5113 South Harper, Suite 2C
Chicago, Illinois 60615
p: 312.291.1921
www.sageoutdooradvisory.com

October 11, 2023

Aaron Brentz
Port of Newport
600 SE Bay Blvd.
Newport, OR 97365

Re: Revenue Projection
Port of Newport RV Park
2120 SE Marine Science Dr.
Newport, OR 97365
Sage Outdoor Advisory File No. 23-121A-08

Mr. Brentz:

At your request, we have analyzed the market and the proposed RV park expansion located at 2120 SE Marine Science Dr, Newport, OR 97365. The proposed development will include two sites. The first is referred to as 'Dry Camp' and the development area is approximately 4 acres and located immediately north of the primary parking lot and east of the marina docks. The area is currently being used as an overflow parking lot and contains few major building or structures. The second area for the proposed development expansion is referred to as the 'Annex' area. This area currently includes a basic RV campground that is actively being used for overnight RV guests. It includes some hookups, but no paving or amenities. Both areas are proposed to be developed into high quality RV park areas with paved designated sites offering full hookups, Wi-Fi, adequate spacing, and picnic tables. After discussions with management and reviewing local demand trends, competing properties, and tourism trends we have projected the 10 year revenue forecast. In addition, we have assumed that a bath house and other small amenities are also built in each of the two areas. **The scope of this hypothetical development appears appropriate for the market, and concluded to have strong revenue projections given the market parameters.**

We have studied the site and analyzed the outdoor resort market conditions. The results of our analysis are presented in this report. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and

recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation; the Code of Professional Ethics and Standards of the Appraisal Institute; and the Interagency Appraisal and Evaluation Guidelines dated December 2, 2010.

This report is for the sole use of Mr. Brentz / Port of Newport; however, Mr. Brentz / Port of Newport, may provide only complete, final copies of the study in its entirety (but not component parts) to the county, potential users or buyers or third parties who shall review such reports in connection with loan underwriting or securitization efforts. We are not required to explain or testify as to the study results, other than to respond to Mr. Brentz / Port of Newport for routine and customary questions.

The reader should understand that the completed subject property does not yet exist as of the date of this report. The analysis is based on extraordinary assumptions that are as follows:

- Construction will be started within the next year and completed / open for business within an 18-month timeframe;
- Upon completion it is assumed to be in excellent condition, a legal conforming use, and receive the necessary permits to operate from local governing authorities;
- It is assumed that the subject is developed and furnished in the manner as outlined in this report;

Our study does not address unforeseeable events that could alter the proposed project, and/or the market conditions reflected in the analyses; we assume that no significant changes, other than those anticipated and explained in this report, shall take place between the date of report completion and stated date of opening. We have made no other extraordinary assumptions specific to this study. However, several important general assumptions have been made that apply to this study and our studies of proposed outdoor resorts in general. These aspects are set forth in the Assumptions and Limiting Conditions section of this report.

This report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. A copy of this report and the field data supporting it will remain in our files for review on request.

It has been a pleasure to provide you with consulting services for this property. If you have any questions concerning the analysis, or if we can be of further service, please don't hesitate to contact me.

Respectfully submitted,

SAGE OUTDOOR ADVISORY
A DIVISION OF SAGE COMMERCIAL ADVISORY LLC



Shari L. Heilala, MAI
 President
 Phone: 312.291.1921
 Email: heilala@sageoutdooradvisory.com

Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this study.
- This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- I have not made a personal visit to the property that is the subject of this report.
- Connor Schwab and Mayra Ambriz provided significant professional assistance to the person signing this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, the Code of Professional Ethics, and the Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of issuance of this study, Shari L. Heilala has completed the continuing education requirements for Designated Members of the Appraisal Institute.
- The undersigned has performed no other services, as a consultant or in any other capacity, involving the subject property within the three-year period immediately preceding acceptance of this assignment.



SHARI L. HEILALA, MAI

Scope of Work

The scope of this study relates to the extent and manner in which research is conducted, data is gathered and analysis is applied. The determination of the appropriate scope of work was made based upon numerous factors involving the client, intended use, intended user, subject characteristics and other assignment conditions.

For this study, the following steps were completed by Sage Outdoor Advisory:

- Analyzed regional, city, market area, site and proposed improvement data;
- Analyzed all sources of data and used our best judgment in determining total land, RV sites, cabins, building size and amenities as used in this analysis;
- Reviewed micro / macro market, including tourism trends, outdoor resort market trends and more;
- Considered existing and planned competitive rental properties in the subject's region, including interviews with management staff where available;
- Utilized market survey, primary research and other internet-based information for rental rates, expenses, vacancy, absorption and other information, as applicable;
- Projected hypothetical income, occupancy and stabilization time for potential development;

Client representatives provided us with the following information:

- General business plan (verbal description)
- Site map

Executive Summary

Weather / Operating Season: The subject is expected to operate year-round. The location has mostly temperate weather that supports demand throughout the year. The location is expected to have a six month peak season from May to October and a low season from November to April. Weather in the peak season can be described as temperate to warm and with intermediate clouds and rain. The low season can be described as cool to cold weather and frequent clouds and rain, but unlikely to experience snow or freezing temperatures. It is expected that the peak season will see significantly higher demand and rates and occupancy when the weather is best and coinciding with holiday and summer travel.

Overall, the weather for the subject location is considered favorable for RV park development and demand.

Attractions: The biggest attraction of this property are:

- Waterfront access on Yaquina Bay / Pacific Ocean and direct marina access for water activities such as fishing, tours and leisure
- Pacific Coastline and Beach access, particularly South Beach State Park and Yaquina Bay Light House
- Walkable Urban Attractions:
 - Rogue Distilleries
 - Oregon Coast Aquarium
 - Newport Discovery Zoo
 - South Beach Fish Market
- Scenic Yaquina Bay Bridge
- Newport downtown shops and restaurants

All of the attractions listed above are walkable or within a five minute drive. The attractions near the subject are considered highly favorable and above average.

Transportation: The subject is considered highly accessible due to being directly adjacent to the major coastal highway US-101 that spans the entire west coast of the country and within a mile of highway US-20 running east-west. The subject is about a 2.5 hour drive from Portland, Oregon's largest MSA and within a 1.5 hour drive of Corvallis, Salem and Eugene. The daily vehicular traffic on Highway 101 is strong and considered positive for customer awareness and demand.

Population Access and Income Trends:

- One hour drive radius:
 - Population access is considered low and median household income is below the national average which are negative demand indicators.

- Population growth is above the national average which is a positive future demand indicator.
- Household vacancies are well above the national average, but this is likely in part due to a high concentration of vacation homes. This is a negative factor.
- Two and three hour drive radius
 - Population access and median household income are near above average and considered positive factors.
 - Housing vacancies are below the national average and considered positive.
 - Population growth is well above the national average and considered positive for future demand.

Demographics and demand generators in the subject are mixed. The one hour drive radius is below average and the 2 to 3 hour drive radii are above average and positive.

Overall Demand Indicators: Overall, the demand indicators for the subject are positive for the subject's proposed offering.

10 Year Revenue Projections:

INCOME	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 10
Back-in RV Sites - Daily	52.5	52.5	52.5	52.5	52.5	52.5	52.5
ADR	\$88.19	\$90.83	\$93.56	\$96.37	\$99.26	\$102.23	\$115.07
Occupancy	46.1%	56.0%	62.6%	64.3%	65.9%	65.9%	65.9%
Site Nights	8,843	10,738	12,002	12,318	12,634	12,634	12,634
Revenue	\$779,888	\$975,416	\$1,122,876	\$1,186,999	\$1,253,958	\$1,291,576	\$1,453,680
Pull Thru RV Sites - Daily	24.0	24.0	24.0	24.0	24.0	24.0	24.0
ADR	\$96.89	\$99.79	\$102.79	\$105.87	\$109.05	\$112.32	\$126.42
Occupancy	41.8%	50.8%	56.8%	58.3%	59.8%	59.8%	59.8%
Site Nights	3,665	4,450	4,974	5,105	5,236	5,236	5,236
Revenue	\$355,085	\$444,110	\$511,249	\$540,444	\$570,930	\$588,058	\$661,864
Back-in RV Sites - Monthly	12.5	12.5	12.5	12.5	12.5	12.5	12.5
ADR	\$40.00	\$41.20	\$42.44	\$43.71	\$45.02	\$46.37	\$52.19
Occupancy	53.2%	64.6%	72.2%	74.1%	76.0%	76.0%	76.0%
Site Nights	2,428	2,948	3,295	3,382	3,469	3,469	3,469
Revenue	\$97,125	\$121,476	\$139,840	\$147,825	\$156,164	\$160,849	\$181,037
Total Lodging Revenue	\$1,232,097	\$1,541,002	\$1,773,965	\$1,875,268	\$1,981,052	\$2,040,484	\$2,296,582
Misc. Revenue	\$61,605	\$77,050	\$88,698	\$93,763	\$99,053	\$102,024	\$114,829
TOTAL REVENUE	\$1,293,702	\$1,618,052	\$1,862,663	\$1,969,031	\$2,080,105	\$2,142,508	\$2,411,411

Occupancy based on 365 days; Year 5 is stabilization year; Years 7-9 hidden to enlarge table

SWOT Analysis

Strengths: Internal characteristics where a company excels and has a competitive advantage over its peers.

- **Waterfront and Marina Access:** The subject is the only RV park in the Newport area with Yaquina Bay waterfront and marina access (not considering Sawyers Landing, which at the time of this report did not have a functioning website).
- **Outdoor Attractions:** The subject has nearby access to many popular outdoor attractions and state parks.
- **Urban Attractions:** The subject is the only RV park in the Newport area within walking distance to many of Newport's major attractions including notable Rogue Distilleries and the Oregon Coast Aquarium.
- **High Accessibility and Visibility:** The property is directly adjacent to Highway 101 which is good for exposure to strong traffic counts and easy driving accessibility.
- **Temperate Weather:** The location has temperate weather year round and does not typically experience snow or freezing temperatures that would require it to shut down, winterize or hire mostly seasonal staff.
- **Good Quality RV Sites:**
 - The RV sites are expected to be new and high quality featuring desirable paved sites, angled approaches, with 50 amp full hookups (FHU), Wi-Fi and picnic tables which drive the highest rates in the RV industry and in the region.
 - The sites will be a competitive size that accommodates today's luxury motorcoach and big rigs.
- **Growth Area:**
 - Oregon is a high population growth state and the subject's region has a projected population growth well above the national average. This is a positive indicator for robust future demand.
- **Strong Tourism:** Tourism in the area is strong and projected to continue its growth.

Weaknesses: Internal characteristics where a business is at a competitive disadvantage relative to its peers.

- **Website / Photographs:** The current website, particularly the RV park pages, are relatively difficult to use and to find helpful information and photos. There are few photos of the RV sites themselves or park amenities.
- **Booking Process:** Current booking process is difficult and requires a log in, particularly from a mobile device. It also lacks clear important information and photos.
- **Management / Reviews:** The park currently has between a 3.7 and a 4.0 in reviews on several major search platforms with many of the negative reviews being more recent. Quality parks typically have above a 4.2 and excellent parks above a 4.5. This is almost certainly hurting

bookings and demand. Furthermore, reservation management could not always be reached for booking inquires during business hours.

Opportunities: Elements that allow it to formulate and implement growth.

- Invest in a high-quality, aesthetic, functional and informative website for the RV park.
- Invest in a booking or reservation management software to streamline, automate and make booking process more informative and clear.
- Invest in high quality professional photographers including aerial drone shots and videos.
- Tie management incentives to guest experience feedback and positive online reviews to elevate online presence on popular reviews sites like Google, TripAdvisor and Good Sam.
- Utilize dynamic pricing to set higher prices in peak season, weekends and holidays and lower prices during low season and mid-week to increase occupancy in the local competitive environment. Offer a long-term, discounted monthly rate RV option to boost occupancy and generate more revenue in the slower low season.

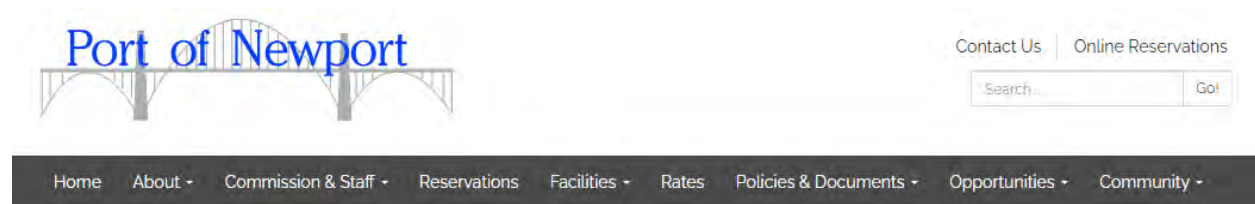
Threats: Elements that can endanger the business and its ability to operate.

- Variability in development costs and the availability of materials. Global supply chain issues, rising inflation/prices and labor shortages are expected to continue in the short term. Up-to-date material pricing and site-specific construction bids should be gathered.
- There is always a risk of new competitors entering the market, particularly in recent years. The subject's market has multiple RV parks in the surrounding area. Our research indicates no impending competitive projects in the surrounding area, but this should be monitored for influx of competitors that could affect market supply.

Recommendations

The following are recommendations that would help both the existing park and the new development:

#1 Website: Invest in a professional, aesthetic, functional and informative website for the RV park. The current website is used for a number of different purposes for the Port of Newport only a part of which is designated for the RV Park function. This can be confusing for guests who only want to make an RV reservation quickly.



Having a website designated solely for the RV park would simplify the process. When clicking into RV park on desktop browser and mobile browser the information and photos are highly limited.

Online Reservations

[BOOK ONLINE - Reservations of Less than 30 Days](#)

Please note online reservations can not be made further than 6 months in advance. Please call the RV Park office if you would like to reserve moorage for a vessel at 541.406.0461.

Please check out our guide for assistance using the Reservation Site.

[GUIDE](#)

- [RV Parks & Recreational Marina Rules](#)
- [RV Parks & Recreational Marina Map](#)
- [Expanded Dry Camp](#)
- [Expanded Dry Camp-Trailer Parking](#)

Main RV Park

The RV Main Park has 92 spaces, pull-thru's and back in's. It is located next the the Marina with full hook-ups including 50amp service, water, sewer, cable TV and limited WIFI. Pads are on asphalt with space in between sites with room for a tow vehicle. Restrooms, showers and laundry facilities on site.

#2 Booking / Reservation Management Software: Invest in a booking or reservation management software to streamline, automate and make booking process more informative and clear. Currently guests must create a login to make a booking which is cumbersome particularly from a mobile device. When using the booking platform it is still confusing because the process is shared with marina reservations.

PacsoftNG Online

Log In To Your Account

User Name

Password

[Register as a new user](#)
[Forgot Password](#)

Search Site Availability

Arrival Date <input type="text" value="2 Jul 2024"/>	Departure Date <input type="text" value="3 Jul 2024"/>	Vessel \ RV <input type="text" value="RV (34x0x2005)"/>	Marina <input type="text" value="South Beach"/>
Site Type <input type="text" value="RV Main Park Rental"/>	Booking Product <input type="text" value="RV Park Rental Daily"/>		

Sites Available

Select the site you would like to book

Arrival Date	Departure Date	Days	Vessel \ RV	Marina	Site Name	Site Length	Site Type	Rate	Full Price	
2 Jul 2024	3 Jul 2024	1	RV	South Beach	RV08	50	.RV Main Park Rental	\$74.29	\$84.32	<input type="radio"/>
2 Jul 2024	3 Jul 2024	1	RV	South Beach	RV09	50	.RV Main Park Rental	\$74.29	\$84.32	<input type="radio"/>
2 Jul 2024	3 Jul 2024	1	RV	South Beach	RV12	50	.RV Main Park Rental	\$74.29	\$84.32	<input type="radio"/>

When trying to book sites, there is limited info and photos about each site. Using a booking platform or reservation software like CampSpot allows guests to see each site in a map, understand the amenities at the site, as well as, availability and pricing for that site. This will empower guests to make more online bookings without having to call into the manager taking up their time answering questions and manually entering reservation and payment info.

#3 Dynamic Pricing: Set higher prices in peak season, weekends and holidays and lower prices during low season and mid-week to increase occupancy. Offering monthly stays in the winter can boost



occupancy as well. Many reservation management software solutions like CampSpot allow for dynamic pricing.

#3 Photographs: Invest in high quality professional photographers including aerial drone shots and videos. There are some good aerial shots on the website currently, particularly of the marina, but the RV park lacks good photos, especially of the sites themselves.

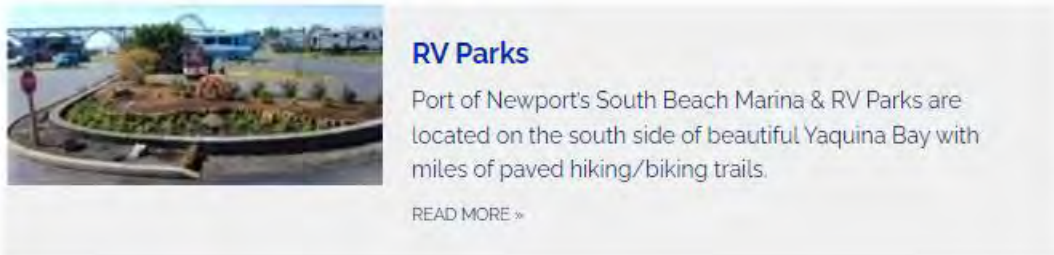


Photo above is highly pixelated on the current website.

Port of Newport

Contact Us | Online Reservations

Home About - Commission & Staff - Reservations Facilities - Rates Policies & Documents - Opportunities - Community -

FACILITIES

MAPS

COMMERCIAL MARINA

INTERNATIONAL TERMINAL

RECREATIONAL MARINA

RV PARKS

RV Parks

Port of Newport's South Beach Marina & RV Parks are located on the south side of beautiful Yaquina Bay with miles of paved hiking/biking trails.

Two full hook-up RV Parks

- 144 spaces – many designed for big rigs
- Full hook-ups (water, sewer, 30 or 50 amp power, cable TV)
- Showers and laundry
- Limited Wi-Fi
- [Good Sam](#) or Veterans discounts
- Separate RV dump station
- Dry Camping

- Port of Newport Marina RV Park is an up-to-date Good Sam rated park with discount available. All sites offer full hookups and are paved with pull-thru, back-in, and pull-in options.
- Port of Newport Annex is the Port's legacy park with gravel pads and full hookups (no discounts).
- RV Dry camping has no hookups or facilities.
- If you experience any difficulty making a reservation call 541-406-0461. Questions: info@portofnewport.com

Within walking distance:

- [Oregon Coast Aquarium](#) – One of the top rated aquariums in the country.

PORT OF NEWPORT RATES

READ MORE >>

SOUTH BEACH FREQUENTLY ASKED QUESTIONS

How do I make a reservation?

READ MORE >>

RECREATIONAL MARINA & RV PARKS MAPS

RV Park and Marina Map

Note: Most of the information in the upper tool bar and side bars is not related to the RV park.

#4 Management / Reviews: Tie management incentives to guest experience feedback and positive online reviews to elevate online presence on popular reviews sites like Google, TripAdvisor and Good Sam. The existing Port of Newport RV Park is receiving a concerning amount of negative reviews. Most of the negative feedback is about when customer expectation does not meet the reality of the offering or a lack of information about their reservation or from management.

This can typically be mitigated through accurate descriptions on the website and information in the booking process. If someone is coming to the RV park expecting beautiful water views and close amenity access, but end up in the basic Annex gravel lot, they are likely to have a negative experience. If these guests understand the basic nature of the Annex campsite from the beginning, they are less likely to have a negative experience, because they knew what they were getting themselves into from the start. This might hurt bookings up front, but it will protect future business through positive reviews. Whereas negative reviews are detrimental to long term success. Also upgrading the Annex altogether would help solve this issue.

Port of Newport RV Park & Marina - South Beach
 3.9 ★★★★★ (156)
 RV park · 2120 SE Marine Science Dr
 RV park with water & bridge views
 (541) 867-3321

🗣️ "Port of Newport has been great!"

Newport Marina Rv Park
 3.8 ★★★★★ (65)
 RV park · SE Ferry Slip Rd
 (541) 867-3321

Port of Newport RV Park
8.1 ★★★★★ 211 Reviews

OVERVIEW
58 PHOTOS
AMENITIES
211 REVIEWS
58 TIPS
1 Q&A

2120 SE Marine Science Dr
 Newport, OR 97365

\$\$\$
 Average Rate

143
 Sites

Port Of Newport Marina & RV Park ✓

2120 SE Marine Science Dr, Newport, OR 97365

Good Sam Rating ⓘ

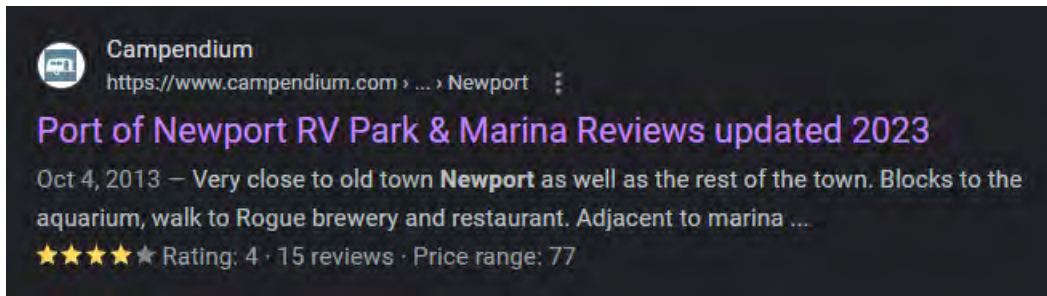
Facility	Restrooms	Appeal
9.5	10 ★	9

Port of Newport Marina & Rv Park

★
★
★
★
★
3.7 (29 reviews)

Unclaimed ⓘ · RV Parks Edit

Open 8:00 AM - 4:30 PM See hours



Creating a process to allow guests to provide constructive private feedback if they are unhappy with their stay and provide an opportunity to share positive feedback in a public review if they are happy with their stay. Guests could be incentivized to take the time to leave reviews by offering a rate discount or merchandise. This is key for brand strength, SEO and converting online bookings. The primary review platforms for this industry are: Google, Trip Advisor, Yelp and Facebook, with Google being the most important for SEO rankings.



Location Aerial Satellite View (Source: Google)



Tax Parcel Map (Source: Lincoln County Website)





View of Area Designated for Expansion Development (Source: Google Maps)



View of Area Designated for Expansion Development (Source: Google Maps)



View of Existing RV Park Property Entrance (Source: Google Maps)



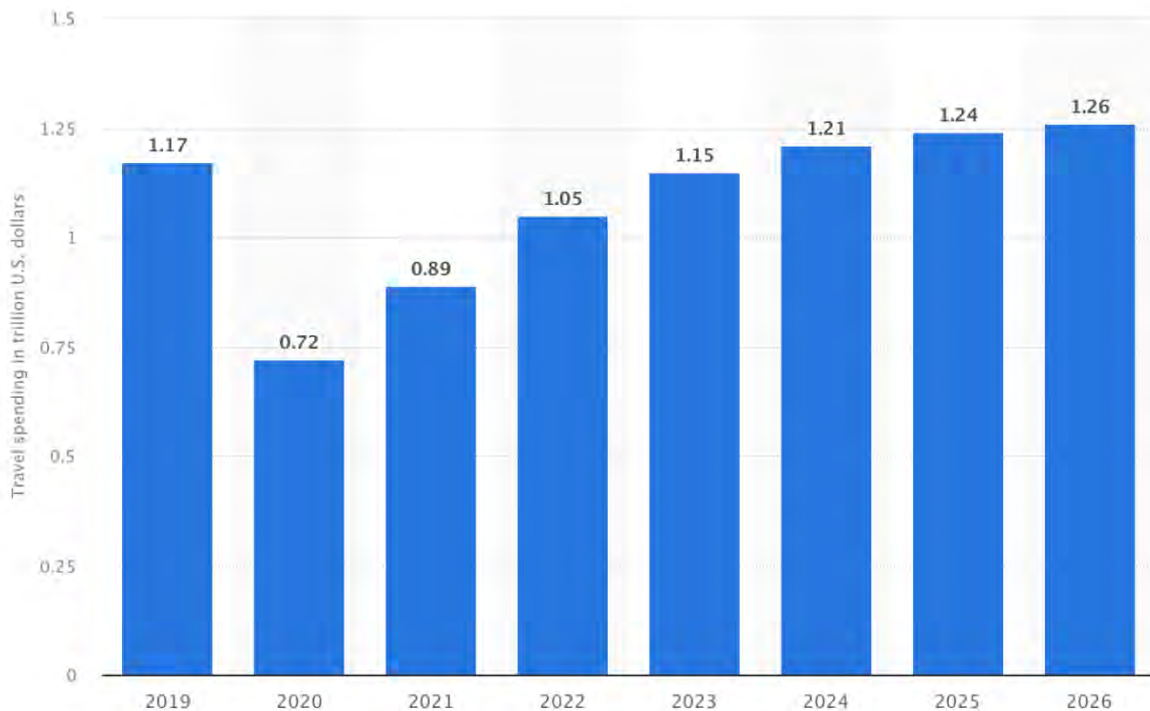
Internal View of Existing RV Park (Source: Google Maps)

Industry Overview

The entire industry overview can be seen in the Appendix. The summary information can be seen below.

U.S. Domestic Tourism

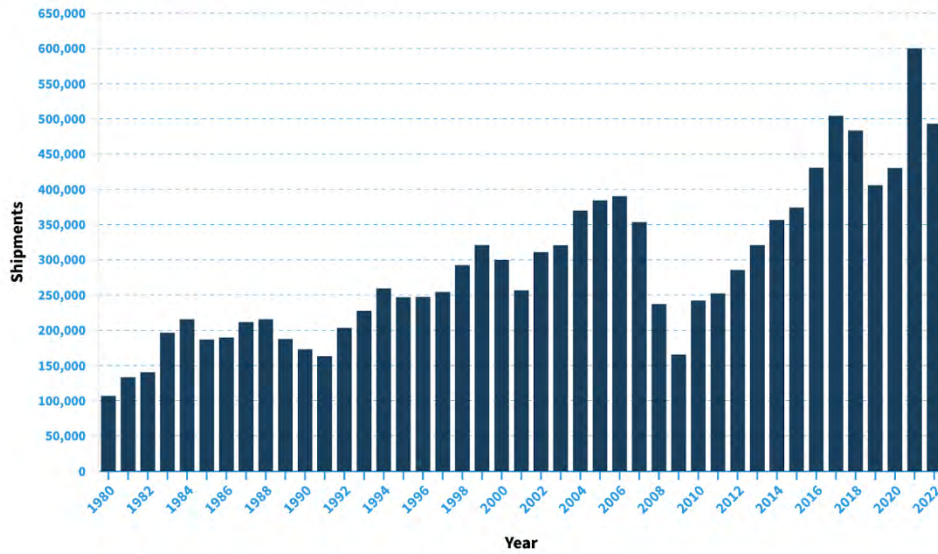
The U.S. travel and tourism industry has experienced steady growth over the past two decades. Domestic travel spending in the U.S. doubled between 2002 and 2019, nearly reaching \$1 trillion. Following The Great Recession, domestic travel spending fell in 2009 and 2010 as the economy recovered. Due to the COVID-19 lockdowns and travel bans, domestic travel experienced a 30% decrease in 2020. According to Statista, domestic travel is projected to make a full recovery and continue its growth in 2023 as seen in the chart below. The growth in the number of domestic trips is expected to start to moderate in 2023 as activity reaches pre-pandemic levels.



DOMESTIC TRAVEL SPENDING IN THE U.S. (SOURCE: STATISTA.COM)

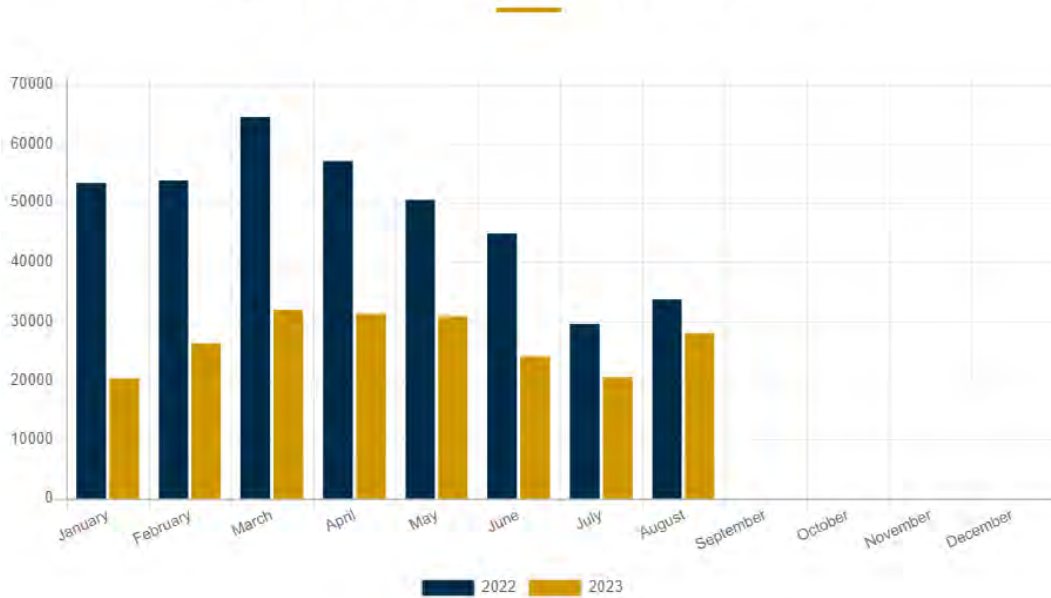
The RV industry has experienced steady growth for decades and this growth was amplified by COVID-19. One industry trend to predict future RV demand is the number of shipments made by manufacturers. RVIA tracks these statistics and the historical shipment statistics can be seen below.

RV Shipments 1980 - 2022



HISTORICAL RV SHIPMENTS CHART (SOURCE: RVIA)

Total Shipments Monthly vs. Last Year



The current year RV shipments are below the levels spurred by the pandemic, but are more in line with historical pre-pandemic trends. Overall, demand is still outpacing supply and the industry outlook is positive in the near and long term in most major metrics.

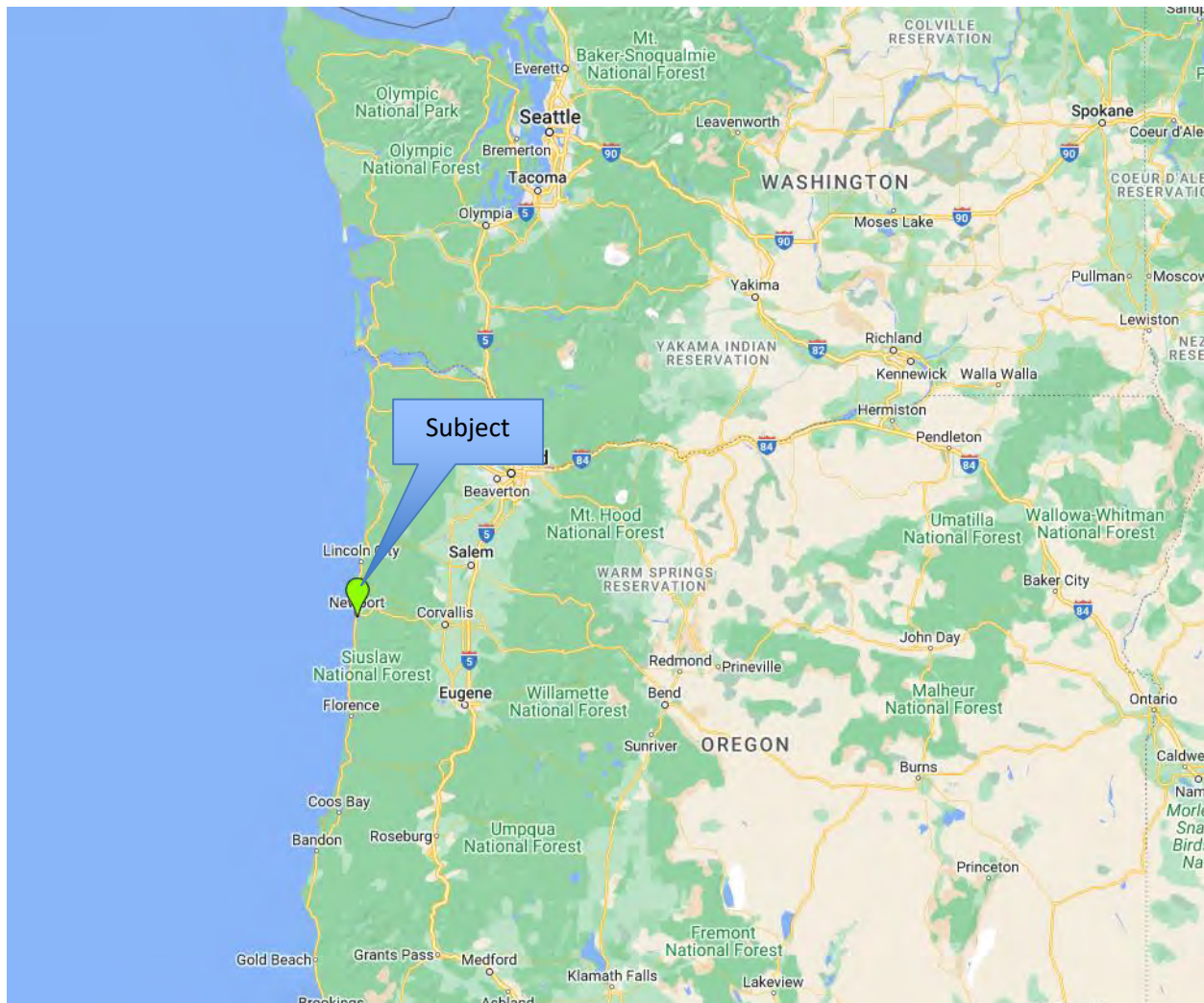


Area Analysis

Overview

This section provides a comprehensive assessment of the subject's area, and its impact on the subject resort.

The subject is located within Lincoln County, Oregon, in the city of Newport. The property features views of the Yaquina Bay.



MAP – REGIONAL VIEW (SOURCE: GOOGLE MAPS)

State

Oregon is a state in the Pacific Northwest region of the United States. Oregon is a part of the Western United States, with the Columbia River delineating much of Oregon's northern boundary with Washington, while the Snake River delineates much of its eastern boundary with Idaho. The 42° north parallel delineates the southern boundary with California and Nevada. The western boundary is formed by the Pacific Ocean. With a population of 4.2 million, it is the 27th most populous in the United States.

Oregon is one of the most geographically diverse states in the U.S., marked by volcanoes, abundant bodies of water, dense evergreen and mixed forests, as well as high deserts and semi-arid shrublands. At 11,249 feet, Mount Hood, a stratovolcano, is the state's highest point. Oregon's only national park, Crater Lake National Park, comprises the caldera surrounding Crater Lake, the deepest lake in the United States. The state is also home to the single largest organism in the world, *Armillaria Ostoyae*, a fungus that runs beneath 2,200 acres of the Malheur National Forest.

Most of Oregon has a generally mild climate, though there is significant variation given the variety of landscapes across the state. The state's western region (west of the Cascade Range) has an oceanic climate, populated by dense evergreen mixed forests. Western Oregon's climate is heavily influenced by the Pacific Ocean; the western third of Oregon is very wet in the winter, moderately to very wet during the spring and fall, and dry during the summer. The relative humidity of Western Oregon is high except during summer days, which are semi-dry to semi-humid; Eastern Oregon typically sees low humidity year-round.

The state's southwestern portion, particularly the Rogue Valley, has a Mediterranean climate with drier and sunnier winters and hotter summers, similar to Northern California.

Oregon's northeastern portion has a steppe climate, and its high terrain regions have a subarctic climate. Like Western Europe, Oregon, and the Pacific Northwest in general, is considered warm for its latitude, and the state has far milder winters at a given elevation than comparable latitudes elsewhere in North America, such as the Upper Midwest, Ontario, Quebec and New England. However, the state ranks fifth for coolest summer temperatures of any state in the country, after Maine, Idaho, Wyoming, and Alaska.

The eastern two thirds of Oregon, which largely comprise high desert, have cold, snowy winters and very dry summers. Much of the east is semiarid to arid like the rest of the Great Basin, though the Blue Mountains are wet enough to support extensive forests. Most of Oregon receives significant snowfall, but the Willamette Valley, where 60% of the population lives, has considerably milder winters for its latitude and typically sees only light snowfall.

Tourism is centered on the state's natural features – mountains, forests, waterfalls, rivers, beaches and lakes, including Crater Lake National Park, Multnomah Falls, the Painted Hills, the Deschutes River, and the Oregon Caves. Mount Hood and Mount Bachelor also draw visitors year-round for skiing and other snow activities.

Portland is home to the Oregon Museum of Science and Industry, the Portland Art Museum, and the Oregon Zoo, which is the oldest zoo west of the Mississippi River. The International Rose Test Garden is another prominent attraction in the city. Portland has also been named the best city in the world for street food by several publications, including the *U.S. News & World Report* and CNN. Oregon is home to many breweries, and Portland has the largest number of breweries of any city in the world.






The state's coastal region produces significant tourism as well. The Oregon Coast Aquarium comprises 23 acres along Yaquina Bay in Newport, and was also home to Keiko the orca whale. It has been noted as one of the top ten aquariums in North America. Fort Clatsop in Warrenton features a replica of Lewis and Clark's encampment at the mouth of the Columbia River in 1805. The Sea Lion Caves in Florence are the largest system of sea caverns in the United States, and also attract many visitors.

In Southern Oregon, the Oregon Shakespeare Festival, held in Ashland, is also a tourist draw, as is the Oregon Vortex and the Wolf Creek Inn State Heritage Site, a historic inn where Jack London wrote his 1913 novel *Valley of the Moon*.

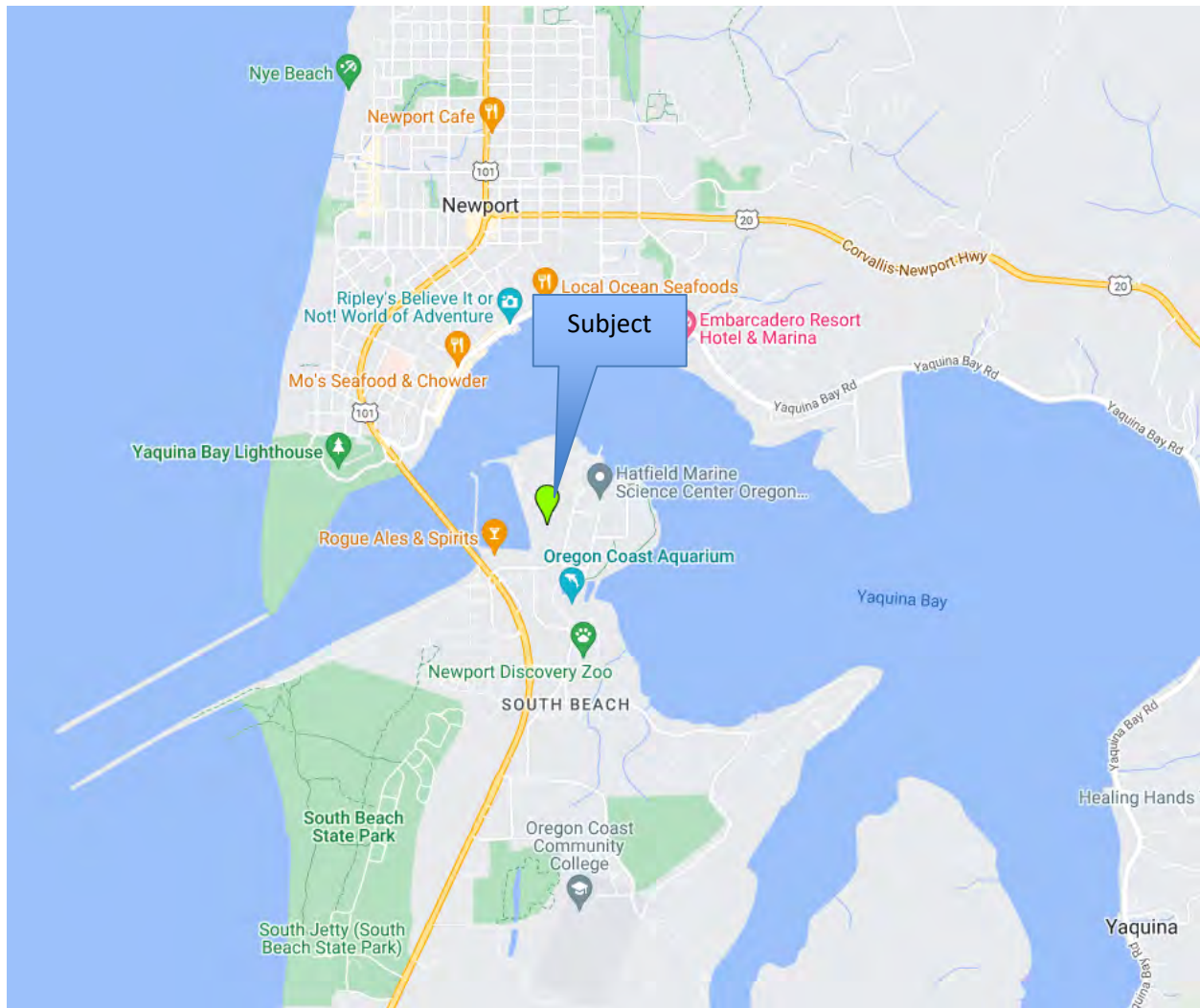
Oregon has also historically been a popular region for film shoots due to its diverse landscapes, as well as its proximity to Hollywood. Movies filmed in Oregon include: *Animal House*, *Free Willy*, *The General*, *The Goonies*, *Kindergarten Cop*, *One Flew Over the Cuckoo's Nest*, and *Stand By Me*. Oregon native Matt Groening, creator of *The Simpsons*, has incorporated many references from his hometown of Portland into the TV series. Additionally, several television shows have been filmed throughout the state including *Portlandia*, *Grimm*, *Bates Motel*, and *Leverage*. The Oregon Film Museum is located in the old Clatsop County Jail in Astoria. Additionally, the last remaining Blockbuster store is located in Bend.

Oregon's primary interstate routes include I-5, I-80N, I-82, I-84, I-105, I-205, I-305, I-405 and I-505 as illustrated by the following tables:

Number ↕	Length (mi) ^[9] ↕	Length (km) ↕	Southern or western terminus	Northern or eastern terminus	Formed ↕	Removed ↕	Notes
 I-5	308.14	495.90	I-5 at the California state line	I-5 at the Washington state line	1957	current	
 I-80N	375.17	603.78	I-5 / US 30 in Portland	I-80N at the Idaho state line	1957	1980	Renumbered to I-84
 I-82	11.01	17.72	I-82 at the Washington state line	I-84 / US 30 in Umatilla County	1957	current	
 I-84	375.17	603.78	I-5 / US 30 in Portland	I-84 at the Idaho state line	1980	current	

Number ↕	Length (mi) ^[10] ↕	Length (km) ↕	Southern or western terminus	Northern or eastern terminus	Formed ↕	Removed ↕
 I-105	3.49	5.62	OR 99 / OR 126 / OR 126 Bus. in Eugene	I-5 / OR 126 in Springfield	c. 1957	current
 I-205	26.07	41.96	I-5 in Tualatin	I-205 at the Washington state line	1958	current
 I-305	—	—	Salem	I-5 in Salem	c. 1957	1967
 I-405	3.53	5.68	I-5 in Portland	I-5 / US 30 in Portland	1958	current
 I-505	—	—	US 30 in Portland	I-405 / US 30 in Portland	c. 1957	1988





MAP – LOCAL AREA VIEW (SOURCE: GOOGLE MAPS)

County

Lincoln County is one of the most popular destinations on the Oregon coast, with a coastline that varies from the rocky cliffs near stunning Cape Perpetua on Lincoln County's southern border to the 7 miles of sandy beaches at Lincoln City leading to the northern border at the Salmon River - plus hundreds of miles of navigable rivers, waterfalls, old-growth Douglas fir giants in eternally vernal rainforests, world class dining and thriving art and culture scene.

As of the 2020 census, Lincoln's County population was 50,395. Principal industries of the county are travel (primarily tourism), trade, health services and construction. Paper manufacturing and fishing are still important although they contribute proportionally less than they used to. Newport is one of the two major fishing ports of Oregon (along with Astoria) that ranks in the top twenty of fishing ports in the U.S.

Major routes in the county include U.S. Highway 20, 34, 101, 229, 410 and 411. The county is also served by Newport Municipal Airport, Siletz Bay State Airport and Wakonda Beach State Airport.

Local

The subject property is located in the City of Newport, OR. As of the 2020 census, there were 10,256 people and 4,559 households in the city.

Visitors and locals are attracted to Newport to enjoy numerous year-round outdoor activities, entertaining attractions, a variety of restaurants and unique shopping opportunities.

One of the most recognizable landmarks in Newport is the Yaquina Bay Bridge. Completed in 1936. This bridge was the final link on the Coast Highway, connecting the entire Oregon coast and bringing more tourists to the area. Traveling over it provides stunning views of the coastline, the bayfront and the Yaquina River.

Just below the Yaquina Bay Bridge sits Newport's famous working bayfront. This is where Newport's seafood industry flourishes and is home to canneries, processing plants, and the largest commercial fishing fleet in Oregon. Newport also boasts of being the Dungeness Crab Capital of the World; however, crab is not the only seafood available. Salmon, halibut, cod, rockfish and tuna are popular fisheries open to both commercial and recreational fisherman. Also located on the bayfront are numerous restaurants, local retail stores and family-friendly entertainment such as Ripley's World of Adventure.

Over the hill from the bayfront is historic Nye Beach which features several hotels, eateries, shopping experiences, city parks, and Newport's beloved Performing Arts Center, all within walking distance.

Newport is also home to two lighthouses. The Yaquina Bay Lighthouse which was constructed in 1871 and considered the oldest building still standing in Newport and the Yaquina Head Lighthouse which was built in 1873. Yaquina Head Lighthouse offers several outdoor experiences such as bird watching, exploring tide pools, whale watching or hiking.

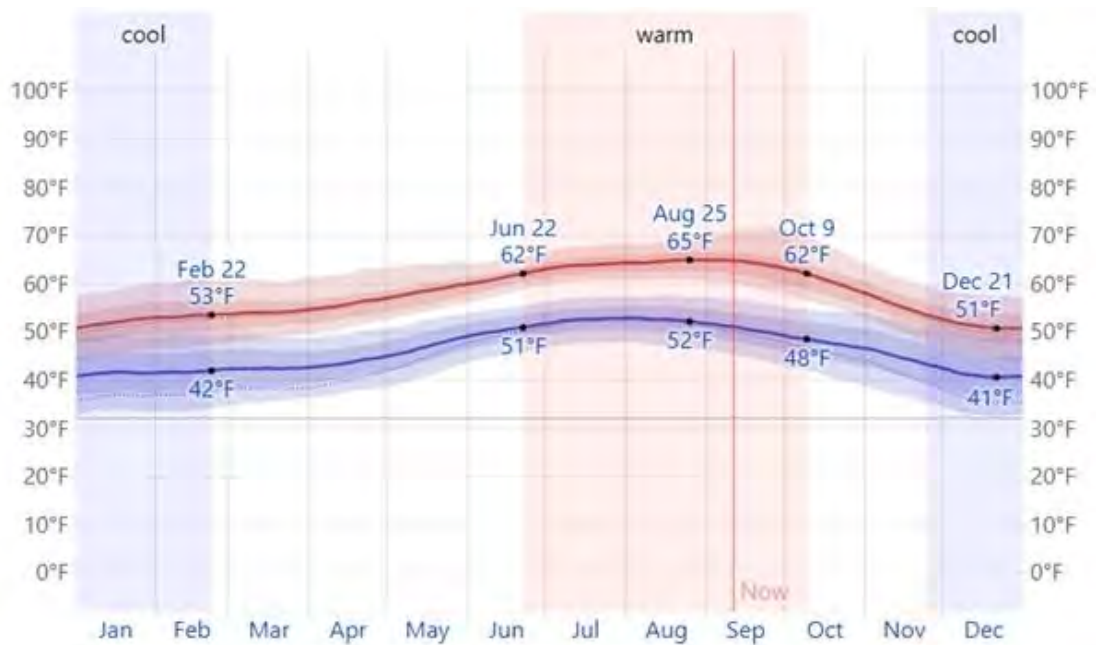
Newport is served by U.S. Highway 101, which runs north and south along the entire U.S. coast, and U.S. 20, which runs east and west across the entire country. Newport is a key western portal to Oregon's Central Coast, located 60 miles from Interstate 5. The area is also served by Newport Shuttle Bus, Newport Municipal Airport and Port of Newport.

The subject's location is well suited for its proposed RV park.

Demand Indicators

Weather

This section describes how the weather in the area will affect the guest experience, operations and seasonality. The information in this section was gathered from weatherspark.com for Newport, Oregon.



The daily average high (red line) and low (blue line) temperature, with 25th to 75th and 10th to 90th percentile bands. The thin dotted lines are the corresponding average perceived temperatures.

Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
High	52°F	53°F	54°F	56°F	59°F	62°F	64°F	65°F	64°F	61°F	55°F	51°F
Temp.	46°F	47°F	48°F	49°F	53°F	56°F	58°F	58°F	57°F	53°F	49°F	45°F
Low	41°F	42°F	42°F	44°F	47°F	50°F	52°F	52°F	50°F	48°F	44°F	41°F



The percentage of days in which various types of precipitation are observed, excluding trace quantities: rain alone, snow alone, and mixed (both rain and snow fell in the same day).

Days of	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Rain	15.7d	13.8d	15.3d	11.4d	7.8d	4.9d	1.8d	1.9d	5.1d	10.4d	16.7d	16.6d

Tourism Score in Newport



The tourism score (filled area), and its constituents: the temperature score (red line), the cloud cover score (blue line), and the precipitation score (green line).

SOURCE: WEATHERSPARK.COM

Summary

- **Warm Months:** The warm season lasts for 3.6 months, from June 22 to October 9, with an average daily high temperature above 62°F. The hottest month of the year in Newport is August, with an average high of 65 F and low of 52°F.
 - Outdoor recreation demand will be high in these months.
 - The location rarely experiences 'hot' temperatures. There will be minimal need for A/C.
- **Cold Months:** The cool season lasts for 3.0 months, from November 24 to February 22, with an average daily high temperature below 53°F. The coldest month of the year in Newport is December, with an average low of 41 F and high of 51°F.
 - Outdoor recreation demand will be lower in these months.
- **Freezing Months:** (Average low temperature below 32 degrees): Newport does not have freezing months.
 - This park has the advantage of being able to operate year round and is not likely to need to close or winterize the property.
- **Outdoor Recreation Demand:** (Average temperatures between 50 and 65 degrees): 11 months from January to November support outdoor recreation demand.
 - Due to the relatively temperature climate this area is expected to attract year round outdoor recreation although it will be lower in the winter.
- **Precipitation:** The wetter season lasts 6.4 months, from October 15 to April 28, with a greater than 31% chance of a given day being a wet day. The month with the most wet days in Newport is November, with an average of 16.8 days with at least 0.04 inches of precipitation.
 - This amount of rainfall is considered above average and awning and rain protection should be considered in the site design and communal areas.
- **Snow Fall:** The area does not have a snowy season.
- **Tourism Score:** Best weather months to visit are from early June to October. The tourism score is generally between 3 and 5.7 during these months.

Conclusion

The subject site has desirable weather that supports year-round demand. The climate can be characterized as sunny and cool/warm half the year and cool/cold and wet for about half the year. While cold and wet is not as good as warm and sunny, it is better than freezing and snowy compared to many locations across the U.S. The key advantage of this location is its year round temperate climate. This means there will be few days with stifling heat and few days with freezing temperatures or snow which allows this location to operate year round. A key advantage compared to most locations.

The demand is expected to be as follows:

- Peak Season: 6 months - May through October
- Low Season: 6 months November through April

Overall, the weather for the subject location is considered desirable for RV park development.

Tourism Trends

Tourism is a vital component of Oregon's economy. The Oregon travel economy reached new highs across most categories in 2022. Continued demand for overnight accommodations and increased price inflation led to large gains in visitor spending. This increased spending and a tight labor market contributed to an increase in employee earnings, with both having a cumulative effect on increased tax revenue. Employment has recovered to 99% of peak employment reached in 2019.

Travel Industry Trend Indicators are as follows:

- In 2022, the amount of money spent directly on travel increased by 26.5% year over year, from \$10.9 billion to \$13.9 billion.
- Travel earnings (the amount of money earned by employees) also increased by 23.9% or \$821 million during 2022.
- Residents of Oregon accounted for 36% of visitor spending in Oregon in 2022. U.S. residents of states other than Oregon accounted for approximately 60% while international visitors accounted for 5% of travel spending in the state.
- Leisure visitors to Oregon consistently expressed very strong satisfaction in all three measures: satisfaction, recommendations, and likelihood to return.

Conclusion

Tourism is critical to the strength of Oregon's economy and essential to the growth of other industries across the state. In 2022, the state of Oregon reported new highs in tourism spending, reflecting an almost complete rebound after the pandemic.

Attractions / Events

This section describes the attractions that are likely to draw visitors to the area who would stay at the site.

The following are the top attractions in the area that are likely to attract tourism:

1. **Yaquina Head Outstanding Natural Area** Oregon's tallest lighthouse is the focal point of the Yaquina Head Outstanding Natural Area, towering 93 feet above a basalt headland that was once lava. A lighthouse has stood here since 1873, and today, guided tours take visitors into the structure and up its many steps. Wildlife viewing at Yaquina Head includes migrating whales and harbor seals, and the tide pools are a favorite thing to do on the Oregon coast for families who come to search out bright sea anemones and sea stars. There's also an Interpretive Center introducing the landscape and the lighthouse's history through its exhibits.
2. **Oregon Coast Aquarium** introduces visitors to life underwater. Highlights include glass walkways that enable an upward look at sharks and rays swimming overhead. Seals, sea otters, and giant Pacific octopus also make their homes among the aquarium tanks. Other notable attractions at the aquarium include the Secret of Shipwrecks exhibit and Sea Lion Kiss Encounters. The Aquarium also recently opened new outdoor facilities, including an expansive Nature Play Area and Outdoor

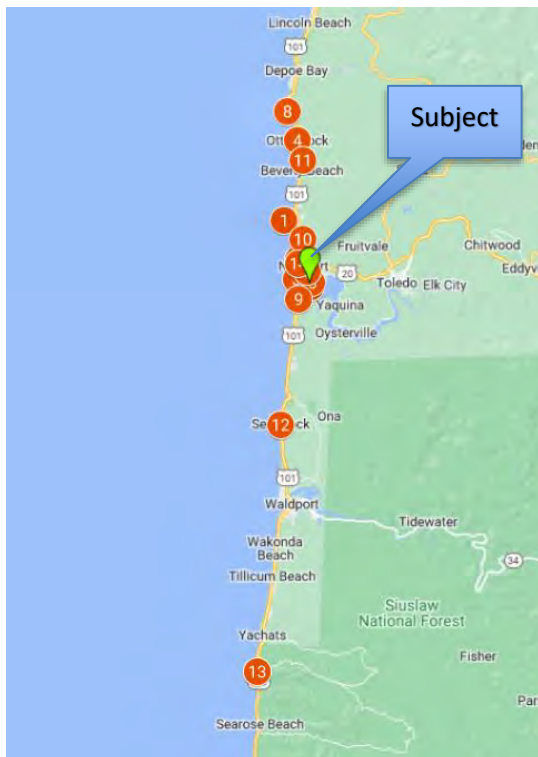
Amphitheater. The Nature Play Area is already a popular place to visit for families, with several interactive play elements.

3. **Yaquina Bay State Recreation Site** is located on the north side of its namesake bay. This scenic lighthouse destination is on the north side of the Yaquina Bay Bridge. The 32-acre park is home to the restored 1871 Yaquina Bay Lighthouse, one of the first navigational aids on the Pacific Northwest coast and later used as a Coast Guard Lifeboat Station.
4. **Devil's Punch Bowl State Natural Area** One of the most popular tourist sites along the Oregon coast is the Devils Punch Bowl, located a short drive north of Newport, just past Beverly Beach State Park. When the surf pounds the Oregon coast, it surges into this interesting rock formation at high tide and makes a roaring sound. Visitors can look down into the cut in the rock to see the white water swirling below.
5. **Hatfield Marine Science Center** is a research facility operated by Oregon State University. It's near the Oregon Coast Aquarium, on the south side of the Yaquina Bay Bridge, and connected by the half-mile Yaquina Estuary Trail. The science center provides additional aquariums and tide pools filled with bright marine creatures. Activities at the Hatfield Marine Science Center include watching octopus feedings, viewing marine research exhibits, and taking part in a variety of educational programs.
6. **Nye Beach** faces the wild Pacific Ocean, edging a historic area of Newport that has long been a popular vacation destination. The beach itself is stunning and perhaps perfect, with miles of sandy real estate in either direction. This sprawling shoreline, with westward sunsets nothing short of fine art, ranks high as one of the best beaches on the Oregon coast.
7. **Newport's Historic Bayfront** - The historic Newport Bayfront sweeps around Yaquina Bay, protected from Pacific rollers by the narrow harbor mouth. Yaquina Bay Bridge is certainly the largest area landmark and an important link for the Pacific Coast Scenic Byway.
8. **Cape Foulweather** is a scenic day trip destination approximately 10 miles north of Newport. Don't let the misnomer of this beautiful view dissuade a visit, as Captain James Cook named this promontory in 1778 after battling rough ocean waves. Cape Foulweather is nothing short of a real-life postcard when the weather is nice.
9. **South Beach State Park** spans a mile south along the coastline from the Yaquina Bay South Jetty. This historic state park offers coastal access, beachcombing, and camping. It also features a paved jetty trail that is popular with cyclists. South Beach is certainly a popular destination when the weather is nice, but its sprawling nature easily handles the crowds.
10. **Agate Beach State Recreation Site** is another popular place to soak in the sun in Newport. It's also a hotspot for activities like clamming and surfing throughout much of the year. This beachfront recreation is on the northern Newport coast, just south of Yaquina Head. This proximity to Yaquina Head leads to distant lighthouse views.
11. **Beverly Beach State Park** is seven miles north of the Newport Bayfront. Ocean goes head to Beverly to spread out on almost five miles of beach, and surfers find good waves at the north end

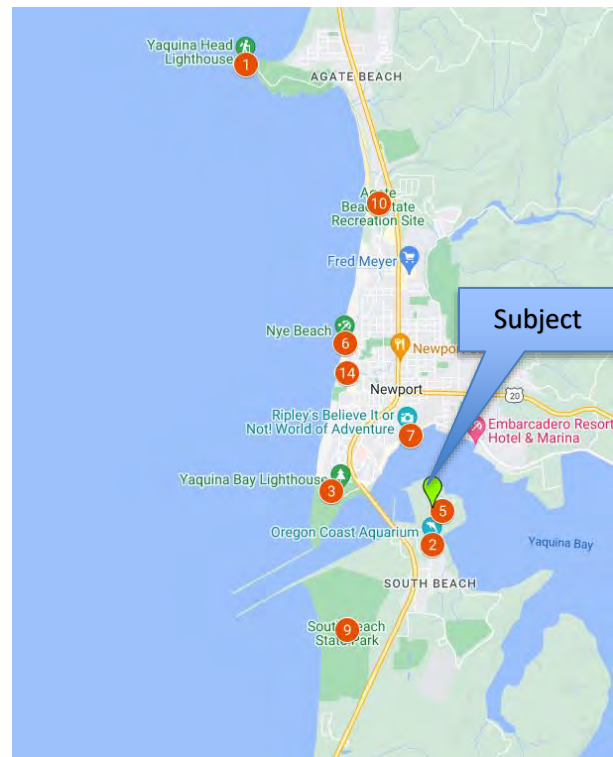
of the park. The lighthouse at Yaquina Bay is visible from Beverly Beach, as are migrating whales during season.

12. **Seal Rock State Recreation Site** About 10 miles south of Newport, Seal Rock State Recreation Site features attractions both large and small. On the big side are a few distinctive rocks are picturesque coastal landmarks amid sweeping beaches. On the small side, the many different tide pools lining the shore host various marine life for the whole family to discover.
13. **Cape Perpetua Scenic Area, Siuslaw National Forest** The sprawling Siuslaw National Forest covers 630,000 acres of rivers, mountains, and coast directly south of Newport. This spectacularly diverse landscape is unusual among national forests in that it extends to the coast. This enables stunning hiking trails and mountain views within eyesight of the ocean.
14. **Newport Visual Arts Center & Newport Performing Arts Center** - The Newport Visual Arts Center and Newport Performing Arts Center are two community anchors of the historic Nye Beach district. They are only a few blocks from one another, and the ocean, each offering renowned cultural expressions.

Map of the Attractions



Zoomed out view



Zoomed in view

What's in my Community - ESRI Analysis

Below is an analysis of what lies within a 15-minute drive radius of the subject location.



Overall, the offerings are slightly above average for a typical RV park development. Guests have a good amount of activities, attractions and commercial opportunities in their immediate area.

National Parks Service Areas

The following parks are within a three-hour drive from the subject property:

- Fort Vancouver National Historic Site

**Fort Vancouver NHS
Recreation Visits**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Annual Total	Change From Previous Year
2022	50,218	67,568	100,274	81,758	109,766	85,312	128,087	116,801	74,660	58,835	41,630	49,409	964,318	19.1%
2021	31,831	16,534	60,949	88,655	96,883	103,673	122,148	79,295	73,293	49,934	53,463	32,867	809,525	20.8%
2020	54,681	62,013	42,268	41,241	59,244	74,455	75,645	69,118	65,622	45,790	40,726	39,308	670,111	-34.2%
2019	51,761	58,676	55,372	66,250	98,553	116,876	132,587	124,641	96,894	85,075	56,514	75,015	1,018,214	-7.3%
2018	70,201	71,158	81,674	92,011	119,184	171,366	161,364	97,540	91,641	52,192	54,687	35,535	1,098,553	1.6%
2017	45,565	97,426	114,403	84,843	136,722	141,908	145,973	94,525	67,356	44,959	66,430	41,379	1,081,489	-1.0%
2016	35,285	52,134	68,346	86,638	98,274	124,361	211,604	139,551	83,982	63,940	67,575	60,341	1,092,031	33.4%
2015	63,005	53,069	30,432	52,422	88,314	151,483	125,948	80,012	57,072	44,590	35,703	36,622	818,672	1.9%

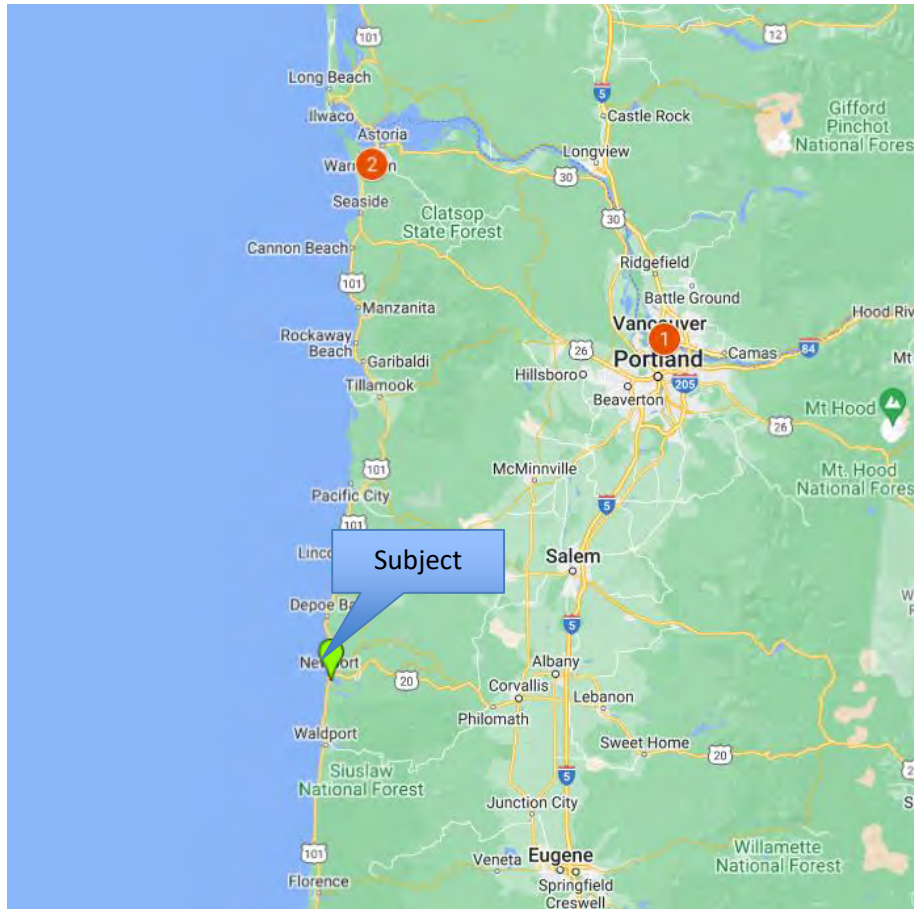
- Lewis & Clark National Historic Site

**Lewis & Clark NHP
Recreation Visits**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Annual Total	Change From Previous Year
2022	13,335	12,336	18,965	20,629	25,098	33,939	40,580	39,065	28,918	24,268	13,707	9,084	279,924	2.1%
2021	6,156	10,430	19,169	18,522	23,112	35,613	44,520	42,825	27,316	23,405	13,853	9,309	274,230	70.1%
2020	9,984	10,440	10,452	1,570	2,129	12,644	26,659	29,991	18,737	18,043	12,014	8,567	181,230	-40.5%
2019	10,818	7,841	19,314	19,503	25,824	37,895	42,651	40,982	21,485	22,874	13,438	8,368	270,993	-5.4%
2018	8,893	11,403	19,645	20,322	27,642	34,274	48,448	43,630	29,578	22,840	13,268	6,406	286,349	-2.4%
2017	8,833	9,487	17,877	22,100	24,652	35,570	50,558	47,605	32,795	22,266	11,502	10,111	293,356	4.2%
2016	9,685	10,297	17,283	21,762	26,589	35,428	45,227	45,078	29,883	19,168	12,773	8,403	281,576	4.1%
2015	8,583	10,694	17,229	17,450	25,409	33,546	45,399	43,170	28,193	21,845	11,624	7,268	270,410	10.4%

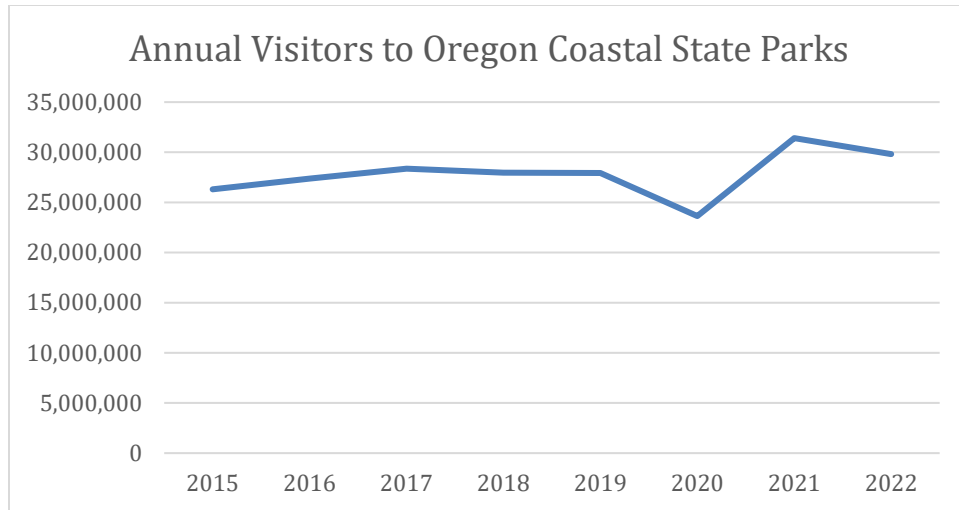
The 2022 park visitations are at/near pre-pandemic levels.

Following is a map of the above parks:



Coastal Oregon State parks annual visitation data can be seen below.

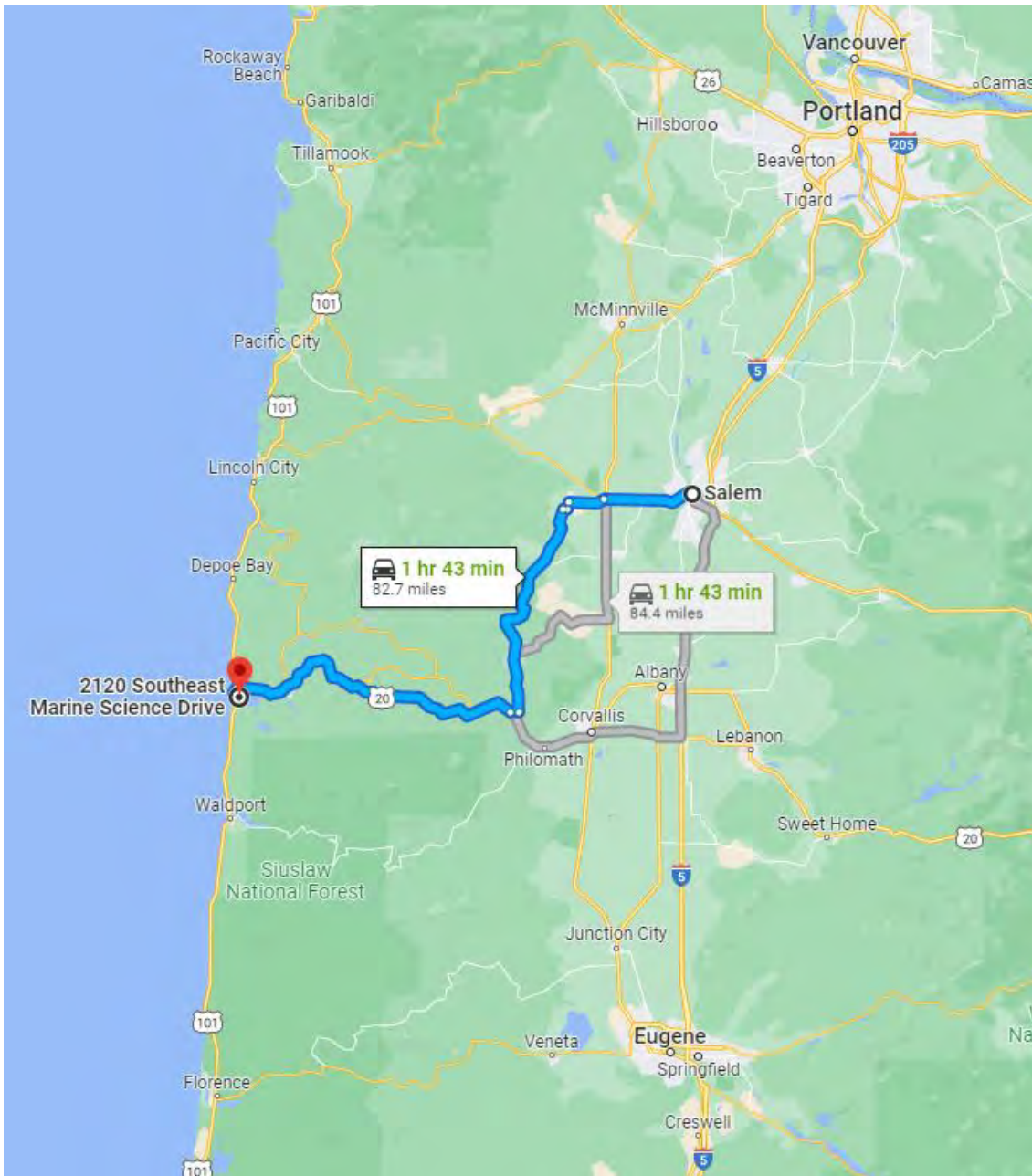




The overall daily total coastal state park visitations have increased about 13% since 2015 and about 7% since 2019 pre Covid-19 levels. The coastal region attracted about 30M visitors in 2022 which is highly correlated with RV park tourism demand. This volume and year over year growth is a positive sign for RV park demand.

Transportation

This section explains how guests can access the subject property.



MAP OF DRIVE TIME FROM SALEM TO THE SUBJECT PROPERTY (SOURCE: GOOGLE MAPS)

Highway and Road Access

The subject site is near Route 20, which connects to I-5, which offers visitors to the area convenient transportation options for the immediate area and for traveling to other destinations in the region.



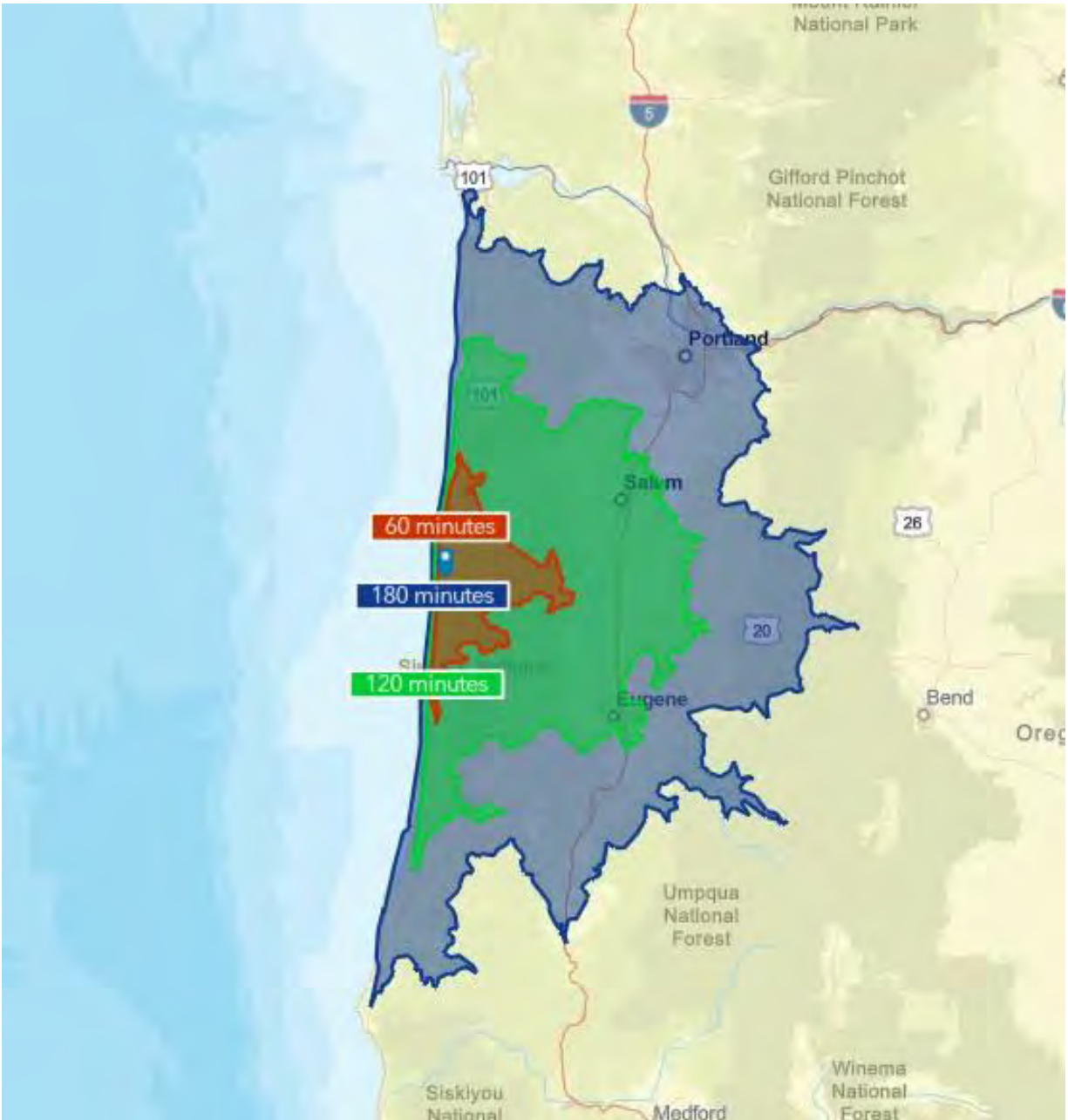
DAILY TRAFFIC COUNT OF NEAREST MAJOR ROADWAY TO SUBJECT (SOURCE: SITE TO DO BUSINESS)

The immediate area receives between 17,282 and 22,628 daily vehicles. These figures are considered favorable and expected to drive customer demand due to ease of accessibility, brand exposure and customer awareness.

Demographic Market Profile

Drive-Time Radius Demographics

The market profile within a 60-, 120- and 180-minute drive radius of the subject was gathered for analysis. The population access within a 60-, 120- and 180-minute drive radius can be seen below.



DRIVE TIME RADIUS MAP FROM SUBJECT (SOURCE: SITE TO DO BUSINESS)

	60 minutes	120 minutes	180 minutes
Population Summary			
2010 Total Population	57,398	979,271	3,220,901
2020 Total Population	62,616	1,078,998	3,592,508
2020 Group Quarters	633	37,923	79,316
2023 Total Population	64,950	1,104,072	3,681,075
2023 Group Quarters	632	37,578	79,063
2028 Total Population	66,821	1,123,402	3,756,695
2023-2028 Annual Rate	0.57%	0.35%	0.41%
2023 Total Daytime Population	62,284	1,097,396	3,722,511
Workers	23,606	488,909	1,842,974
Residents	38,678	608,487	1,879,537
Household Summary			
2010 Households	25,120	383,752	1,268,205
2010 Average Household Size	2.25	2.47	2.49
2020 Total Households	27,650	418,045	1,408,147
2020 Average Household Size	2.24	2.49	2.49
2023 Households	28,864	429,846	1,449,810
2023 Average Household Size	2.23	2.48	2.48
2028 Households	29,911	440,193	1,490,327
2028 Average Household Size	2.21	2.47	2.47
2023-2028 Annual Rate	0.72%	0.48%	0.55%
2010 Families	15,372	242,754	797,970
2010 Average Family Size	2.75	2.99	3.04
2023 Families	16,860	261,688	880,161
2023 Average Family Size	2.78	3.06	3.10
2028 Families	17,356	266,749	901,571
2028 Average Family Size	2.76	3.04	3.08
2023-2028 Annual Rate	0.58%	0.38%	0.48%
Housing Unit Summary			
2000 Housing Units	30,738	370,285	1,194,000
Owner Occupied Housing Units	49.5%	57.6%	58.2%
Renter Occupied Housing Units	25.3%	34.3%	34.7%
Vacant Housing Units	25.2%	8.1%	7.0%
2010 Housing Units	35,388	421,386	1,372,378
Owner Occupied Housing Units	46.1%	55.2%	56.3%
Renter Occupied Housing Units	24.9%	35.9%	36.1%
Vacant Housing Units	29.0%	8.9%	7.6%
2020 Housing Units	37,299	452,225	1,505,631
Vacant Housing Units	25.9%	7.6%	6.5%
2023 Housing Units	38,562	464,141	1,551,801
Owner Occupied Housing Units	49.1%	56.7%	57.5%
Renter Occupied Housing Units	25.7%	35.9%	35.9%
Vacant Housing Units	25.1%	7.4%	6.6%
2028 Housing Units	39,651	473,581	1,590,877
Owner Occupied Housing Units	50.1%	57.7%	58.0%
Renter Occupied Housing Units	25.3%	35.3%	35.7%
Vacant Housing Units	24.6%	7.1%	6.3%
Median Household Income			
2023	\$59,830	\$65,976	\$79,118
2028	\$68,473	\$77,877	\$92,395
Median Home Value			
2023	\$372,696	\$393,655	\$476,380
2028	\$401,390	\$470,375	\$549,233
Per Capita Income			
2023	\$38,869	\$36,186	\$43,862
2028	\$45,398	\$42,343	\$51,213
Median Age			
2010	47.8	37.4	37.2
2023	51.6	39.7	39.4
2028	51.9	40.4	40.1

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

	United States
Population Summary	
2010 Total Population	308,745,538
2020 Total Population	331,449,281
2020 Group Quarters	8,239,016
2023 Total Population	337,470,185
2023 Group Quarters	8,230,285
2028 Total Population	342,640,129
2023-2028 Annual Rate	0.30%
2023 Total Daytime Population	335,744,666
Workers	161,357,608
Residents	174,387,058
Household Summary	
2010 Households	116,716,292
2010 Average Household Size	2.58
2020 Total Households	126,817,580
2020 Average Household Size	2.55
2023 Households	129,917,449
2023 Average Household Size	2.53
2028 Households	133,099,006
2028 Average Household Size	2.51
2023-2028 Annual Rate	0.49%
2010 Families	77,538,296
2010 Average Family Size	3.14
2023 Families	83,890,180
2023 Average Family Size	3.14
2028 Families	85,768,742
2028 Average Family Size	3.11
2023-2028 Annual Rate	0.44%
Housing Unit Summary	
2000 Housing Units	115,904,641
Owner Occupied Housing Units	60.2%
Renter Occupied Housing Units	30.8%
Vacant Housing Units	9.0%
2010 Housing Units	131,704,730
Owner Occupied Housing Units	57.7%
Renter Occupied Housing Units	30.9%
Vacant Housing Units	11.4%
2020 Housing Units	140,498,736
Vacant Housing Units	9.7%
2023 Housing Units	144,063,309
Owner Occupied Housing Units	58.5%
Renter Occupied Housing Units	31.7%
Vacant Housing Units	9.8%
2028 Housing Units	147,336,052
Owner Occupied Housing Units	59.1%
Renter Occupied Housing Units	31.2%
Vacant Housing Units	9.7%
Median Household Income	
2023	\$72,603
2028	\$82,410
Median Home Value	
2023	\$308,943
2028	\$350,006
Per Capita Income	
2023	\$41,310
2028	\$47,525
Median Age	
2010	37.1
2023	39.1
2028	39.8

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

DEMOGRAPHICS IN SUBJECT AREA (SOURCE: SITE TO DO BUSINESS)

Demand Indicators

- One hour drive radius:
 - Population access is considered low and median household income is below the national average which are negative demand indicators.
 - Population growth is above the national average which is a positive future demand indicator.



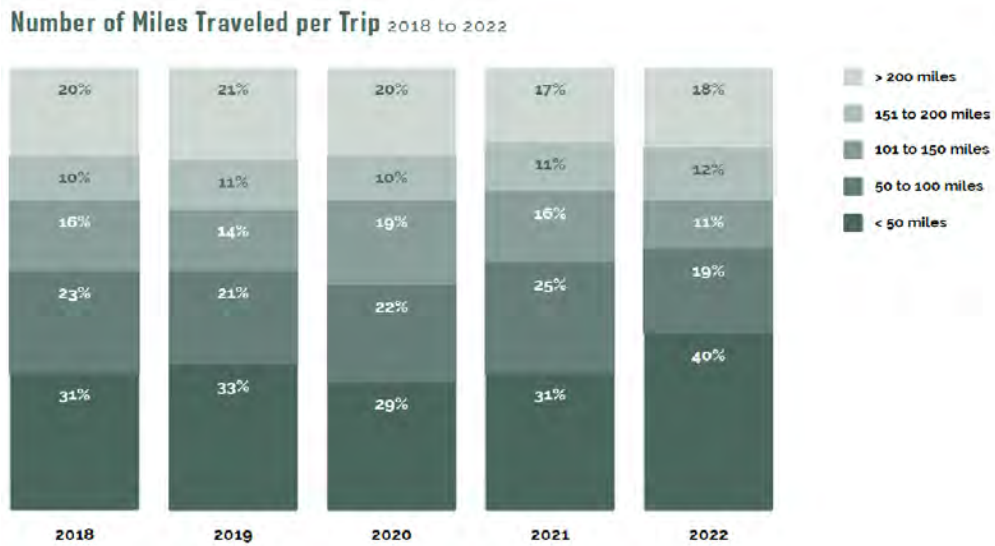
- Household vacancies are well above the national, but this could be due to a high concentration of vacation homes. This is a negative factor.
- Two and three hour drive radius
 - Population access and median household income are near above average and considered positive factors.
 - Housing vacancies are below the national average and considered positive.
 - Population growth is well above the national average and considered positive for future demand.

Demographics and demand generators in the subject area mixed. The one hour drive radius is below average and the 2 to 3 hour drive radius are above average and positive.

Distance Traveled

The good quality offering and outdoor amenity access within the surrounding region have attracted, and are expected to continue to attract, guests who are willing to drive more than 3 hours to visit the property.

Population access is a highly important metric to demand for the camping customer. According to the 2022 KOA Report, 40% of campers traveled less than 50 miles to their destination.



SOURCE: KOA 2023 NATIONAL CAMPING REPORT



Demand Analysis Conclusion

- The weather for the subject location is considered favorable for year-round RV park demand.
- The subject has good access to urban attractions, shops and restaurants.
- There are adequate amounts of urban and nature-based recreation in the subject area.
- Tourism and outdoor recreation trends in Oregon are expected to continue strong growth.
- The subject sits adjacent to the major highway in the area this is considered a strong demand generator and key advantage.
- Population access and median income are moderate.
- Population growth is strong.

Overall, RV park demand in the subject's area is considered to be favorable.

Supply and Competition Analysis

This section analyzes the overall supply of available RV sites and their rates and estimated occupancy in the subject area and region.

Emerging Competitors

This section looks at competitive RV parks that are not yet open, but are either under construction or in the approval process. The subject city, county and primary adjacent area planning officials were contacted in order to understand if any competitor projects were recently approved, but not yet built or opened.

- City of Newport, OR: No new, pending or under construction RV park.
- Lincoln County, OR: Could not reach the county after multiple attempts.

Our research of the area did not reveal any new or pending projects.

Sage Database Insights

The following data is pulled from the Sage database of RV park insights and analytics. This is typically the more modern RV parks in the area using an online reservation management software. This data includes many of the RV parks, but it is not exhaustive. The rate and occupancy information is from May 1st, 2023 to the time this report was published.

This table below illustrates rates and occupancy information for all types of RV sites within 100 miles of the subject. It should be noted that Dundee Hills is a brand new RV park that opened in 2023 which attributes for their low occupancy. The average occupancy for the other two parks is about 72%.

Criteria: RV Sites within 100 miles (no other filters)

Park Name / Site Description	Quantity of Sites	Minimum Price	Maximum Price	Average Price	Average Occupancy (%)
Bud's RV Park and Campground - Gearhart, OR	10	\$72.59	\$72.59	\$72.59	68.7
30/50 Amp Premium Back-In RV Site	5	\$79.99	\$79.99	\$79.99	66.2
30 Amp Back-In RV Site	1	\$71.99	\$71.99	\$71.99	95.0
Tent/Pop-Up/Truck Camper Site	1	\$37.99	\$37.99	\$37.99	60.0
30/50 Amp Back-In RV Site	3	\$71.99	\$71.99	\$71.99	67.0
Dundee Hills Resort - Dundee, OR	38	\$91.58	\$91.58	\$91.58	32.8
Standard Back-In Site	13	\$85.00	\$85.00	\$85.00	30.9
Premium Full Hook Up Pull-Through Site	25	\$95.00	\$95.00	\$95.00	33.8
Sun Outdoors Coos Bay	62	\$73.61	\$167.75	\$95.64	83.6
Premium Pull Through RV Site	7	\$79.00	\$189.20	\$101.53	90.7
Premium Back In RV Site	9	\$72.45	\$188.10	\$99.95	92.8
Deluxe Pull Through RV Site	13	\$74.00	\$188.10	\$99.70	86.5
Concourse Pull Through RV Site	3	\$69.00	\$158.55	\$82.38	52.7
Concourse Back In RV site	3	\$64.00	\$151.00	\$76.27	67.7
Back In RV Site	27	\$74.00	\$148.50	\$94.34	82.5
Grand Total	110	\$79.73	\$132.79	\$92.14	64.7

The table below includes data from a larger search radius and more refined search criteria to only show sites offering full hookups.

RV Sites within 200 miles – Additional Criteria: Offers water hookup, sewer hookup and 50A power

RV Resort Name / Site Description	Number of Sites	Avg. Price	Occupancy (%)	RevPAR
Bud's RV Park and Campground - Gearhart, OR	8	\$76.99	66.50	\$51.20
30/50 Amp Premium Back-In RV Site	5	\$79.99	66.20	\$52.95
30/50 Amp Back-In RV Site	3	\$71.99	67.00	\$48.23
Dundee Hills Resort - Dundee, OR	38	\$91.58	32.84	\$30.08
Standard Back-In Site	13	\$85.00	30.92	\$26.28
Premium Full Hook Up Pull-Through Site	25	\$95.00	33.84	\$32.15
Sun Outdoors Coos Bay	62	\$95.64	83.60	\$79.95
Premium Pull Through RV Site	7	\$101.53	90.71	\$92.10
Premium Back In RV Site	9	\$99.95	92.78	\$92.73
Deluxe Pull Through RV Site	13	\$99.70	86.46	\$86.20
Concourse Pull Through RV Site	3	\$82.38	52.67	\$43.39
Concourse Back In RV site	3	\$76.27	67.67	\$51.61
Back In RV Site	27	\$94.34	82.52	\$77.85
Cottonwood RV Park - Redmond, OR	46	\$50.97	86.76	\$44.22
30/50 Amp Full Hookup Site	46	\$50.97	86.76	\$44.22
Bar Run Golf and RV Resort - Roseburg, OR	64	\$55.84	43.19	\$24.12
30/50 Amp Standard Pull - Through RV Sites	27	\$56.78	42.93	\$24.37
30/50 Amp Golf View RV Site	4	\$61.64	40.75	\$25.12
30/50 Amp Back In River View RV Site	9	\$61.64	57.67	\$35.55
30/50 Amp Back In Full Hookup RV Site	24	\$51.64	38.46	\$19.86
AtRivers Edge RV Resort - Brookings, OR	81	\$76.41	66.80	\$51.05
Standard RV Site - West	25	\$72.07	64.36	\$46.38
River Front RV Site	7	\$84.99	74.14	\$63.01
Pull-Thru RV Site-East Premium	11	\$81.75	75.91	\$62.06
Deluxe RV Site - West	4	\$74.07	82.75	\$61.29
Deluxe RV Site - East	11	\$75.69	56.09	\$42.46
River View RV Site - West	5	\$76.87	69.20	\$53.19
Pull-Thru River View RV Site - West	2	\$80.87	87.50	\$70.76
Basic RV Site - West	3	\$66.00	23.00	\$15.18
River View RV Site - East	13	\$78.51	70.00	\$54.96
Gorge Base Camp - White Salmon, WA	34	\$74.82	74.00	\$55.37
Standard Back-In RV Site	7	\$71.25	69.00	\$49.16
Standard Pull-Through RV Site	7	\$71.25	61.00	\$43.46
Premium Pull-Through RV Site	9	\$76.54	76.11	\$58.26
Premium Back-In RV Site	4	\$76.54	78.75	\$60.28
River Row Back-In RV Site	7	\$78.77	86.57	\$68.19
Lucky Lodge RV Park - Gold Beach, OR	6	\$43.33	69.17	\$29.97
Standard Full Hookup RV Site	2	\$40.00	56.00	\$22.40
Premium Riverfront RV Site	4	\$45.00	75.75	\$34.09
Evergreen Sportsmen's Club - Olympia, WA	9	\$45.00	28.78	\$12.95
Marksman Site	4	\$45.00	41.50	\$18.68
Club House Lot	5	\$45.00	18.60	\$8.37
Diamond Lake Rv Park - Diamond Lake, OR	68	\$54.93	72.81	\$39.99
Standard RV Site	1	\$50.00	84.00	\$42.00
50 Amp RV Site	49	\$55.00	72.90	\$40.09
50 Amp Pull Through RV Site	18	\$55.00	71.94	\$39.57
Grand Total / Average	416	\$69.90	65.55	\$46.20

Note: Occupancy is based on May 1st 2020 to time of report publishing.

The following table displays RV sites within 300 miles of the subject that offer 50A full hookups.

Park Name / Site Description	Quantity of Sites	Average Price	Average Occupancy (%)
+ Sun Outdoors Coos Bay	62	\$89.96	82.3
+ Columbia River RV Park	84	\$48.71	93.0
+ Sun Outdoors Gig Harbor	90	\$79.06	83.3
+ Cottonwood RV Park - Redmond, OR	46	\$50.81	87.8
+ Diamond Lake Rv Park - Diamond Lake, OR	68	\$54.93	70.2
+ Vancouver Mall RV Park	54	\$48.89	93.9
+ Soap Lake Resort RV & Campgrounds - Soap Lake, WA	28	\$45.00	34.4
+ Steens Mountain Wilderness Resort - Frenchglen, OR	6	\$53.00	43.5
+ Blue Heron RV Park - Hornbrook, CA	23	\$81.71	64.9
+ Vantage Riverstone	10	\$64.61	40.4
+ Lakeside Restaurant, Motel & RV Park - Christmas Valley, OR	5	\$39.55	35.0
+ Quail Ridge RV Park - Burns, OR	12	\$45.00	45.6
Grand Total	488	\$62.17	78.1

The following table displays RV sites within 300 miles of the subject that offer no hookups.

Park Name / Description	Quantity of Sites	Average Price	Average Occupancy (%)
+ Mineral Lake Lions Den - Mineral, WA	20	\$42.53	23.4
+ Screamin' Eagle Campground & RV - Ocean City, WA	6	\$36.67	40.7
+ Oasis Riverview Campground	31	\$50.32	25.5
+ Vantage Riverstone	1	\$48.39	20.0
+ Cowichan River Campground - Duncan, BC	5	\$31.67	58.6
Grand Total	63	\$45.04	28.8

When comparing regional RV sites that offer FHU vs. no hookups, the performance difference is drastic. FHU sites earned \$62.17 and 78.1% occupancy while non hookup sites averaged \$45.04 and 28.2% occupancy. The results in average monthly revenue of a site with FHU is \$1,467 vs. \$391 for sites without hookups.

For this reason, it is extremely important for the subject to offer full hookups at their new developments as the data indicates they will earn almost four times the monthly revenue.

Amenity Analysis

The following table displays the rate difference for sites that do or do not have a certain site or property amenity. This is pulled from RV parks including about 2,500 sites within 300 miles of the subject. The table shows the difference in price between sites that offer a certain amenity. The amenities that have a larger price difference are expected to correlate with what guests are willing to pay more for.

Site Amenity / Feature	Price Difference	Price Difference	% Available	# Available
Charcoal Grill	\$13.99	20%	1%	25
50-Amp	\$13.08	21%	67%	1478
Sewer Hook-Up	\$10.13	17%	77%	1681
Wi-Fi	\$9.24	16%	76%	1677
Water Hook-Up	\$9.11	16%	89%	1945
Patio	\$8.19	13%	2%	49
Pet-Friendly	\$6.61	11%	89%	1954
Picnic Table	\$5.70	10%	63%	1390
30-Amp	\$3.36	6%	80%	1755
Cable	\$3.36	6%	43%	954
Pull-Through	\$2.86	5%	25%	548
Back-In	-\$0.50	1%	66%	1443
Concrete Pad	-\$1.14	2%	25%	546
Fire Pit	-\$2.36	4%	9%	194

Property Amenity / Feature	Price Difference	Price Difference	% Available	Amount of sites
Beach	\$14.01	20%	15%	367
Clubhouse	\$13.90	21%	33%	810
Hot Tub / Sauna	\$10.66	16%	15%	365
Special Events	\$8.13	12%	16%	404
Mini-Golf	\$8.04	12%	4%	110
Waterfront	\$7.29	11%	27%	660
Horseshoes	\$6.79	11%	29%	705
Bathrooms	\$5.76	10%	91%	2235
Restaurant	\$4.64	7%	1%	25
Canoeing / Kayaking	\$4.35	7%	8%	195
Bike Rental	\$3.90	6%	5%	111
Alcohol Available	\$2.72	4%	23%	564
Golf Cart Rental	\$2.20	4%	3%	70
Ice Cream	\$2.00	3%	18%	442
Cable TV	\$1.57	3%	44%	1078
General Store	\$1.10	2%	39%	961
Snack Stand	\$0.52	1%	7%	165
Playground	\$0.09	0%	24%	596

This data indicates the subject should prioritize offering full hookups, Wi-Fi and a picnic table at the sites. Including a charcoal grill and a concrete patio at the sites also are positive, but there is insufficient data to be conclusive.

Local Area Competitors

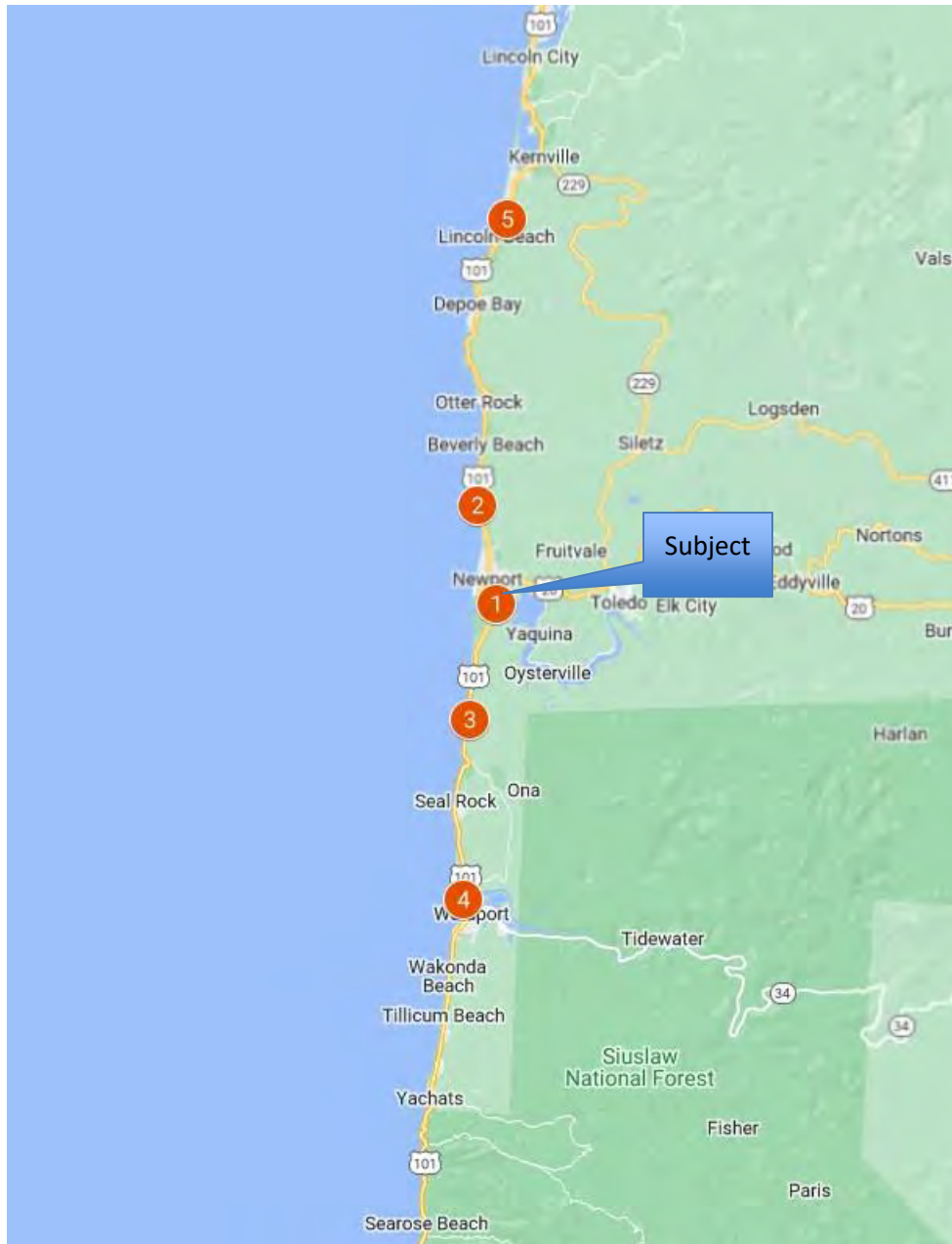
There is adequate supply of RV parks in the subject's immediate area that are considered high quality and comparable. The following local properties were analyzed:

#	Name	Total Sites	Type	Overview / Amenities
1	Port of Newport	144	FHU 30-50 amp	Amenities include showers, laundry, store, restaurant, picnic area, brewery, meeting room, cable TV, limited Wi-Fi, fishing pier, and public fish cleaning stations.
2	Pacific Shores Motorcoach Resort	210	FHU 30-50 amp	Park amenities resort social activities, beach access trail, basketball and pickleball courts, welcome center, clubhouse pool, spa and sauna, free Wi-Fi, fitness center, pool house, laundry, restrooms, walking trails, tide pools, dog runs and billiards table. The RV sites are paved, with picnic tables. Daily average rates range from \$85 to \$130 depending on the site (these rates are subject to change). Weekly rates are based on regular daily rates with the 7 th day at half the price. No monthly rates. The park is busy and booking in advance (at least three days in advance) is recommended.
3	Thousand Trails Whalers Rest	164	FHU 30 & 50 amp service RV Sites, tents, cottages and cabins	Park amenities include clubhouse, whirlpool/spa/hot tub, hiking trails, restrooms and shower facilities, indoor pool, playground, basketball, volleyball and tennis courts, dog park, fitness center, store, mini golf, picnic/BBQ area, horseshoes and bocci ball. The current daily average rate is \$62 and the weekly rate is \$371 (rates are subject to change). No monthly rates available. The sites are paved or compact gravel with picnic tables.
4	Waldport/Newport KOA Journey	76	FHU 30-50 amp RV sites, cabins and tents	Park amenities include a store, playground, trail to the Bay Beach, laundry, restrooms, and playground. RV sites are gravel, with picnic tables and fire rings. Current average daily rate is \$72 depending on the site and is subject to change. No weekly or monthly rates are available. Booking in advance is recommended.
5	Sea & Sand RV Park	114	FHU 30-50 amp RV sites	Park amenities include office/store, showers, laundry, restrooms, dump station dogi-pots, and beach trail. Current daily rates range from \$54.50 to \$96.50 depending on the site. Weekly rates are available during the low/winter season only and range from \$197.50 to \$242.50 depending on the site. Monthly rates are not available. Sites are gravel with picnic tables and fire rings. Park is busy and reservations need to be made in advance.

All properties are open and operate year round; government managed parks not considered due to price governance



A location map of these local RV parks is as follows:



These RV parks were considered the most comparable to the subject and therefore included in our analysis.

Sage Database Insights

This section utilizes data from the Sage proprietary database which is extensive, but not an exhaustive list of all potential RV park properties. The Sage database tracks occupancy starting May 1st, 2023 to present. The figures are not exact, but are expected to provide a helpful reference point.



Comparables

Overview

This section analyzes and compares the subject to its most similar competition in the market. This is the best approach to gauge demand for the subject’s proposed offering because it provides present ADR and occupancy data in the market. This evidence indicates present demand for the subject’s planned offering and projected performance. The more similar the competitive business is to the subject, the more reliable it is in projecting the subject’s performance.

Several factors are considered when selecting the best competitive businesses to utilize for comparison to the subject. The three most important characteristics are:

1. Proximity to the subject location
2. Similarity of offering in terms of size, type and amenities
3. Quality of the offering

Typically, the proximity of the location will have a higher impact on the subject’s occupancy projections while similarity and quality of the offerings will have a higher correlation with the subject’s ADR.

Following is a more detailed description of the primary comparables, with a rating system applied, to further develop the projected rates for the subject: adjacent

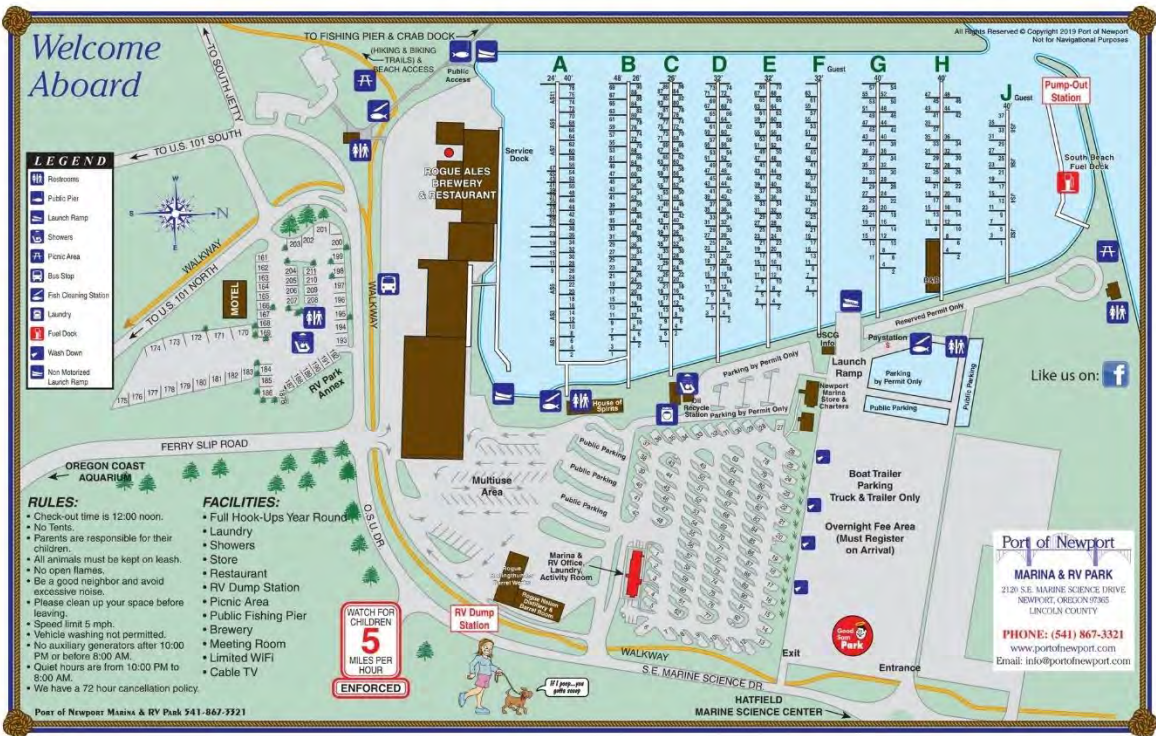
Subject: Port of Newport	3.9	Description
Sites	4.0	144 full hookup paved RV sites; Annex area is basic; sites are 30' wide and 40'-70' in length
Property	4.5	RV park located on the south side of the Yaquina Bay, waterfront + marina access
Amenities	4.0	Showers, laundry, store, restaurant, picnic areas, brewery, meeting room, cable TV, limited Wi-Fi, fishing pier and RV dump station.
Location	4.5	Located by the Yaquina Bay water front, marina; adjacent to highway and Rogue Brewery
Brand Strength / MGMT	2.5	Good Sam: 9.5/10/9. Google reviews: 3.9 of 156; many other review site have poor reviews; Outdated website and difficult booking process; Not always available for calls
Occupancy Notes		This is a busy good quality resort

Pacific Shores Motorcoach Resort	4.8	Description
Sites	4.5	FHU 30/50 amp, pull thru and back-in, picnic table, paved sites, angled. Ocean and nonocean view sites; Average site size is 35'x70'
Property	5.0	Medium density, modern, high quality, paved roads, well maintained, overlooking the ocean
Amenities	5.0	Resort social activities, beach access trail, basketball and pickleball courts, welcome center, clubhouse pool, spa, and sauna, free Wi-Fi, public picnic bunkers and RV dump station.
Location	5.0	Along Route 101 with and overlooking the ocean
Brand Strength	4.5	Good Sam: 10/10/10, Google reviews: 4.4 of 226, high quality website, photography
Occupancy Notes		As of the time of our research, this park had lots of availability in the winter and the manager mentioned they stay pretty full from May to September especially on weekends.

Thousand Trails Whalers Rest	4.2	Description
Sites	4.0	FHU 30/50 amp. Paved or compact gravel sites with picnic tables. Average site size: 30'x55'
Property	4.5	Public year-round RV campground located just 150 yards from the Pacific Ocean. Medium density. Good spacing and privacy between sites.
Amenities	4.5	Clubhouse, whirlpool/spa/hot tub, hiking trails, restrooms, shower facilities, indoor pool, playground, basketball/volleyball and tennis courts, dog park, fitness center, store, mini golf, picnic/BBQ area, horseshoes and bocci ball.
Location	5.0	Located along Route 101, just 150 yards from the Pacific Ocean.
Brand Strength	3.0	Good Sam: 8/7.5/8.5, Google Reviews: 4.4 of 596; Tripadvisor Reviews: 4.0 of 949, high quality website, decent photos
Occupancy Notes		Busy at the time of our research and booking in advance is recommended.

Port of Newport



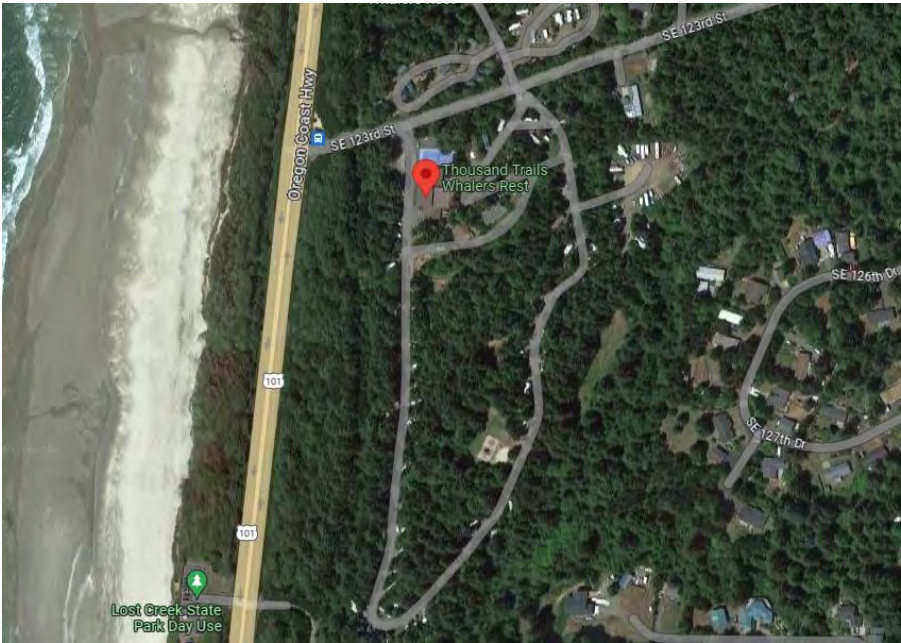


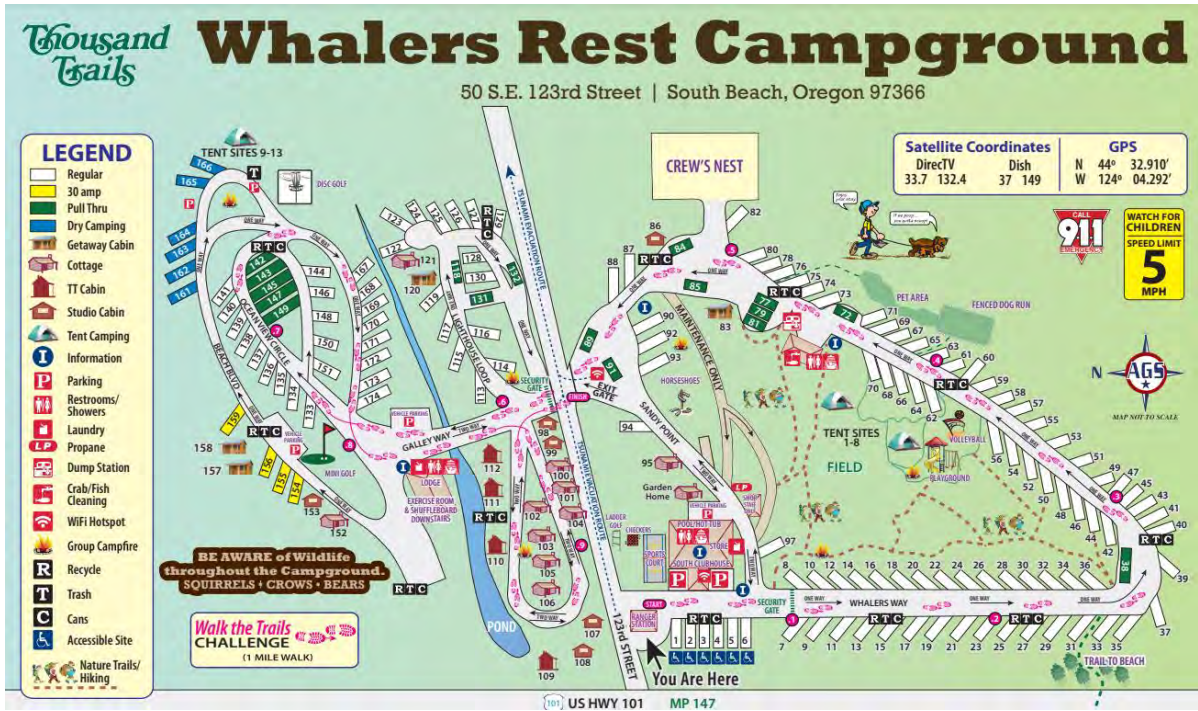
Pacific Shores Motorcoach Resort





Thousand Trails Whalers Rest





Summary

Following is a summary of the key competitors and their quality score:

Name	Amenities	Distance (mi)	Total Sites	Quality Score
Subject: Port of Newport	Showers, laundry, store, restaurant, picnic areas, brewery, meeting room, cable TV, limited Wi-Fi, fishing pier and RV dump station.		144	3.9
Pacific Shores Motorcoach Resort	Resort social activities, beach access trail, basketball and pickleball courts, welcome center, clubhouse pool, spa, and sauna, free Wi-Fi, public picnic bunkers and RV dump station.	5.7	210	4.8
Thousand Trails Whalers Rest	Clubhouse, whirlpool/spa/hot tub, hiking trails, restrooms, shower facilities, indoor pool, playground, basketball/volleyball and tennis courts, dog park, fitness center, store, mini golf, picnic/BBQ area, horseshoes and bocci ball.	5.5	164	4.2
Waldport Newport KOA Journey	Gravel sites, store, playground, trail to the Bay Beach, laundry, restrooms, and playground.	13.8	76	3.8
Sea & Sand RV Park	Gravel sites, office/store, showers, laundry, restrooms, dump station dogi-pots, and beach trail	19.2	114	3.7

Name	Type	Total # of Sites	Low Daily Rate	Peak Daily Rate	Low Monthly Rate	Peak Monthly Rate	Low Occ.	Peak Occ.	Quality Score
Pacific Shores Motorcoach Resort	RV Site - FHU	210	\$85.00	\$138.00	\$2,500.00	\$3,900.00	25%	85%	4.8
Thousand Trails Whalers Rest	RV Site - FHU	164	\$62.00	\$83.00			40%	85%	4.2
Waldorp Newport KOA Journey	RV Site - FHU	76	\$74.00	\$100.00	\$700.00		45%	90%	3.8
Sea & Sand RV Park	RV Site - FHU	114	\$55.00	\$95.00	\$850.00	\$1,300.00	65%	80%	3.7
Seal Rocks RV Cove	RV Site - FHU	44	\$53.00	\$95.00	\$1,060.00	\$2,400.00	40%	85%	3.5
	Minimum:	44	\$53.00	\$83.00	\$700.00	\$1,300.00	25%	80%	3.5
	Average:	109	\$63.67	\$99.00	\$1,162.00	\$2,225.00	40%	84%	3.9
	Max:	210	\$85.00	\$138.00	\$2,500.00	\$3,900.00	65%	90%	4.8

As shown in the tables above the competitors have a wide range of quality from 3.7 to 4.8. Almost all of the comparable have properties on or close to the water and adjacent to Highway 101. Pacific Shores is far above the most luxurious resort in terms of paved sites, it's overall condition, luxury amenities and a professional website and photography. The remaining properties are similar in terms of quality. Almost all have gravel sites, more dated properties and standard amenities. Most of the site size are similar to the subject with the exception of Pacific Shores Motorcoach which is slightly larger. Thousand Trails and KOA have the benefit of having strong brands, professional websites with streamlined booking processes. Sea and Sand and Seal Rocks are owner operated and have outdated websites and booking processes. Most of the comparables are focused on daily and transient customers. Only the KOA offers a monthly rate and it only offers 10 of these sites. The remaining either don't allow stays longer than 30 days or don't offer a monthly discount. Since the subject is also aiming to be more focused on short term guests, these are expected to be good indicators. On average, pull thru sites earn about 15% or \$10 more per night than back-in sites.

Pacific Shores clearly leads the market in pricing and demonstrates the impact a strong website, photography, good booking process, and paved sites can have on rates and demand.

Rate Projection

This section describes how nightly rates are determined for the pro forma projection.

Subject Provided Rates and Occupancy

The subject is proposed and projections in this report are based on the performance of the market comparables. The projections in this report aim to maximize both ADR and occupancy to find the highest and best overall revenue deemed achievable in the market. Our analysis for making this determination can be seen below.

Daily Rate Indicators

RV Sites Daily Rate Indicators	Low	Peak	Average	Quality
All sites in database within 200 miles	\$57.88	\$74.24	\$61.72	
All FHU sites in database within 200 miles	\$64.89	\$86.27	\$69.90	
All RV Sites in database within 100 miles	\$79.73	\$132.79	\$92.14	
Pacific Shores Motorcoach Resort	\$85.00	\$130.00	\$107.50	4.8
Thousand Trails Whalers Rest	\$62.00	\$83.00	\$72.50	4.2
Waldport Newport KOA Journey	\$74.00	\$100.00	\$87.00	3.7
Sea & Sand RV Park	\$55.00	\$95.00	\$75.00	3.5
<i>Average</i>	\$68.36	\$100.19	\$80.82	4.1
<i>Subject Projected Standard Rates</i>	\$70.00	\$100.00	\$85.00	4.1

NOTE: The information in this table is a summary from tables in previous sections.

The above comparable rates are considered the best indicators for the subject RV site rates. It is expected the subject rate will fall near the average rates listed above, but below Pacific Shores. These are the main indicators that will be used to inform the monthly rates in Year 1 in the pro form projection. Pull thru sites will be given approximately a 10% rate premium above the standard rate. The rates shown above will be slightly different than the subject pro forma projections because of discounts and occupancy will be different between and peak and low season which effects the weighted average of the ADR. Rates are projected to grow 3% year over year in accordance with industry averages.

Rate Discounts

RV parks have distinct segments of demand that they cater to. Understanding these segments is essential for RV park operators to tailor their offerings and marketing strategies to meet the specific needs and preferences of their target customers.

One of the primary segments of demand for RV parks is the seasonal guest or monthly renter. These customers typically stay for an extended period, and require amenities such as full hookups, recreational activities, and social events. Monthly rental offerings can also boost occupancy in the off season when

short-term demand is lowest. Another segment is the transient or daily camper, who is typically looking for a place to park their RV for a night or two while traveling and is based more on tourism. The rates for nightly, weekly and monthly rates can vary significantly, particularly monthly. The monthly rates from the best comparables previously described can be seen below.

Monthly Rate Indicators	Low	Peak	Average
Pacific Shores Motorcoach Resort	\$2,500.00	\$3,900.00	\$3,200.00
Thousand Trails Whalers Rest			
Waldport Newport KOA Journey	\$700.00		\$700.00
Sea & Sand RV Park	\$850.00	\$1,300.00	\$1,075.00
<i>Average Monthly Rates</i>	\$1,350.00	\$2,600.00	\$1,658.33
<i>Subject Projected Rates</i>	\$1,200.00		\$1,200.00
Converted to daily rates	\$40.00		\$40.00

As can be seen above, the monthly rates range drastically. This is because most RV parks in the area do not offer monthly rate discounts because they are more focused on offering a tourism and nightly based experience, similar to the subject. It is recommended that the subject does not offer monthly discounts from May through October but does save sites specifically for monthly renters in the low season from November to April. This is because occupancy will be lower in these months and even reduced income from monthly renters is better than empty sites. It is expected the subject monthly rates will fall near the average above. These monthly rates are divided by 30.2 to make an estimated daily rate that is plugged into the pro forma.

It is industry standard for RV park management to offer promotions and discounts to boost occupancy. These include Good Sam, Passport America, military discounts and other internal promotions. It is assumed that, on average, customers will earn an 8% discount on the listed daily rates. This has been considered in the rate conclusions, as well as potential discounts for weekly rentals, which typically vary from one free night for the price of six nights. These discounts are applied in the table below.

Final Rate Conclusions

The subject projected rates per unit type can be seen in the table below. Monthly rates are already discounted so a further discount is not applied.

Daily Rate Projections (Year 1)	Low	Peak	Average	Discounts Applied	Low	Peak	Average	Year 1 Actual ADR
	Pre-discount				Post-discount			Weighted
Back-in RV Sites - Daily	\$70.00	\$100.00	\$85.00	8.0%	\$64.40	\$92.00	\$78.20	\$88.19
Pull Thru RV Sites - Daily	\$80.50	\$115.00	\$97.75	8.0%	\$74.06	\$105.80	\$89.93	\$96.89
Back-in RV Sites - Monthly	\$40.00		\$40.00	0.0%	\$40.00		\$40.00	\$40.00

ADR shown in the pro forma will be slightly different because occupancy is different in each season. The ADR is expected to grow 3% each year. The subject might need to offer more significant discounts in stabilization years in order to raise occupancy while building a brand presence in the market, but the difference in demand will be outlined in the following occupancy projection explained in the next section.

Occupancy Projection

Occupancy Indicators

Occupancy is more difficult to project because that information is not publicly available from competitors. However, it is possible to estimate the occupancy from several different methods. This includes interviewing booking managers, assessing public booking calendars and researching the hotel booking data and vacation rental booking data from AirDNA. Knowledge from past projects and regional averages from industry reports are also used to estimate these figures. The area's weather, attractions, trends and seasonality are also factored in.

AirDNA STVR Data

Short term vacation rental (STVR) data in the subject's area is analyzed to understand tourism and lodging trends in the subject area. RV park and STVR demand are largely different customer segments, but there is still expected to be correlation between seasonality and vacationing patterns to the area. Overall, it is expected that RV park demand will be higher than STVR demand both in peak season and low season. The Newport AirDNA short term vacation rental market is relatively large. There are currently 360 active short-term rentals on Airbnb and VRBO which is considered a sufficiently sized dataset.



Market Overview: Newport

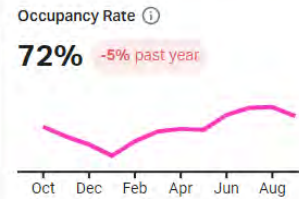
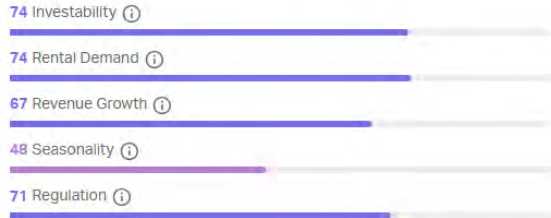
Save Share

Market Performance 1 Submarkets 360 Active STR Listings For-Sale Properties

How is this market performing?



Market Score ⓘ



Occupancy ⓘ

Occupancy Rate

72%

-5% past year



VACATION RENTAL MARKET FOR NEWPORT FL (SOURCE: AIRDNA.CO)

As can be seen above, the highest demand month is August and the lowest is January. This is expected to correlate with subject demand seasonality patterns. One important note about AirDNA occupancy is that it calculates the percentage occupancy of bookings of the days that rental is listed as available, not out of 365 days. Because of this, the data may have some inaccuracies. With that being said, this number represents the average rates of all rentals in the area. We expect the subject business to perform above average by comparison. 72% occupancy is high for STVR and is a favorable indicator for RV park nightly demand. It is also typical that RV occupancy is higher than STVR because RV guests tend to have a longer duration of stay.

Hotel Market

According to the Newport Tourism board, the hotel occupancy in 2022 reached 57.18% occupancy.

Main Occupancy Indicators

The surrounding area RV data, Hotel, STVR and estimated occupancy of the most similar competitors can be seen summarized below. All of the competitors operate year-round.

Occupancy Indicators	Low	Peak	Annual
All sites in database within 200 miles			60.2%
All FHU sites in database within 200 miles			65.6%
All RV Sites in database within 100 miles			64.7%
Local AirDNA STVR Occupancy	51.0%	90.0%	72.0%
Local Hotel Occupancy			57.0%
Pacific Shores Motorcoach Resort	25.0%	85.0%	55.0%
Thousand Trails Whalers Rest	N/A	N/A	N/A
Waldport Newport KOA Journey	45.0%	90.0%	67.5%
Sea & Sand RV Park	65.0%	80.0%	72.5%
Seal Rocks RV Cove	40.0%	85.0%	62.5%
Average	45.2%	86.0%	64.1%
Subject Projected Standard Rates	45.0%	85.0%	65.0%

The occupancy indicators above are expected to correlate closely with the subject projected occupancy, particularly the comparables. The subject is projected to fall near the averages above. It is expected that the monthly site occupancy will be higher on average than what is shown above, and the daily sites will be slightly lower. The stabilized occupancy occurs in Year 5.. Years 1-4 will be lower as the new offering stabilizes. This property is expected to stabilize relatively quickly since there is an existing business, brand and customer base in place.

Projected Occupancy

The projected occupancy by season and site type for Year 5 can be seen below. The monthly site occupancy projections are only based off operating six months in the low season and they are not annualized.

Stabilized Occupancy (Year 5)	Low	Peak	Year 5 Occupancy
# of Months	6	6	12
Back-in RV Sites - Daily	30-50%	70-95%	65.9%
Pull Thru RV Sites - Daily	30-50%	70-95%	59.8%
Back-in RV Sites - Monthly	75.0%		76.0%

Note: Some of the monthly sites will be dedicated as daily sites in the peak season which makes their annual occupancy higher than the pull thru sites in the pro forma.

The following table shows the annual projected occupancy:

	Year 1 Occup.	Year 2 Occup.	Year 3 Occup.	Year 4 Occup.	Year 5+ Occup.
Back-in RV Sites - Daily	46.1%	56.0%	62.6%	64.3%	65.9%
Pull Thru RV Sites - Daily	41.8%	50.8%	56.8%	58.3%	59.8%
Back-in RV Sites - Monthly	53.2%	64.6%	72.2%	74.1%	76.0%

The unit types are priced in order to optimize occupancy and revenue. This property is expected to stabilize quickly. These projections assume significant investments in marketing and advertising in pre-opening and during the initial stabilization period. The occupancy is expected to stabilize in Year 5 and stay at that level moving forward while ADR increases at 3% year over year.

Revenue Projection

RV Site and Lodging Revenue

The RV site and lodging revenue projections were previously presented.

Miscellaneous Revenue

The subject is expected to have the following revenue generators in excess of the overnight lodging revenue: general store sales, merchandise, firewood, propane and laundry.

Based on our experience with past projects, this number typically falls within 2% to 25% of total lodging revenue (net of costs of goods sold and other expenses). Given the auxiliary revenue options shown above it is projected to earn 5% of lodging revenue.

Revenue Projection

It is important to note that these projections are predicated on the assumption that the steps are taken by management outlined in the 'Recommendations' section.

To reiterate, it assumed the management will implement the following before the expansion is complete:

- Redesign a professional website dedicated to the RV park
- Implement a booking software
- Add professional photography to the website and booking process
- Improve online review scores

If management can execute those tasks, it is believed that the following revenue projections will be achieved.

Monthly Revenue Projection

With inputs from all of the rates and occupancy information previously outlined, the total revenue for the business for Years 1-10 can be seen below.

INCOME	Jan	Feb	March	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Year 1
Days	31	28	31	30	31	30	31	31	30	31	30	31	365
Back-in RV Sites - Daily	40	40	40	40	65	65	65	65	65	65	40	40	53
ADR	\$60.00	\$60.00	\$60.00	\$70.00	\$85.00	\$95.00	\$100.00	\$100.00	\$95.00	\$85.00	\$70.00	\$60.00	\$88.19
Occupancy	21.0%	21.0%	24.5%	35.0%	49.0%	63.0%	66.5%	66.5%	63.0%	49.0%	21.0%	21.0%	46.1%
Site Nights	260	235	304	420	987	1229	1340	1340	1229	987	252	260	8,843
Revenue	\$15,624	\$14,112	\$18,228	\$29,400	\$83,925	\$116,708	\$133,998	\$133,998	\$116,708	\$83,925	\$17,640	\$15,624	\$779,888
Pull Thru RV Sites - Daily	24	24	24	24	24	24	24	24	24	24	24	24	24
ADR	\$70.00	\$70.00	\$70.00	\$80.00	\$95.00	\$105.00	\$115.00	\$115.00	\$105.00	\$95.00	\$80.00	\$70.00	\$96.89
Occupancy	21.0%	21.0%	24.5%	35.0%	49.0%	63.0%	66.5%	66.5%	63.0%	49.0%	21.0%	21.0%	41.8%
Site Nights	156	141	182	252	365	454	495	495	454	365	151	156	3,665
Revenue	\$10,937	\$9,878	\$12,760	\$20,160	\$34,633	\$47,628	\$56,897	\$56,897	\$47,628	\$34,633	\$12,096	\$10,937	\$355,085
Back-in RV Sites - Monthly	25	25	25	25	0	0	0	0	0	0	25	25	13
ADR	\$40.00	\$40.00	\$40.00	\$40.00							\$40.00	\$40.00	\$40.00
Occupancy	52.5%	52.5%	52.5%	59.5%							52.5%	52.5%	53.2%
Site Nights	407	368	407	446	-	-	-	-	-	-	394	407	2,428
Revenue	\$16,275	\$14,700	\$16,275	\$17,850							\$15,750	\$16,275	\$97,125
Total Lodging Revenue	\$42,836	\$38,690	\$47,263	\$67,410	\$118,558	\$164,336	\$190,895	\$190,895	\$164,336	\$118,558	\$45,486	\$42,836	\$1,232,097
Misc. Revenue	\$2,142	\$1,935	\$2,363	\$3,371	\$5,928	\$8,217	\$9,545	\$9,545	\$8,217	\$5,928	\$2,274	\$2,142	\$61,605
TOTAL REVENUE	\$44,978	\$40,625	\$49,626	\$70,781	\$124,486	\$172,552	\$200,440	\$200,440	\$172,552	\$124,486	\$47,760	\$44,978	\$1,293,702

Note: Back-in site annual occupancy is lower than Pull Thru site annual occupancy because back-in sites have less sites offered in the low season when occupancy is lower; Year 1 summarized monthly site occupancy is only based on six months.



INCOME	Jan	Feb	March	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Year 2
Days	31	28	31	30	31	30	31	31	30	31	30	31	365
Back-in RV Sites - Daily	40	40	40	40	65	65	65	65	65	65	40	40	53
ADR	\$61.80	\$61.80	\$61.80	\$72.10	\$87.55	\$97.85	\$103.00	\$103.00	\$97.85	\$87.55	\$72.10	\$61.80	\$90.83
Occupancy	25.5%	25.5%	29.8%	42.5%	59.5%	76.5%	80.8%	80.8%	76.5%	59.5%	25.5%	25.5%	56.0%
Site Nights	316	286	369	510	1199	1492	1627	1627	1492	1199	306	316	10,738
Revenue	\$19,541	\$17,650	\$22,798	\$36,771	\$104,966	\$145,968	\$167,593	\$167,593	\$145,968	\$104,966	\$22,063	\$19,541	\$975,416
Pull Thru RV Sites - Daily	24	24	24	24	24	24	24	24	24	24	24	24	24
ADR	\$72.10	\$72.10	\$72.10	\$82.40	\$97.85	\$108.15	\$118.45	\$118.45	\$108.15	\$97.85	\$82.40	\$72.10	\$99.79
Occupancy	25.5%	25.5%	29.8%	42.5%	59.5%	76.5%	80.8%	80.8%	76.5%	59.5%	25.5%	25.5%	50.8%
Site Nights	190	171	221	306	443	551	601	601	551	443	184	190	4,450
Revenue	\$13,679	\$12,355	\$15,959	\$25,214	\$43,316	\$59,569	\$71,162	\$71,162	\$59,569	\$43,316	\$15,129	\$13,679	\$444,110
Back-in RV Sites - Monthly	25	25	25	25	0	0	0	0	0	0	25	25	13
ADR	\$41.20	\$41.20	\$41.20	\$41.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$41.20	\$41.20	\$41.20
Occupancy	63.8%	63.8%	63.8%	72.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	63.8%	63.8%	64.6%
Site Nights	494	446	494	542	-	-	-	-	-	-	478	494	2,948
Revenue	\$20,355	\$18,386	\$20,355	\$22,325	\$0	\$0	\$0	\$0	\$0	\$0	\$19,699	\$20,355	\$121,476
Total Lodging Revenue	\$53,575	\$48,391	\$59,112	\$84,311	\$148,282	\$205,537	\$238,755	\$238,755	\$205,537	\$148,282	\$56,890	\$53,575	\$1,541,002
Misc. Revenue	\$2,679	\$2,420	\$2,956	\$4,216	\$7,414	\$10,277	\$11,938	\$11,938	\$10,277	\$7,414	\$2,844	\$2,679	\$77,050
TOTAL REVENUE	\$56,254	\$50,810	\$62,068	\$88,526	\$155,696	\$215,814	\$250,693	\$250,693	\$215,814	\$155,696	\$59,734	\$56,254	\$1,618,052

INCOME	Jan	Feb	March	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Year 3
Days	31	28	31	30	31	30	31	31	30	31	30	31	365
Back-in RV Sites - Daily	40	40	40	40	65	65	65	65	65	65	40	40	53
ADR	\$63.65	\$63.65	\$63.65	\$74.26	\$90.18	\$100.79	\$106.09	\$106.09	\$100.79	\$90.18	\$74.26	\$63.65	\$93.56
Occupancy	28.5%	28.5%	33.3%	47.5%	66.5%	85.5%	90.3%	90.3%	85.5%	66.5%	28.5%	28.5%	62.6%
Site Nights	353	319	412	570	1340	1667	1819	1819	1667	1340	342	353	12,002
Revenue	\$22,495	\$20,318	\$26,245	\$42,330	\$120,834	\$168,035	\$192,929	\$192,929	\$168,035	\$120,834	\$25,398	\$22,495	\$1,122,876
Pull Thru RV Sites - Daily	24	24	24	24	24	24	24	24	24	24	24	24	24
ADR	\$74.26	\$74.26	\$74.26	\$84.87	\$100.79	\$111.39	\$122.00	\$122.00	\$111.39	\$100.79	\$84.87	\$74.26	\$102.79
Occupancy	28.5%	28.5%	33.3%	47.5%	66.5%	85.5%	90.3%	90.3%	85.5%	66.5%	28.5%	28.5%	56.8%
Site Nights	212	192	247	342	495	616	671	671	616	495	205	212	4,974
Revenue	\$15,747	\$14,223	\$18,371	\$29,026	\$49,865	\$68,574	\$81,920	\$81,920	\$68,574	\$49,865	\$17,416	\$15,747	\$511,249
Back-in RV Sites - Monthly	25	25	25	25	0	0	0	0	0	0	25	25	13
ADR	\$42.44	\$42.44	\$42.44	\$42.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$42.44	\$42.44	\$42.44
Occupancy	71.3%	71.3%	71.3%	80.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	71.3%	71.3%	72.2%
Site Nights	552	499	552	606	-	-	-	-	-	-	534	552	3,295
Revenue	\$23,433	\$21,165	\$23,433	\$25,700	\$0	\$0	\$0	\$0	\$0	\$0	\$22,677	\$23,433	\$139,840
Total Lodging Revenue	\$61,675	\$55,706	\$68,048	\$97,056	\$170,699	\$236,609	\$274,849	\$274,849	\$236,609	\$170,699	\$65,490	\$61,675	\$1,773,965
Misc. Revenue	\$3,084	\$2,785	\$3,402	\$4,853	\$8,535	\$11,830	\$13,742	\$13,742	\$11,830	\$8,535	\$3,275	\$3,084	\$88,698
TOTAL REVENUE	\$64,758	\$58,491	\$71,451	\$101,909	\$179,234	\$248,440	\$288,592	\$288,592	\$248,440	\$179,234	\$68,765	\$64,758	\$1,862,663



INCOME	Jan	Feb	March	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Year 4
Days	31	28	31	30	31	30	31	31	30	31	30	31	365
Back-in RV Sites - Daily	40	40	40	40	65	65	65	65	65	65	40	40	53
ADR	\$65.56	\$65.56	\$65.56	\$76.49	\$92.88	\$103.81	\$109.27	\$109.27	\$103.81	\$92.88	\$76.49	\$65.56	\$96.37
Occupancy	29.3%	29.3%	34.1%	48.8%	68.3%	87.8%	92.6%	92.6%	87.8%	68.3%	29.3%	29.3%	64.3%
Site Nights	363	328	423	585	1375	1711	1866	1866	1711	1375	351	363	12,318
Revenue	\$23,780	\$21,479	\$27,743	\$44,747	\$127,735	\$177,630	\$203,946	\$203,946	\$177,630	\$127,735	\$26,848	\$23,780	\$1,186,999
Pull Thru RV Sites - Daily	24	24	24	24	24	24	24	24	24	24	24	24	24
ADR	\$76.49	\$76.49	\$76.49	\$87.42	\$103.81	\$114.74	\$125.66	\$125.66	\$114.74	\$103.81	\$87.42	\$76.49	\$105.87
Occupancy	29.3%	29.3%	34.1%	48.8%	68.3%	87.8%	92.6%	92.6%	87.8%	68.3%	29.3%	29.3%	58.3%
Site Nights	218	197	254	351	508	632	689	689	632	508	211	218	5,105
Revenue	\$16,646	\$15,035	\$19,420	\$30,684	\$52,712	\$72,490	\$86,599	\$86,599	\$72,490	\$52,712	\$18,410	\$16,646	\$540,444
Back-in RV Sites - Monthly	25	25	25	25	0	0	0	0	0	0	25	25	13
ADR	\$43.71	\$43.71	\$43.71	\$43.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43.71	\$43.71	\$43.71
Occupancy	73.1%	73.1%	73.1%	82.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	73.1%	73.1%	74.1%
Site Nights	567	512	567	622	-	-	-	-	-	-	548	567	3,382
Revenue	\$24,771	\$22,374	\$24,771	\$27,168	\$0	\$0	\$0	\$0	\$0	\$0	\$23,972	\$24,771	\$147,825
Total Lodging Revenue	\$65,197	\$58,887	\$71,934	\$102,599	\$180,447	\$250,121	\$290,544	\$290,544	\$250,121	\$180,447	\$69,230	\$65,197	\$1,875,268
Misc. Revenue	\$3,260	\$2,944	\$3,597	\$5,130	\$9,022	\$12,506	\$14,527	\$14,527	\$12,506	\$9,022	\$3,462	\$3,260	\$93,763
TOTAL REVENUE	\$68,456	\$61,832	\$75,531	\$107,729	\$189,469	\$262,627	\$305,072	\$305,072	\$262,627	\$189,469	\$72,692	\$68,456	\$1,969,031

INCOME	Jan	Feb	March	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Year 5
Days	31	28	31	30	31	30	31	31	30	31	30	31	365
Back-in RV Sites - Daily	40	40	40	40	65	65	65	65	65	65	40	40	53
ADR	\$67.53	\$67.53	\$67.53	\$78.79	\$95.67	\$106.92	\$112.55	\$112.55	\$106.92	\$95.67	\$78.79	\$67.53	\$99.26
Occupancy	30.0%	30.0%	35.0%	50.0%	70.0%	90.0%	95.0%	95.0%	90.0%	70.0%	30.0%	30.0%	65.9%
Site Nights	372	336	434	600	1411	1755	1914	1914	1755	1411	360	372	12,634
Revenue	\$25,121	\$22,690	\$29,308	\$47,271	\$134,940	\$187,650	\$215,451	\$215,451	\$187,650	\$134,940	\$28,363	\$25,121	\$1,253,958
Pull Thru RV Sites - Daily	24	24	24	24	24	24	24	24	24	24	24	24	24
ADR	\$78.79	\$78.79	\$78.79	\$90.04	\$106.92	\$118.18	\$129.43	\$129.43	\$118.18	\$106.92	\$90.04	\$78.79	\$109.05
Occupancy	30.0%	30.0%	35.0%	50.0%	70.0%	90.0%	95.0%	95.0%	90.0%	70.0%	30.0%	30.0%	59.8%
Site Nights	223	202	260	360	521	648	707	707	648	521	216	223	5,236
Revenue	\$17,585	\$15,883	\$20,516	\$32,415	\$55,686	\$76,580	\$91,484	\$91,484	\$76,580	\$55,686	\$19,449	\$17,585	\$570,930
Back-in RV Sites - Monthly	25	25	25	25	0	0	0	0	0	0	25	25	13
ADR	\$45.02	\$45.02	\$45.02	\$45.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45.02	\$45.02	\$45.02
Occupancy	75.0%	75.0%	75.0%	85.0%	-	-	-	-	-	-	75.0%	75.0%	76.0%
Site Nights	581	525	581	638	-	-	-	-	-	-	563	581	3,469
Revenue	\$26,168	\$23,636	\$26,168	\$28,700	\$0	\$0	\$0	\$0	\$0	\$0	\$25,324	\$26,168	\$156,164
Total Lodging Revenue	\$68,874	\$62,209	\$75,992	\$108,386	\$190,626	\$264,230	\$306,934	\$306,934	\$264,230	\$190,626	\$73,136	\$68,874	\$1,981,052
Misc. Revenue	\$3,444	\$3,110	\$3,800	\$5,419	\$9,531	\$13,212	\$15,347	\$15,347	\$13,212	\$9,531	\$3,657	\$3,444	\$99,053
TOTAL REVENUE	\$72,318	\$65,320	\$79,792	\$113,806	\$200,157	\$277,442	\$322,281	\$322,281	\$277,442	\$200,157	\$76,792	\$72,318	\$2,080,105

Note: Back-in site annual occupancy is lower than Pull Thru site annual occupancy because back-in sites have less sites offered in the low season when occupancy is lower; Year 1 summarized monthly site occupancy is only based on six months.



10 Year Revenue Projection

INCOME	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 10
Back-in RV Sites - Daily	52.5	52.5	52.5	52.5	52.5	52.5	52.5
ADR	\$88.19	\$90.83	\$93.56	\$96.37	\$99.26	\$102.23	\$115.07
Occupancy	46.1%	56.0%	62.6%	64.3%	65.9%	65.9%	65.9%
Site Nights	8,843	10,738	12,002	12,318	12,634	12,634	12,634
Revenue	\$779,888	\$975,416	\$1,122,876	\$1,186,999	\$1,253,958	\$1,291,576	\$1,453,680
Pull Thru RV Sites - Daily	24.0	24.0	24.0	24.0	24.0	24.0	24.0
ADR	\$96.89	\$99.79	\$102.79	\$105.87	\$109.05	\$112.32	\$126.42
Occupancy	41.8%	50.8%	56.8%	58.3%	59.8%	59.8%	59.8%
Site Nights	3,665	4,450	4,974	5,105	5,236	5,236	5,236
Revenue	\$355,085	\$444,110	\$511,249	\$540,444	\$570,930	\$588,058	\$661,864
Back-in RV Sites - Monthly	12.5	12.5	12.5	12.5	12.5	12.5	12.5
ADR	\$40.00	\$41.20	\$42.44	\$43.71	\$45.02	\$46.37	\$52.19
Occupancy	53.2%	64.6%	72.2%	74.1%	76.0%	76.0%	76.0%
Site Nights	2,428	2,948	3,295	3,382	3,469	3,469	3,469
Revenue	\$97,125	\$121,476	\$139,840	\$147,825	\$156,164	\$160,849	\$181,037
Total Lodging Revenue	\$1,232,097	\$1,541,002	\$1,773,965	\$1,875,268	\$1,981,052	\$2,040,484	\$2,296,582
Misc. Revenue	\$61,605	\$77,050	\$88,698	\$93,763	\$99,053	\$102,024	\$114,829
TOTAL REVENUE	\$1,293,702	\$1,618,052	\$1,862,663	\$1,969,031	\$2,080,105	\$2,142,508	\$2,411,411

OCCUPANCY STABILIZATION OCCURS IN YEAR 5; YEARS 7-9 HIDDEN TO ENLARGE TABLE



Conclusion

We analyzed the outdoor resort market, researched the area's economics, and prepared a ten-year forecast to determine the potential feasibility of the subject resort. This was based on our review of the current and historical market conditions, as well as comparable project info in our files.

The subject development is concluded to be feasible, as the Revenue Projections are within market parameters. The proposed subject resort has an opportunity to capitalize on a variety of unique features and competitive advantages. Based on our market analysis, there is sufficient market support for the proposed resort.

This analysis is based on the following extraordinary assumptions:

- Construction will be started within the next year and completed / open for business within an 1-month timeframe;
- Upon completion it is assumed to be in excellent condition, a legal conforming use, and receive the necessary permits to operate from local governing authorities;
- It is assumed that the subject is developed and furnished in the manner as outlined in this report;

The reader should understand that the completed subject property does not yet exist as of the date of this report. Our study does not address unforeseeable events that could alter the proposed project, and/or the market conditions reflected in the analyses; we assume that no significant changes, other than those anticipated and explained in this report, shall take place between the date of inspection and stated date of opening. Further refinement of the planned improvements may impact revenues. The use of extraordinary assumptions may have affected the assignment results. We have made no other extraordinary assumptions specific to this study. However, several important general assumptions have been made that apply to this study and our studies of proposed resorts in general. These aspects are set forth in the Assumptions and Limiting Conditions section of this report.

Assumptions and Limiting Conditions

1. We have no present or contemplated future interest in the property appraised nor any personal interest or bias on the subject matter or the parties involved in the study.
2. No responsibility is assumed for matters legal in nature. No investigation has been made of the title to or any liabilities against the property appraised. The study presumes, unless otherwise noted, that the owner's claim is valid, the property rights are good and marketable, and there are no encumbrances which cannot be cleared through normal processes. It is assumed that no private deed restrictions exist which limit the subject in any way.
3. All data set forth in this report are true and accurate, to the best of our knowledge. Although gathered from reliable sources, no guarantee is made, nor liability assumed for the accuracy of any data, opinions, or estimates identified as being furnished by others which have been used in formulating this analysis. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the feasibility report. Information and data referred to in this paragraph include, without being limited to: numerical street addresses, lot and block numbers, Assessor's parcel numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, Sage Outdoor Advisory (hereinafter referred to as "SOA") reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify SOA of any questions or errors.
4. The value estimate contained within this report specifically excludes the impact of structural damage or environmental contamination resulting from earthquakes or other causes. It is recommended that the reader of this report consult a qualified structural engineer and/or industrial hygienist for the evaluation of possible structural/environmental defects, the existence of which could have a material impact on market value.
5. Land areas and descriptions used in this study were obtained from public records and have not been verified by legal counsel or a licensed surveyor. The land description is included for identification purposes only and should not be used in a conveyance or other legal document without proper verification by an attorney.
6. Unless otherwise specified, a survey indicating the specific flood zone location on the subject site has not been provided. It is assumed accurate, and we reserve the right to revise our opinion of value should a survey be provided that indicates the specific location of a flood zone on the site.
7. No soil analysis or geological studies were ordered or made in conjunction with this report, nor were any water, oil, gas, coal, or other subsurface mineral and use rights or conditions investigated. Substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials could, if present, adversely affect the value of the property. Unless otherwise stated in this report, the existence of hazardous substance, which may or may not be present on or in the property, was not considered by the appraiser in

the development of the conclusion of fair market value. The stated value estimate is predicated on the assumption that there is no material on or in the property that would cause such a loss in value. No responsibility is assumed for any such conditions, and the client has been advised that the appraiser is not qualified to detect such substances, quantify the impact on values, or develop the remedial cost.

8. No environmental impact study has been ordered or made. Full compliance with applicable federal, state, and local environmental regulations and laws is assumed unless otherwise stated, defined, and considered in this report. It is also assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government or private entity organization either have been or can be obtained or renewed for any use which the report covers.
9. Maps, plats, sketches, graphs, photographs and exhibits included in this report are presented only as aids in visualizing the property and its environment. Although the material was prepared using the best available data, it should not be considered as a survey or scaled for size. Data relative to size and area of the subject and comparable properties has been obtained from sources deemed accurate and reliable, unless specifically stated otherwise. Exhibits are not to be relied upon or removed from this report for separate utilization.
10. Unless a nonconformity has been stated, defined, and considered in the feasibility report, it is assumed that all applicable zoning, use regulations, licenses, certificates of occupancy and restrictions have been complied with and will be renewed. Further, it is assumed that the utilization of the land and improvements is within the boundaries of the property described and that no encroachment or trespass exists unless noted in the report. Unless otherwise noted within the body of the report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are considered.
11. The following is assumed, unless otherwise specifically noted within the body of this feasibility report: the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; the roof and exterior are in good condition and free from infraction by the elements; the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. SOA professionals are not engineers and are not competent to judge matters of an engineering nature. SOA has not retained independent structural, mechanical, electrical, or civil engineers in connection with this study and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of by ownership or management; SOA inspected less than 100% of the entire interior and exterior portions of the improvements; and SOA was not furnished any engineering studies by the owners or by the party requesting this study. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this study.

Accordingly, if negative findings are reported by engineering consultants, SOA reserves the right to amend the study conclusions reported herein.

12. Unless otherwise stated, all furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to SOA. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of market value is as of the date indicated; based upon the information, conditions and projected levels of operation.
13. The value or values presented in this report are based upon the premises outlined herein and are valid only for the purpose or purposes stated.
14. The date of value to which the conclusions and opinions expressed apply is set forth in this report. Unless otherwise noted, this date represents the last date of our physical inspection of the property. The estimate of market value is subject to change with market fluctuations over time. The value opinion herein rendered is based on the status of the national business economy and the purchasing power of the U.S. dollar as of that date. This study is based on market conditions existing as of the date of this study. Per our engagement terms, we are under no obligation to revise this report to reflect conditions or events which occur subsequent to the date of this study. If such revisions are requested, a new engagement is required. We assume no responsibility for changes in market conditions or for the inability of the owner to obtain financing or to locate a purchaser at the appraised value. We do not warrant that the subject property will sell at our final conclusion of value.
15. Testimony or attendance in court or at any other hearing is not required by reason of this study unless arrangements are previously made within a reasonable time in advance.
16. One or more of the signatories of this feasibility report is a member or associate member of the Appraisal Institute. The Bylaws and Regulations of the Institute require each member and candidate to control the use and distribution of each feasibility report signed by them.
17. Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report (especially any conclusion to use, the identity of the appraiser or the firm with which he/she is connected, or any reference to the Appraisal Institute, or the designations awarded by this organization) shall be disseminated to the public through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of SOA.
18. The report is for the sole use of the client; however, the client may provide only complete, final copies of the feasibility report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. The appraiser is not required to explain or testify as to feasibility results other than to respond to the client for routine and customary questions. Please note that our consent to allow a feasibility study prepared by SOA or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in their

entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

19. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate study results to others, which acts of the Client approximately result in damage to Appraiser. Notwithstanding the foregoing, Appraiser shall have no obligation under this Section with respect to any loss that is caused solely by the active negligence or willful misconduct of a Client and is not contributed to by any act or omission (including any failure to perform any duty imposed by law) by Appraiser. Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the feasibility report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover, from the other, reasonable attorney fees and costs.
20. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.
21. SOA assumes that the subject of this feasibility report will be under competent and prudent management and ownership; neither inefficient nor overly efficient.
22. Any value estimate provided in the report applies to the entire property, and any division or pro ration of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report. Further, the distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or study and are invalid if so used.
23. Acceptance of, and/or this feasibility report constitutes acceptance on the above conditions.

Qualifications

Sage Outdoor Hospitality Appraisal and Consulting Engagements

<i>Property Name</i>	<i>Location</i>	<i>Resort / Project Type</i>	<i>Service</i>
Legacy Lane RV Resort	Brantley, AL	Proposed 587-Site RV Resort	Appraisal
Bella Terra Resort	Foley, AL	Permitted 171-Site Deeded Lot Luxury RV Resort	Appraisal
Grand Riviera RV Resort	Foley, AL	Permitted 400-Site RV Resort	Feasibility Study
Windemere Cove RV Resort	Langston, AL	Partially Constructed 216-Site RV Resort	Feasibility Study
The Camp at Smith Lake	Crane Hill, AL	Proposed RV and Glamping Resort	Feasibility Study
Cowan Creek Resort	Centre, AL	Proposed 16-Unit Glamping Resort	Feasibility Study
Abide RV Resort	Cragford, AL	Proposed RV Park	Feasibility Study
To Be Determined	Fairhope, AL	Proposed RV Resort	Feasibility Study
To Be Determined	Fayetteville, AR	Proposed RV Resort / RV Storage	Feasibility Study
Benton County RV Resort	Siloam Springs, AR	Proposed 100-Site RV Resort	Feasibility Study
Contentment Resort	Rogers, AR	Proposed 31-Unit Glamping Resort	Feasibility Study
Buckeye RV Park	Buckeye, AZ	Permitted 800-Site RV Resort	Appraisal
Sonora Lake RV Resort	Gila Bend, AZ	Proposed 70-Site RV Resort	Appraisal
ILA RV Resort	Mayer, AZ	Proposed 54-Site RV Resort	Appraisal
London Bridge RV Resort	Lake Havasu, AZ	Proposed 56-Site Deeded Lot RV Resort	Appraisal
Two Guns Glamping and RV Resort	Two Guns, AZ	Proposed 760-Unit RV and Glamping Resort	Appraisal
Pinetop RV Resort	Pinetop-Lakeside, AZ	Proposed 161-Site RV and Cabin Resort	Appraisal
Peralta Pass RV Resort	Queen Valley, AZ	Proposed 274-Site RV Resort	Appraisal
Mountain View RV Resort	Salome, AZ	Proposed 150-Site Deeded RV Resort	Appraisal
Neon Ranch RV Resort	Gold Canyon, AZ	Proposed 518-Site RV Resort	Appraisal
To Be Determined	Snowflake, AZ	Proposed RV and Park Model Resort	Feasibility Study
Arroyos Preserve RV Resort	La Paz Valley, AZ	Proposed 325-Site RV and Glamping Resort	Feasibility Study
River Dreamers RV Park	Ehrenberg, AZ	Proposed 60-Site RV Park	Feasibility Study
Old Trails Bridge RV Resort	Topock, AZ	Proposed 347-Site RV Resort	Feasibility Study
Twin Arrows Resort	Twin Arrows, AZ	Proposed Luxury RV and Glamping Resort	Feasibility Study
Tortilla Flat/Salt River Glamping	Tortilla Flat, AZ	Proposed 8-Unit Glamping Resort	Feasibility Study
Rock Springs RV Resort	Yacapai County, AZ	Proposed 123-Site RV Park with 15 Cabins	Feasibility Study
Old Trails Bridge RV Resort	Topock, AZ	Proposed 185-Site RV Resort	Feasibility Study
To Be Determined	Payson, AZ	Proposed 123-Site RV Resort	Feasibility Study
Camp Verde RV Resort	Camp Verde, AZ	Proposed 133-Site RV Resort	Feasibility Study
Grand Canyon @ The Outpost	Williams, AZ	Proposed Glamping Resort	Feasibility Study
To Be Determined	Show Low, AZ	Proposed RV Resort	Feasibility Study
To Be Determined	Sierra Vista, AZ	Proposed RV Resort	Market Study
To Be Determined	Williams, AZ	Proposed Glamping Resort	Feasibility Study
Royal York Golf Course	Armstrong BC, Canada	Proposed RV Resort (Existing Golf Course)	Feasibility Study
Tower Park Marina & Resort	Lodi, CA	Existing 352-Site Campground with 80-Slip Marina	Appraisal
Bradford Run	Aguanga, CA	Permitted 179-Site Park Model RV Resort	Appraisal
Durango RV Resort	Red Bluff, CA	Permitted 174-Site RV Park	Appraisal
Confidential	Weed, CA	Proposed 460-Site RV Resort	Feasibility Study
Madrone Tree Hill	Camino, CA	Proposed 30-Unit Glamping Resort	Feasibility Study
Crossings RV Resort	Placerville, CA	Proposed 215-Site RV Resort	Feasibility Study
Confidential	Placerville, CA	Proposed 290-Site RV/Park Model Home/Glamping Resort	Feasibility Study
Franklin Canyon RV Resort	Hercules, CA	Proposed 158-Site RV Resort with 22 Safari Tents	Feasibility Study
Franklin Canyon RV Resort	St Augustine, CA	Proposed 158-Site RV Resort with 22 Safari Tents	Feasibility Study
To Be Determined	Weed, CA	Proposed RV Resort	Feasibility Study
Basecamp Parks	Weed, CA	Proposed Glamping Resort	Feasibility Study
Trail and Hitch Hotel & RV Park	Meeker, CO	Existing 42-Unit Tiny Home Hotel and RV Resort	Appraisal
To Be Determined	Durango, CO	Proposed RV Resort	Feasibility Study
Falvey RV Park	Limon, CO	Proposed 25-Site RV Park	Feasibility Study
Geocamp Colorado	Chalk Creek, CO	Proposed 12-Unit Glamping Resort	Feasibility Study
Peaceful Valley Ranch	Idaho Springs	Proposed RV Resort	Feasibility Study
Observer Ranch	Fremont County, CO	Proposed 36-Site RV Resort with Education Center	Feasibility Study
Observer Ranch	Penrose, CO	Proposed RV and Glamping Resort	Feasibility Study
Starlite Classic Campground	Canyon City, CO	Existing Campground / Proposed Glamping	Feasibility Study
Estancia Natura	Manaboa, Dominican Republic	Proposed Luxury Glamping Resort With Boutique Hotel	Feasibility Study
Moore Haven Lake Estates	West Palm Beach, FL	Proposed 250-Site Deeded Lot Luxury RV Resort	Appraisal
Ocean Club Luxury RV Destination	St Augustine, FL	Proposed 170-Site Luxury RV Resort	Appraisal
To Be Determined	Newberry, FL	Proposed 300-Site RV and Park Model Resort	Feasibility Study

Bienville RV Resort	White Springs, FL	Proposed RV Resort with Park Model Cabins	Feasibility Study
To Be Determined	Ocala, FL	Proposed RV Resort	Feasibility Study
To Be Determined	Sebring, FL	Proposed RV Resort	Feasibility Study
To Be Determined	Punta Gorda, FL	Proposed 439-Site RV Resort	Feasibility Study
Riverwalk RV Resort	Astor, FL	Proposed 363-Unit RV and Park Model Resort w/ Marina	Feasibility Study
Margaritaville RV Resort	Auburndale, FL	Proposed 400-Site RV and Park Model Cabin Resort	Feasibility Study
Tallahassee West Midway RV Resort	Tallahassee, FL	Proposed 70-Site RV Resort	Feasibility Study
Island Time RV Resort	Navarre, FL	Proposed 40-Site RV Resort	Feasibility Study
Lake Clinch RV Resort	Frostproof, FL	Existing RV Park	Feasibility Study
Confidential	Palm Bay, FL	Proposed 45-Site RV Resort	Feasibility Study
Ocean Club Luxury RV Destination	Newport, FL	Proposed 170-Site Luxury RV Resort	Feasibility Study
Black Creek RV Park Resort	Freeport, FL	Proposed Expansion 82-Site RV Resort	Feasibility Study
Sportif Glamping Resort	Fort Myers, FL	Proposed Glamping Resort	Market Study
Pegasus Landing	Blairsville, GA	Proposed Luxury RV Park	Appraisal
Rising Sun Ridge	Rising Fawn, GA	Proposed 16-Unit Glamping Resort	Feasibility Study
Allatoona Landing Resort	Lake Allatoona, GA	Proposed RV and Glamping Resort	Feasibility Study
Yogi Bear's Jellystone Park	Monticello, IA	Existing 283-Site RV Park	Appraisal
To Be Determined	Caldwell, ID	Proposed 250-Site RV Resort	Feasibility Study
South Canyon Farms	Twin Falls, ID	Proposed RV Resort	Feasibility Study
Elk Ridge RV Resort	Falls City, ID	Proposed 91-Site RV Park with 40-Unit RV Storage	Feasibility Study
Confidential	St Charles, ID	Proposed Glamping Resort	Feasibility Study
Weiser River Trailhead RV Resort	Weiser, ID	Proposed 110-Site RV Resort	Feasibility Study
St Charles/Bear Lake Glamping Resort	St Charles, ID	Proposed 85-Unit Glamping Resort	Feasibility Study
Leisure Lake Membership Resort	Joliet, IL	Existing 265-Site RV Resort	Appraisal
Evening Star Campground	Topeka, IL	Existing Campground	Appraisal
Crystal Lake RV Park	Rock Falls, IL	Existing 42-Site RV Park	Appraisal
Lake Louise RV Resort	Bryon, IL	Existing 282-Site RV Resort	Appraisal
Kamper Kompanion RV Park	Litchfield, IL	Existing RV Park	Appraisal
Haven Hills Resort	Aledo, IL	Proposed 40-Site RV Resort with 34-Cabin/Yurts	Appraisal
To Be Determined	Hampshire, IL	Proposed 275-Site RV and Park Model Cabin Resort	Feasibility Study
Tall Sycamore Campground	Logansport, IN	Existing Campground	Appraisal
To Be Determined	Cloverdale, IN	Proposed 97-Site RV Resort	Appraisal
Twin Ponds RV Resort	Cloverdale, IN	Proposed 92-Site RV Resort	Appraisal
Great Lakes RV Resort	Porter, IN	Proposed RV Resort	Feasibility Study
Banderas Point	Frankfort, IN	Proposed RV, Glamping and Equestrian Resort	Feasibility Study
Lakeside RV Resort	Tonganoxie, KS	Permitted 550-Site Luxury RV Resort w/ 100-Room Hotel	Appraisal
To Be Determined	Peck, KS	Proposed 60-Site RV Resort	Feasibility Study
Yogi Bear's Jellystone Park	Cave City, KY	Existing 320-Site RV Park	Appraisal
Ashland/Huntington KOA	Argillite, KY	Existing 103-Site RV Park	Appraisal
Komodo Springs Glamping Resort	Campton, KY	Proposed 16-Site Luxury Glamping Resort	Feasibility Study
Double Down RV Park	Vinton, LA	Proposed 97-Site RV Park	Appraisal
Belle Cypress RV Resort	Avondale, LA	Permitted 181-Site RV Resort	Appraisal
Pelican Point RV Park	Plaquemine, LA	Permitted 62-Site RV Park	Appraisal
Jubilee RV and Camping Park	New Orleans, LA	Proposed RV Resort	Feasibility Study
Prospect Lake Park	North Egremont, MA	Proposed 50-Unit Glamping Resort	Feasibility Study
Prospect Lake Park	North Egremont, MA	Proposed 50-Site Glamping Resort	Feasibility Study
Prospect Lake Park	North Egremont, MA	Proposed 50-Site Glamping Resort	Feasibility Study
Roaring Point Campground	Nanticoke, MD	Proposed Campground Redevelopment	Feasibility Study
Coal Burned Spoon Sanctuary	Greenwood, ME	Proposed 32-Unit Glamping Resort	Feasibility Study
LaPorte Road RV Park	New Buffalo, MI	Proposed 220-Site RV Resort	Appraisal
Camp Matziv	Cassopolis, MI	Existing 50-Acre Campground	Appraisal
To Be Determined	Ludington, MI	Proposed 489-Site RV Resort	Appraisal
Tyler Creek Campground	Alto, MI	Existing Campground and Golf Course	Appraisal
To Be Determined	South Haven, MI	Proposed Glamping Resort	Feasibility Study
Canary Beach Resort	Villard, MN	Existing Campground	Appraisal
Table Rock Canyon	Hollister, MO	Proposed RV, Summer Cottage & Retirement Home Resort	Appraisal
Shawnee Bend Recreation Area	Warsaw, MO	Proposed 300-Site RV and Cabin Resort	Feasibility Study
Eagle's Way Riverfront Park	St. Joseph, MO	Proposed RV Resort	Feasibility Study
The Embers Glamping & RV Resort	Branson, MO	Proposed 49-Site RV Park with 17 Safari/Cabin Units	Feasibility Study
Eagle's Way Riverfront Park	St. Joseph, MO	Proposed 118-Site RV Resort	Feasibility Study
Circle G Ranch RV Resort	Horn Lake, MS	Proposed 125-Site RV Resort	Appraisal
To Be Determined	Gulfport, MS	Proposed 102-Site RV Resort	Appraisal
Pine Island RV Resort	Ocean Springs, MS	Proposed 465-Site RV Park Resort	Feasibility Study
Riverbend Glamping Resort	Gallatin Gateway, MT	Proposed 57-Site Glamping Resort	Feasibility Study
Willow Creek RV Park	Franklin, NC	Proposed 215-Site RV Park	Appraisal
Elk & Embers Mountain Hideaway	Haywood County, NC	Proposed 7-Site Luxury Glamping Resort	Appraisal
Lanier's Campground	Surf City, NC	Existing RV Park	Consulting
To Be Determined	Ashe, NC	Proposed Glamping Resort	Feasibility Study
To Be Determined	Murphy, NC	Proposed 60-Site Eco Glamping Resort	Feasibility Study
Broadriver Campground	Moorsboro, NC	Existing Campground / Expansion	Feasibility Study
Ragged Mountain RV Resort	Danbury, NH	Proposed RV and Glamping Resort	Feasibility Study
River Beach Resort	Mays Landing, NJ	Existing 136-Site RV Resort with Marina	Appraisal
To Be Determined	Wadsworth	Proposed 100-Site RV Resort	Feasibility Study
Arrowhead RV Resort	Carson City, NV	Proposed 28-Site RV Resort	Feasibility Study
Confidential	Las Vegas, NV	Proposed 400-Site RV Resort	Market Study
Zephyr Cove Resort & Marina	Lake Tahoe, NV	Existing Marina/RV Park/Campground Resort	Market Study

Catskill Adventure Resort	Wurtsboro, NY	Existing 241-Site RV Park	Appraisal
Woodstock Pines Glamping Resort	Bethel, NY	Proposed Glamping Resort	Feasibility Study
To Be Determined	Ashland, OH	Proposed Glamping Resort	Feasibility Study
SÖLSTAY	Sandusky, OH	Proposed RV Resort	Feasibility Study
RV Lakefront Resort	Ardmore, OK	Proposed 946-Site RV Resort	Appraisal
To Be Determined	Oklahoma City, OK	Proposed 75-Site RV Resort	Feasibility Study
Liberty Point	Norman, OK	Proposed RV and Glamping Resort	Feasibility Study
Delaney Road RV Park	Salem, OR	Proposed 153-Site RV Resort	Appraisal
Greenfield RV Resort at Grants Pass	Grants Pass, OR	Proposed RV Resort	Feasibility Study
La Grande RV Resort	La Grande, OR	Proposed 110-Site RV Resort	Feasibility Study
Greenfield RV Resort at Grants Pass	Grants Pass, OR	Proposed RV Resort	Feasibility Study
Dundee Hills Resort	Dundee, OR	Proposed RV Resort	Feasibility Study
To Be Determined	Newport, OR	Proposed RV Resort	Market Study
To Be Determined	Gettysburg, PA	Proposed 330-Site RV Resort	Feasibility Study
To Be Determined	Hardeeville, SC	Proposed 539-Unit RV and Mobile Home Resort	Feasibility Study
Tiger Cove RV Resort	Anderson, SC	Proposed 135-Unit Redevelopment of RV Park	Feasibility Study
Bashfully Bold Barn	Fountain Inn, SC	Proposed Glamping Resort	Feasibility Study
Greenspace Resort	Bennettsville, SC	Proposed RV Resort	Feasibility Study
Camp Cedar	Pickens, SC	Proposed 112-Site Luxury RV Resort with Cabins	Feasibility Study
To Be Determined	Nashville, TN	Proposed Glamping Resort	Feasibility Study
Confidential	Greene County, TN	Proposed RV Resort	Market Study
To Be Determined	Dunlap, TN	Proposed Glamping Resort	Feasibility Study
St. Ives RV Park	Alvin, TX	Proposed 296-Site RV Resort	Appraisal
Cottonwood Creek RV Resort	Ennis, TX	Proposed 211-Site RV Resort	Appraisal
Sundowner RV Park	Princeton, TX	Proposed 102-Site RV Park	Appraisal
Post Oak Creek RV Resort	Elm Mott, TX	Proposed 161-Unit RV and Glamping Resort	Appraisal
Southern Escape RV Resort	Oatmeal, TX	Proposed 160-Site RV Resort	Appraisal
Tiger Creek RV Resort	Tyler, TX	Proposed 415-Unit RV and Cabin Resort	Appraisal
Walden Retreats	Johnson City, TX	Expansion of Existing 2-Unit Glamping Resort	Appraisal
Manor Tiny Wildlife Resort	Manor, TX	Proposed 314-Unit RV and Tiny Home Resort	Appraisal
The Marbella	Breckenridge, TX	Proposed Glamping Resort	Appraisal
Sunsets RV Park	Austin, TX	Existing 45-Site RV Park	Appraisal
The Peninsula Lakefront RV Resort	Breckenridge, TX	Proposed 146-Site RV Resort	Appraisal
Real Tejas RV Resort	Kyle, TX	Proposed 786-Site RV Resort	Appraisal
Confidential	Bandera County, TX	Proposed 362-Site RV and Glamping Resort	Appraisal
Open Air Resort	Harker Heights, TX	Proposed 150-Site RV Resort	Feasibility Study
Sugar Hill RV Ranch	Anna, TX	Proposed 78-Site RV Resort	Feasibility Study
Fredericksburg RV & Lodging Resort	Fredericksburg, TX	Proposed 160-Unit RV and Glamping Resort	Feasibility Study
To Be Determined	Odessa, TX	Redevelopment of RV Park	Feasibility Study
To Be Determined	College Station, TX	Proposed RV and Glamping Resort	Feasibility Study
Stinson RV Park	Campbell, TX	Expansion / Upgrade of RV Resort	Feasibility Study
Loop 363 RV Park	Temple, TX	Proposed 207-Site RV Park	Feasibility Study
Confidential	Austin, TX	Proposed RV and Glamping Resort	Feasibility Study
Finding Medina RV Resort	San Antonio, TX	Proposed 120-Site RV Resort	Feasibility Study
Llano Landing RV Resort	Llano, TX	Proposed 150-Site RV and Glamping Resort	Feasibility Study
To Be Determined	Alvin, TX	Proposed 120-Site RV Resort	Feasibility Study
Country Blossom RV Resort	Burton, TX	Proposed 140-Site RV and Park Model Cabin Resort	Feasibility Study
To Be Determined	Austin, TX	Proposed 65-Site RV and Park Model Cabin Resort	Feasibility Study
To Be Determined	Grandview, TX	Proposed 123-Site RV Park	Feasibility Study
Monarch Resort	Austin, TX	Proposed Glamping and RV Resort	Feasibility Study
Ray Roberts Marina and RV Park	Sanger, TX	Existing RV Park with Marina	Feasibility Study
Long Creek RV Park	New Braunfels, TX	Proposed 120-Site RV Resort	Feasibility Study
Confidential	Boerne, TX	Proposed 260-Unit RV Resort	Feasibility Study
Pitmaster RV Park	Concan, TX	Proposed 50-Site RV Park	Feasibility Study
Lagom Retreat Glamping & Events	Manor, TX	Proposed 20-Site Glamping Resort	Feasibility Study
Calaveras RV Park	San Antonio, TX	Proposed 216-Site RV Park Resort	Market Study
Burleson RV Park	Burleson, TX	Proposed 199-Site RV Park Resort	Market Study
To Be Determined	Concan, TX	Proposed RV Resort	Feasibility Study
Pioneer RV Park	Port Aransas, TX	Existing RV Resort / Upgrade and Expansion	Feasibility Study
Open Sky Zion	Virgin, UT	Expansion of Existing 3-Unit Glamping Resort	Appraisal
Castle Gate RV Park	Helper, UT	Existing 106-Site RV Park	Appraisal
Open Sky Zion	Virgin, UT	Expansion of Existing 10-Unit Glamping Resort	Appraisal
South Gate's Big Rig RV Resort	Layton, UT	Proposed 130-Site RV Resort	Feasibility Study
Valley RV Resort at Tonaquint	St. George, UT	Proposed 100-Site RV Resort	Feasibility Study
To Be Determined	Wellington, UT	Proposed 135-Site RV Resort	Feasibility Study
Confidential	Salt Lake City, UT	Proposed Glamping Resort	Feasibility Study
Coral Junction Motorcoach Resort	Hurricane, UT	Proposed RV Resort	Feasibility Study
Moab Glamping Caves	Moab, UT	Proposed Glamping Resort	Feasibility Study
To Be Determined	Edinburg, VA	Proposed 125-Site RV and Tiny Home Resort	Feasibility Study

To Be Determined	Shenandoah Valley, VA	Proposed RV Resort	Feasibility Study
Sojourner Glamping Resort	Stanardsville, VA	Proposed 144-Site Luxury Glamping Resort	Feasibility Study
Kingdom Campground	Lyndonville, VT	Proposed 100-Site RV Park	Appraisal
Purple Sage RV Resort	Soap Lake, WA	Proposed 189-Site RV Resort	Appraisal
Sindey Park RV Park	Port Orchard, WA	Proposed 105-Site RV Park	Appraisal
To Be Determined	Chehalis, WA	Proposed 120-Site RV Resort	Appraisal
Riverview/Stateline RV Resort	Spokane County, WA	Proposed RV Resort	Feasibility Study
Port f Olympia RV Resort	Olympia, WA	Proposed 25-Site RV Resort	Feasibility Study
To Be Determined	Mt. Vernon, WA	Proposed 165-Site RV Resort	Feasibility Study
The Wilds	Easton, WA	Proposed Glamping Resort	Feasibility Study
Columbia Gorge Getaways	Carson, WA	Proposed 19-Unit Glamping Resort	Feasibility Study
Chippewa Ranch Camp	Eagle River, WI	Existing Camp with 16 Cabins	Appraisal
Island Camping and Marina	Hager City, WI	Existing 109-Site RV Park with Marina	Appraisal
Jellystone Park Camp-Resort	Warrens, WI	Existing 587-Site RV Park with Water Park	Appraisal
Lake Mason Campground	Briggsville, WI	Existing 221-Site Campground	Appraisal
Freedom Island Campground	Hager City, WI	Existing 109-Site RV Park with Marina	Appraisal
To Be Determined	Mercer, WI	Proposed RV Park	Market Study
To Be Determined	Fish Creek, WI	Proposed RV and Glamping Resort	Feasibility Study
To Be Determined	Cheyenne, WY	Proposed 103-Site RV Resort	Feasibility Study

Updated 9.23.23



SHARI L. HEILALA, MAI
PRESIDENT
SAGE OUTDOOR ADVISORY
a division of SAGE COMMERCIAL ADVISORY LLC

As the principal of Sage Outdoor Advisory, Shari brings over 30 years of commercial real estate experience with extensive experience in appraisal and feasibility studies, as well as development, corporate real estate, brokerage, hospitality management and property management. Shari's experience includes all property types located throughout the United States, involving hundreds of different investment grade properties totaling over 35 million SF, valued at over \$4.0 billion. She has developed specific expertise in many areas, but particularly sports and leisure properties including resorts / campgrounds, marinas, golf courses and sports complexes.

Ms. Heilala has been working in the outdoor resorts segment for over 18 years. Initially, she was involved in appraising existing and proposed RV resorts, with her comprehensive appraisal reports also meeting lender's needs for a feasibility study. In 2019, she started offering feasibility studies as a separate service to the industry, to meet growing demand. To date, more than 50% of her outdoor resort services are feasibility studies. In total, Shari has worked on outdoor resort projects in 35 different states and Canada. A comprehensive list of projects is provided herein.

Prior to establishing Sage Commercial Advisory in 2011, Ms. Heilala was an Executive Vice President at Argianas & Associates for 10 years. In this role she provided appraisal services, served as the primary liaison for three major bank clients and managed a team of up to five appraisers. Her management duties included training, appraisal review and client communication. During this time, she established herself as an expert in leisure and entertainment properties, with a particular focus on RV resorts and marinas.

Shari's prior appraisal positions were with the Valuation Advisory Group of C&W and the Real Estate Advisory Group of American Appraisal. Before joining Argianas & Associates, she was a director in the Global Corporate Services Group of Cushman & Wakefield (C&W). In this position, she was responsible for the implementation and ongoing delivery of real estate services to their corporate clients in the Midwest region, as well as portfolio administration on a national basis. She had direct involvement in over 20 accounts, with clients such as American Express, General Motors, Kemper Insurance, Kraft Foods and Lucent. She managed teams around the region to deliver global transaction, lease administration, appraisal, strategic planning, property, facility and construction management services. Ms. Heilala has managed more than 100 commercial real estate transactions in 20 different countries, totaling over 3 million square feet.

Education

Shari graduated from the University of Wisconsin-Madison with a bachelor's degree in Business Administration in Real Estate and Finance. She holds her Masters of Corporate Real Estate from CORENET Global. She has also attended classes at Northwestern's Kellogg School for Management. She has completed the following Appraisal Institute courses, in addition to more than a dozen additional courses through McKissock Real Estate Education:

- Uniform Standards of Professional Practice
- Business Practices and Ethics
- Real Estate Appraisal Principles
- Basic Valuation Procedures
- Residential Case Studies
- Highest & Best Use and Market Analysis
- Basic Income Capitalization
- Advanced Applications
- Advanced Cost and Sales Approach
- Advanced Income Capitalization
- Report Writing and Valuation Analysis
- An Introduction to Valuing Commercial Green Buildings
- Appraising the Appraisal: Appraisal Review - General
- Fundamentals of Separating Real and Personal Property from Intangible Business Assets

Professional Affiliations, Licenses, Awards, Speaking Engagements

Ms. Heilala is a designated Member of the Appraisal Institute and an active member of ARVC and the American Glamping Association. She is a Certified General Real Estate Appraiser in the States of Arizona, Illinois, Indiana, Iowa, Florida, Georgia, Michigan, New York, Pennsylvania, Utah, Washington and Wisconsin. Shari is also a licensed real estate managing broker in Illinois. Early in her career in 1996, she was honored as Cushman & Wakefield's National Outstanding Corporate Services Professional. Ms. Heilala was recently chosen as a speaker at the Glamping Show USA, sharing her expertise on feasibility studies for glamping resorts. In 2022, she was chosen to present at the national Appraisal Institute meeting as a subject matter expert on the topic of valuation of outdoor resorts.

CONNOR SCHWAB, MBA
SAGE OUTDOOR ADVISORY
VICE PRESIDENT, OUTDOOR RESORTS

As the Vice President of Outdoor Resorts of Sage Outdoor Advisory, Connor brings over 8 years professional business development experience, 4 years specializing in outdoor resorts, and an MBA thesis focused on nature-based hospitality.

Prior to joining Sage Outdoor Advisory, Mr. Schwab was a Principal Consultant at S Three for 4 years. In this role he provided strategic market analysis, growth consulting, and client services. He earned his MBA from Acton with a focus in nature-based hospitality. This included extensive research on the outdoor resort competitive landscape, analyzing pro formas and financial projections, and reviewing and creating business models. Connor has performed site visits for over 40 outdoor resorts throughout the United States and globally. His knowledge of the industry is derived from extensive research of the competitive landscape, different lodging types, and financial models for outdoor based businesses. Connor's experience includes all property types located throughout the United States that feature campsites, canvas tents, yurts, tiny homes, domes, RV resorts and treehouses.

Education

Connor graduated from Santa Clara University with a bachelor's degree in Mechanical Engineering. He earned his Master's in Business Administration from the Acton MBA program. This Master's Degree included a thesis focus in nature based hospitality and the following courses:

- Business Valuation and Determination Modeling
- Business Accounting and Finance
- Business Pro Forma Financial Analysis
- Unit Economics Financial Analysis
- Cash Flow Financial Analysis
- Customer Evaluation
- Market Competition Analysis

Professional Affiliations

Active member of the American Glamping Association

Industry Overview

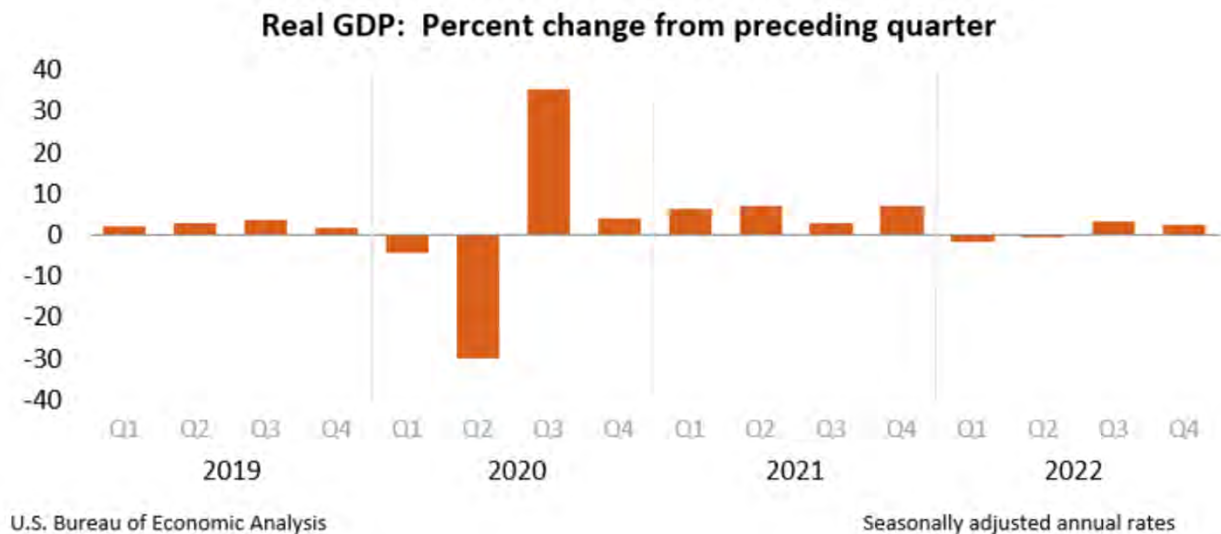
U.S. Economy

Since ‘The Great Recession’ ended in mid-2009, the United States has experienced one of its longest periods of economic growth expanding for over 10 years at an average rate of 2.3% per year. Unemployment followed a similar pattern starting as high as 10% in 2009 and steadily decreasing to 3.5% in February 2020.

This extended period of growth snapped and drastically contracted at historic levels in March 2020 with the outbreak of the global COVID-19 pandemic and ensuing global lockdowns. This started a sharp and record-breaking recession in March and April 2020 as economic growth went negative and unemployment spiked to 14.7%, the highest since the Great Depression.

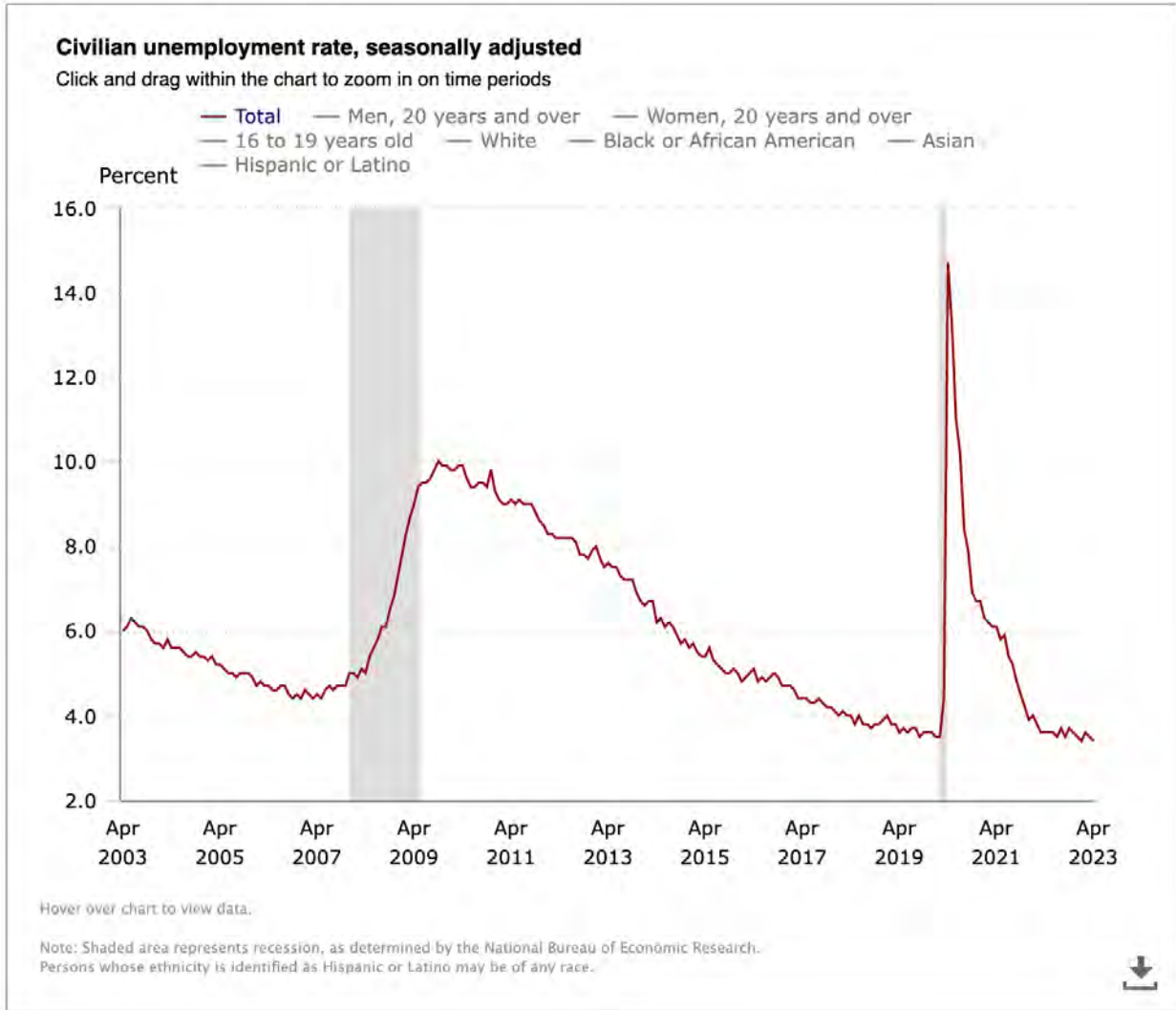
This would be considered the shortest recession on record due to the quick economic recovery, which returned to positive growth in May 2020. The U.S. GDP still decreased by a net 3.4% in 2020 due to the magnitude of the initial drop but bounced back with 5.7% growth in 2021 and 1.0% growth in 2022. The post-COVID-19 outbreak period of growth continued until the end of 2021. Unemployment steadily recovered from 14.7% to 3.4% in April 2023, back to pre-pandemic levels.

Economic growth and unemployment rates can be seen in the charts below.



4-YEAR CHART OF U.S. REAL GDP (SOURCE: U.S. BUREAU OF ECONOMIC ANALYSIS)





20-YEAR CHART OF U.S. UNEMPLOYMENT RATE (SOURCE: BUREAU OF LABOR STATISTICS)

The overall growth from May 2020 to April 2023 took place while the world’s businesses grappled with operating amidst new COVID-19 health restrictions, labor shortages and global supply chain disruptions. Due to these stresses on business, much of this economic recovery is attributed to government policy and intervention. This includes government COVID-19 relief spending and a decrease in interest rates. From March 2020 to March 2023, the U.S. government spent a record-breaking \$4.6 trillion to support citizens and businesses, shown below.



Data through 3/31/2023

This is how much was spent so far in response to COVID-19



U.S. GOVERNMENT SPENDING ON COVID-19 RELIEF MARCH 2020 TO MARCH 2023

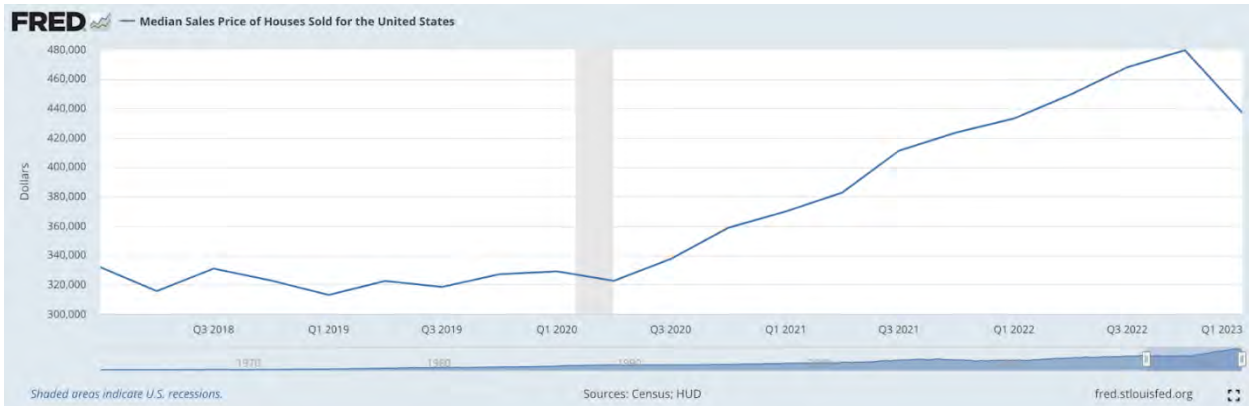
On top of this relief spending, the Federal Reserve temporarily decreased interest borrowing rates to new lows from April 2020, stimulating the economy further. However, the Federal Reserve began raising interest rates in March 2022 to slow down inflation, leading them to reach the highest levels in 20 years. The chart of interest rates can be seen below.



U.S. 30-YEAR FIXED RATE MORTGAGE; COVID-19 MARCH/APRIL RECESSION HIGHLIGHTED IN GRAY (SOURCE: FREDDIE MAC)

These measures have affected all areas of the economy. In particular, low interest rates in 2020 and 2021 drove up real estate prices, leading to a 40% increase in the median home price in the U.S. Conversely, in February 2023, home prices fell by 0.2% from the year before, ending a decade-long streak of year-over-year increases. This is demonstrated in the following chart.





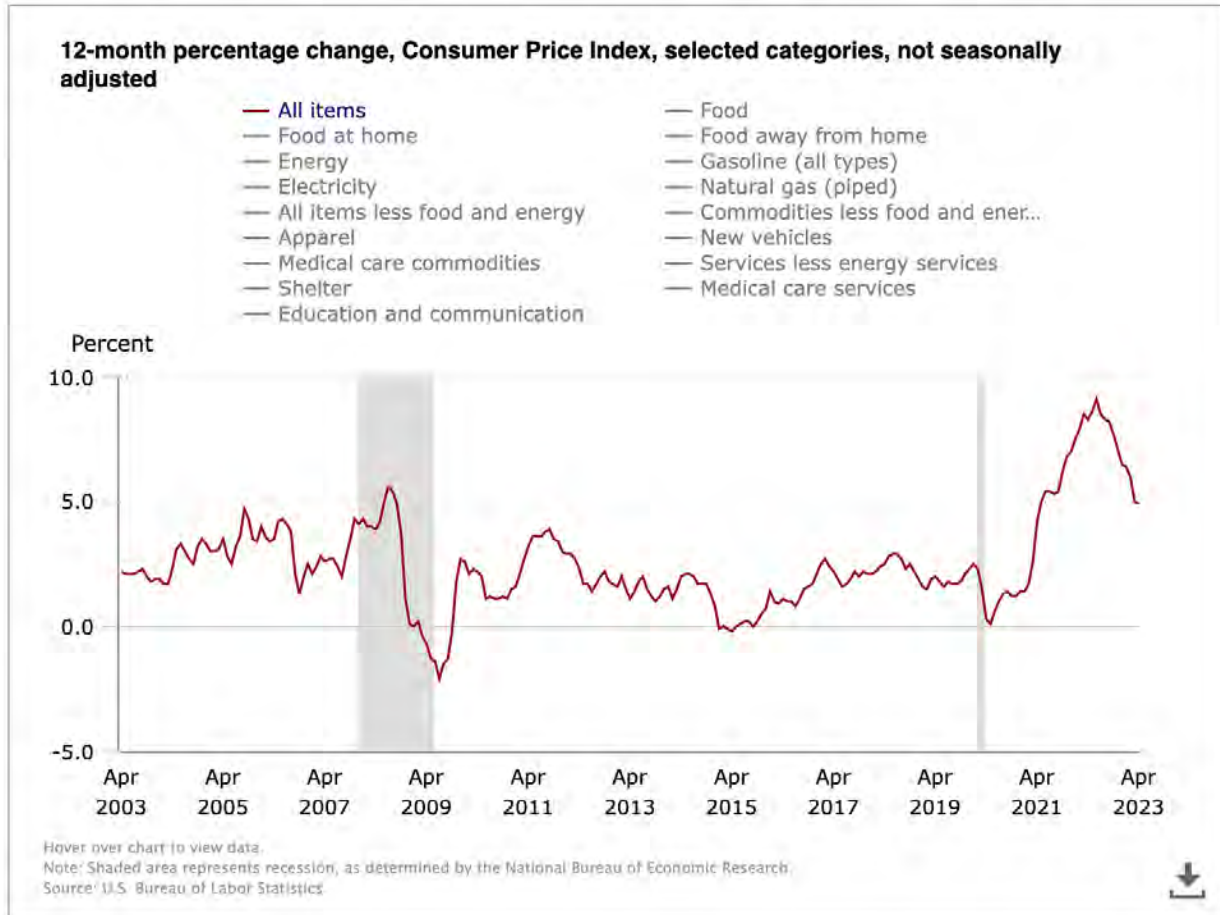
U.S. MEDIAN HOME PRICE; COVID-19 MARCH/APRIL RECESSION HIGHLIGHTED IN GRAY (SOURCE: FREDDIE MAC)

The U.S. stock market has followed a similar growth pattern, rising approximately 50% since the outbreak of the COVID-19 pandemic up until January 2022. In June 2022, the S&P 500 entered a bear market for the first time since March 2020. Further into the year, as inflation increased and the war in Ukraine broke out, the stock market started performing poorer as the three stock indices suffered their worst year since 2008.



STOCK MARKET INDEX CHART (SOURCE TRADINGECONOMICS.COM)

Despite a strong economic recovery since the COVID-19 outbreak, low interest rates and high government spending have had problematic consequences in the U.S. economy as well. Inflation, measured by Consumer Price Index (CPI), peaked at 9% in June 2022 but has since been falling. In April 2022, the CPI was 4.9% year-over-year, which is the first time CPI has been below 5% since June 2021, indicating a trend back to pre-pandemic levels.



CPI INDEX CHART (SOURCE BLS.GOV)

The high inflation rates negatively affect consumers as the cost of living outpaces wages. Rising gas prices have also contributed to an increase in the cost of living, creating a compounding effect. Gas prices have fluctuated sporadically over the past ten years as geopolitical forces impact the global oil supply. The result is that average gas prices dropped as low as \$1.69 per gallon in mid-2015 and reached a high of \$4.87 per gallon in June 2022. Gas prices have since cooled down but are still significantly higher than historical averages between 2015 and 2021.



SOURCE: GASBUDDY.COM

The rise in gas prices impacts everything in the economy, from the cost of living of civilians to the cost to do business commercially. Rising gas prices can impact the camping industry and particularly the RV industry. This will be discussed further in later sections.

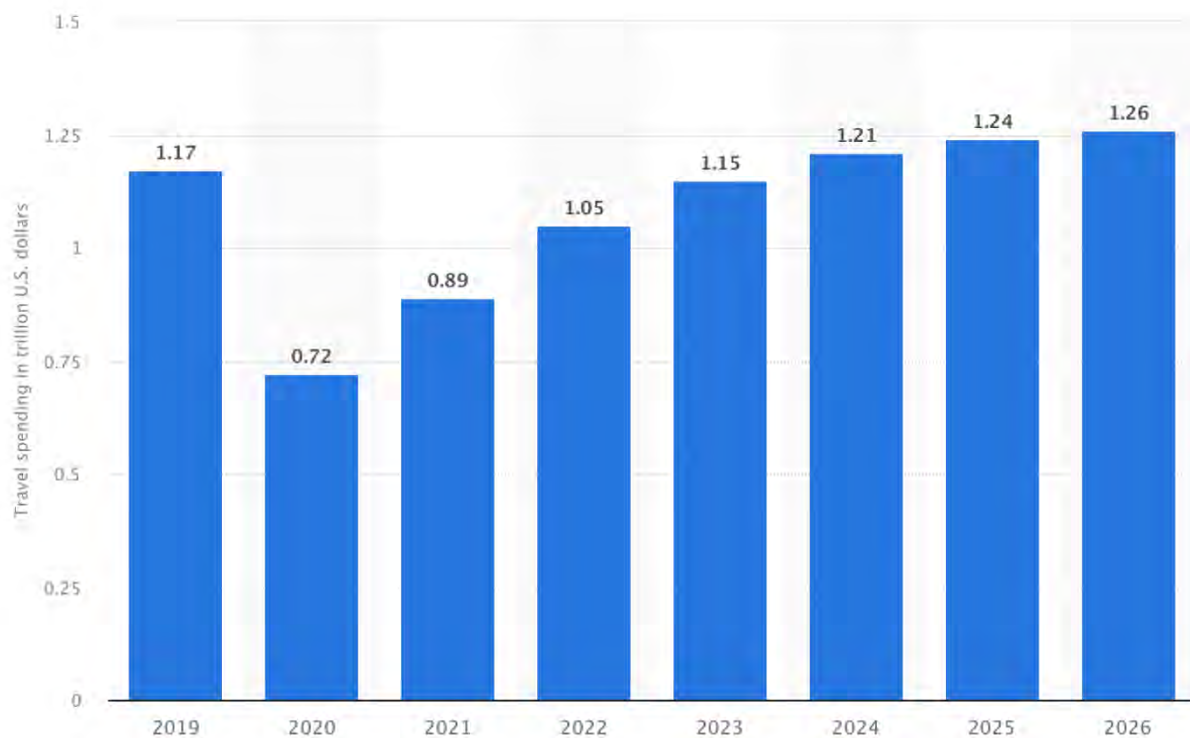
The increase in CPI and gas prices impacted businesses heavily as their cost to operate outpaced income. The Federal Reserve has taken an aggressive stance to counteract these effects. In May 2023, the Fed approved its 10th interest rate increase in a little over a year, making it within a target range of 5%-5.25%, which is the highest since August 2007.

According to the Federal Reserve Chairman, Jerome Powell, the desired effect of these rate hikes is to “cool the economy” and curb rising inflation. The Fed has commented that it will raise or hold interest rates until the CPI reaches a normalized 2-3% growth rate. This indicates that the economic growth will continue to slow or even decline in the near term.

Travel & Tourism Industry

U.S. Domestic Tourism

The U.S. travel and tourism industry has experienced steady growth over the past two decades. Domestic travel spending in the U.S. doubled between 2002 and 2019, nearly reaching \$1 trillion. Following the Great Recession, domestic travel spending fell in 2009 and 2010 as the economy recovered. Due to the COVID-19 lockdowns and travel bans, domestic travel experienced a 30% decrease in 2020. According to Statista, domestic travel is projected to make a full recovery and continue its growth in 2023 as seen in the chart below. The growth in the number of domestic trips is expected to start to moderate in 2023 as activity reaches pre-pandemic levels.



DOMESTIC TRAVEL SPENDING IN THE U.S. (SOURCE: STATISTA.COM)

Travel budgets seem to be higher after the pandemic. A Booking.com survey reported that 49% of its respondents are likely to spend more on their next trip to make up for lost time. 43% of respondents are planning to spend more than they used to, due to missed travel opportunities. Younger travelers in particular intend to spend more. A study by Expedia found that 80% of survey respondents between 18 and 34 are willing to pay to upgrade their travel experience, despite higher travel costs.

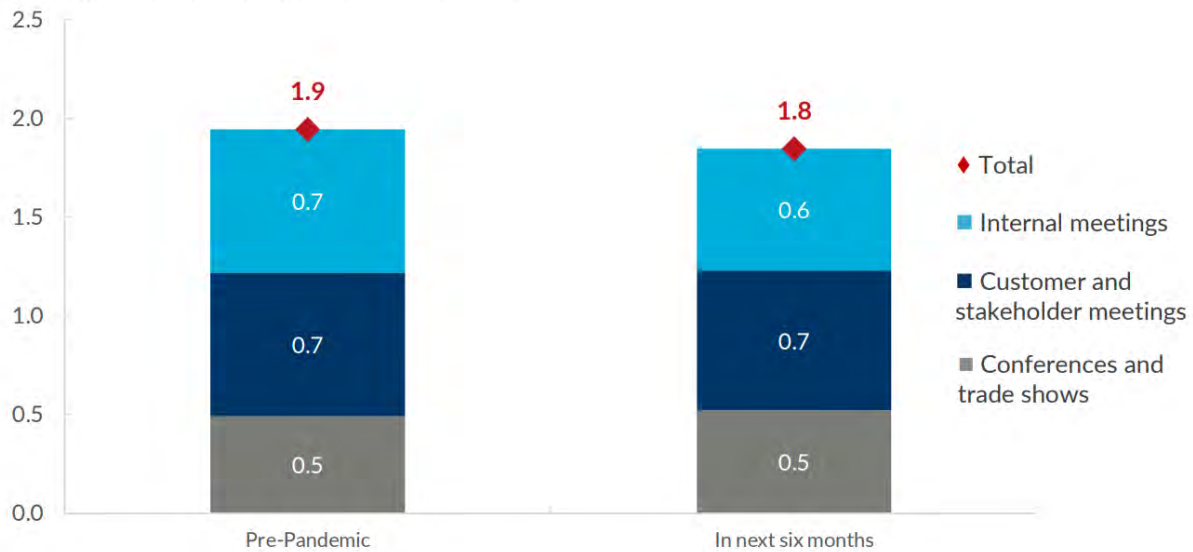
Business travel is projected to have mixed effects on domestic travel. Now that many businesses have returned to the office, people's flexibility to travel as freely as before will be more limited. However, as required business travel returns, some travel will increase. In 2022, U.S. domestic business travel rebounded to about two-thirds of its 2019 level. With the increase in sustainable travel policies and the expectation of a mild recession in 2023, some firms may reduce business travel. According to a nationwide survey of corporate executives across multiple industries, 86% of corporate executives report their

organization has sustainable corporate travel policies in place, and the most common policy is to request employees to minimize transportation (47%).

Business travelers expect 1.8 trips per month

Average trips per month

(Average monthly trips by business travelers)

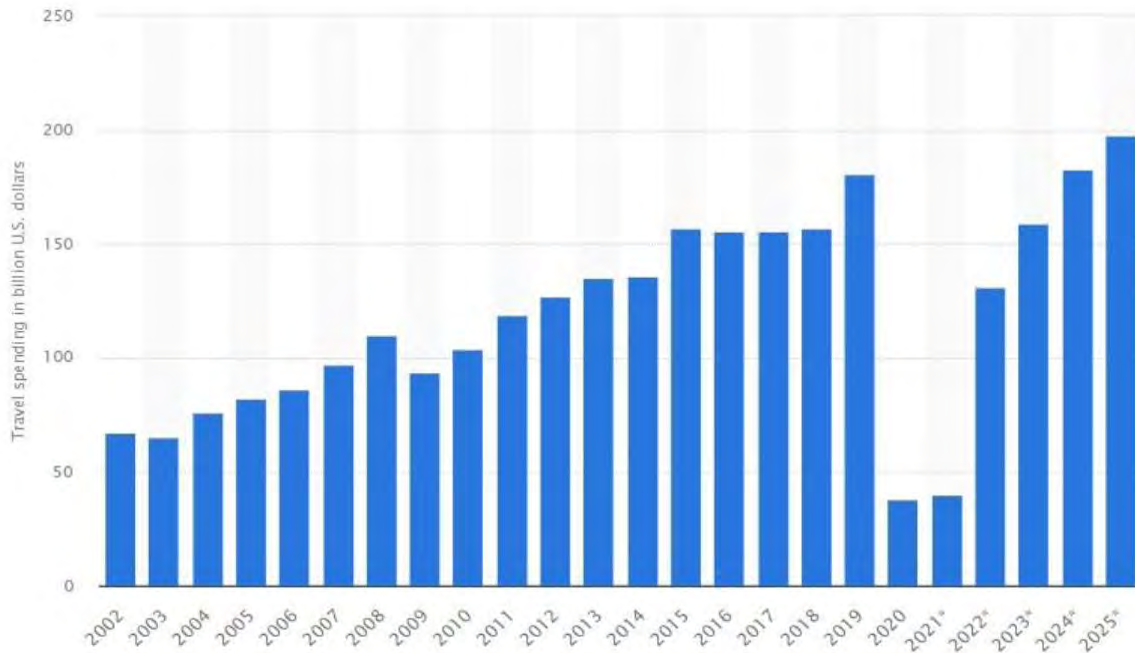


AVERAGE BUSINESS TRIPS PER MONTH (SOURCE: TOURISM ECONOMICS)

U.S. International Tourism

International tourism in the U.S. is a much smaller industry, only about a fifth compared to domestic travel. Nevertheless, it is still significant to the economy, and it tripled from 2002 to 2019 reaching \$180 billion in travel spending. The only negative years took place in 2009-2010 post ‘Great Recession’. The COVID-19 pandemic hit international travel the hardest, dropping nearly 80% in 2020 and 2021 due to global travel bans and border restrictions amidst health concerns. International spending is expected to recover fully and continue its growth by 2024 according to Statista’s forecasts pictured below. In 2022, spending on U.S. travel and tourism-related expenses by international visitors was about \$162 billion, which is nearly double that of 2021.





INTERNATIONAL TRAVEL SPENDING IN THE U.S. (SOURCE: STATISTA.COM)

The World Travel and Tourism Council (WTTC) projects that many aspects of the tourism industry will recover. Here are the WTTC travel forecasts for 2023:

- The World Travel & Tourism sector will recover to more than 95% of its 2019 peak, reaching \$9.5 trillion.
- The U.S. Travel & Tourism sector is forecast to exceed its 2019 peak of \$2.17 trillion in 2023 with a contribution to the U.S. economy of \$2.24 trillion.
- Employment in the sector could also surpass pre-pandemic levels, reaching nearly 17.4 million jobs, above pre-pandemic levels by almost 1.2 million jobs.
- The number of international travelers heading to the U.S. surpassed 2022 levels by 158%.

Although international travel has been slower to recover, 2023 forecasts are showing signs of returning to pre-pandemic levels. It is important to note that international tourism will fluctuate most sharply with COVID-19 changes and travel restrictions. If new variants arise, it is expected that international travel will again be hit hardest.

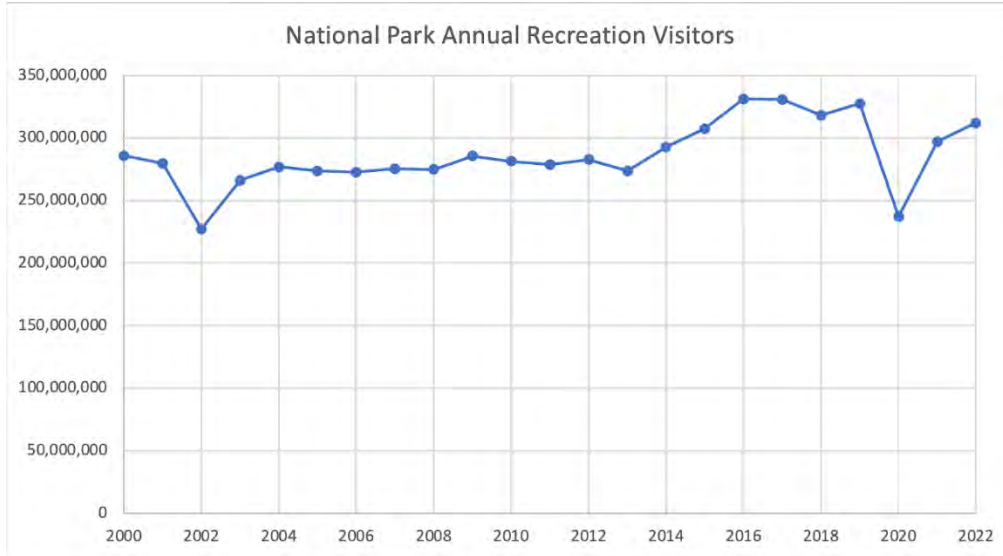
Outdoor Tourism

Outdoor tourism has led the recovery of U.S. tourism. Once COVID-19 transmission was discovered to be linked closely to respiration, indoor spaces were swiftly either closed or restricted. This led to a surge in interest in outdoor activities and recreation. One of the leading indicators of this has been the growth in visitors to national and state parks. The National Parks Service was quick to recover with 44 parks setting a record for recreation visits in 2021 and 12 parks setting a record for recreation visits in 2022. Additionally, 5 of these 12 parks rebroke records that had just been set in 2021. The top 10 national parks and their 2022 annual visitation numbers can be seen below.

- 1. Blue Ridge Parkway, 15.71 million visits**
- 2. Golden Gate National Recreation Area, 15.64 million**
- 3. Great Smoky Mountains National Park, 12.94 million**
- 4. Gateway National Recreation Area, 8.73 million**
- 5. Lincoln Memorial, 7.83 million**
- 6. George Washington Memorial Parkway, 7.4 million**
- 7. Natchez Trace Parkway, 6.54 million**
- 8. Gulf Islands National Seashore, 5.69 million**
- 9. Lake Mead National Recreation Area, 5.58 million**
- 10. Vietnam Veterans Memorial, 4.89 million**

TOP 10 NATIONAL PARKS 2022 ANNUAL VISITATION NUMBERS (SOURCE: NPS.GOV)

Not all national parks have returned to pre-pandemic levels, but 2022 has been the most similar to the years before the pandemic. In 2022, the National Park Service received 312 million recreation visits, which is 5% more than in 2021. However, this remains slightly lower than both 2018 and 2019 numbers (318 million and 327 million recreation visits, respectively).



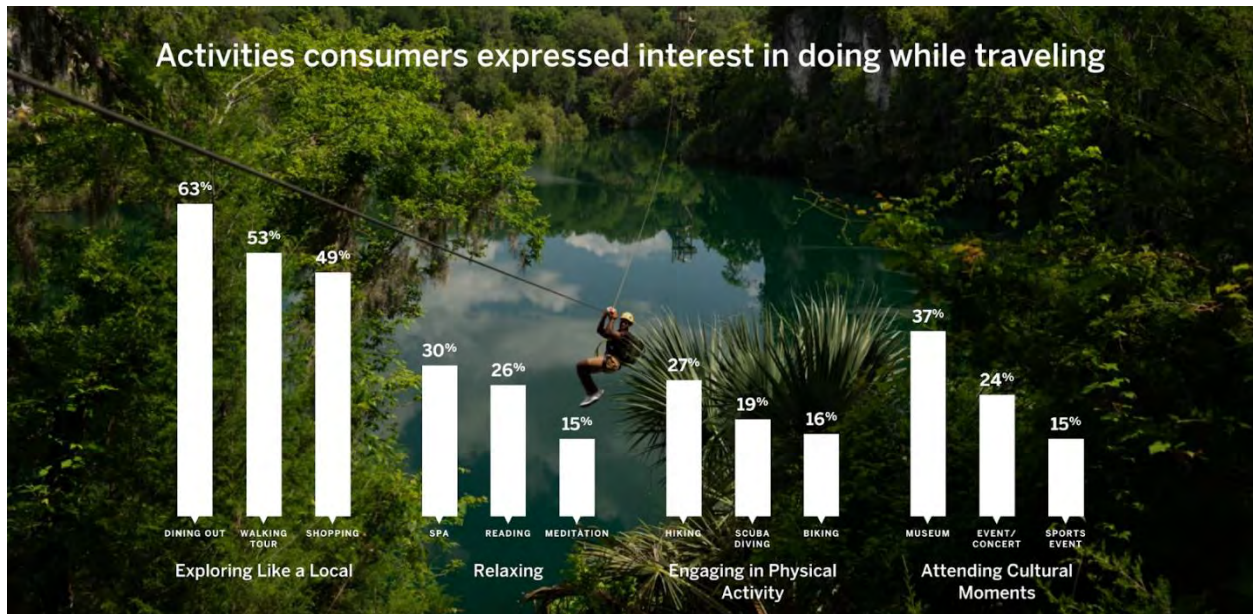
SOURCE: NPS.GOV

RMS’s Outdoor Hospitality Report attributes much of the tourism recovery to national parks, camping, and the RV industry as seen below.



DRIVERS LEADING THE TRAVEL RECOVERY IN THE U.S. (SOURCE: RMS OUTDOOR HOSPITALITY REPORT)

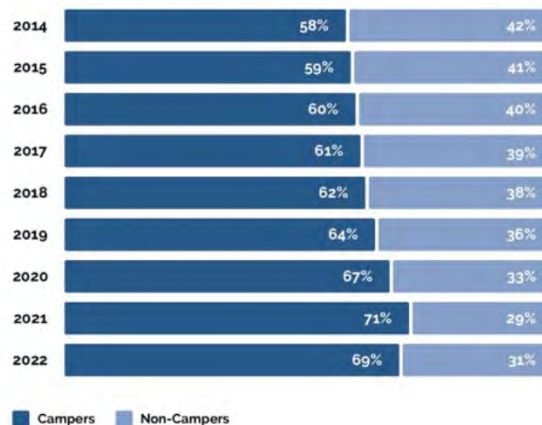
In the COVID-19 recovery, outdoor recreation has begun to dominate the motivation and focus of vacations. American Express polled their users and found that “engaging in physical activity” is one of the top interests of travelers.



MOTIVATIONS FOR VACATIONERS (SOURCE: AMERICANEXPRESS.COM)

Much of the growth in outdoor recreation is due to a whole new segment of vacationers who formerly did not consider themselves outdoor enthusiasts. Due to the COVID-19 restrictions on other forms of travel, many people turned to the outdoors for the first time as one of the few available options during 2020 and 2021. However, as the opportunity presented itself to return to previous travel habits, such as staying in hotels or taking international trips, there has been a slight drop in the number of households that identify as campers in 2022 compared to 2021.

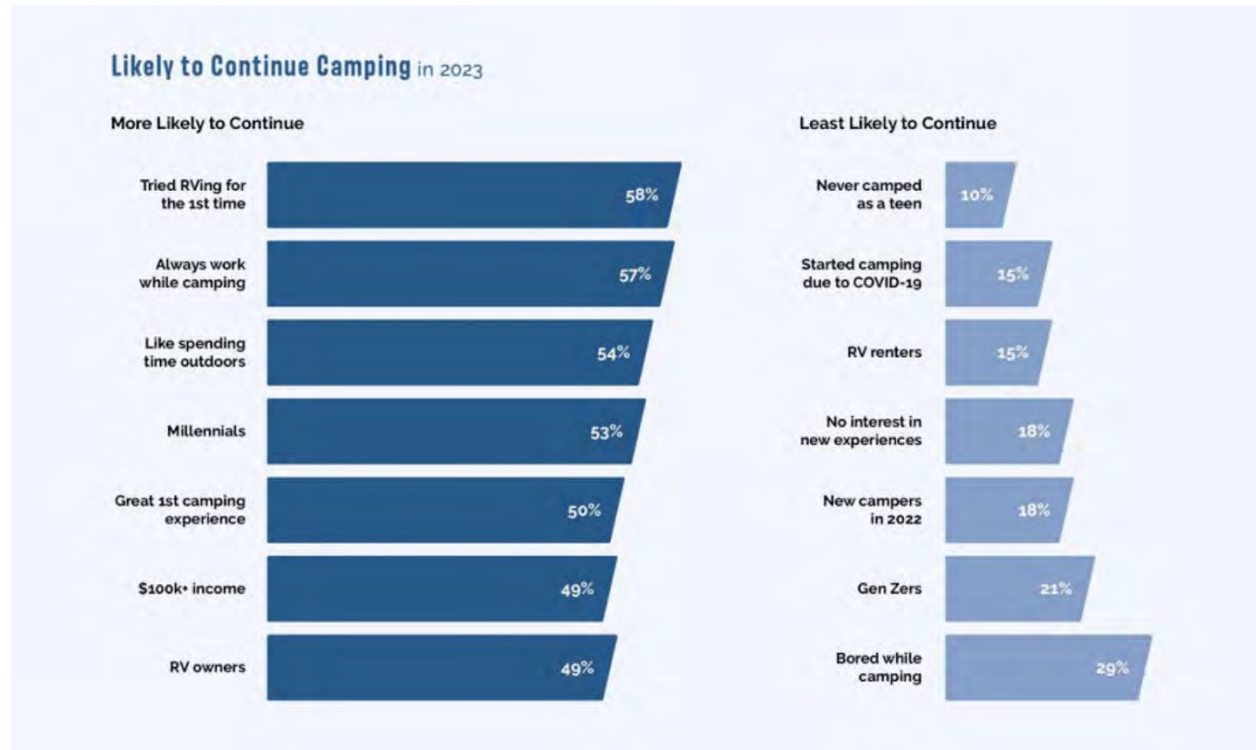
U.S. Camping Households



SOURCE: KOA 2023 CAMPING REPORT



There are several factors affecting the likelihood of travelers continuing to camp. The KOA 2023 Camping Report breaks them down below.



SOURCE: KOA 2023 CAMPING REPORT

Rising Inflation and Fuel Prices

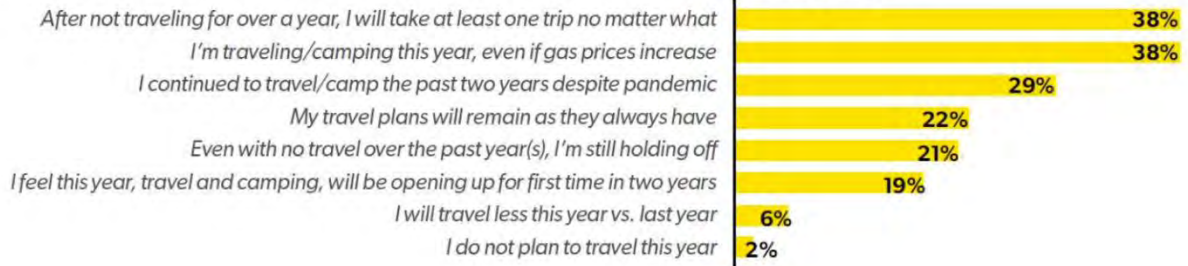
Cost is the main reason people are curbing traveling, according to 52% of American travelers aged 50 years and above in a late 2022 national poll. 27% say financial concerns due to inflation are making them hesitant to vacation. On average, American adults intend to spend \$6,688 on travel in 2023, whereas they intended to spend \$8,369 on travel in 2022. A majority of adults (62%) aged 50 and over still will take at least one leisure trip in 2023, while most will take between three and four trips. 61% say they are only taking trips within the United States, and most will drive to their destination, as compared to 51% in 2022 limiting themselves to domestic travel.

COVID-19

Most Americans currently say they are comfortable traveling again after the pandemic. A survey by AARP reports that 81% of adults above 50 years old who plan to travel in 2023 feel that it's safe to travel, which is 77% higher than in 2021. Only one in four say COVID-19 is a barrier to travel compared to half who felt that way last year.



Pent Up Demand for Travel & Camping



SOURCE: KOA MAY 2022 REPORT



Domestic Travel:

Even with declining COVID cases, people still prefer to stay local. Domestic travel, especially within 300 miles, offers guests the chance to see more in a shorter time frame. It also allows travelers to spread their time off over more trips. However, with the rising return-to-office rates, people will be more selective with their vacation time.

Driving instead of flying provides extra safety measures for those still worried about air travel, since they can control the size of their group and avoid crowded airports.



59% of travelers plan to only travel domestically¹



48% of survey respondents plan on taking more road trips in 2022, up by 16% compared to last year's survey

SOURCE: RMS 2022 STATE OF THE INDUSTRY REPORT



Pandemic Trends That are Here to Stay

Mask mandates, travel bans, and occupancy restrictions may be slowly going down, but expect some reminders of the pandemic to stick around. Increased cleaning protocols and self-service technology, like contactless check-in, are still in demand.

Over the past year, many changes were implemented at campgrounds and RV parks in response to COVID-19. Which features would you like to see continue after the pandemic?



SOURCE: RMS 2022 STATE OF THE INDUSTRY REPORT

Conclusion

There are mixed forces in effect in the travel industry:

- U.S. domestic tourism has made a nearly full recovery in 2022.
- International tourism is slower in its recovery, but still nearly back to pre-pandemic levels.
- Outdoor tourism is making the strongest recovery and experiencing record growth.
- COVID-19 concerns in the U.S. and globally are slowly dissipating, but still at risk.
- Rising inflation, gas, and fuel prices have increased the cost of all types of travel and limited discretionary income.
- Many people have limited their vacations and travel for two years and have 'pent-up' desires and savings.

Overall, tourism projections for the U.S. in the near term are cautiously optimistic.

Camping Industry

Overview

There are two main segments of campers: tent and RV. As the names suggest, tent campers will sleep in their tents, while the RV segment will travel and sleep in their RV. These two segments have the same interests in outdoor recreation, but are different in their vehicle type and where they sleep. The majority of campers who travel by RV will stay in a designated campground. This is because their vehicles are large and harder to navigate, so it is easier for them to stay in an area that is designed to accommodate their vehicles. They also have the ability to connect to water, electrical, and sewage hookups in many campgrounds, which provides the comforts of home while they travel.

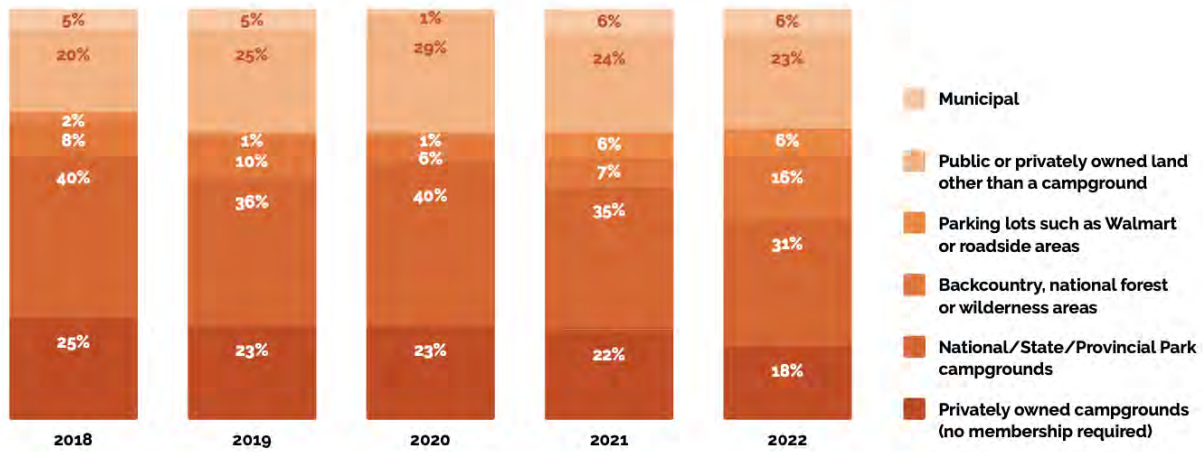
The majority of tent campers also stay in designated campgrounds, but a significant portion will camp outside of designated areas. This is because it is easier to access more remote places with a car or even a 4-wheel drive vehicle. Tent campers also have the flexibility to set up tents in more places than one can park an RV.

According to KOA, 57% of all campers pay to stay at government or private campgrounds. Typically, campground customers will have access to a designated campsite area that includes 1-2 parking spaces, a picnic table, and a campfire ring. They also typically have RV hookups or access to water, trash receptacles, and communal restrooms. The level of quality and services vary from site to site and cost tends to fall between \$10-\$50 per night for a basic tent site. Sites designed for RVs can range anywhere from \$25-\$100+ per night. Sites that are paved, offer full hookups and come with campground amenities have rates on the higher end of that range. Designated campgrounds are available to both RV and tent campers, although some campgrounds might cater more to one type of visitor.

Usually, government campgrounds are more affordable (due to subsidies) but also more popular. Many government campgrounds will be fully booked 6 months in advance during peak season. Private campgrounds tend to be on the higher end of the cost spectrum, and even still, the popular sites are fully booked several months in advance. 31% of campers in 2022 stayed within state and national government areas, the largest segment. Private campgrounds, like the industry leader, Kampgrounds of America (KOA), tend to have similar offerings but are privately owned and on private land making up 18% of campers in 2022.



Proportion of Nights Camped by Location 2018 to 2022



SOURCE: KOA 2023 NORTH AMERICA CAMPING REPORT

There are also technological innovations that are spurring growth and changes in the industry. Hosting services such as Airbnb, Hip Camp, The Dyr and Tentrr have allowed private landowners to make their land available to campers on a smaller scale. Other technological innovation services have spurred interest and growth in the industry, such as RV sharing and service platforms like Outdoorsy, RV Share, and Sekr. These platforms are making it easier for people to try different areas of outdoor hospitality for the first time. These leading tech companies have all experienced steady growth in recent years.

Outdoorsy

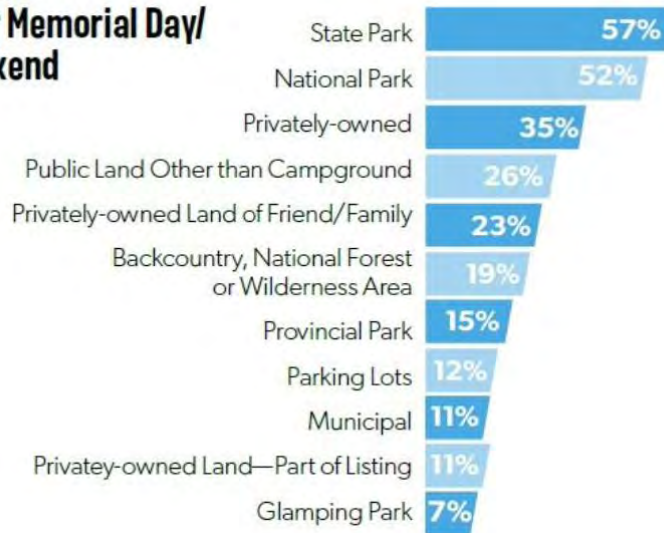
- Marketplace for campsites and outdoor accommodations
- \$57m raise (\$300m+ valuation) in January 2021, existing investors include Andreessen Horowitz and Index Ventures

HIPCAMP

- Marketplace for RVs and campers
- \$120m raise in June 2021, existing investors include Moore Strategic Investors, Pernod Ricard

SOURCE: OUTSIDE CAPITAL

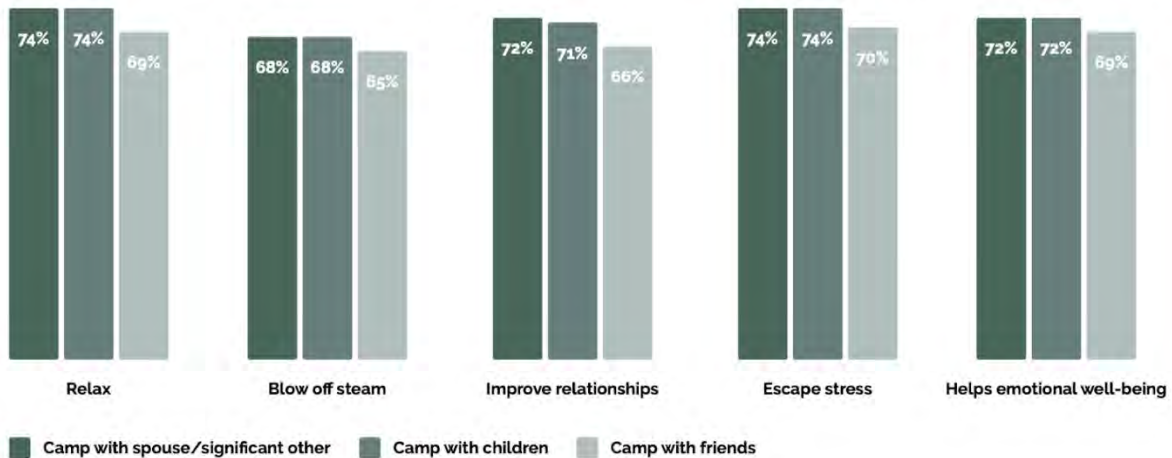
Camping Locations/ Campgrounds for Memorial Day/ Victoria Day Weekend



SOURCE: KOA MAY 2022 REPORT

The motivation that leads people to camp is different and can vary from experienced to new campers. People also perceive varying benefits of camping. A breakdown of these can be seen below.

Percentage Agree About the Benefits of Camping with Friends and Family 2022



Benefits of Camping Among Gen Z Campers

Say that camping is a time to just relax and not feel like they must be somewhere or do something



Benefit	Percentage
Say that camping is a time to just relax and not feel like they must be somewhere or do something	60%
Like to let loose and blow off steam when they go camping	58%
Say camping is a great way to escape the stress of everyday life	56%
Say camping helps improve their relationships with family and friends	55%
Say camping helps with their emotional well-being	55%
Like to be physically active while camping	55%

Like to let loose and blow off steam when they go camping

58%

Say camping is a great way to escape the stress of everyday life

56%

Say camping helps improve their relationships with family and friends

55%

Say camping helps with their emotional well-being

55%

Like to be physically active while camping

55%

SOURCE: KOA 2023 CAMPING REPORT

As explained in previous sections, camping is closely tied with outdoor recreation and is typically the primary driver. Campers have a wide variety of outdoor recreation desires. The breakdown can be seen below.

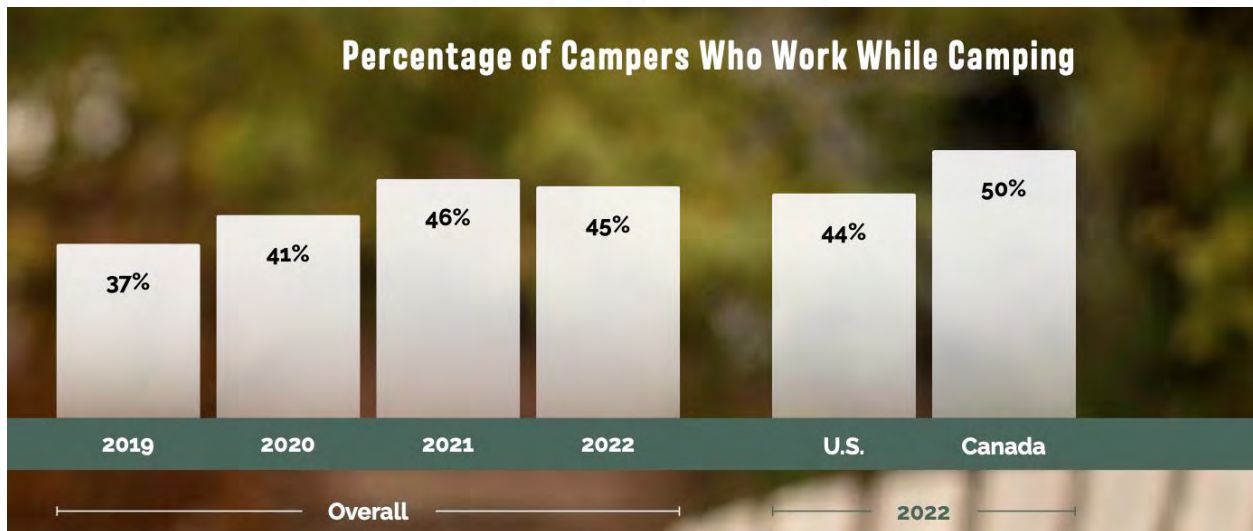
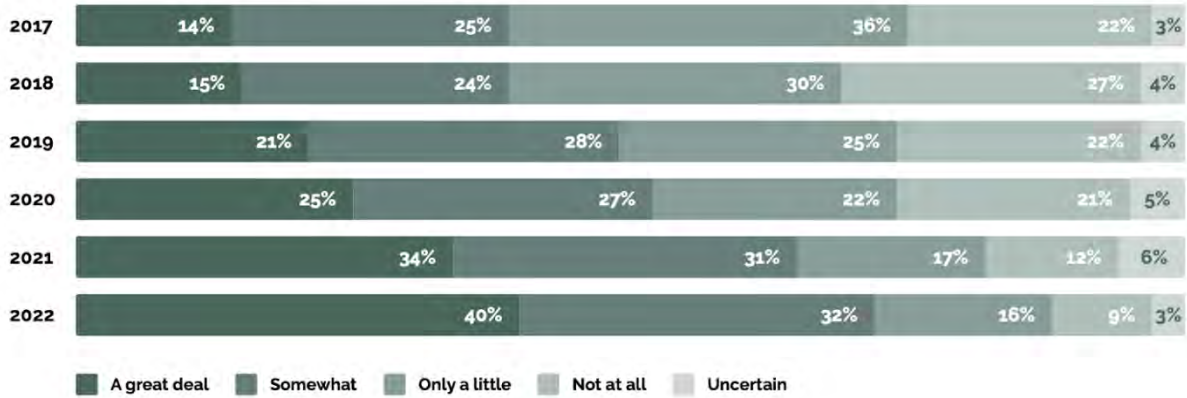
Recreation While Camping	2017	2018	2019	2020	2021	2022	Change since 2020
Fishing	47%	50%	49%	52%	36%	49%	-3
Canoeing/Kayaking	35%	37%	37%	32%	31%	44%	12
Hiking	53%	51%	51%	46%	37%	42%	-4
Bird watching	23%	25%	25%	31%	29%	33%	2
Biking	26%	30%	30%	35%	33%	31%	-4
Hunting	10%	14%	14%	19%	12%	23%	4
Taking scenic drives/Sight-seeing	30%	30%	30%	27%	21%	23%	-4
Mounting biking	13%	18%	18%	19%	19%	23%	4
Visit historical sites	25%	25%	25%	19%	16%	19%	0
Golfing or tennis	6%	10%	10%	8%	7%	17%	9
Running/Trail running	15%	15%	15%	16%	17%	16%	0
Geo-caching/Orienteering	7%	8%	8%	6%	6%	16%	10
Horseback riding	10%	12%	12%	8%	8%	16%	8
Rock climbing or bouldering	9%	11%	11%	12%	10%	14%	2
Water sports	9%	10%	10%	11%	9%	14%	3
Motor sports	9%	10%	10%	19%	17%	13%	-6
Organized team sports	6%	7%	7%	15%	18%	10%	-5
Stand-Up paddle boarding	5%	7%	7%	6%	7%	10%	4
Motor boating or jet skiing	9%	9%	9%	7%	5%	10%	3
Snow skiing or snowboarding	4%	7%	7%	7%	7%	9%	2
Whitewater rafting/Kayaking	6%	7%	7%	7%	6%	9%	2
Pickleball	3%	4%	4%	7%	6%	8%	1

SOURCE: KOA 2023 CAMPING REPORT

The rise of the digital nomad has changed the way people view spending time outdoors. The ability to work remotely was already a rising trend in the workforce, and then COVID-19 made this a necessity for many businesses. The ability to work remotely has allowed vacationers to camp without necessarily needing to take paid time off. This has also contributed to people's ability to camp more days per year. This has greatly shifted people's desire for access to Wi-Fi while vacationing outside. A large

population prefers to spend more days camping while working than fewer days camping without working.

Influence of Wi-Fi on Ability to Camp More



SOURCE: KOA 2023 NATIONAL CAMPING REPORT





SOURCE: OUTSIDE CAPITAL

According to a compilation of data prepared by Outside Capital, an investment firm that targets opportunities in the outdoor hospitality sector, each segment of camping has experienced consistent growth in the past decade with increased demand spikes since 2020.

Tent Campers

Tent campers are the other primary segment of the camping industry. The majority of tent campers also stay in designated campground areas. However, 37% of tent campers stay outside designated campgrounds, a much larger percentage than the RV segment. Camping outside designated campgrounds is typically free or the cost of a cheap permit. These customers forgo conveniences like bathrooms, water, and trash receptacles in exchange for an experience that is more wild or free from crowds. 24% of these campers will stay on land managed by the National Forest, State Forest or Bureau of Land Management (BLM). This option is often free, and campers must be entirely self-sufficient. This includes the overlanding customers who travel in a 4x4 vehicle. There are also tent campers who will stay in the ‘backcountry’ of state and national land. These campers tend to have to hike in for this option and bring their tents on their backs.

Tent camping is the most financially accessible option for people seeking time to experience the outdoors. The costs to participate include a one-time purchase of basic equipment like a tent and sleeping bags. The campground nightly rates tend to be less than \$50 per night for a site that can accommodate a small group.

Camping demand steadily grew year-over-year between 2014 to 2019, as can be seen below. The number of camping households jumped dramatically in 2020 and 2021 largely due to COVID-19. As people’s traditional international or urban travel plans were canceled or restricted due to regulations, more vacationers turned toward camping as their best vacation plan option. However, a slight drop in the number of camping households occurred in 2022 as travelers reverted back to pre-pandemic travel habits.

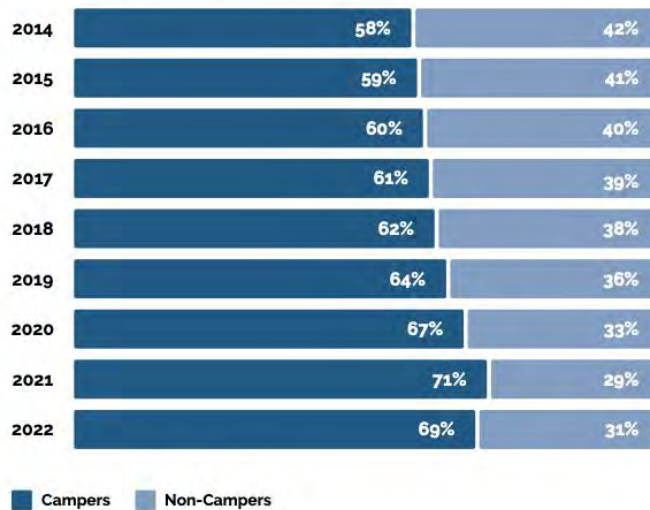




Growth in Camping Incidence

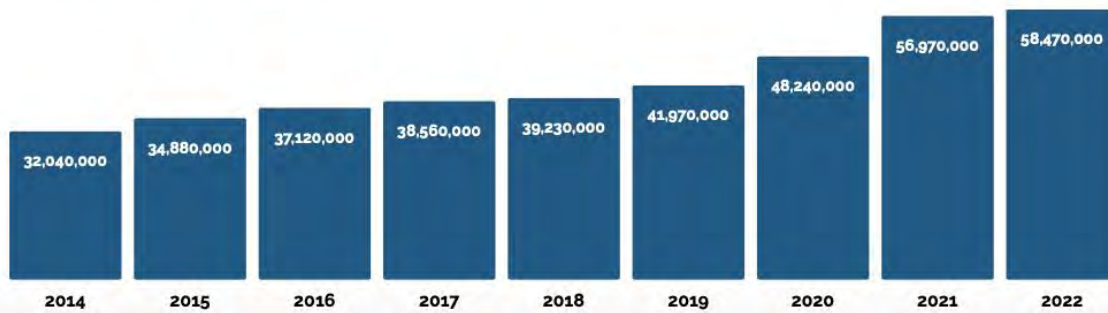
As the travel industry rebounds from the disruptions of 2020 and 2021, camping continues to be a popular recreation option despite a slight drop in the number of households who identify as campers. In 2021, 93.8 million households identified as campers, compared to 92 million in 2022. This minor drop is likely closely tied to the set of travelers who started camping in the past couple of years but are now returning to previous travel habits such as hotel stays or international trips.

U.S. Camping Households



Among the households who actively took a camping trip in 2022, camping still brought in about 1.5 million additional households in 2022, which is a stabilization compared to the past three years.

Annual Active Camping Households 2014 to 2022

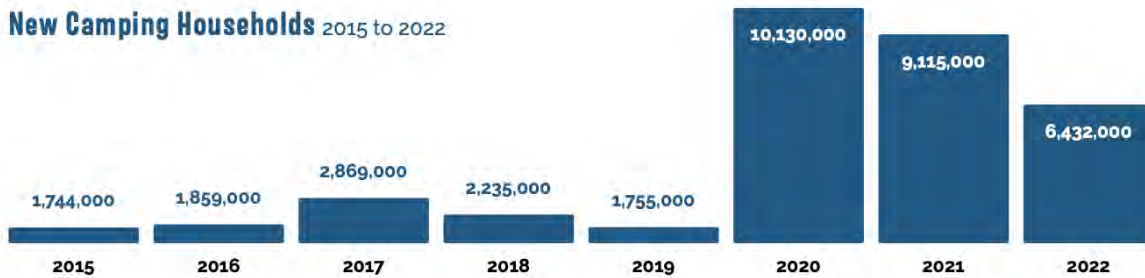


SOURCE: KOA 2022 CAMPING REPORT

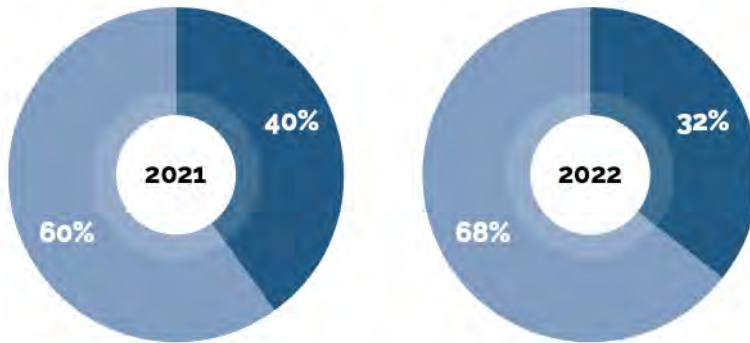
New US Camping Household Growth

Prior to the onset of the COVID-19 pandemic, the average growth rate between 2015 to 2019 was estimated at 2 million new camper households each year. In fact, the actual number of new camper households was trending downward prior to 2020, when the rate of new campers exploded. Ten million new households camped in 2020, a figure that was almost equal to the previous five years combined. The latest results indicate that the rate of new camper households is slowing, yet still well above the pre-2020 period of time.

New Camping Households 2015 to 2022



Share of Leisure Trips 2021 and 2022



■ Camping as a Share of Leisure Travel

SOURCE: KOA 2023 CAMPING REPORT

RV Campers

RV campers share many parallels with tent campers, with a few fundamental differences. RV camping tends to be more popular among the older demographic. This is due to a couple of reasons. Purchasing an RV is a significant investment and the price range varies drastically. The cheapest RVs start at about \$10,000, but can quickly exceed \$500,000 for today's modern big rigs. This barrier can be cost-prohibitive to younger campers. Furthermore, the older demographic is typically less tolerant of sleeping on the ground in a tent due to physical discomfort. RV camping also has a major appeal for retirees who can spend many months living on the road without the restriction of work.

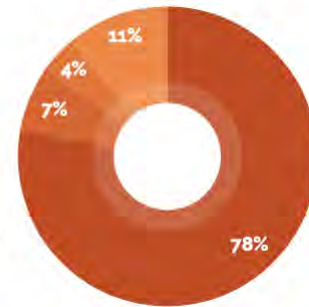


RV Usage & Ownership

Campers in 2022 were equally likely to RV compared to the past couple of years, with a minor though consistent increase in those who travel in an RV they personally own. Borrowing continues to drop, while rentals from a peer-to-peer listing continue to trend upward, even though only incrementally.

RV Access 2022

- Traveled in RV they own
- Borrowed from friends or family
- Rented from company
- Rented from a private owner using a peer-to-peer listing service



What are the planned changes for RVers in 2023?

Up from last year, among current RV owners, 8-in-10 plan to make some type of change to their RV, or how they use it. However, these changes are less likely to include selling their RV. About one-fourth are planning to upgrade.

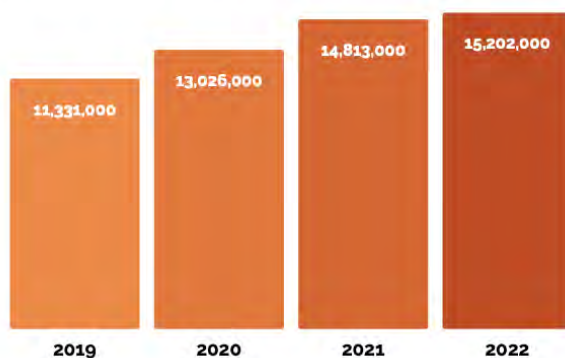
Expected RV Plan Changes	2021	2022	Change
Upgrade to a newer or different RV	25%	23%	-2
Renovate my current RV	21%	16%	-5
Sell my current RV	20%	13%	-7
List my RV on a peer-to-peer listing	12%	9%	-3
Downgrade to something else	10%	8%	-2
Uncertain	19%	13%	-6
None of these	29%	18%	-11

SOURCE: KOA 2023 CAMPING REPORT

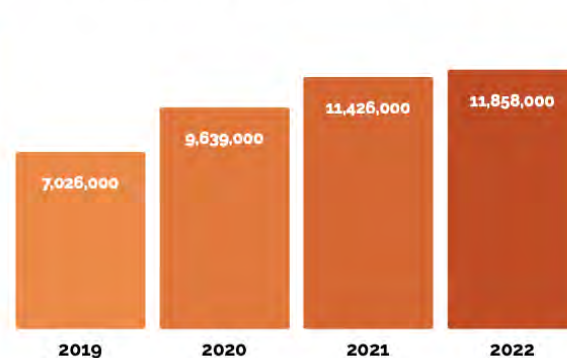
This past year, 15 million households went RVing at some point, including almost 12 million RV owners.

Growth in RV Households 2019 to 2022

Number of RVing Households (prefer RV camping)



Number of Active Camper Households Owning an RV



SOURCE: KOA 2023 CAMPING REPORT

The RV industry is expected to be affected by economic downturns and elevated gasoline prices. RV trips are often hundreds of miles with large vehicles with low gas mileage. Once an RV is purchased, gasoline is often one of the largest expenses for RV-based trips. Gas prices are expected to have the following effects on campers.

Views Toward RV Ownership During an Economic Downturn	
No plans to sell or rent RV	46%
Rent or borrow an RV	14%
Rent my RV to others	11%
Plans are still uncertain	10%
Planning to sell my RV and purchase a different RV	9%
Planning to sell my RV and not purchase another RV	6%
None of these	5%

Change in RVing During an Economic Downturn

Use RV for more trips instead of other types of travel



No change to RV travel plans and continue to take the same number of trips regardless



Use RV for fewer trips and instead use other forms of travel



Take fewer trips overall



Uncertain

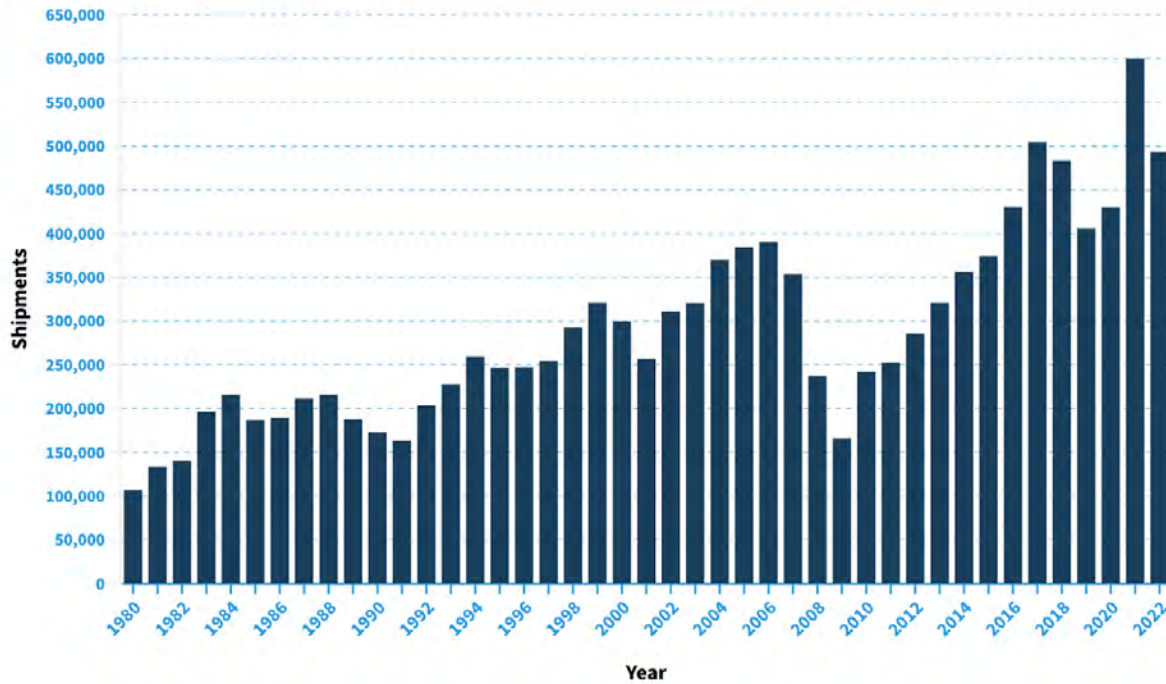


SOURCE: KOA 2023 CAMPING REPORT



The RV industry has experienced steady growth for decades and this growth was amplified by COVID-19. One industry trend to predict future RV demand is the number of shipments made by manufacturers. RVIA tracks these statistics and the historical shipment statistics can be seen below.

RV Shipments 1980 - 2022



HISTORICAL RV SHIPMENTS CHART (SOURCE: RVIA)

The following is a detailed breakdown of the most recent history of RV shipments:

RV Shipment History

Year	RV Shipments	% Change
2022	493,268	-17.85%
2021	600,420	39.50%
2020	430,412	5.90%
2019	406,070	-16.00%
2018	483,672	-4.10%
2017	504,599	17.20%

2016	430,691	15.10%
2015	374,246	4.90%
2014	356,735	11.10%
2013	321,127	12.40%
2012	285,749	13.30%

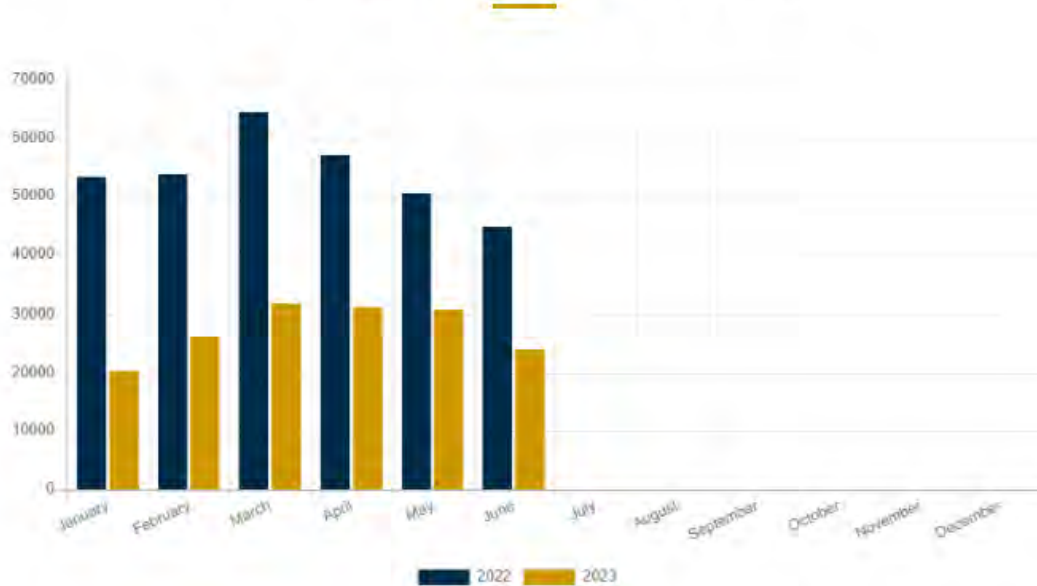
SOURCE: WWW.RVIA.ORG

The most recent monthly RV shipment summary from RVIA is as follows:

Wholesale RV Shipments

	June 2022	June 2023	YOY Last Year	YTD 2022	YTD 2023	YOY To Date
Towables						
Travel Trailers (ALL)	30,558	15,657	-48.8%	228,740	105,975	-53.7%
Travel Trailers - 5th Wheel	8,077	4,342	-46.2%	57,600	28,269	-50.9%
Folding Camping Trailers	801	336	-58.1%	4,598	3,174	-31.0%
Truck Campers	555	335	-39.6%	2,898	1,919	-33.8%
All Towable RVs	39,991	20,670	-48.3%	293,836	139,337	-52.6%
Motorhomes						
Conventional (Type A)	1,412	740	-47.6%	8,340	5,500	-34.1%
Van Campers (Type B)	1,653	951	-42.5%	9,526	6,758	-29.1%
Mini (Type C)	1,886	1,734	-8.1%	12,863	13,235	2.9%
All Motorhomes	4,951	3,425	-30.8%	30,729	25,493	-17.0%
Total RV Shipments	44,942	24,095	-46.4%	324,565	164,830	-49.2%

Total Shipments Monthly vs. Last Year



Results for the RV Industry Association’s June 2023 survey of manufacturers found that total RV shipments ended the month with 24,095 units, a decrease of (-46.4%) compared to the 44,942 units shipped in June 2022. To date, RV shipments are down (-49.2%) with 164,830 units.

“RVing has remained a preferred way to travel for more than 44 million Americans planning RV trips this summer,” said RV Industry Association President & CEO Craig Kirby. “Our latest RV shipment forecast shows that shipments should begin to recover later this year and into 2024 as consumer confidence increases and the ongoing interest in camping and RVing turns into increased RV sales.”

Towable RVs, led by conventional travel trailers, ended the month down (-48.3%) from last June with 20,670 shipments. Motorhomes finished the month down (-30.8%) compared to the same month last year with 3,425 units.

Park Model RVs finished June up 7.7% compared to the same month last year, with 391 wholesale shipments:

Park Model RV Shipments

	June 2022	June 2023	YOY Last Year	YTD 2022	YTD 2023	YOY To Date
Park Model RVs	363	391	7.7%	2,227	2,942	32.1%

RV wholesale shipments are expected to retreat in 2023 in the face of challenging economic conditions, according to the Spring 2023 issue of RV RoadSigns, the quarterly forecast prepared by ITR Economics for the RV Industry Association. The new forecast projects 2023 RV shipments to range from 324,300 to



344,00 units next year with a mid-point of 334,100 units, a 32% decline from the 493,300 wholesale shipments in 2022.

“ITR Economics’ forecast reflects current market conditions – an uncertain economy, high inflation, and rising interest rates. This is offset by encouraging reports of strong attendance at retail RV shows and traffic on RV dealer lots – both indicating that consumer interest in RV travel and camping has not diminished,” said RV Industry Association President & CEO Craig Kirby. “While we expect shipments to move lower through the first half of 2023 compared to 2022, we see the pace of that decline easing and beginning to recover in the latter part of the year.”

RV shipments are expected to fall through the first half of 2023 as consumers are squeezed by inflation, higher interest rates, and a slowing economy. On the positive side of the ledger, retail inventories are normalizing and reports from RV consumer shows and dealers point toward continued strong interest in RV ownership. Shipments are expected to stabilize in the latter part of the year.

According to RVIA (Recreational Vehicle Industry Association), the RV industry, which includes both motorhomes and trailers of all sizes, has over a \$140 billion economic impact in the U.S. The RV industry contributes more than 678,114 jobs and \$48 billion in wages to the U.S. economy.

Even in an economic slowdown, RVIA believes that RV demand will remain stable, since it is one of the most economically feasible vacation options for families.



SOURCE: RVIA

Family Vacation Cost Comparison

A 2018 study conducted by CBRE Hotels Advisory Group that compares the cost of eight of the most popular vacation types using a hypothetical family of four, consisting of two adults and two children. The study determined that RV vacations are by far the most economical – on average 27% to 62% less expensive on a per day basis compared to other vacation options analyzed.

[LEARN MORE →](#)

Conclusion

The entire camping industry for both tent and RV campers has seen steady growth over the past decade and record growth since 2020 due to COVID-19. Projections indicate that growth has slowed but still remains positive as COVID-19 restrictions subside and people return to normal vacation patterns. It is expected that a significant portion of new customers are expected to continue camping. Most industry projections predict positive growth, despite increases in inflation. While rising prices will make travel as a whole less affordable, the net effect on the camping industry may be positive as rising prices push traditionally more expensive vacationers into this more affordable vacation option. It is possible that rising prices will affect all kinds of camping positively because rising prices will push traditionally more expensive vacationers into this more affordable vacation option.

The overall outlook for the camping industry is cautiously optimistic.

Conclusion

General trends in the glamping industry have shown steady increases pre-pandemic and expedited growth post-pandemic. Trends in consumer behavior and desires for unique experiences and sharing on social media are large contributors to this growth. The desire to unplug and stay in eco-friendly resort options is also driving demand. Rising fuel prices and cost of living could negatively impact glamping, but they could also push travelers with traditionally expensive international trips to take a trip close to home.

Overall, it is clear that demand is outpacing supply. There are some negative signs that could slow growth, but overall projections remain positive.





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**NEWPORT RV PARK ANNEX
SITE SELECTION STUDY**

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PREFACE

Upgrading the Newport RV Park Annex could offer several benefits, aligning with the strategic goals and financial considerations of the Port of Newport. The Port’s strategic plan emphasizes the importance of modernizing and improving existing facilities to enhance overall functionality, appeal, and revenue potential. Key potential benefits of upgrading the RV Park Annex include:

1. **Increased Revenue Generation:** Upgrading the RV Park Annex could attract more visitors, leading to increased occupancy rates and higher revenue. Improved facilities and services are likely to draw both repeat and new customers.

2. **Enhanced Guest Experience:** Modern amenities and updated infrastructure would significantly improve the guest experience. This includes better accommodation facilities, utilities, and recreational areas, contributing to positive reviews and higher customer satisfaction.

3. **Operational Efficiency:** Upgrading the RV Park Annex can lead to more efficient operations. This includes the possibility of more effective space utilization, reduced maintenance costs due to newer facilities, and the potential integration of advanced reservation and management systems.

4. **Community and Environmental Benefits:** Improvements in the RV Park Annex can be designed to be environmentally friendly, aligning with sustainable practices. This could include green spaces, energy-efficient utilities, and waste management systems, enhancing the Port’s commitment to environmental stewardship.

5. **Compliance and Safety:** Upgrading the facilities ensures compliance with current regulations and safety standards, reducing potential legal and safety risks.

6. **Attracting Diverse Visitor Segments:** With upgraded facilities, the RV Park Annex can appeal to a wider range of visitors, including those seeking premium services, thereby diversifying the customer base.

7. **Long-Term Financial Stability:** By investing in the RV Park Annex, the Port can create a long-term asset that continuously generates revenue, contributing to the overall financial stability and growth of the Port’s operations.

8. **Boost to Local Economy:** An upgraded RV Park can contribute to the local economy by attracting more tourists, increasing spending in the area, and potentially creating job opportunities.

9. **Alignment with Strategic Goals:** Upgrading the RV Park Annex aligns with the broader strategic goals of the Port, including enhancing its attractiveness as a destination and maintaining its competitive edge in the region.

The Newport Capital Plan highlights the importance of strategic investments and improvements in port facilities to ensure continued growth and success. Upgrading the RV Park Annex is a step in this direction, offering both immediate and long-term benefits to the Port of Newport.



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EXECUTIVE SUMMARY

This study is a comprehensive evaluation of two potential sites for the renovation of the Newport RV Park Annex: the existing, under-performing Current Annex, and the alternative, undeveloped Dry Camp site. This analysis is a critical component of an awarded RFCQ to design the future annex. The Current Annex presents numerous challenges, including failing infrastructure and operational inefficiencies, making it a resource drain on the Port.

The objective of this site selection study is to assess the viability and strategic benefits of both locations, taking into account zoning laws, existing infrastructure, environmental considerations, and construction feasibility. Our aim is to deliver a well-rounded recommendation to assist stakeholders in making an informed decision for the project.

DATA ANALYSIS INSIGHT HIGHLIGHTS:

- Dry Camp is 22% larger, allowing for approximately 23% more stalls than the Current Annex, given our comparative' yield study of both properties.
- Dry Camp site achieves about 20,000 sqft more 'green area' than the Current Annex site.
- Dry Camp is more efficient in terms of stalls achieved per site area.

KEY FINDINGS:

1. Current Annex Site: This location offers some advantages, like established (though outdated) utilities and existing zoning for an RV park for the majority of the land. However, it poses considerable challenges, including poor infrastructure, less efficient site shape, and problematic adjacency to Motel 6. The site also has concerns related to parking and construction complexities.

2. Dry Camp Site: Offering scenic views and a “blank slate” for modern utilities and amenities, this site appears to be a more flexible and attractive option. It benefits from a larger area, potential for synergy with adjacent projects, and an absence of problematic neighboring properties. However, it requires a complete build-out, which may elevate initial costs.

In conclusion, this study provides a detailed comparison of the two sites, highlighting their respective strengths and weaknesses. The findings are intended to guide the Port Commission in selecting a suitable site for the future RV Park Annex, aligning with the broader goals and resources of the community.



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NEWPORT RV PARK ANNEX SITE SELECTION STUDY

OPTION 2 : "DRY CAMP" SITE

OPTION 1 : "CURRENT ANNEX" SITE



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OVERVIEW: SITE DESCRIPTION



CURRENT ANNEX

Situated adjacent to the Oregon Coast Highway 101 and Newport Bridge, the current annex site primarily serves as an extension to the Newport RV Park. The site enjoys close proximity to local attractions such as Rogue Brewery and Newport’s aquarium, enhancing its desirability for long-term RV residents. However, its geographical location creates some logistical complications. Separated from the other port properties by SE Marine Science Drive, the site is relatively isolated, creating a disjointed operational landscape.

The property comprises four tax lots and is generally flat, offering ease of use. However, its L-shaped layout poses challenges for an efficient RV park design. Notably, one of the four parcels is zoned specifically for waterfront use, rendering it unsuitable for RV park functions without rezoning. Infrastructure on the site largely dates back to the 1970s, indicating a need for comprehensive upgrades.



DRY CAMP

The Dry Camp Site currently functions for a range of uses, including dry camping with no hookups, boat and trailer storage, as well as material staging. Integrated with other Port properties, the site shares its northern boundary with two Port tenants and flanks a boat ramp lane to the south. Its location adjacent to a dredge disposal site not only provides a natural wind block but also raises considerations for maintaining access for adjacent port tenants if the site is selected for development.

Topographically, the site is relatively flat yet slightly depressed compared to the adjacent boat ramp lane, which further enhances its natural wind-blocking features. The site’s rectangular shape is particularly conducive to RV park layouts, offering clear advantages in design efficiency. Moreover, its position as the last direct access point from the highway, while also being part of the Port’s recreational campus, makes it highly visible and central within the South Beach area. Situated across from the Hatfield Marine Science Center, the site benefits from a bustling community atmosphere.



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CURRENT ANNEX

Our evaluation of the Current Annex Site has shown that the existing utility systems are in poor condition and warrant a full replacement. To start with, the state of water and sanitary sewer lines appears to be non-reusable. We strongly recommend a TV inspection for the sanitary lines and exploratory digging to confirm their condition.

In terms of utility accessibility, the Annex Site has the advantage of relatively straightforward access to public sewer and storm connections. However, it's worth noting that the existing utilities are likely to require complete removal or abandonment-in-place. Procedures such as grouting the pipes or capping them are anticipated for a secure transition.

While the proximity to Motel 6 doesn't pose a utility-related concern, its condition and the adjacent 8-foot retaining wall could have aesthetic implications for the RV park.

Soil and drainage conditions at this site appear to be stable and are less affected by tidal influences compared to the Dry Camp Site. In terms of stormwater management, a "Mid-level development study" will be necessary.

Plan on incorporating water quality treatment facilities into the infrastructure plan. Detention and water quality structures, like PerkFilter or StormTech vaults, are strong candidates for this project.

In summary, the Current Annex Site offers easier access to utilities, but the existing systems are in such a state that a complete overhaul is the most prudent course of action. This will involve extensive replacement of utility lines and possibly the introduction of new stormwater management structures.



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INFRASTRUCTURE

DRY CAMP

The Dry Camp Site offers a unique set of challenges and opportunities when it comes to infrastructure and utilities. Since the site is undeveloped, it currently lacks any existing utility connections such as electricity, water, or gas. While this necessitates a greater upfront investment in infrastructure, it also offers the flexibility to customize these systems to the exact needs of your project.

Electricity is a fundamental utility to consider, and without existing electrical lines, you'll need to install new ones. This affords you the freedom to choose between traditional grid electricity or renewable energy sources like solar or wind. By doing so early, you can integrate this into the overall design for maximum efficiency and sustainability.

Water is another crucial factor, particularly given the Dry Camp Site's remote location. Initial solutions may include drilling a well or negotiating for a dedicated water line. Should the project's scale require it, one could even explore options like rainwater harvesting systems or greywater recycling for sustainable water use.

Regarding waste management, there's a need to build from the ground up. Options include traditional sewage systems or more modern, eco-friendly solutions like compostable

toilets or a dedicated wastewater treatment facility on site. Your choice would naturally be influenced by the project's size and specific needs.

Network and communications infrastructure is also worth noting. The lack of existing infrastructure presents an opportunity to adopt modern solutions like fiber-optic cables for high-speed internet connectivity, directly influencing operational efficiency.

The absence of existing utilities can be seen as a blank canvas—offering a range of possibilities to meet the exact needs and sustainability goals of your project. Each choice in utilities and infrastructure will, in turn, shape operational costs and sustainability metrics, allowing you to tailor the site to your precise requirements.



NEWPORT RV PARK ANNEX SITE SELECTION STUDY

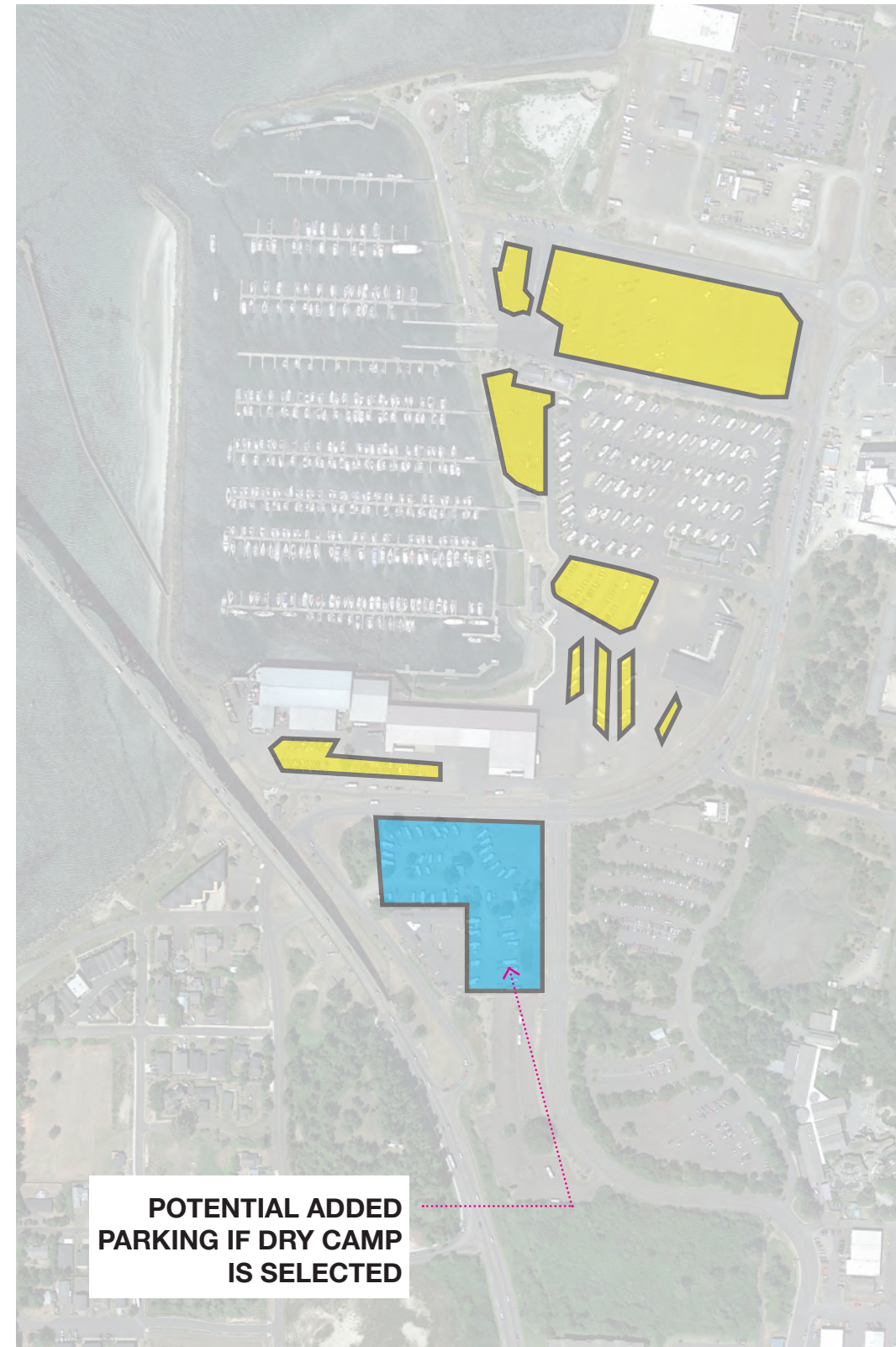
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PARKING

The Port faces multifaceted challenges when it comes to parking, exacerbated by various contributing factors such as overflow from the boat ramp, parking demands of the fishing pier, and the requirements of charter fishing tours. Additional complexities include the need for trailer parking associated with the boat ramp, as well as extra parking spaces required by both Rouge and the RV Park.

Opting to use the Dry Camp Site as the new RV Park Annex offers a strategic solution to these issues. Relocating the RV Park would free up the Current Annex Site, providing an ideal location for a new parking lot that could accommodate the specific needs of Rouge, the pier, and other overflow scenarios. Currently, Dry Camp itself aids in managing overflow parking and trailers, underlining its utility and impact on the overall parking situation.



**POTENTIAL ADDED
PARKING IF DRY CAMP
IS SELECTED**



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STORMWATER MANAGEMENT & CONTROL



CURRENT ANNEX

The Current Annex Site has an existing stormwater management system featuring conventional drainage elements like gutters and catch basins, as well as retention ponds. While functional, there's significant room for improvement, especially from a sustainability perspective. A mandatory "Mid-level development study" will guide the upgrade, focusing on 25-year peak rates of runoff. Detention systems may be required if downstream conveyance proves inadequate, a determination that will involve discussions with the Public Works director due to their discretionary power.

Opportunities abound for system enhancements, including the addition of bio-retention features like rain gardens and vegetative swales to naturally improve water quality and reduce runoff. Advanced filtering systems, such as proprietary PerkFilter or StormTech vaults, will clean the runoff before it exits the site. Additionally, the site layout allows for the integration of storage tanks for rainwater capture, which can be used for non-potable purposes, and permeable paving to facilitate natural groundwater recharge.

Though outside the 100-year flood zone, the site is within the SB379 tsunami inundation line, adding another layer to our planning considerations. Overall, upgrades could yield long-term cost savings through reduced water usage and possible stormwater utility fee credits.



DRY CAMP

The Dry Camp Site presents unique challenges and opportunities in stormwater management due to its lack of existing systems. A "Mid-level development study" is needed to establish best practices for managing 25-year peak rates of runoff. The flat terrain is prone to water pooling, requiring a well-engineered approach. On the plus side, the site could potentially bypass detention requirements due to its direct discharge options to the bay, a detail that will need confirmation through discussions with the Public Works director.

Water quality will be addressed through the integration of proprietary systems like PerkFilter or StormTech vaults, scaled according to the overall development size. While the site is outside the 100-year flood zone, it falls within the SB379 tsunami inundation line, adding another layer of consideration to our planning.

Interestingly, despite wetlands being indicated on maps, field observations do not support this, necessitating further investigation. This blank canvas allows for the implementation of advanced, sustainable stormwater solutions, possibly incorporating IoT-enabled monitoring for real-time management.

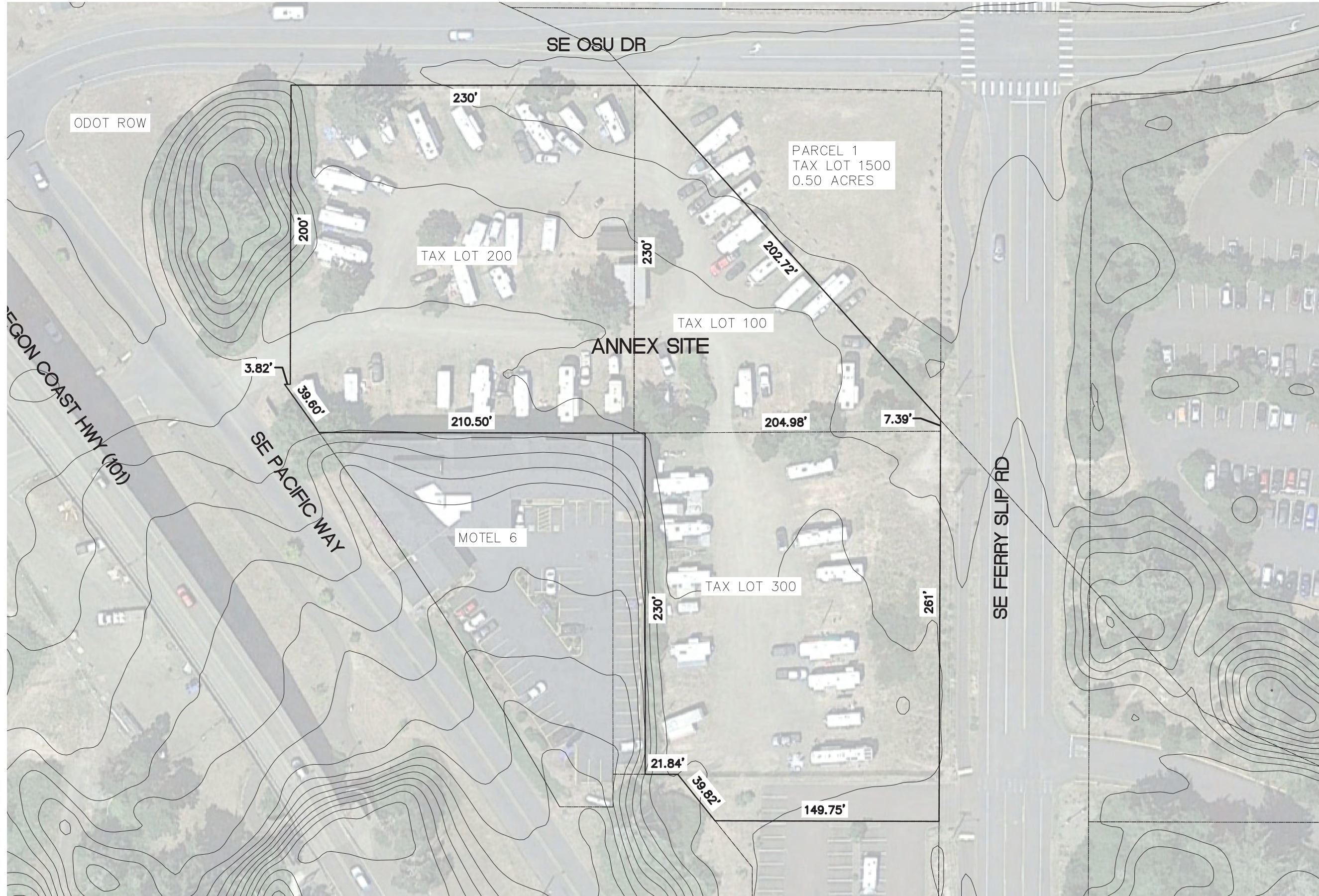


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TOPOGRAPHY - CURRENT ANNEX SITE



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TOPOGRAPHY - DRY CAMP SITE



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CONSTRUCTION



CURRENT ANNEX

The Current Annex Site comes with its own set of challenges, chiefly involving its complicated and outdated utilities. These would require a process to locate, demolish, or abandon them, adding to the overall cost. While construction activities are expected to be unproblematic in terms of proximity to the adjacent Motel 6, it will be necessary to displace current tenants prior to initiating construction.

On the upside, choosing the Dry Camp Site for the new RV Park Annex would free this site for use as a much-needed parking lot. Given the existing conditions, the cost per RV-space is expected to be higher at this site. Nevertheless, revenue can continue to be generated from the Current Annex during the construction of the Dry Camp Site.



DRY CAMP

The Dry Camp Site offers a blank slate, presenting a straightforward scenario in terms of design and construction. With no existing utilities to navigate, this site provides a unique opportunity to implement new and efficient systems from the ground up. The adjacent lane-widening project can be synchronized with construction activities, offering potential cost savings.

Additional benefits include the ability to utilize fill from the nearby dredge site, further optimizing expenses. However, it's crucial to maintain access for neighboring tenants during the construction phase. All these factors contribute to an assumed lower per RV-space cost due to the site's uncomplicated nature.



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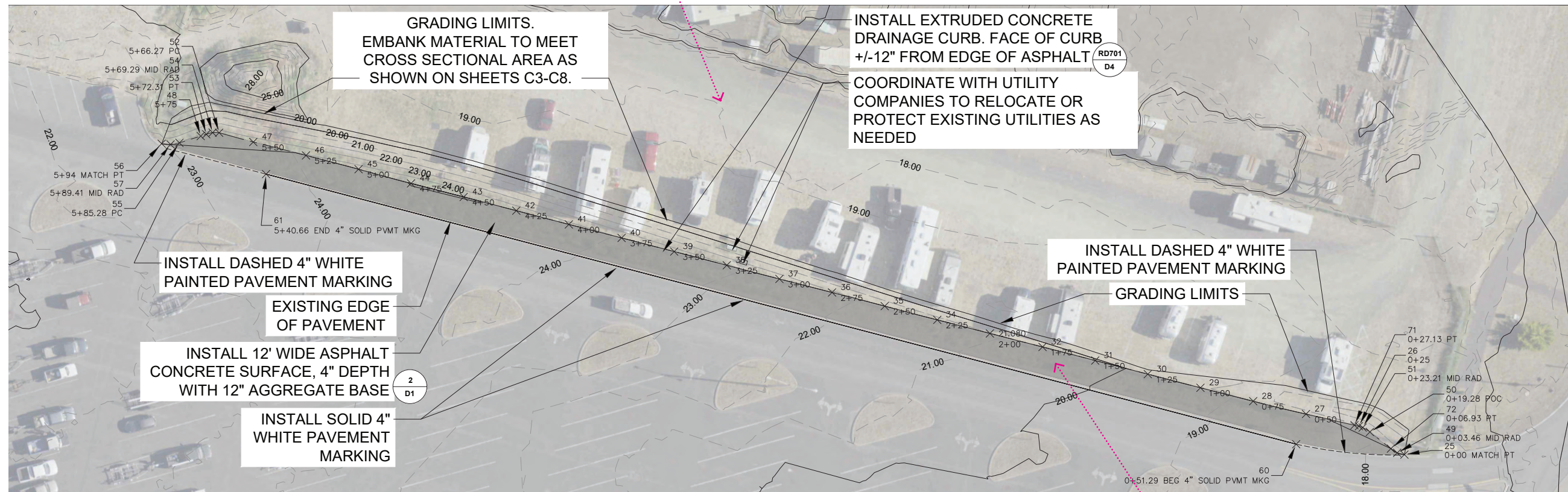
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REFERENCE: PROPOSED LANE WIDENING PROJECT DESIGN AT BOAT RAMP



NEWPORT RV PARK ANNEX SITE SELECTION STUDY

DRY CAMP SITE



PROPOSED SITE PLAN
1" = 50'

PROPOSED LANE WIDENING MAY BE CONSTRUCTED CONCURRENTLY WITH DRY CAMP RV ANNEX PROJECT

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ENVIRONMENTAL FACTORS



CURRENT ANNEX

For the Current Annex Site, its close proximity to Motel 6 and a busy highway presents some environmental considerations. The shadows cast by the motel could limit natural daylighting options, affecting both passive solar gain and the overall aesthetic experience of the space. Additionally, disturbances from guests and high automobile traffic could impact the site's acoustic environment.

On the downside, the site offers fewer views of natural resources, which might limit its appeal for those seeking a more serene setting. On the other hand, its urban location may facilitate easier access to existing utilities and community amenities.



DRY CAMP

The Dry Camp Site comes with its own set of environmental benefits and challenges. It offers more full sun exposure, advantageous for solar panel efficiency or passive solar design, but it is also more exposed to wind. However, natural wind breaks from dredge disposal and a natural depression in the terrain could mitigate wind-related challenges.

Being adjacent to a boat ramp lane might introduce some noise pollution into the area, but it also offers a stunning view of the iconic Newport Bridge, which could be a major draw. The site's openness and views could make it ideal for those seeking a connection with the natural landscape, even as they take the occasional noise into account.



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SITE SELECTION ANALYSIS DISCLAIMER

PLEASE NOTE:

Please be aware that the yield diagrams included on the following pages of this report are intended to demonstrate a possible typical layout for each site under consideration in this study. These diagrams should not be interpreted as proposed concept plans or definitive final designs.

For the purposes of this analysis, it is essential to evaluate each site on a comparable basis to discern the respective advantages and disadvantages. This report does not extend to the development of complete proposed designs for both sites. Instead, the objective is to identify and understand the strengths and weaknesses of each location, thereby providing the Port Commission with the necessary insights to make an informed decision on which site to proceed with.

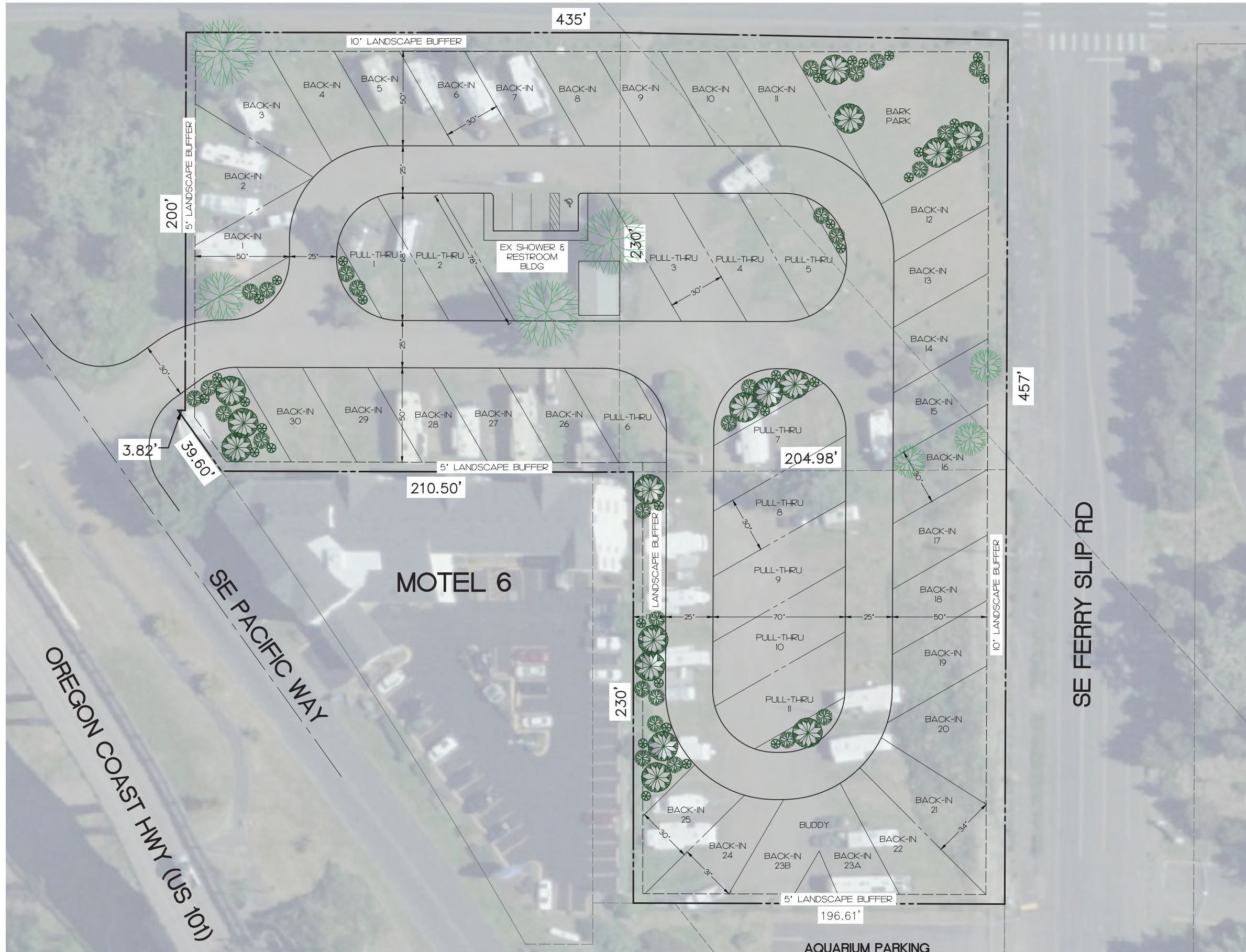


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CURRENT ANNEX SITE - POTENTIAL YIELD DIAGRAM



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DRY CAMP SITE - POTENTIAL YIELD DIAGRAM

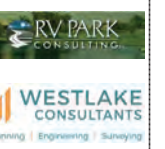
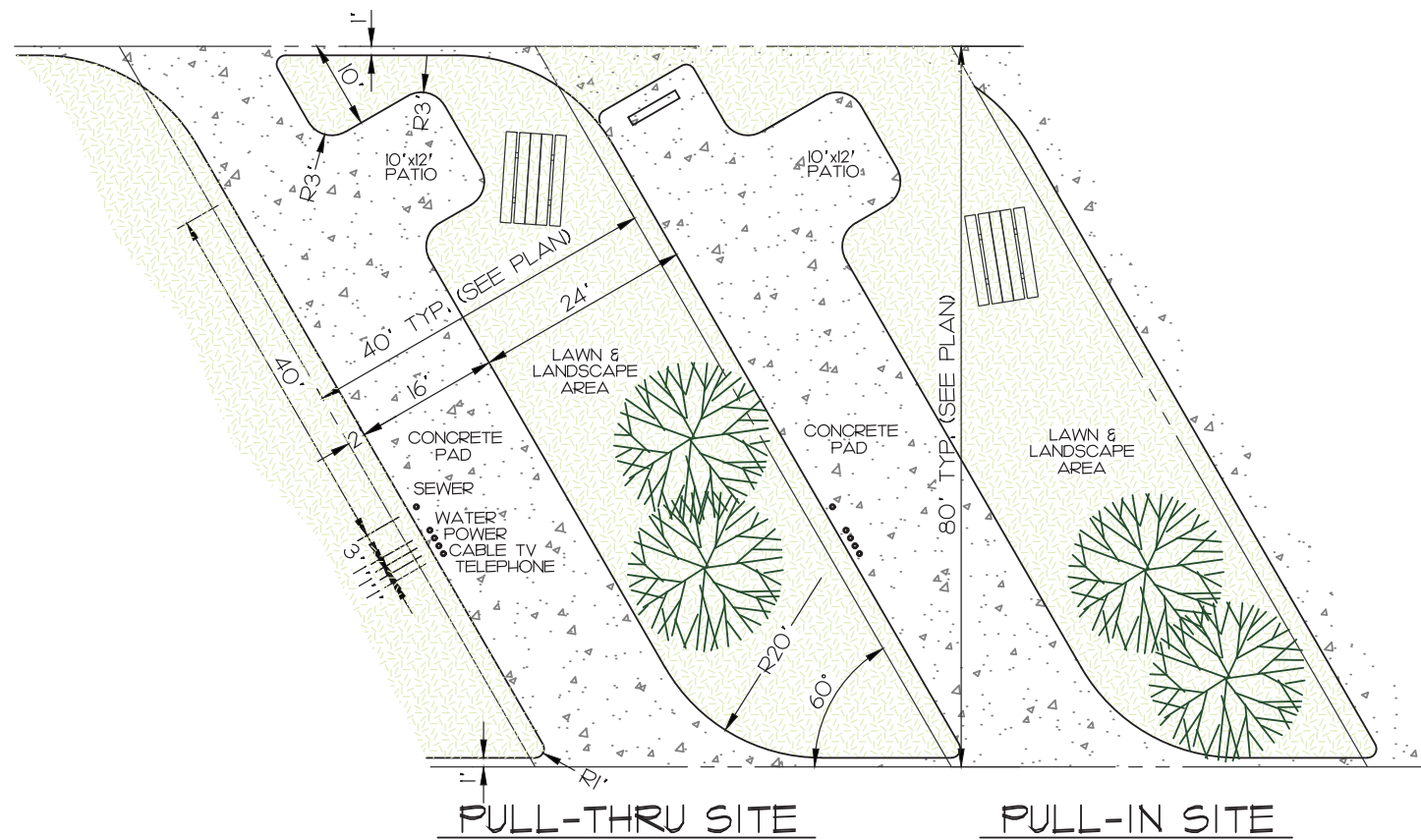
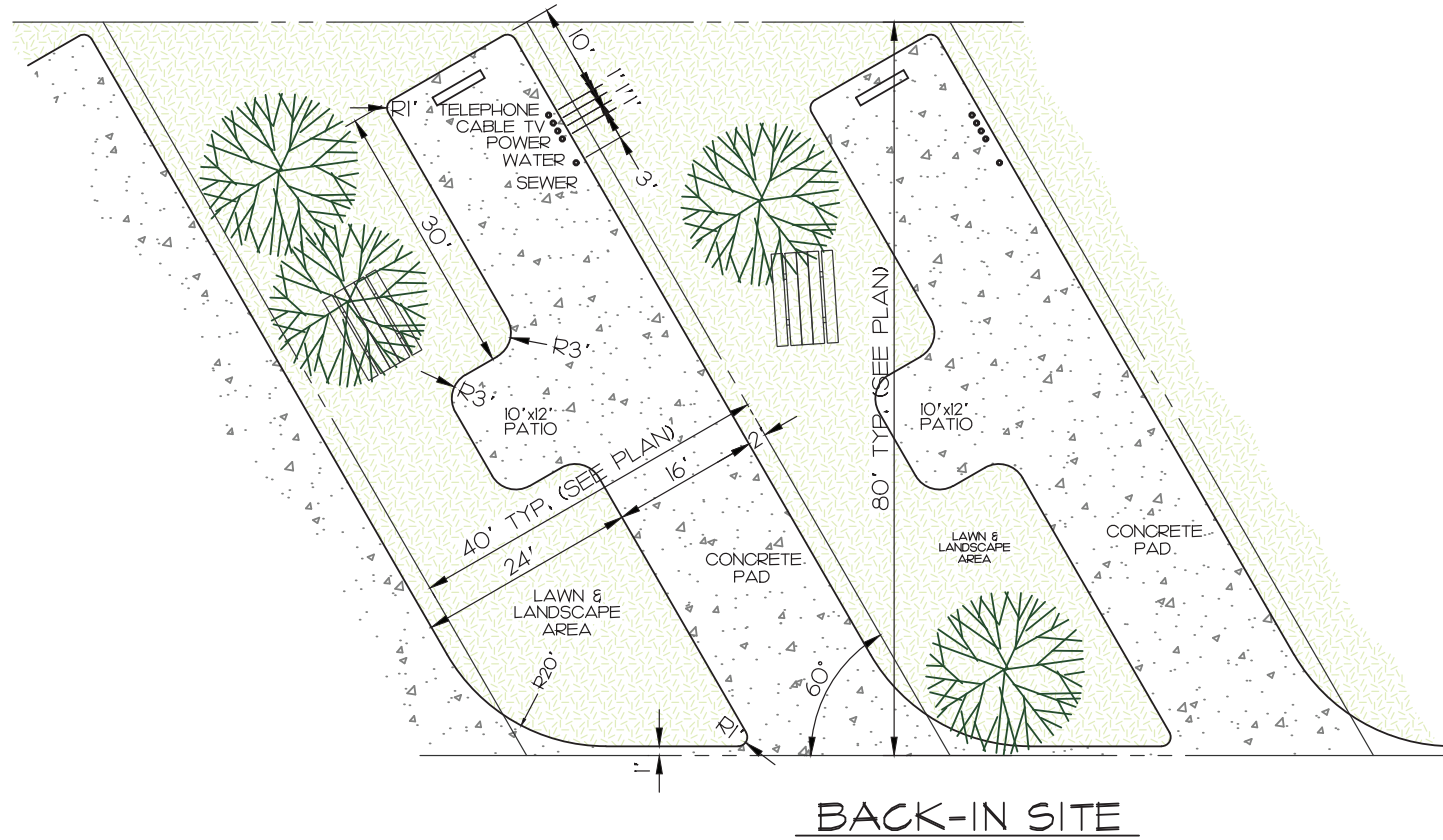
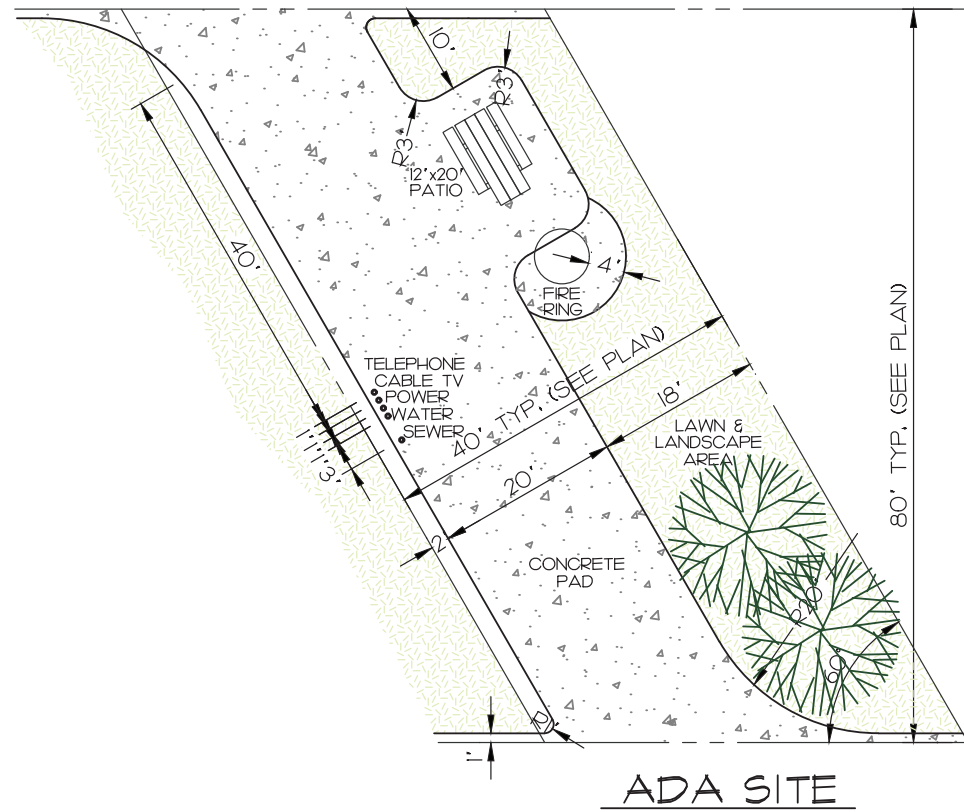


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BASELINE RV SITE DIMENSION DIAGRAMS



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DATA ANALYSIS

	Dry Camp Site	% of site area	Current Annex Site	% of site area
Total Site Area	188,229.00	100.00%	145,538.00	100.00%
Gross Site Area Advantage	22.68%			
Driveway	40,978.00	21.77%	34,542.00	23.73%
Building	682.00	0.36%	682.00	0.47%
Pad	59,599.00	31.66%	44,657.64	30.68%
Impervious Total	101,259.00	53.80%	79,881.64	54.89%
Impervious per Stall	2,154.45		2,218.93	
Buffer	25,608.00	13.60%	12,775.00	8.78%
Delta (Turf/Landscape) on Pad	46,218.00	24.55%	31,150.37	21.40%
Green/Other	15,144.00	8.05%	22,103.00	15.19%
Total Green Area	86,970.00	46.20%	66,028.37	45.37%
Stall Total	105,817.00	56.22%	75,808.00	52.09%
Back In	35.00		25.00	
Pull Through	12.00		11.00	
Total Stalls	47.00		36.00	
Stall Delta (%)	23.40%			
Site Area per Stall (Efficiency)	4,004.87		4,042.72	
Efficiency Delta	37.85 sqft			

← Dry Camp site is larger in gross area by 22%

← Current Annex requires more driveway area due to the odd shape

← The percentage of pad area per site are roughly the same for both sites

← The Annex requires more impervious area as a percentage of the total site

← We allotted significantly more landscape buffer for the Dry Camp site to accommodate the contingency for the lane widening project.

← The potential 'green area' is about 20,000 square feet greater for the Dry Camp Site.

← The Dry Camp area achieves roughly 23% more stalls than the Current Annex

← The Dry Camp site is slightly more efficient in terms of stalls achieved per site area, likely due to the shapes of each site.



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ADVANTAGES TO EACH SITE (PROS)



CURRENT ANNEX

- **Established Infrastructure:** The site already contains plumbing, waste, and water hook-ups specifically designed for RVs, which may result in some savings if they can be rehabilitated.
- **Zoning:** Three out of the four tax lots are already zoned appropriately for an RV park, which could potentially simplify the regulatory process for most of the site.
- **Location:** Located at the foot of the Oregon Coast Highway 101 Newport Bridge, the site benefits from easy road access and a high-traffic location that could attract more visitors.
- **Utilization of Existing Amenities:** Since it's already functioning as an annex, transitioning the current site could allow for a seamless integration of amenities, which would be beneficial for guests and administrative operations.
- **Extended Access:** The ODOT right-of-way at the northwest corner offers an opportunity for possible expansion if access can be negotiated



DRY CAMP

- **Scenic Views:** The site offers a view of the iconic Newport Bridge, adding to the aesthetic value and potentially attracting more visitors.
- **New Infrastructure:** The site would be built with all-new utilities, providing an opportunity for a state-of-the-art RV park that meets current standards.
- **Natural Wind Break:** The dry camp site presents a natural windbreak from the dredge disposal site to the west and north, enhancing visitor comfort.
- **Contiguity with Port Property:** The site is on a continuous portion of the Port of Newport property, offering a seamless integration with other port services and amenities.
- **Opportunity for Coordinated Projects:** Being adjacent to a potential road-widening project for the boat ramp, the RV park development could be synergized with other infrastructure projects.
- **Flexibility for Construction:** Without a problematic neighboring property like the Motel 6, the construction process would likely face fewer logistical constraints.
- **Simplified Permitting:** The site would not require rezoning or negotiation over city easements, streamlining the permitting process compared to the current annex site.
- **Parking Solutions:** Given its spacious nature and no existing heavy utility constraints, the site could potentially offer better solutions for the area's ongoing parking issues.



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DISADVANTAGES TO EACH SITE (CONS)

CURRENT ANNEX

- Proximity to Motel 6: The neighboring Motel 6 is a major drawback, as it invades the privacy of RV park guests and has contributed to litter and potential safety concerns. The motel is in some disrepair and quite ugly. Also along the northern side of the parking lot there is a tall 8'+ retaining wall that looms over the RV park.
- Dated Infrastructure: Utilities at the site are from the 1970s and are reportedly in poor or failing condition. This makes renovation a significant challenge, both logistically and financially.
- Rezoning and City Easement: One corner of the property requires rezoning, adding a layer of complexity to the project timeline. Also, there's a question of whether the city easement on the west edge could be regained.
- Environmental Constraints: The site receives at least partial sun shadows during the day, which could affect the quality of stay for RV park guests.
- Construction Challenges: Being adjacent to an operational motel complicates the construction process, adding restrictions and potentially increasing costs.
- Discontinuity with Port Property: The site is separated from the contiguous Port property by Southeast OSU Drive, which might affect the sense of community or belonging to a larger, unified recreational space.
- Less Favorable Utilities Situation: Given the dated utilities that have been cobbled together over decades, this site is less amenable to modernization compared to the dry camp site's clean slate.
- Parking Issues: The existing annex site is part of a larger area with a significant parking problem. The new development would need to be designed carefully to avoid exacerbating this issue.

DRY CAMP

- Relocation of Current Functions: The site is currently used for trailer storage and material staging; these would have to be relocated, adding complexity to the initial phase of the project.
- New Utility Installation: Though it offers a clean slate, installing new utilities can be a significant upfront cost and logistical endeavor.
- Tenant Access: Access to the Yaquina Bay fruit producers, a tenant of the port, would need to be maintained through this site, possibly complicating design and construction.
- Absence of Existing Amenities: As a dry camp, the site lacks the basic utilities and amenities that are partially available at the current annex site, necessitating a complete build-out.
- Environmental Impact: Construction of new facilities could have a greater environmental footprint compared to renovating existing structures.
- Unpredictable Soil Conditions: Since the site hasn't been previously used for RVs or buildings, soil conditions would need to be thoroughly evaluated, possibly affecting project timelines.



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TARGETED CLIENTELE

Our focus revolves around attracting mid- to upper-income RV enthusiasts. We are not tailoring our offerings to the most upscale coach owners who anticipate resort-like amenities. Instead, we are catering to a younger demographic, both in age and mentality, consisting of outdoor enthusiasts and families. The target customer base for the RV Park project includes a mix of demographics:

- Families seeking outdoor recreational activities.
- Digital nomads who prefer locations with Wi-Fi and work facilities.
- Outdoor enthusiasts interested in experiences like state and national parks.
- Travelers looking for affordable vacation options, particularly in the context of rising travel costs.
- Older demographics, particularly retirees who might spend extended periods living on the road.

Advantages of the Dry Camp Site

1. Enhanced Site Navigation: Navigating the new “Extension” is significantly more straightforward compared to the “Annex.”
2. Expanded Green Space: The “Extension” offers a greater expanse of green space, providing ample opportunities for native plantings and inviting walking trails.
3. Improved Customer Experience: Guests at the “Extension” enjoy a vastly improved customer experience, free from the constraints of the cramped “Annex” and the presence of the imposing Motel 6.

Perception Enhancement

We strongly recommend leveraging this opportunity to shift away from long-term stays with the introduction of the new “Extension.” By aligning the quality of the “Extension” with the main RV Park, we can address the perception issues associated with the “Annex,” as highlighted in online reviews and comments. This strategic move will reset how the RV Park is perceived, ensuring guests find fully equivalent options. This means no unexpected surprises when booking on the RV Park website and securing an “Annex” space.

Investing in an upgraded website is paramount to enhancing the customer experience and elevating online reviews. This directly correlates with revenue growth.

Additionally, transforming the “Annex” into a parking area presents a valuable opportunity. This action eliminates the need for costly evaluations and the replacement of antiquated utility infrastructure, as well as the resolution of zoning issues. The overall effect is an improved RV Park rating, leading to adjustments in the rate structure, an increase in short-term rentals, and a planned reduction in long-term rentals in favor of short-term options. This strategy will help reduce turn-aways and, consequently, increase revenue during high-demand periods.



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AMENITIES

Restroom/Shower/Laundry Facilities

In accordance with the OR State Building Code Chapter 918, Division 650, while no specific requirement is outlined for the number of washer/dryers, a general guideline recommends one washer/dryer per twenty RVs.

We propose the implementation of unisex restrooms with urinals, with each restroom designed to accommodate a maximum of 15 park guests.

The statute stipulates that toilet facilities must be conveniently accessible and located within 500 feet of any recreational vehicle space or camping site without an individual toilet facility or sewer connection. It's worth noting that RV Parks with toilets spaced more than 300 feet apart receive lower ratings from online evaluators.

Ice Machines

Given the distance from the main park, it is advisable to install at least one high-quality ice machine. These machines serve as significant revenue generators.

Parking

Our design includes one parking space for each RV site. While the City of Newport may have additional parking requirements, according to Code Chapter 918, no extra parking is mandated. However, as common practice, we have incorporated seven additional spaces and one designated for hand-icapped individuals.

Trash Receptacles

Per the code, containers in recreational vehicle parks must be provided at a rate of one 30-gallon container for every four recreational vehicle parking spaces. These containers should be situated within 300 feet of each recreational vehicle parking space, and grouping them is acceptable.



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HIGHLIGHTS FROM THE SAGE REPORT

The analysis of the RV park’s potential at Newport, Oregon, reveals various strengths, weaknesses, opportunities, and threats, alongside recommendations for improvement.

Weather/Operating Season:

- The park is operational year-round, with a peak season from May to October and a low season from November to April.
- Peak season features temperate to warm weather, while the low season is cooler with frequent clouds and rain, but rarely snow or freezing temperatures.
- Favorable weather overall supports RV park development and demand.

Attractions:

- Key attractions include waterfront access on Yaquina Bay, Pacific Ocean, and marina for water activities, South Beach State Park, Yaquina Bay Lighthouse, Rogue Distilleries, Oregon Coast Aquarium, Newport Discovery Zoo, South Beach Fish Market, scenic Yaquina Bay Bridge, and downtown Newport shops and restaurants.
- All attractions are within walking distance or a five-minute drive, adding significant appeal to the location.

Transportation:

- The site is highly accessible, adjacent to Highway US-101 and near Highway US-20.
- It’s about 2.5 hours from Portland and within 1.5 hours of Corvallis, Salem, and Eugene.
- High vehicular traffic on Highway 101 is a positive factor for visibility and customer awareness.

Population Access and Income Trends:

- One-hour drive radius: Low population access and median household income, negative for demand. However, population growth is above average, a positive future indicator.
- Two and three-hour drive radius: Population access and median household income are above average, with housing vacancies below the national average, all positive indicators.

Overall Demand Indicators:

- Mixed demographics and demand generators, with below-average conditions in the one-hour radius but above-average in the 2-3 hour radius.
- The overall demand indicators are positive for the RV park’s proposed offering.



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HIGHLIGHTS FROM THE SAGE REPORT

Strengths:

- Unique waterfront and marina access.
- Proximity to outdoor and urban attractions.
- High accessibility and visibility adjacent to Highway 101.
- Favorable, temperate weather.
- High-quality RV sites with modern amenities.
- Located in a high population growth area.
- Strong local tourism.

Weaknesses:

- The current website and booking process are difficult to use, especially on mobile devices.
- Management and online reviews are below expectations.

Opportunities:

- Investing in a dedicated, user-friendly website.
- Implementing efficient booking/reservation management software.
- Using professional photography, including aerial drone shots.
- Tying management incentives to positive guest feedback and online reviews.
- Utilizing dynamic pricing strategies.

Threats:

Variability in development costs and material availability.
Potential new competitors entering the market.

Recommendations:

1. Develop a professional, easy-to-navigate website solely for the RV park.
2. Implement a user-friendly booking/reservation management system.
3. Apply dynamic pricing to optimize occupancy and revenue.
4. Invest in professional photography to enhance online presence.
5. Enhance management strategies to improve guest experiences and online reviews.

In summary, while the RV park has numerous strengths and opportunities, particularly in its unique location and attractions, it faces challenges in website functionality, booking processes, and management. Addressing these issues through targeted improvements can significantly enhance its appeal and business prospects.



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RECOMMENDATION SUMMARY

The Current Annex site offers established utilities and is already partially zoned for RV use, potentially simplifying the regulatory process. However, the site has significant drawbacks, particularly outdated infrastructure, that would require substantial financial and logistical resources for renovation. The site’s proximity to Motel 6 introduces several concerns—privacy invasion, litter, and safety issues—that further complicate its suitability.

From a construction standpoint, the Current Annex site poses challenges like tenant displacement and adjacent operational facilities that could raise costs. In terms of layout, the site requires more driveway area due to its odd shape, leading to more impervious area as a percentage of the total site. The ongoing parking issue in the area would also need to be carefully managed so as not to exacerbate the problem.

The Dry Camp site presents a fresh opportunity for creating a modern RV park with new utilities and amenities. It offers scenic views of the iconic Newport Bridge, a potential attraction for visitors. The site’s larger size and better shape efficiency allow for about 23% more stalls than the Current Annex. Interestingly, we’ve also allocated more landscape buffer for this site, particularly to accommodate the contingency for the lane-widening project, adding to its aesthetic appeal.

From an environmental standpoint, both sites offer nearly the same potential ‘green area,’ although the Dry Camp site is naturally more amenable to modern, sustainable designs due to its “blank slate” nature. However, the site lacks existing amenities, which means that a complete build-out is necessary, increasing upfront costs. Also, new utility installation and soil evaluations would require additional time and resources.

Based on the pros and cons outlined above and additional data analytics, **we recommend proceeding with the Dry Camp site** for the new RV Park development. This site offers a greater number of stalls, a more efficient use of space, and eliminates the challenges of outdated utilities and problematic neighboring properties. The opportunity for synergy with adjacent infrastructure projects and the natural windbreaks further enhance its desirability. Despite the initial challenges of installing new utilities and maintaining tenant access, these are surmountable and outweighed by the long-term benefits.

By choosing the Dry Camp site, we’re not just building an RV Park; we’re creating an inviting, state-of-the-art facility that aligns with both current needs and future opportunities.



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OLD BUSINESS

DATE: December 8, 2023
RE: Commercial Marina Fuel Dock Lease
TO: Paula Miranda, General Manager
ISSUED BY: Aaron Bretz, Director of Operations

BACKGROUND

Carver's INC has been held-over on their old lease since 2019, and needs to have a current lease to make changes to the float that they own at Port Dock 5. They are seeking permits currently, and to keep that effort moving have requested to update the term of their lease as required by the City's permitting contractor.

The existing lease specifies and automatic renewal at the lessee's request, so the conditions of the lease have remained the same. The Port will want to address several conditions in the lease before committing to a long-term renewal, so in recognition of the fact that Carver's needs a new term as quickly as possible and that the Port wishes to renegotiate some of the conditions I drafted a one-year lease to give time for Carver's permitting effort and for the Port to negotiate new terms before signing a longer-term lease.

DETAIL

Attached is the draft, which basically maintains the existing conditions until 01 January, 2025. The sections I've updated are the indemnification language (to match the Port's new standard indemnification), I updated the rent rate to reflect what is currently charge plus the regularly scheduled increase on March 1st, and the renewal language to reflect what I've described above.

RECOMMENDATION

I RECOMMEND A MOTION TO APPROVE THE ATTACHED LEASE WITH CARVER'S INC.

LEASE

LEASE made December 20, 2023 between PORT OF NEWPORT, a district and municipal corporation existing under the laws of the State of Oregon, hereinafter referred to as "Lessor" and Carver's, Inc., hereinafter referred to as "Lessee".

1. DEMISE AND DESCRIPTION OF LEASED SPACE.

Lessor hereby grants to Lessee and Lessee hereby accepts from Lessor the following described dock space within the commercial marina situated at Port Dock 5 hereinafter referred to as the "Leased Space" for Lessee's fuel dock:

Beginning at a point at the northwesterly corner of old Port Dock #5; thence easterly along the southerly line of said dock 20 feet; thence southerly, perpendicular to said dock 23 feet; thence westerly, parallel to said dock 40 feet; thence northerly, perpendicular to said dock 23 feet; thence easterly 20 feet to the point of beginning, all in the City of Newport, Lincoln County, Oregon.

Included with the leased space is the right of the Lessee to use the Port Dock 5 fixed pier, ramp, and main dock for the Lessee's fuel delivery pipe lines.

2. TERM.

The term of this Lease shall be for five (5) years with the option to renew for an additional five years. The term shall commence on December 20, 2023 and shall end on January 1, 2025.

3. RENEWAL/RE-NEGOTIATION.

On condition that this lease shall not then be in default and shall remain in full force and effect and in good standing, lessee may request, at any time not later than three (3) months prior to the expiration of this lease term and not sooner than six (6) months prior to the expiration of this lease term, to renew this lease for an additional term of five (5) years, and re-negotiate any conditions of this lease by mutual agreement, upon written notice to Lessor. Such renewal or re-negotiation shall be conditional upon such lease agreement being not in default, not only at the time such notice is given, but also at the time for the commencement of such renewal.

4. USE OF LEASED SPACE.

4.1 Lessee is hereby granted the right and privilege, and exclusive use of the Leased Space for the operation of the Lessee's existing fuel dock. Lessee shall provide full fuel sales and service at the dock, such fuel dock to be operated and attended by a qualified employee of Lessee. Lessee shall not offer products or services not customarily offered by a marine fueling station, including the sale of snacks, soft drinks and sundries without the express written consent of Lessor. Said consent, if granted, can be revoked at any time for any reason whatsoever.

Such operation shall be conducted on a non-discriminatory basis, in accordance with and subject to the terms, conditions and requirements imposed by law.

4.2 Lessee, as part of its operations, shall provide for the collection of waste oil and used filters from fishing vessels. Lessor shall permit Lessee to dispose of waste oil and filters at Lessor's waste oil collection facility at no charge to Lessee unless the Lessor is charged a per gallon fee for disposal of same. Any charges incurred by Lessor for the disposal of waste oil shall be passed on as a direct cost to Lessee. However, before such costs are passed on to Lessee, Lessor will provide 30 days' notice to Lessee of such charges.

4.3 It is understood that the actual dock, equipment, piping and storage tank are the property of the Lessee, and the Lessee shall be solely responsible for the same throughout the term hereof. The Leased Space shall be used to permanently secure the Lessee's fuel dock service and ancillary equipment area, and shall include the right of access thereto. Lessee is responsible for all maintenance, repair, or replacement of fuel delivery pipelines, valves, connections, unions, fuel pumping equipment, and all electrical connections associated with the fueling operations. Lessee is also responsible for the maintenance and repair of the fuel dock office building. It is understood that the storage tanks are not located on Lessor's property, and Lessor does not purport to grant any rights with respect to such tanks, nor any assurances of the continued ability to maintain such tanks in their present location or that alternate locations are available. Lessor would not permit the relocation of any such storage tanks to Lessor's property. Lessor reserves the right, at Lessor's expense, to relocate the floating fuel dock and other equipment from time to time as Lessor may see fit for the best management and safe operations of the marina. Lessor shall make reasonable efforts to minimize interference with Lessee's operations, but shall not be liable to Lessee for reasonable interference or disruption of such operations during any such relocation.

4.4 In the event Lessor, in its sole discretion, elects to reconfigure, replace, rebuild or reconstruct the docks in the vicinity of the Leased Space for which this Lease is granted, Lessor shall have the right to terminate this Lease upon not less than 90 days written notice to Lessee. Upon such termination the parties may negotiate a new Lease, giving due consideration to market conditions, the configuration of the docks, applicable legal requirements and other matters of a similar nature.

5. RENT AND OTHER CHARGES.

5.1. Lessee shall pay Lessor monthly on or before the first day of the month throughout the term of this Lease a "base rent" of eight hundred, sixty seven dollars and ninety two cents (\$867.92) per month for the use of the Leased Premises described in Section 1. On the date of commencement of this lease, lessee has already paid in full for the first month (December, 2023).

5.2. In addition to the above base rent, Lessee agrees and Lessor shall adjust the monthly, effective March 1, 2024 according to the consumer price index (CPI). Any rent adjustment according to CPI shall not exceed three percent (3%) during this adjustment.

5.3. Lessee shall pay eighteen percent (18%) per year interest on all payments of rent required above more than ten (10) days in arrears.

6. WAIVER OF SET-OFF.

Lessee hereby expressly waives and disclaims any present or future right to apply any payment or partial payment of consideration due and payable hereunder against any obligation of Lessor, however incurred, or to assert any such obligation as a set-off or a counterclaim in any action for such consideration and agrees that it will not claim or assert any such right of set-off or counterclaim.

7. COMPLIANCE WITH GOVERNMENTAL RULES.

7.1 Lessee shall at all times during the term of this Lease, at its sole cost and expense, comply with all governmental rules, regulations, ordinances, statutes and law now or hereafter in effect pertaining to Lessor or Lessee's operation of its business pursuant to this Lease.

7.2 Lessee shall, at all times during the term hereof, comply with all reasonable rules and regulations which Lessor may at any time establish concerning the use of its facilities, provided, however, that any such rule or regulation so made shall not be so inconsistent with this Lease as to unreasonably interfere with Lessee's operations hereunder.

8. MAINTENANCE OF LESSEE'S IMPROVEMENTS.

8.1 Lessee shall, at all times and at Lessee's own expense, maintain and repair the premises and the improvements thereon. Lessee shall keep the premises in a clean and orderly condition. Lessee shall be responsible for any permits, licenses or certification required in its operation.

8.2 Lessee shall prepare appropriate Spill Prevention Control and Countermeasure (SPCC) plans in accordance with instructions and requirements of the Environmental Protection Agency, and shall have sole responsibility for implementation of, and amendments to, the SPCC plan. Lessee shall also be responsible to comply with any requirement under ORS Chapter 833, and with any requirement of any environmental or other applicable law, rule, regulation or requirement relating to Lessee's facilities or operations.

9. IMPROVEMENTS AND ALTERATIONS.

In the event that Lessee desires to expand, alter or add equipment or facilities at the Leased Space, Lessee shall have the right to do so at its own expense subject to the prior written approval of Lessor of plans and specifications, which approval shall not be unreasonably withheld or delayed.

10. LIENS.

Lessee shall indemnify Lessor against any claims for labor or materials in connection with any construction of any/improvements at the Leased Space, including the costs of defending against the claims. Lessor shall have the right to enter on the premises at any reasonable time to post notices, if necessary.

11. TITLE AT TERMINATION.

Lessee shall retain title to the floating dock, all fixtures, equipment, machinery, and other personal property installed at the Leased Space by Lessee. Lessee may remove the property belonging to Lessee on the termination of this Lease, provided that any damage to the adjacent or surrounding docks that is caused by the removal of the property shall promptly be repaired at the expense of Lessee. Any property that is not removed by Lessee within thirty (30) days after termination of this Lease shall be considered abandoned property.

12. UTILITIES: TAXES: ASSESSMENTS.

During the term of this Lease, Lessee shall be responsible for payment of all bills for utilities used by Lessee on the premises. Utilities, as used in this Lease, include, but are not limited to electricity, water, and garbage disposal. Lessee shall also pay any taxes that are levied at or on the Leased Space and any improvements thereon. Lessee shall pay assessments levied on the Leased Space to the extent reasonably applicable to the period of occupancy by Lessee under the terms of this Lease.

13. DESTRUCTION OF LEASED PREMISES.

13.1 If during the term of this Lease, the facilities on the Leased Space, or a portion thereof, are destroyed by fire or other casualty, however caused, Lessee shall

have the option to restore the destroyed facilities to substantially their original condition. The rental with respect to the Leased Space shall be abated from the date of the casualty in proportion to the extent that the Lessee's premises are not usable by Lessee during the time the restoration is being accomplished.

13.2 If the facilities are destroyed by fire or other casualty to such an extent that they are wholly unfit for the use contemplated, Lessee shall have the option to terminate this Lease without further obligation.

14. INSURANCE.

14.1 Lessee shall at all times during the term hereof, at its sole cost and expense, obtain and maintain in force and effect a policy or policies of comprehensive liability and pollution insurance, issued by an insurance carrier approved by Lessor, insuring against loss, damage or liability for injury to or death of persons or loss or damage to property occurring in, upon, or about the premises, or otherwise, as a result of the business operations of Lessee pursuant to this lease. Such liability insurance shall be written with limits of not less than \$2,000,000 combined single limit or its equivalent, for injury or death to persons resulting therefrom, or damage to property of others and shall provide in addition all attorney fees and legal expense arising therefrom. This comprehensive general liability coverage shall be written on an ISO Form or another form acceptable to the Lessor. Lessor shall be named as an additional insured for Lessor's ownership responsibilities and for liability arising out of the operations of the Lessee. Lessor does not waive the right to assert a claim against the Lessee for any loss or damage to the property of the Lessor.

Inasmuch as this lease agreement is for an extended term, and may be subject to renewal, it is expressly acknowledged by the parties that the foregoing limits of public liability insurance shall be subject to reasonable increases, based upon the recommendation of the insurance agent of record for Lessor, based upon changes in public liability laws and similar factors.

14.2 Lessee shall, at all times during the term hereof, at its full cost and expense, procure and maintain in force and effect standard forms of marina all risk insurance covering Lessee's merchandise, petroleum merchandise, and other personal property, as well as the personal property of others in Lessee's possession and care, in, upon or about the marina, or used by Lessee in connection with its business operated pursuant to this Lease. Such insurance shall be in an amount adequate to cover the costs of replacement of the property. Lessor shall be named an additional insured for this property insurance and the insurer shall waive all rights of subrogation to the Lessor.

14.3 Lessee shall also keep in full force and effect the policy of insurance insuring against the hazards and liability for pollution and environmental hazards, in a form and with coverage limits reasonably satisfactory to Lessor, in no event less than

\$2,000,000 naming Lessee and Lessor as named insureds in operations arising out of petroleum dispensing and petroleum products. It is understood that such limit is relatively low, and in order to minimize risks from pollution and environmental hazards, Lessee shall employ all reasonable precautions, including obtaining and keeping on hand on the premises a containment boom sufficient to enclose the fueling vessel at the marina area and a reasonably adequate supply of absorption pads. Deductibles required for such liability policy shall not exceed \$5,000 without the specific agreement of the Lessor. Deductibles shall be the responsibility of the Lessee, and the Lessor shall not be required to contribute toward the deductible.

14.4 Certificates of insurance for liability for pollution and environmental hazards shall be furnished to the Lessee together with a full copy of the insuring form and shall be underwritten by an insurer reasonably satisfactory to the Lessor. Full copies of such insurance shall be furnished to the Lessor prior to renewal date or occupancy of the premises.

14.5 Lessee hereby waives any and all rights of recovery against Lessor, its officers, agents and employees, for any loss or damage, including consequential loss or damage caused by any peril, or perils, including negligent acts, enumerated in each insurance policy required to be maintained by Lessee hereunder. This waiver of subrogation shall not apply with respect to any claim by Lessee, if it is in contravention of any term or provision of any insurance policy which would otherwise provide reimbursement to Lessee, so as to render such coverage void. However, Lessee shall make reasonable efforts to obtain a policy or policies of insurance permitting such a waiver of subrogation, or expressly waiving subrogation.

15. INDEMNITY.

15.1 Lessee shall indemnify Lessor or any of the agents or employees of Lessor against claims arising out of any injury to persons, including death or damage to property, sustained as a result of the acts of Lessee. Lessee shall defend any action brought against Lessor or any of the agents or employees of Lessor based on any alleged injury or damage caused by Lessee, and Lessee shall pay all costs, including attorney fees, resulting from the action. Lessee shall not indemnify Lessor against any claims involving the sole negligence or fault of Lessor or any of the agents or employees of Lessor.

15.2 When using the Leased Premises, Lessee shall comply with all applicable federal, state, municipal, and local laws and regulations. Lessee shall indemnify Lessor against any liability that may be imposed by governmental authorities for any violation by Lessee or the agents or employees of Lessee of any laws or regulations.

16. SIGNS.

No signs shall be placed at the Leased Space without the prior written approval of Lessor. Such approval shall not be unreasonably withheld.

17. DEFAULT OF LESSEE.

The following occurrences shall be deemed events of default of Lessee:

17.1 Failure to make any payment of rent due pursuant to this Lease within ten (10) days after the date payment is due, or failure to pay any gallonage fee, if applicable, or other service charge within ten (10) days after Lessor bills Lessee therefore;

17.2 Failure to proceed with due diligence to remedy any other breach of a condition of this Lease and to fully indemnify Lessor against all liability resulting from the breach within thirty (30) days after Lessor gives notice of the breach to the Lessee; and

17.3 Failure to occupy or abandonment of the Leased Space.

17.4 On the occurrence of any default described in this section, Lessor may, at its option, in addition to any other remedy given by law, give notice to Lessee that this Lease shall terminate on the date specified in the notice, which date shall not be earlier than thirty (30) days after the giving of the notice.

18. BANKRUPTCY OR INSOLVENCY OF LESSEE.

The occurrence of any of the following shall be deemed a default of Lessee:

18.1 A petition in bankruptcy filed by or against Lessee;

18.2 A petition or answer filed by or against Lessee seeking a reorganization, liquidation, dissolution or other relief of the same or different kind under any provision of the bankruptcy laws;

18.3 Adjudication of Lessee as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense;

18.4 An assignment of all or substantially all of the assets of Lessee for the benefit of creditors;

18.5 A proceeding by or against Lessee for the appointment of a trustee, receiver, conservator, or liquidator of Lessee with respect to all or substantially all of the assets of Lessee;

18.6 A proceeding by or against Lessee for the dissolution or liquidation of Lessee, or the taking of possession of the assets of Lessee by any governmental authority in connection with any dissolution or liquidation; or

18.7 The taking by any person of the leasehold created by this Lease, or any part of the leasehold, on execution, attachment, or other process of law or equity against Lessee.

18.8 On the occurrence of any default described in this section, Lessor shall give Lessee notice of the default. If the default is not corrected within ten (10) days after date of the notice, Lessor may, in addition to any other remedy or right given under this Lease or by law, give notice to Lessee that this Lease shall terminate on the date specified in the notice, which date shall not be earlier than thirty (30) days after the giving of the notice.

19. RIGHT OF LESSOR TO REENTER LEASED SPACE ON DEFAULT OF LESSEE.

On termination of this Lease as provided in Section 17 or 18, Lessor may immediately enter on the Leased Space without further demand or notice. Lessor may retake possession of the Leased Space by summary proceedings, by action in law or in equity, by force or otherwise, without liability for trespass or for damages. Reentry, resumption of possession, or reletting of the Leased Space by Lessor shall in no event be deemed to be a surrender of this Lease or a waiver of the rights and remedies of Lessor under this Lease.

20. DISPOSITION OF PERSONAL PROPERTY LOCATED ON LEASED PREMISES.

20.1 On retaking possession of the Leased Space, Lessor shall at the expense of Lessee hold in storage for Lessee any personal property that is located on the Leased Space, regardless of whether the personal property belongs to Lessee or any other person. Lessor may deliver the goods to Lessee or a consignee or any person or concern owning any interest in the property.

20.2 After the expiration of ten (10) days after retaking possession, should any personal property located at the Leased Space not be claimed by Lessee or its true owner, such property shall be considered abandoned; and Lessee shall bear full responsibility for the disposition of such property by Lessor and shall indemnify and hold Lessor harmless from any and all claims, suits, and demands of true owners of such property disposed of by Lessor, whether such claims, suits, or demands be legitimate or otherwise.

21. EXPENSES TO BE PAID BY LESSEE ON TERMINATION OF LEASE DUE TO DEFAULT OF LESSEE.

21.1 On termination of this Lease for default, as provided in Section 17 or 18, Lessee shall pay to Lessor the expenses, including but not limited to reasonable attorney and other fees, incurred by Lessor in connection with:

- (a) Obtaining possession of the Leased Space;
- (b) Removal and storage of the property of Lessee and other occupants.

21.2 The expenses shall be deemed prima facie to be the amounts invoiced to Lessor.

21.3 Lessor may sue for the payments as they accrue without waiting for the payment date fixed in this Lease. Any proceeding to recover such payments shall not be deemed a waiver of any other rights of Lessor under law, equity or this Lease.

22. INSPECTION.

Lessor and the agents and employees of Lessor may at all reasonable times enter the Leased Premises to inspect and determine whether the Leased Premises are kept in good repair and maintenance in accordance with the terms of the Lease, and to show the Leased Premises to prospective tenants or buyers.

23. ASSIGNMENT.

Lessee shall not assign or sublet any rights or interests under this Lease without the prior written consent of Lessor. Any attempt to assign or sublet any rights or interest under this Lease without the requisite approval shall render this Lease void.

24. QUIET ENJOYMENT.

Lessor agrees that Lessee, on paying the rent and other charges in this Lease provided and on observing and keeping all the provisions of this Lease, shall quietly occupy the Leased Space during the term of this Lease and any renewal hereof without hindrance.

25. COVENANT AGAINST WASTE.

Lessee shall not commit or suffer to be committed any waste at the Leased Space.

26. FORCE MAJEURE.

26.1 For purposes of this Lease, the term "force majeure" is defined as any act of God, act of a public enemy, strike, fire, storm, flood, civil disturbance, failure or delay of persons from whom the parties to this Lease obtained machinery, equipment, or

supplies to make delivery, or other causes beyond the control of either party, regardless of whether the other causes be of the class here specifically set out.

26.2 Neither party shall be responsible for any failure of performance of any of its obligations under this agreement, where the failure is due to force majeure.

27. EFFECT OF WAIVER OF PRIOR BREACH.

No waiver by Lessor of any covenant or condition of this Lease shall be construed as a waiver of any other covenant or condition, nor shall the waiver of any breach of this Lease be construed as waiver of any other or subsequent breach.

28. SEVERABILITY.

Should any provision of this Lease be declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining provisions of this Lease shall not be affected thereby.

29. TIME OF ESSENCE.

Punctual performance by the parties to this Lease of the covenants contained in this Lease are of the essence of this Lease.

30. SECTION TITLES ONLY FOR IDENTIFICATION.

The titles to all sections used in this Lease are for purposes of identification only and shall not vary the context of the sections.

31. MODIFICATION OF LEASE.

No modification of this Lease shall be effective unless agreed to in writing by the parties to this Lease. No modification of one provision of this Lease shall be considered a waiver, breach, or cancellation of any other provision of this Lease.

32. HOLD OVER.

If Lessee remains at the Leased Space after the expiration of the term of this Lease without exercising the option to renew the Lease, the holding over shall be deemed to create a month-to-month tenancy under the same terms and conditions of this Lease but shall not be construed as a renewal of this Lease.

33. NOTICES.

33.1 Whenever it is required or permitted that notice be given by either party to this Lease to the other party, the notice must be in writing and must be given personally or forwarded by certified mail addressed as follows:

TO Lessor: Port of Newport

600 SE Bay Blvd.
Newport, OR 97365

TO Lessee: Carver's, Inc.
PO Box 130
Toledo, Or 97394

33.2 Unless otherwise specified in this Lease, all notices required to be given under this Lease shall be effective on the date of receipt.

33.3. The addresses to which notices are to be sent may be changed from time to time by notice given according to the terms of this section.

34. **ATTORNEYS' FEES.**

In addition to the fees provided in Section 20 due to default, should either party hereto institute or be made a party to any action or proceeding in court to enforce any provision hereof or for damages or other relief by reason of an alleged breach of any provision hereof, the prevailing party shall be entitled to receive from the losing party, in addition to allowable court costs, such amounts as the court may adjudge to be reasonable as attorneys' fees, including any appeal thereof, and such amount may be made a part of the judgment against the losing party.

IN WITNESS WHEREOF, the parties have executed this instrument in duplicate to be effective as of the day and year above set forth, and any corporate signature is affixed hereto only pursuant to the board of directors or other governing body thereof.

PORT OF NEWPORT

CARVER'S, INC.

By: _____
Paula J. Miranda, Executive Director

By: _____
Steve Carver, President

Map



Lincoln County government use only. Use for any other purpose is entirely at the risk of the user. This product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users should review the primary information sources to ascertain their usability.

RESOLUTION 2023-04

RESOLUTION OF THE PORT OF NEWPORT AUTHORIZING A LOAN FROM THE OREGON BUSINESS DEVELOPMENT DEPARTMENT BY ENTERING INTO A FINANCING CONTRACT WITH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY FOR THE OREGON PORT REVOLVING LOAN FUND

The Port of Newport Commission (the “Governing Body”) of the Port of Newport (the “Recipient”) finds:

- A. The Recipient is a “municipality” within the meaning of Oregon Revised Statutes 285B.410(9).
- B. Oregon Revised Statutes 285B.410 through 285B.482 (the “Act”) authorize any municipality to file an application with the Oregon Infrastructure Finance Authority of the Business Development Department (“OBDD”) to obtain financial assistance.
- C. The Recipient is in the process of filing an application with the OBDD to obtain financial assistance for an equipment purchase.
- D. The OBDD has approved the Recipient’s application for financial assistance from the Oregon Port Revolving loan Fund.
- E. The Recipient is required, as a prerequisite to the receipt of financial assistance from the OBDD, to enter into a Financing Contract with the OBDD, number 525207 (the “Project”).
- F. Notice relating to the Recipient’s consideration of the adoption of this Resolution was published in full accordance with the Recipient’s charter and laws for public notification.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Recipient as follows:

1. Financing Loan Authorized. The Governing Body authorizes the Executive Director (the “Authorized Officer”) to execute on behalf of Recipient the Financing Contract and such other documents as may be required to obtain financial assistance (the “Financing Documents”), including a loan from the OBDD, on such terms as may be agreed upon between the Authorized Officer and OBDD, on the condition that the principal amount of the loan from the OBDD to the Recipient is not in excess of \$587,345 and an interest rate of 3.57% per annum. The proceeds of the loan from the OBDD will be applied solely to the “Costs of the Project” as such term is defined in the Financing Contract.
2. Sources of Repayment. Amounts payable by the Recipient are payable from the sources described in section 4 of the Financing Contract and the Oregon Revised Statutes Section 285B.437(3) which include:
 - (a) The revenues of the project, including special assessment revenues;
 - (b) Amounts withheld under ORS 285B.449 (1);
 - (c) The general fund of the Recipient; or
 - (d) Any other source.
3. Tax-Exempt Status. The Recipient covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the Recipient pursuant to the Financing Documents not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The Recipient may enter into covenants to protect the tax-exempt status of the interest paid by the Recipient pursuant to the Financing Documents and may execute any Tax Certificate, Internal Revenue Service forms or other documents as may be required by the OBDD or its bond counsel to protect the tax-exempt status of such interest.

4. Reimbursement Bonds. The Recipient may make certain expenditures on the Project prior to the date the Financing Contract is executed with OBDD or the date the State of Oregon issues any bonds to fund the loan. The Recipient hereby declares its intent to seek reimbursement of such expenditures with amounts received from the OBDD pursuant to the Financing Contract, but only as permitted by OBDD policy, the Financing Contract, and federal tax regulations. Additionally, the Recipient understands that the OBDD may fund or reimburse itself for the funding of amounts paid to the Recipient pursuant to the Financing Documents with the proceeds of bonds issued by the State of Oregon pursuant to the Act. This [Ordinance/Resolution/Order] constitutes “official intent” within the meaning of 26 C.F.R. §1.150-2 of the income tax regulations promulgated by the United States Department of the Treasury.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this
December 19, 2023.

ATTEST:

Gil Sylvia, President

Walter Chuck, Secretary

OLD BUSINESS ITEM

DATE: December 19, 2023
RE: OSU Sublease approval
TO: Port of Newport Board of Commissioners
ISSUED BY: Paula J. Miranda, Executive Director

BACKGROUND

In 1962 the Port entered into a lease with the Oregon State University (OSU). Under the lease OSU was allowed to build buildings to support its use. When OSU built their new building, the Port authorized them to provide a sublease to Ultralife Café to support OSU employees and invitees. Our lease requires OSU to first obtain Port's approval on subleases.

We just received an email saying that over the weekend, OSU received notice, that due to unfortunate circumstances, Ultralife Café will be terminating their operation at Hatfield, effective "almost" immediately (Jan 8, 2023). They say the café is an integral part of the Hatfield campus, providing the only food/beverage service for personnel and students, in addition to supporting Hatfield's daily meetings, conferences and events. They are a vital component to their daily operations. Hatfield relies heavily on their consistent service.

Meanwhile, they immediately found a replacement on Hans & Janell Goplin, owners of Clearwater and Rise, which in an expedited manner will take over the Cafe.

They are still finalizing the sublease. The previous sublease was for one year, with a year extension. The rent amount is minimal and in the past the Port has not charged for such subleases.

Attached is the original lease with Ultralife for your information.

RECOMMENDATIONS

I recommend "a motion authorizing the Executive Director to provide an approval letter allowing OSU to enter into a lease with Hans & Janell Goplin and its affiliate, once she had reviewed the sublease and its satisfied with its content."

Lease Agreement

OREGON STATE UNIVERSITY / ULTRALIFE COMPANY

THIS LEASE ("Lease") is entered into by and between OREGON STATE UNIVERSITY ("LESSOR") and ULTRALIFE COMPANY ("LESSEE"):

WITNESSETH:

WHEREAS, LESSOR has available café space within its Gladys Valley Marine Studies Building (the "Building") at it's Hatfield Marine Sciences Center located at 2030 Marine Science Drive, Newport, OR 97365 (the "HMSC Campus"); and

WHEREAS, LESSEE has need of café space and LESSOR is willing to provide space;

NOW, THEREFORE, in consideration of the mutual promises hereinafter contained, LESSOR and LESSEE agree to the following terms and conditions:

1. **PREMISES** - A portion of the Building to include approximately 310 square feet of café space (the "Premises") together with non-exclusive right to use adjacent seating area ("Seating Area"), all as shown on the attached Exhibit A. LESSEE's use of the Premises shall include a right of access in common with other Building tenants and users to the existing Building restrooms, lounge areas, doorways, pathways, hallways, and driveways, and access to the Building for employees and customers and for the purposes of unloading freight.
2. **TERM** -
 - A. The Lease shall commence on October 1, 2021 ("Commencement Date"), and shall continue through September 30, 2022, unless sooner terminated as provided herein ("Term").
 - B. Beginning on September 1, 2021, and ending on the Commencement Date, LESSEE shall have early access to the Premises for the purpose of installing LESSEE's fixtures, furniture and equipment and moving LESSEE's business operations to the Premises. LESSEE must coordinate such early access with LESSOR and shall comply with and observe all laws, safety rules and procedures, and comply with, and be bound by, all terms and conditions of this Lease. LESSOR's provision of such early access is conditioned upon LESSOR's receipt of LESSEE's certificate of insurance required by Section 20 of this Lease.
3. **RENEWAL OPTION** -If LESSEE is not in default, the parties shall have the option to extend this Lease upon mutual agreement, for one (1) additional extension term of one (1) year. The extension term shall commence on the day following the expiration of the immediately preceding Term. Notice exercising the extension option shall be delivered to LESSOR in writing not less than ninety (90) days prior to the expiration of the then current Term. Unless otherwise agreed in writing, if the option to extend is exercised, all terms and conditions of this Lease, other than the rent, shall apply during the extension term. Rent for the extension term shall be negotiated with the goal of establishing a mutually agreed rate. In the event the parties are unable to agree on a rental rate for the extension term, this Lease may be cancelled with no further obligation to the other. In the event the Lease is cancelled pursuant to the provisions of the previous sentence, the termination date for the then

current term shall be the later of i) the natural expiration of such term or ii) a date ninety (90) days after written notice is given by either party to the other that a rental rate for the extension term cannot be agreed upon. If the natural expiration of the then current Term is extended pursuant to sub clause (ii) of the previous sentence, the rental rate for the extended term period shall not be increased during such extended period.

4. **RENT** - The rent for this Lease will be \$500.00 per month, payable in advance on the first day of each month, beginning on the Commencement Date. LESSEE's payments will be delivered or mailed to Hatfield Marine Science Center, attention: Sheena Scarberry, 2030 SE Marine Science Drive, Newport, OR 97365.

Rent for partial months will be prorated.

5. **PARKING** - LESSEE and LESSEE's customers shall have the right to use LESSOR's parking lots located at the HMSC Campus on a "first come first served" basis in common with LESSOR's other tenants and clientele. Overnight parking is not permitted.
5. **MAINTENANCE AND REPAIRS** - LESSEE shall not injure or in any manner deface the Premises or Seating Area, and shall not cause or allow the Premises or Seating Area to be injured or defaced. If, during the Term of this Lease, the Premises or any portion of the Building, HMSC Campus or grounds are damaged by the act, default or negligence of LESSEE, its agents, employees, or any other person or persons admitted to the Premises by LESSEE, LESSEE shall pay to LESSOR, upon demand, such sum as shall be necessary, in LESSOR's discretion, to restore the Premises, Building, or HMSC Campus to its original condition.

Except for the foregoing and LESSEE's obligations under paragraphs 11 and 28, annual inspection and prompt repairs and maintenance of the Premises, including, without limitation, all the plumbing, electrical, mechanical, and HVAC equipment and fixtures, shall be the responsibility of LESSOR. If any particular work is not done within ten (10) days after notice by LESSEE, then in addition to any other remedy LESSEE may have, LESSEE may make such repairs or maintenance and deduct the reasonable costs thereof from future rental payments.

6. **OBSERVANCE OF RULES AND LAWS** -

- A. LESSEE shall comply, at its expense, with all applicable laws, ordinances, regulations, and rules of federal, state, and local authorities regarding the maintenance, operation, condition, and use of the Premises, including but not limited to those relating to sanitation, occupational safety, and fire and life safety requirements; wages and hours of employment; withholding taxes; public accommodations; and Equal Employment Opportunity laws and rules applicable to a licensed restaurant. In addition, LESSEE shall comply with then-current rules, standards, and policies adopted by LESSOR from time-to-time for its HMSC Campus (including but not limited to non-smoking policies, public safety standards regarding firearms, sexual harassment standards and environmental health and safety standards), and shall cause all of its agents, employees, invitees, and visitors to do so. Nothing herein however shall require LESSEE to make structural changes or capital improvements that are not mandated by LESSEE'S particular use. In other words, changes mandated by general laws, including without limitation, the Americans with Disabilities Act or environmental protection laws, shall be the responsibility of LESSOR. If any changes are required to comply with these types of laws and they are not done within thirty (30) days after notice by LESSEE, then in addition to any other remedy LESSEE may have, LESSEE may make such improvements as are necessary and deduct the reasonable costs thereof from future rental payments.

- B. LESSEE shall maintain a Lincoln County restaurant license and adhere to all local and state sanitary codes applicable to a licensed restaurant. LESSEE shall be subject to inspection by Lincoln County Environmental Health. LESSEE shall provide to LESSOR copies of all inspection reports within 72 hours of receipt by LESSEE. LESSEE shall correct all problems identified by Lincoln County Environmental Health and provide LESSOR, in a timely manner, proof that such problems have been resolved; provided, however, that LESSEE may file an appeal of any such problem in accordance with any appeal procedures and timeframes permitted by Lincoln County Environmental Health or other applicable authority.
 - C. LESSOR is mandated by Federal law to follow the reporting guidelines in the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act which covers a wide range of security, crime, and fire related incidents. If an incident occurs on the Premises, or adjacent to, and may involve safety, security, criminal acts, or fire, LESSEE must report it to the Oregon State University Public Safety Department. In life-threatening situations, call 911.
7. **TRANSFER OF INTEREST** - No part of the Premises, nor any interest in this Lease, may be sold, assigned, pledged, transferred, mortgaged, or subleased by LESSEE, whether voluntarily or by operation of law, nor may any right of use of any portion of the Premises be conveyed or conferred on any third party by LESSEE by any other means, without the prior written consent of LESSOR, which consent may shall be given or withheld in its sole discretion.
8. **ASSUMPTION OF RISK BY LESSEE** - As between LESSOR and LESSEE, LESSEE assumes all risk of loss or damage from whatever cause except negligence by LESSOR as described and subject to the limitations and conditions of the Oregon Tort Claims Act, ORS 30.260-30.300, and the Oregon Constitution, Article XI, Section 7.
9. **EVENTS AND CONSEQUENCES OF DEFAULT** - The following shall be events of default:
- A. Failure of LESSEE to pay any rent or other charge within fifteen (15) days after the date due.
 - B. Failure of LESSEE to comply with any other term or condition or fulfill any other obligation of LESSEE within thirty (30) days after written notice by LESSOR specifying the nature of the default with reasonable particularity. If the default is of such nature that it cannot be completely remedied within the thirty-day period, this provision shall be deemed to have been complied with if LESSEE begins correction of the default within the thirty-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practical.
 - C. Abandonment of Premises by LESSEE. Abandonment is defined as non-use of the Premises for forty-five (45) consecutive days.

Upon default, the Lease may be terminated at the option of LESSOR and LESSOR may re-enter and take possession of the Premises.

10. **USE OF PREMISES/BUILDING** - LESSEE may use the Premises for the lawful purposes related to the conduct of its business. The storage of hazardous and flammable material on the Premises will NOT be allowed.
11. **SERVICES AND UTILITIES** -
- A. LESSOR will furnish heat, air conditioning, electricity, water, telephone service, internet connection to the Premises, and regular trash removal services from the dumpsters located outside of the Building. If LESSEE uses an excessive amount of utilities or services of any kind, LESSOR may impose a reasonable charge for supplying such extra utilities or services, which charge shall be payable by LESSEE within 10 days of notification by LESSOR. LESSOR will provide janitorial service to Seating Area outside of LESSEE's hours of operation.

- B. LESSEE is responsible for janitorial services within the Premises and for maintaining cleanliness and visual aesthetics within the Premises and Seating Area during LESSEE's hours of operation. LESSEE shall move trash from the Premises daily at the close of LESSEE's business to the dumpsters outside the Building.
12. **LESSEE OPERATIONS** - LESSEE shall conduct at all times and in all respects a first class orderly business, in a good and sanitary manner, and in keeping with the surroundings in the Building and shall supervise its employees and cause LESSEE's agents, independent contractors, employees, customers, suppliers, and invitees to conduct their activities in a manner that complies with the requirements of this Lease. LESSEE shall neither conduct nor permit any activities on the Premises that would likely (i) create a nuisance, (ii) permit any offensive noise, odor, or light to be emitted from the Premises, (iii) damage the reputation of LESSOR, or (iv) be reasonably offensive to LESSOR or to other lessees in the Building.
13. **HOURS OF OPERATION** -
- A. LESSEE shall have 24-hour access to the Premises except during Building closures and will be provided one key card and one hard key to access the Premises. LESSEE shall return all keys upon termination of the Lease. Keys shall not be duplicated by LESSEE and LESSEE shall notify LESSOR in the event that any key(s) are lost or stolen.
 - B. LESSEE's hours of operation shall not extend past the Building hours (exclusive of any special events during non-regular business hours) unless approved by the HMSC Campus Operations Manager.
 - C. LESSEE shall operate, at minimum, six hours per weekday on all weekdays that the Building is open for business. Any change in LESSEE's hours of operation shall require LESSOR's approval which will not be unreasonably withheld. LESSEE may close on any legal holiday on which Oregon State University is closed.
 - D. In the event of Building closure due to inclement weather, hazardous conditions, staffing limitations, certain mandatory closure times, utility disruptions or other closures beyond the control of LESSOR, LESSEE will not be expected to remain open; however, LESSEE shall not be compensated for the closure or loss of sales and LESSEE's rent shall not be abated as a result of such closure.
 - E. LESSOR reserves the right to change Building operating hours and shall provide LESSEE no less than thirty (30) days' advance notice of such changes.
14. **PROPRIETARY SIGNS** - LESSEE's use of its proprietary signs, distinctive interior layouts, and trade marks (the "Proprietary Marks") is subject to prior written approval by LESSOR which will not be unreasonably withheld.
15. **USE OF INSTITUTIONAL NAME, MASCOT, AND LOGOS** - LESSEE shall not, during the Term of this Lease, use the name "Oregon State University" or "OSU" and/or the OSU logo and/or graphics of the OSU mascot (the beaver) in connection with its operations without first obtaining the prior written consent of LESSOR, which consent may be withheld in LESSOR's sole discretion.
16. **INSPECTION** - LESSOR and its agents shall have the right to inspect the Premises at reasonable times and upon providing 24-hour prior notice to ensure compliance with the terms and conditions of this Lease or without notice in the event of an emergency.
17. **INDEMNIFICATION** - LESSEE shall indemnify, defend and hold harmless LESSOR, including its officers, trustees, employees and agents (hereinafter collectively referred to as the "Indemnities"), from all claims, suits, or actions of any nature resulting from the activities of LESSEE, its officers, contractors, employees or agents under this Lease. LESSOR does not waive the right of subrogation.

18. **OREGON WORKERS' COMPENSATION** - LESSEE is a subject employer under the Oregon Worker's Compensation Law and shall either comply with ORS 656.017, which requires it to provide worker's compensation coverage for all subject employees working at the Premises, or is exempt under ORS 656.126.
19. **LESSOR'S COVENANTS** - LESSOR covenants that it has the right to make this Lease and to lease the Premises to LESSEE; that possession of the Premises will be delivered to LESSEE free of conflicting claims; and that on paying the rent and performing its covenants, LESSEE may enjoy the rights granted by this Lease free from rightful interference by any third party and LESSOR shall defend such right of enjoyment of LESSEE.
20. **INSURANCE** - During the Term of this Lease, LESSEE agrees to keep in full force and effect general liability insurance with a minimum limit of \$2,000,000 per occurrence, \$4,000,000 aggregate with a minimum sublimit of \$1,000,000 for fire damage, and auto liability insurance with a minimum limit of \$1,000,000 per accident, issued by an insurance company authorized to do business in Oregon, with an AM Best rating of no less than A-VII. LESSOR and its officers, trustees, agents and employees shall be named as additional insureds on LESSEE's general liability policy. Each insurance policy required by the insurance provisions of this Lease shall provide the required coverage and shall not be suspended, voided or cancelled except after thirty (30) days' prior written notice, except when cancellation is for non-payment of premium, then fifteen (15) days' prior notice may be given. The insurance requirements herein are minimum requirements for this Lease and in no way limit the indemnity covenants contained in this Lease. LESSOR in no way warrants that the minimum limits contained herein are sufficient to protect LESSEE from liabilities that might arise out of this Lease. LESSEE may purchase such additional insurance as LESSEE determines necessary. LESSEE shall provide LESSOR a certificate of insurance showing compliance with this section of this Lease upon request. LESSOR does not waive the right of subrogation.

LESSEE shall require subcontractors, if any, to secure at their own expense and keep in effect, a general liability insurance policy with a minimum limit of \$2,000,000 per occurrence and auto liability insurance with a minimum limit of \$2,000,000 per occurrence, issued by an insurance company authorized to do business in Oregon. LESSEE, LESSOR and their respective officers, trustees, agents and employees shall be named as additional insureds in said insurance policy. Each insurance policy required by the insurance provisions of this Lease shall provide the required coverage and shall not be suspended, voided or cancelled except after thirty (30) days' prior written notice, except when cancellation is for non-payment of premium, then fifteen (15) days' prior notice may be given. LESSEE shall require any subcontractor to provide a certificate of insurance showing compliance with this section of the Lease upon LESSOR's request.

21. **CASUALTY DAMAGE** - If the Premises or improvements thereon are damaged or destroyed by fire or other casualty to such a degree that the Premises are unusable for the purpose leased, and if repairs cannot reasonably be made within 120 days, then this Lease will be cancelled. Rent shall abate during such time as the Premises cannot reasonably be occupied by LESSEE due to damage or destruction by fire or other casualty.
22. **TAXES, ASSESSMENTS, FEES** -LESSEE shall promptly pay, before the same become delinquent, all taxes and assessments, permits, inspection and license fees levied, assessed or imposed upon LESSEE now or at any time during the Term of this Lease, or levied, assessed or imposed upon LESSEE's business. LESSEE shall pay, before the same becomes delinquent, all personal or real property taxes assessed against the Premises.

23. **TERMINATION** - LESSEE and LESSOR shall each have the option to terminate this Lease at any time with not less than ninety (90) days' prior written notice.
24. **RELATIONSHIPS** - LESSEE and LESSOR agree they are independent entities and neither party may make commitments or enter into agreements on the other's behalf. LESSEE is not an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265.
25. **NOTICES** - Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Lease or by law to be served on or given to either party hereto shall be in writing and shall be deemed duly served and given when personally delivered to the party to whom it is directed, or in lieu of such personal service, when deposited in the United States mail, first-class postage prepaid, addressed as shown, or by confirmed electronic mail delivery.

LESSOR: OREGON STATE UNIVERSITY
Hatfield Marine Science Center
Operations Department
Attn: Sheena Scarberry
2030 SE Marine Science Drive
Newport OR 97365
Email: sheena.scarberry@oregonstate.edu

With a copy to:

OSU Leasing and Strategic Real Property Management
Attn: Director
850 SW 35th Street
Corvallis, OR 97333
Email: realestate@oregonstate.edu

LESSEE: ULTRALIFE COMPANY

26. **MISCELLANEOUS PROVISIONS** -

- A. **NONWAIVER** - Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of or prejudice the party's right to require full, strict and literal performance of the same provision in the future or of any other provision.
- B. **SUCCESSION** - This Lease shall be binding on and inure to the benefit of the parties and their respective successors, heirs, executors, personal representatives and assigns.
- C. **AMENDMENT AND MODIFICATION** - Subject to applicable law, this Lease may be amended, modified, or supplemented only by a written agreement signed by the parties hereto.
- D. **GOVERNING LAW AND VENUE** - All matters with respect to this Lease, including but not limited to matters of validity, construction, effect, and performance, will be governed by the laws of the State of Oregon applicable to leases made and to be performed therein between residents thereof, regardless of the laws that might be applicable under principles of conflicts of law. If any suit or action is filed by any party to enforce this agreement, venue shall be in the federal or state courts in Lincoln County, Oregon.

- E. **COUNTERPARTS** – This Lease may be executed in two or more fully or partially executed counterparts, each of which will be deemed an original binding the signer thereof against the other signing parties, but all counterparts together will constitute one and the same instrument.
 - F. **SEVERABILITY** – Any term or provision of this Lease that is invalid or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Lease, or affecting the validity or enforceability of the terms or provisions of this Lease.
 - G. **GENDER AND NUMBER** – Any indication of gender of a party in this Lease shall be modified, as required to fit the gender of the party or parties in question. Similarly, any references to singular parties shall include plural parties as the context requires. In the event any of the parties are or become more than one individual, the obligations of the individuals, companies, partnerships, trusts, limited liability companies and other entities comprising and other entities comprising that party shall be joint and several.
 - H. **HEADINGS** – The headings used in this Lease are solely for convenience of reference, are not part of this Lease, and are not to be considered in construing or interpreting this Lease.
 - I. **EXHIBITS** – The exhibits attached hereto are incorporated herein by reference.
 - J. **FORCE MAJEURE** – Neither party shall be liable for any delay or failure to perform its obligations hereunder where such delay or failure is caused by fire, floods, pestilence, disease, pandemic, epidemic, strikes, labor disputes, war, civil commotion, government authority or regulations (whether valid or not) or any other cause beyond reasonable control of the parties.
27. **LESSEE IMPROVEMENTS** – LESSEE shall make no tenant improvements or alterations on the Premises of any kind without first obtaining the prior written consent of LESSOR, which consent may be withheld in LESSOR’s sole discretion. All approved improvements and alterations shall be made in a good and workmanlike manner, and in compliance with applicable laws and building codes. All improvements and alterations performed on the Premises by either LESSOR or LESSEE shall be the property of the LESSOR when installed unless otherwise agreed upon by the parties. LESSOR, at LESSOR’s sole option, may require LESSEE to remove LESSEE’s improvements and alterations and restore Premises to its original condition upon expiration or earlier termination of the Lease.

LESSEE shall not authorize or cause to be filed any Liens on the Premises.

28. **LESSOR IMPROVEMENTS/EQUIPMENT** – All furniture, fixtures, improvements, and equipment existing upon Premises or placed or installed upon the Premises during the Term by LESSOR (“LESSOR Fixtures”) shall be for LESSEE’s exclusive use but shall remain the property of LESSOR, including, without being limited to:

- 1) Kratos 3 Dr Refrigerator 72 CuFT
- 2) Kratos 1 Dr Freezer 21 CuFT
- 3) Undercounter Refrig, 2 Dr TurboAir
- 4) Kratos Undercounter Ice Machine Half Cube 125# production
- 5) Toaster Conveyor Hatco Brand 120v
- 6) Merchandising Display Case Refrigerated TurboAir
- 7) Espresso Knock Box
- 8) Vita Mix Quiet Blender 3HP 48oz
- 9) Microwave, commercial, 120V 1000W
- 10) Water filtration system, 1-stage
- 11) Dry storage shelving systems in storage room
- 12) 2 group Linea AV Espresso Machine
- 13) Hobart LXer advansys HOT Dishwasher

LESSEE shall be responsible for repairing and maintaining LESSOR Fixtures, in good working order, at LESSEE's cost and expense, and shall not commit, or suffer to be committed, any waste to or upon the Premises or LESSOR Fixtures. LESSEE shall have routine maintenance performed by a qualified professional on a quarterly basis. In the event that any LESSOR Fixtures require replacement due to failure not caused by LESSEE's misuse or failure to maintain LESSOR Fixtures, LESSOR and LESSEE agree to split the replacement costs equally. Upon written notice from LESSEE of failed equipment, LESSOR shall verify condition of equipment and, at LESSOR's sole discretion, determine whether equipment will be replaced or repaired. LESSOR shall provide LESSEE receipts for any replaced equipment. LESSEE shall reimburse LESSOR for its share of incurred expense(s) within thirty (30) days.

29. **HOLDOVER** -

- A. If LESSEE does not vacate the Premises at the time required, LESSOR shall have the option to treat LESSEE as a holdover tenant renting from month to month, subject to all of the other provisions of this Lease, or to eject LESSEE from the Premises and recover damages caused by wrongful holdover.
- B. If a month-to month tenancy results from a holdover by LESSEE under this Paragraph, the tenancy shall be terminable at the end of any monthly rental period on written notice from either party given not less than thirty (30) days prior to the termination date which shall be specified in the notice.

THIS LEASE CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES. NO WAIVER, CONSENT, MODIFICATION OR CHANGE OF TERMS OF THIS LEASE SHALL BIND EITHER PARTY UNLESS IN WRITING AND SIGNED BY THE PARTY TO BE BOUND. SUCH WAIVER, CONSENT, MODIFICATION OR CHANGE IF MADE SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS OR REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS LEASE. EACH PARTY, BY THE SIGNATURE BELOW OF ITS AUTHORIZED REPRESENTATIVE, ACKNOWLEDGES THAT IT HAS READ THIS LEASE, UNDERSTANDS IT AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

This Lease shall not become effective and shall not be binding upon the parties until it has been executed, in the signature spaces provided below, by all parties to this Lease, including those whose approval is required.

IN WITNESS HEREOF, the parties hereto have executed this Lease as of the date(s) written below.

LESSEE:
ULTRALIFE COMPANY

LESSOR:
OREGON STATE UNIVERSITY

By: _____
Date

By: _____
Nicole Neuschwander
Director, Leasing and Strategic
Real Property Management
Date

Exhibit A



Exhibit A

NEW BUSINESS

DATE: December 07, 2023
RE: Oregon State Police IGA
TO: Paula Miranda, General Manager
ISSUED BY: Aaron Bretz, Director of Operations

BACKGROUND

The City of Newport currently has an inter-governmental agreement (IGA) with the Port that facilitates the transfer of security camera footage to law enforcement, and that considers the Port's liability in such a transfer. The Port regularly fields requests from Oregon State Police for similar footage, and has requested to enter into a similar agreement with the Port.

DETAIL

In the spirit of cooperating with law enforcement as they serve the Port directly, and also to reduce the workload associated with frequent public records requests, we have sought to enter into agreements with other government agencies (OGA) who may need frequent access to information the Port has. Each request for information is still evaluated, but having an agreement in place creates some guidelines for approval and reduces the amount of work both on the Port end and the OGA's end. Generally, these agreements benefit both parties and the public.

The attached draft agreement has been reviewed by OSP lawyers and by the Port's lawyer.

BUDGET IMPACTS

This agreement is of no cost to the Port.

RECOMMENDATION

I RECOMMEND A MOTION APPROVING THE OSP IGA TO FACILITATE THE TRANSFER OF SECURITY CAMERA FOOTAGE WHEN REQUESTED.

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE PORT OF NEWPORT AND THE OREGON STATE POLICE
for the purpose of providing access to security video camera system**

THIS INTERGOVERNMENTAL AGREEMENT (“IGA”) is made this [day] day of [month], 2023, by and between the Port of Newport (hereinafter the “Port”), an Oregon port district, and the Oregon State Police (hereinafter the “OSP”), an Oregon state government agency.

RECITALS

1. ORS Chapter 190 authorizes governmental entities such as cities/counties and port districts to enter into written agreements for the performance of any or all functions and activities that either entity has to perform on its own.
2. Pursuant to applicable state law, OSP is empowered by and through its Superintendent to enforce State law and provide generally for the health, safety, and welfare of Oregon residents.
3. The Port and OSP believe that by cooperating in allowing the OSP to have access to the Port’s video and surveillance cameras, both entities can more efficiently work to ensure the safety and security of State residents and Port users.

AGREEMENT

The Port and OSP do hereby agree as follows:

1. The Port shall allow access to OSP and its designee(s) to view images from the Port’s video camera system to assist the Port in investigations and in situations where, in consideration of the totality of circumstances, Port personnel or OSP and its designee(s) have reason to believe, based on articulable and objective facts, that a crime or violation has occurred. In addition, the Port shall ensure that OSP and its designee(s) access to and use of video images are consistent with State and Federal laws and regulations concerning privacy, and Port policies and procedures. See EXHIBIT “A” Camera Protocols.
2. The Port shall allow access to OSP and its designee(s) with permission from a Port Director level executive or designated Facility Security Officer to view images from the Port’s video camera system to assist in emergency training exercises and safety planning. The Port may abstain from providing footage in the absence of a valid subpoena, search warrant, or court order.
3. In circumstances other than those described in sections 1 and 2 above, the Port shall cooperate in providing video images to OSP and its designee(s) in response to a valid subpoena, search warrant, or court order.
4. Both the Port and OSP will maintain the confidentiality of the video images obtained from the Port’s video cameras so as to comply with Federal and State privacy laws and regulations, and Port policies and procedures.

5. This Agreement is perpetual and shall remain in effect until such time as written notice of termination is given by either party to the other at least 30 days prior to the date of termination. Provided, however, the parties may agree from time to time to adjust the terms and conditions of this Agreement.
6. To the extent permitted by the Oregon Constitution, and to the extent permitted by the Oregon Tort Claims Act, and to the extent otherwise provided for in private contracts of insurance, each party agrees to indemnify, defend, and hold the other and its officers, employees, or agents, harmless from all damages, losses and expenses, including but not limited to attorney fees, and to defend all claims, proceedings, lawsuits, and judgments arising out of or resulting from the indemnifying party's negligence in the performance of or failure to perform under this Agreement. No party to this Agreement will be required to indemnify or defend the other party for any liability arising solely out of wrongful acts of another party, or that other party's own officers, employees, or agents.
7. If any portion of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement, or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
8. This Agreement does not in any way constitute or nominate either of the parties as the agent or legal representative of the other party for any purpose whatsoever. Neither party is granted any right or authority to assume or to create any obligation or responsibility, expressed or implied, on behalf of, or in the name of, the other party to this Agreement.
9. The effective date of this agreement is the [day] day of [month], 2023.
10. This document contains the entire agreement and understanding between the parties as to the subject matter herein and supersedes all prior agreements, commitments, representations, writings, and discussions between them regarding the subject matter of this Agreement.

IN WITNESS WHEREOF, the City and the Port have executed this Agreement pursuant to due authority, as evidenced by the signature of the duly appointed representative of each entity below.

PORT OF NEWPORT

OREGON STATE POLICE

By: _____
(signature)

By: _____
(signature)

Paula J. Miranda, Executive Director

Captain Casey Thomas

EXHIBIT "A"

Camera Protocols Port of Newport

Purpose: Video cameras inside Port buildings and on Port grounds act as a deterrent to undesirable behavior and crime. The video system may also be used by Port personnel and security contractors for investigative purposes, surveillance, training exercises, planning, billing, and other Port business.

Port Monitoring & Review of Footage: Video cameras may be accessed by Port Personnel and security contractors. Port personnel may not transmit footage to other law enforcement officials except: (1) in the case of a health and safety emergency; (2) when a law enforcement official has requested the footage in the performance of an investigation and, in consideration of the totality of circumstances, has reason to believe, based on articulable and objective facts, that a crime or violation has occurred; and (3) pursuant to a valid subpoena, search warrant, or court order.

Law Enforcement Use: Local law enforcement agencies can view images to assist the Port when there is a threat to the health and safety of members of the public, to assist in emergency training exercises and safety planning, and in response to a valid subpoena, search warrant, or court order, as detailed in the IGA.

Placement: Video cameras may be placed in public areas such as entrances, hallways, parking lots, etc. Video cameras will not be allowed in areas where there is a reasonable expectation of privacy such as restrooms, changing areas, etc. The video camera system records video images and audio.

Prohibited Activity: Video camera use is to be conducted in a professional, ethical, and legal manner. Video monitoring shall not be used to harass, intimidate, or discriminate against any individual or group.

Confidentiality: All staff and law enforcement will maintain the confidentiality of the video images obtained from the Port's video cameras and comply with Federal and State privacy laws and regulations, and Port policies and procedures.

NEW BUSINESS

DATE: December 12, 2023
RE: Port Dock 7 E & F Interim Repairs
TO: Paula Miranda, General Manager
ISSUED BY: Aaron Bretz, Director of Operations

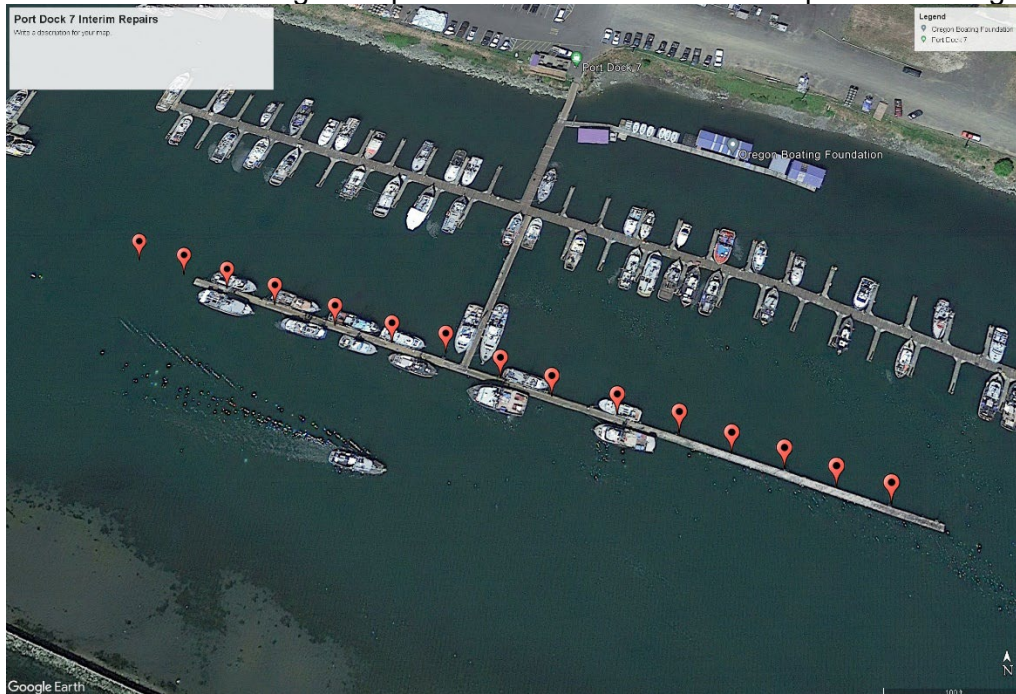
BACKGROUND

We have budgeted for interim improvements to keep Port Dock 7 operating in the interim until we can complete the replacement project for the dock. This portion of the project is the replacement of 15 pilings along sections E and F of the dock, which are the outside floats along the southern end. This is the section of the dock that has suffered broken pilings and losses of portions of the floats in recent years, and we need to replace these pilings because they are crucial to holding the floats in place with vessels laid up against them.

We have patched these floats as much as we possibly can; we need to drive new pilings to hold the dock in place.

DETAIL

After taking quotes, it again is apparent that Bergerson Construction being mobilized in Yaquina Bay has a definite advantage and presents the most economical option for driving these piles.



RECOMMENDATION:

I RECOMMEND A MOTION TO AUTHORIZE THE EXECUTIVE DIRECTOR OR HER DESIGNEE TO CONTRACT WITH BERGERSON CONSTRUCTION TO DRIVE 15 PILINGS AT PORT DOCK 7 IN AN AMOUNT NOT TO EXCEED \$185,000, WHICH INCLUDES 3% CONTINGENCY.

NEW BUSINESS

DATE: December 11, 2023
RE: TCB Office Space Lease
TO: Paula Miranda, General Manager
ISSUED BY: Aaron Bretz, Director of Operations

BACKGROUND

TCB has approached the Port of Newport and requested to lease the available 861 square feet of office space (plus restroom and hallway) on the northern third of the Port of Newport Administration Building. Additionally, they have requested 10 parking spaces. We intend to commence the lease on 01 January, 2024.

DETAIL

The leased premises are described and laid out in the attached document. The negotiated cost of the leased space is \$1.00 per square foot of indoor space, and \$20 per parking space per month. The Port has agreed to carry the cost of the property taxes that would be due upon leasing the premises. The monthly lease revenue will equal \$1,061, and the Lincoln County Tax Assessor's Office estimated the annual cost of taxes to be \$4,128.03 for this leasehold.

RECOMMENDATION

I RECOMMEND A MOTION TO AUTHORIZE THE EXECUTIVE DIRECTOR OR HER DESIGNEE TO SIGN AND APPROVE THE ATTACHED LEASE TO TCB MANAGEMENT GROUP, INC.

COMMERCIAL SPACE LEASE

THIS LEASE made _____, between PORT OF NEWPORT, a Port district and municipal corporation existing under the laws of the State of Oregon, hereinafter referred to as "Lessor" and TCB Security Services, Inc., hereinafter referred to as "Lessee".

1. DEMISE AND DESCRIPTION OF LEASED PREMISES.

Lessor hereby grants to Lessee and Lessee hereby accepts from Lessor an approximate 861 square feet divided into 4 office spaces plus restroom and 10 parking spaces (two located in the front and 8 to the rear) of the new Port Administrative building located at 600 SE Bay Blvd, Newport OR 97365, hereinafter referred to as the "Leased Premises":

See attached drawing, as Exhibit A.

2. TERM.

The term of this Lease shall be for one (1) year term. The term shall commence on _____, 2023 and shall end on _____, 2023. Monthly rental payments shall be due within ten (10) business days of receipt of billing.

3. RENEWAL OPTION.

3.1 If this lease is not in default at the expiration of the existing term, Lessor may grant a renewal option according to Section 3.3 below for an additional one (1) year term and each consecutive year thereafter, as long as this agreement is not in default and not to exceed more than five (5) years.

3.2 Each of the renewal terms shall commence on the day following expiration of the preceding term.

3.3 The option to renew shall be exercised only by written notice to Lessor given not less than sixty (60) days prior to the last day of the expiring term.' Only upon written confirmation from Lessor the lease shall be binding for the renewal term without further act of the parties. Lessor and Lessee shall then be bound to take the steps required in connection with the determination of rent as specified below without further act of the parties.

4. USE OF LEASED PREMISES.

Lessee is hereby granted the right and privilege, and exclusive use of the Leased Premises for office purpose to operate a security business. Lessee shall not offer other products or services unrelated to Lessee's current business without the express written consent of Lessor. Said consent, if granted, can be revoked at any time for any reason whatsoever. Such operation shall be conducted on a non-discriminatory basis, in accordance with and subject to the terms, conditions and requirements imposed by law or by the Port of Newport, City of Newport, or Lincoln County.

5. CONDITION OF PREMISES.

5.1 Lessee agrees to accept the premises as is for the purpose of use as described in Section 4 above.

5.2 Lessee shall not make any substantive structural changes, alterations or additions to the premises within which the business hereunder is operated without the written consent of the Lessor first in advance obtained. Any changes, alterations or additions to such space shall be at Lessee's sole cost and expense. All improvements made in or to the space occupied by Lessee pursuant to the provisions hereof during the term of this lease shall become at once the property of Lessor. Lessee expressly acknowledges and agrees that it will have no right to remove and shall not remove any such improvements at any time during or after the term of this lease.

5.3 If, at any time after the execution of this lease, the space occupied by Lessee pursuant to the terms hereof, or any portion of such space, should be damaged or destroyed by any casualty to the extent that Lessee is unable to continue the operation of its business herein to the extent practicable from the standpoint of good business, either party may terminate this lease agreement upon ten days' written notice to the other.

5.4 Lessee shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of or otherwise released on or under the leasehold. Lessee may use or otherwise handle on the leasehold only those hazardous substances typically used in the prudent and safe operation of the use specified in Section 4 above. Lessee may not store any such hazardous substances on the leasehold premises. Lessee shall comply with all environmental laws and exercise the highest degree of care in the use, handling and storage of hazardous substances and shall take all practical measures to minimize the quantity and toxicity of hazardous substances used, handled or store on the leasehold. Upon the expiration or termination of this Lease, Lessee shall remove all hazardous substances from the leasehold. The term "environmental laws" shall mean any federal, state or local statute, regulation or ordinance, or judicial or other governmental order pertaining to the protection of health, safety or the environment. The term "Hazardous substance" shall mean any hazardous, toxic, infectious or radioactive substance, waste and material as defined or listed by any environmental law and shall include without limitation petroleum oil and its fractions. Lessee shall be responsible for and bear the liability of any hazardous waste discharged by Lessee during Lessee's occupancy.

5.5 To maintain the quality and integrity of the premises of Lessee and adjacent leaseholds, Lessee is restricted from any exterior storage of any nature whatsoever in and around the leasehold and specifically shall not park or store any equipment, vehicles, material or any other personal property of any nature whatsoever outside of the confines of the leasehold area otherwise authorized.

5.6 Lessee shall refrain from any activity within the leasehold premises that would increase Lessor's insurance obligations unless Lessee pays full difference in increased premiums.

6 EASEMENTS, RIGHTS OF WAY.

Lessee shall have permission to use the driveway into the building, but at no time shall Lessee or Lessee's employees, contractors, customers or business invitees block the walkway or driveway between the buildings located immediately next to the Premises. Nor

shall Lessee block the road or driveway to the common areas near the buildings.

7 BASE RENT.

7.1 During this first year of the current lease term, the base rent shall be Eight Hundred Sixty-One and no/100 Dollars (\$861.00) per month, which represents \$1.00 per square feet for the building.

7.2 The annual lease rate shall be increased by a percentage equal to the percentage change in the Consumer Price Index, Western Region, or the nearest comparable data on changes in the cost of living if such index is no longer published.

7.3 Lessee shall pay eighteen percent (21%) per year interest on all payments of rent required above more than ten (10) days in arrears.

8 ADDITIONAL RENT

8.1 Lessee shall pay Lessor Twenty and no/10 Dollars (\$20) for each parking space. The parking space may increase on an annual basis based on the percentage change in the Consumer Price Index, Western Region, or the nearest comparable data on changes in the cost of living if such index is no longer published.

8.2 Any other sum which Lessee is required to pay to Lessor or third parties shall be additional rent. Lessor shall be responsible for paying the cost of property taxes to Lincoln County.

8.3 Lessee shall be responsible for paying any and all utility services not mentioned above servicing the leasehold premises including, but not limited to electricity, water, sewer, telephone, natural gas, television cable, garbage services, and any and all related items.

9 COMPLIANCE WITH GOVERNMENTAL RULES.

9.1 Lessee shall at all times during the term of this lease, at its sole cost and expense, comply with all governmental rules, regulations, ordinances, statutes and law now or hereafter in effect pertaining to Lessor or Lessee's operation of its business pursuant to this Lease.

9.2 Lessee shall, at all times during the term hereof, comply with all reasonable rules and regulations which Lessor may at any time establish concerning the use of its facilities, provided, however, that any such rule or regulation so made shall not be so inconsistent with this Lease as to unreasonably interfere with Lessee's operations hereunder.

10 MAINTENANCE OF LEASED PREMISES.

10.1 Lessee agrees that at all times during the term of this lease it will maintain the assigned premises in a neat and presentable condition and will maintain and keep the same in good order and repair, at Lessee's own cost and expense. Lessor, its agents and representatives, at any reasonable time may enter upon or into said premises for the purposes of examining the condition thereof and for any other lawful purpose.

10.2 The following shall be responsibility of the Lessee:

10.2.1 Any repairs necessitated by the negligence of Lessees, its agents, employees, invitees.

10.2.2 Any repair or alterations required to comply with laws or regulations.

10.2.3 Lessee further agrees, at its expense, to remove any and all alterations not accepted by Lessor and any and all accumulated equipment, supplies and other items which are present as a result of Lessee's operations, or anyone acting under Lessee, from Lessor's property upon termination of this lease. The premises shall be left in a condition equal to or better than the condition in which it was found immediately prior to the Lessee's occupation. All surface preparations shall remain with the premises unless specially requested by Lessor to be removed or somehow modified.

10.2.4. Any repairs, replacements, alterations or other work performed on or around the lease premises by Lessor if necessary, shall be done in such a way as to interfere as little as reasonably possible with use of the premises by Lessee. Lessee shall have no right to abatement of rent nor any claim against Lessor for any inconvenience or disturbance resulting from Lessor's activities.

11 LIENS.

Lessee shall keep the Leased Premises free from liens arising out of the operations of Lessee, including any liens arising out of any labor performed for or materials furnished to Lessee on the Leased Premises. Lessee shall indemnify Lessor against any claims for labor or materials in connection with any construction of any improvements on the Leased Premises, including the costs of defending against the claims. Lessor shall have the right to enter on the Leased Premises at any reasonable time to post notices, if necessary.

12 TITLE AT TERMINATION.

Lessor shall retain upon installation title to all fixtures and other improvements installed on or connected to the Leased Premises by Lessee, unless required to be removed by Lessor. Lessee may remove personal property belonging to Lessee on the termination of this Lease, provided that any damage to the Leased Premises that is caused by the removal of the property shall promptly be repaired at the expense of Lessee. Any property that is not removed by Lessee within thirty (30) days after termination of this Lease shall be considered abandoned property.

13 DESTRUCTION OF LEASED PREMISES.

If the building is destroyed by fire or other casualty to such an extent that they are wholly unfit for the use contemplated, Lessor shall have the option to terminate this Lease without further obligation. On such termination, Lessor shall collect and retain the proceeds of any applicable insurance and upon making itself whole, disburse the remainder, if any, to Lessee.

14. INSURANCE.

14.1 Lessee shall at all times during the term hereof, at its sole cost and expense, obtain and maintain in force and effect a policy or policies of Protection and

Indemnity Liability insurance, issued by an insurance carrier approved by Lessor, insuring against loss, damage or liability for injury to or death of persons or loss or damage to property as the result of the business operations. Such protection and liability insurance to include, by endorsement, product liability to include use by guests and customers of the Lessee. Such liability insurance shall be in the minimum amount of \$2,000,000 or as set by State industry standards. Each occurrence and in addition shall provide for payment of all attorneys fees and legal expense arising there from. This insurance shall be written on a form acceptable to the Lessor. Lessor shall be named as an additional insured for Lessor's liability arising out of the operations of the Lessee.

14.2 Inasmuch as this Lease agreement is for a short (one year) term and is subject to annual renewal, it is expressly acknowledged by the parties that the foregoing limits of protection and indemnity insurance shall be subject to reasonable increases, based upon the recommendation of the insurance agent of record for Lessor, based upon changes in public liability laws and similar factors.

14.3 Lessee shall also keep in full force and effect the policy of insurance, insurance for Damage to Rented Premises (each occurrence) \$300,000 and Medical Expenses (any one person) \$5,000, naming the Lessee and Lessor as named insured.

14.4 If Lessee has employees, Lessee shall furnish evidence of Workers Compensation insurance and Crew Liability insurance with a limit of not less than \$2,000,000, or as set by State industry standards per occurrence. Such insurance shall be endorsed to provide statutory State of Oregon workers compensation benefits and statutory United States Longshore and Harbor Workers Act coverage's. Prior to beginning operation, Lessee shall furnish evidence, as stipulated in 14.2 above, through Certificates of insurance of workers compensation, USL&H, and crew liability insurance.

14.5 Upon execution of this Lease, Lessee shall furnish to Lessor a certificate properly executed by the insurance carrier showing that the foregoing insurance policies are in effect. The policies shall provide that such insurance can be canceled only on thirty (30) days written notice to Lessor. The policies shall evidence the insurance coverage required herein, including an express waiver of rights of subrogation required below.

14.6 Lessee hereby waives any and all rights of recovery against Lessor, its officers, agents and employees, for any loss or damage, including consequential loss or damage caused by any peril, or perils including negligent acts, enumerated in each insurance policy required to be maintained by Lessee hereunder. This waiver of subrogation shall not apply with respect to any claim by Lessee, if it is in contravention of any term or provision of any insurance policy which would otherwise provide reimbursement to Lessee, so as to render such coverage void. However, Lessee shall make reasonable efforts to obtain a policy or policies of insurance permitting such a waiver of subrogation, or expressly waiving subrogation.

15 INDEMNITY.

15.1 Lessee shall indemnify Lessor or any of the agents or employees of Lessor against claims arising out of any injury to persons, including death or damage to property, sustained as a result of the acts of Lessee. Lessee shall defend any action brought against Lessor or any of the agents or employees of Lessor based on any alleged injury or damage caused by Lessee, and Lessee shall pay all costs, including attorney fees, resulting from the action. Lessee shall not indemnify Lessor against any claims involving

the sole negligence or fault of Lessor or any of the agents or employees of Lessor.

15.2 When using the Leased Premises, Lessee shall comply with all applicable federal, state, municipal, and local laws and regulations. Lessee shall indemnify Lessor against any liability that may be imposed by governmental authorities for any violation by Lessee or the agents or employees of Lessee of any laws or regulations.

16 SIGNS.

Lessee is shall provide and install a 14" X 14" vinyl decal with lessee's logo on the window of the door at the main entrance to the leased premises. No other signs shall be placed on the Leased Premises without the prior written approval of Lessor.

17 DEFAULT OF LESSEE.

The following occurrences shall be deemed events of default of Lessee:

17.1 Failure to make any payment of rent due pursuant to this Lease within thirty (30) days after the date payment is due, or failure to pay any other service charge or assessment within thirty (30) days after Lessor bills Lessee therefore;

17.2 Failure to proceed with due diligence to remedy any other breach of a condition of this Lease and to fully indemnify Lessor against all liability resulting from the breach within thirty (30) days after Lessor gives notice of the breach to the Lessee; and

17.3 Failure to occupy or abandonment of the Leased Premises.

17.4 On the occurrence of any default described in this section, Lessor may, at its option, in addition to any other remedy given by law, give notice to Lessee that this Lease shall terminate on the date specified in the notice, which date shall not be earlier than thirty (30) days after the giving of the notice.

18 BANKRUPTCY OR INSOLVENCY OF LESSEE.

The occurrence of any of the following shall be deemed a default of Lessee:

18.1 A petition in bankruptcy filed by or against Lessee;

18.2 A petition or answer filed by or against Lessee seeking a reorganization, liquidation, dissolution or other relief of the same or different kind under any provision of the bankruptcy laws;

18.3 Adjudication of Lessee as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense;

18.3 An assignment of all or substantially all of the assets of Lessee for the benefit of creditors;

18.4 A proceeding by or against Lessee for the appointment of a trustee, receiver, conservator, or liquidator of Lessee with respect to all or substantially all of the assets of Lessee;

18.5 A proceeding by or against Lessee for the dissolution or liquidation of Lessee, or the taking of possession of the assets of Lessee by any governmental authority

in connection with any dissolution or liquidation; or

18.6 The taking by any person of the leasehold created by this Lease, or any part of the leasehold, on execution, attachment, or other process of law or equity against Lessee.

18.7 On the occurrence of any default described in this section, Lessor shall give Lessee notice of the default. If the default is not corrected or reasonable attempts to cure the default within ten (10) days after date of the notice, Lessor may, in addition to any other remedy or right given under this Lease or by law, give notice to Lessee that this Lease shall terminate on the date specified in the notice, which date shall not be earlier than thirty (30) days after the giving of the notice.

19 RIGHT OF LESSOR TO REENTER LEASED PREMISES ON DEFAULT OF LESSEE.

On termination of this Lease as provided in Section 17 and 18, Lessor may immediately enter on the Leased Premises without further demand or notice. Lessor may retake possession of the Leased Premises by summary proceedings, by action in law or in equity, by force or otherwise, without liability for trespass or for damages. Reentry, resumption of possession, or reletting of the Leased Premises by Lessor shall in no event be deemed to be a surrender of this Lease or a waiver of the rights and remedies of Lessor under this Lease.

20 DISPOSITION OF PERSONAL PROPERTY LOCATED ON LEASED PREMISES.

20.1 On retaking possession of the Leased Premises, Lessor shall at the expense of Lessee hold in storage for Lessee any personal property that is located on the Leased Premises, regardless of whether the personal property belongs to Lessee or any other person. Lessor may deliver the goods to Lessee or a consignee or any person or concern owning any interest in the property.

20.2 After the expiration of ten (10) days after retaking possession, should any personal property located on the Leased Premises not be claimed by Lessee or its true owner, such property shall be considered abandoned; and Lessee shall bear full responsibility for the disposition of such property by Lessor and shall indemnify and hold Lessor harmless from any and all claims, suits, and demands of true owners of such property disposed of by Lessor, whether such claims, suits, or demands be legitimate or otherwise.

21 EXPENSES TO BE PAID BY LESSEE ON TERMINATION OF LEASE DUE TO DEFAULT OF LESSEE.

21.1 On termination of this Lease for default, as provided in Section 17 or 18, Lessee shall pay to Lessor the expenses, including but not limited to reasonable attorney and other fees, incurred by Lessor in connection with:

- (a) Obtaining possession of the Leased Premises;
- (b) Removal and storage of the property of Lessee and other occupants; and
- (c) Maintenance and repair of the Leased Premises while vacant.

21.2 The expenses shall be deemed prima facie to be the amounts invoiced to Lessor.

21.3 Lessor may sue for the payments as they accrue without waiting for the payment date fixed in this Lease. Any proceeding to recover such payments shall not be deemed a waiver of any other rights of Lessor under law, equity or this Lease.

22 RELETTING PREMISES ON DEFAULT OF LESSEE.

22.1 On termination of this Lease under Section 18 or 19, Lessor shall use reasonable efforts to relet the Leased Premises to a suitable Lessee. All the rents or other sums received, if any, from the alternate Lessee, after deducting all costs of Lessor specified in Section 20, shall be credited against the total amount due from Lessee. The failure of Lessor to find a suitable Lessee, however, shall in no way prejudice the rights of Lessor under this Lease.

22.2 If Lessee has prepaid amounts due under this Lease that are subsequently obtained by Lessor from a new Lessee, Lessor shall refund to Lessee the net amount of the overpaid rents or other sums.

23 INSPECTION.

Lessor and the agents and employees of Lessor may at all reasonable times enter the Leased Premises to inspect and determine whether the Leased Premises are kept in good repair and maintenance in accordance with the terms of the Lease, and to show the Leased Premises to prospective Lessees or buyers.

24 ASSIGNMENT AND SUBLETTING.

Lessee shall not assign or sublet any rights or interests under this Lease without the prior written consent of Lessor. Lessor shall not unreasonably delay consent and shall give consent under circumstances where withholding it shall be unreasonable. In determining whether to consent to assignment Lessor may consider the financial ability and business experience of assignee.

25 QUIET ENJOYMENT.

Lessor agrees that Lessee, on paying the rent and other charges in this Lease provided and on observing and keeping all the provisions of this Lease, shall quietly occupy the Leased Premises during the term of this Lease and any renewal hereof without hindrance.

26 COVENANT AGAINST WASTE.

Lessee shall not commit or suffer to be committed any waste on the Leased Premises.

27 FORCE MAJEURE.

27.1 For purposes of this Lease, the term "force majeure" is defined as any act of God, act of a public enemy, strike, fire, storm, flood, civil disturbance, failure or delay of persons from whom the parties to this Lease obtained machinery, equipment, or supplies to make delivery, or other causes beyond the control of either party, regardless of whether the other causes be of the class here specifically set out.

27.2 Neither party shall be responsible for any failure of performance of any of its obligations under this agreement, where the failure is due to force majeure.

28 EFFECT OF WAIVER OF PRIOR BREACH.

No waiver by Lessor of any covenant or condition of this Lease shall be construed as a waiver of any other covenant or condition, nor shall the waiver of any breach of this Lease be construed as waiver of any other or subsequent breach.

29 SEVERABILITY.

Should any provision of this Lease be declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining provisions of this Lease shall not be affected thereby.

30 TIME OF ESSENCE.

Punctual performance by the parties to this Lease of the covenants contained in this Lease is of the essence of this Lease.

31 SECTION TITLES ONLY FOR IDENTIFICATION.

The titles to all sections used in this Lease are for purposes of identification only and shall not vary the context of the sections.

32 MODIFICATION OF LEASE.

No modification of this Lease shall be effective unless agreed to in writing by the parties to this Lease. No modification of one provision of this Lease shall be considered a waiver, breach, or cancellation of any other provision of this Lease.

33 HOLDOVER.

If Lessee remains on the Leased Premises after the expiration of the term of this Lease without exercising the option to renew the Lease, the holding over shall be deemed to create a month-to-month tenancy under the same terms and conditions of this Lease but shall not be construed as a renewal of this Lease.

34 NOTICES.

34.1 Whenever it is required or permitted that notice be given by either party to this Lease to the other party, the notice must be in writing and must be given personally or forwarded by certified mail addressed as follows:

TO Lessor: Port of Newport
600 SE Bay Blvd.
Newport, OR 97365

TO Lessee: TCB Security Services, Inc.

34.2 Unless otherwise specified in this Lease, all notices required to be given under this Lease shall be effective on the date of receipt.

34.3 The addresses to which notices are to be sent may be changed from time to time by notice given according to the terms of this section.

35 ATTORNEYS' FEES.

In addition to the fees provided in Section 21 due to default, should either party hereto institute or be made a party to any action or proceeding in court to enforce any provision hereof or for damages or other relief by reason of an alleged breach of any provision hereof, the prevailing party shall be entitled to receive from the losing party, in addition to allowable court costs, such amounts as the court may adjudge to be reasonable as attorneys' fees, including any appeal thereof, and such amount may be made a part of the judgment against the losing party.

IN WITNESS WHEREOF, the parties have executed this instrument in duplicate to be effective as of the day and year above set forth, and any corporate signature is af-fixed hereto only pursuant to the board of directors or other governing body thereof.

Lessor:

PORT OF NEWPORT

Paula Miranda, General Manager

Lessee:

TCB Security Services, Inc.

By:

Exhibit A

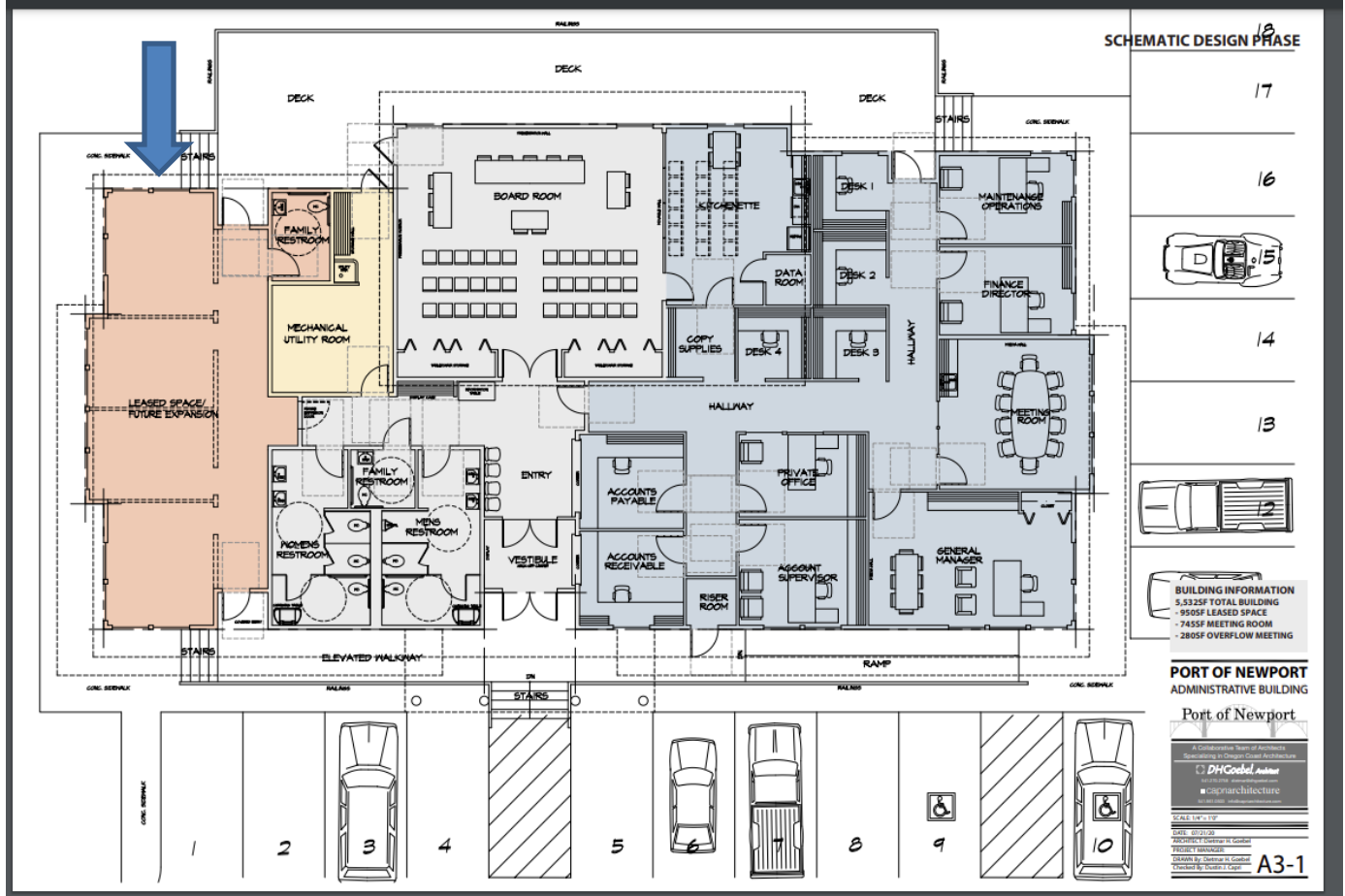


Exhibit B

PERSONAL GUARANTY

To induce Port of Newport, a port district and municipal corporation, to enter into the foregoing Lease, the undersigned, in consideration thereof, guarantees the performance of this Lease by TCB Security Services, Inc. with regard to each and every term, condition and provision thereof, and agrees to indemnify and hold Lessor, Lessor's successors and assigns harmless from and against any and all liability, expense or loss of any nature whatsoever including reasonable attorney fees as therein mentioned which might be sustained by Lessor by reason of the failure of Lessee to fully perform and comply with the terms and obligations of said Lease. The attorney fees provisions of said Lease apply to this Guaranty as if incorporated within said Lease.

All notices required under this Lease from Lessor to Lessee shall also be provided simultaneously therewith to the undersigned. However, Lessor shall not be required to exhaust all remedies as and against Lessee prior to pursuing the undersigned under this Guaranty, and in the event of default Lessor, at Lessor's option, may directly and forthwith pursue the undersigned guarantor.

This Guaranty shall have no term or duration independent of the Lease as hereinabove set forth, and specifically is intended to cover any and all performance of the Lessee throughout the duration of the leasehold and thereafter as the circumstances may require.

This Guaranty is irrevocable.

EXECUTIVE DIRECTOR MONTHLY REPORT

DATE: 12/19/23
PERIOD: 11/17/23 – 12/15/23
TO: Board of Commissioners
ISSUED BY: Paula J. Miranda, Executive Director

OVERVIEW

I took some PTO this month besides the Thanksgiving holiday, making my month a bit short. However, work continued at the Port. Crab season is getting ready to start. That should keep our operation folks very busy.

Here are some of the highlights for the month:

South Beach

RV Park Annex Plan: We have included a report from consultant, which discuss the evaluation of the two different sites.

RV Park: We started implementing the new plan and so far, things are going smoothly. November is a slow month for the park, and this will give us some time to catch up.

Rogue Seawall: We are expecting the 100% design by the end of the day today, which will allow to go out for bid. We are still hoping to complete construction before the end of the in-water work. Although it will be a push, which may require a variance from the US Army Corps.

Derelict Vessels: We are still waiting to hear from DSL as for the removal of the various derelict vessels we are still holding. A boat is still underwater, but we are taking precaution to make sure there is are no leaks.

North Commercial

Port Dock 7 Plan/ Commercial Marina Channel Dredging Sediment Plan: The sediment sampling has been submitted and we are hoping to wrap this by January, so we can complete as much of the plan we can. ConnectOregon grant (State) and RAISE (federal) will be due at the end of February. We are very hopeful to have enough information to submit applications for both grants in order to complete the Port Dock 7 Replacement.

Newport International Terminal

RORO Dock Piling Assessment: Permit should be completed before we would have a word on the funds from the federal government. If the government is funded, we may have a chance of seeing the funds we requested. If the rest of the fiscal year continues to be funded through continues resolution (CR), unfortunately, we will need to start the process again. Hopefully, we will find out soon.

MARAD Grant: Coordination meetings have been underway. Next, we will be meeting with the environmental coordinator to start the NEPA process, which is required in all federal grants. That can take up to 6 months.

Business Oregon Gran Loan for NIT Crane: The Port has moved forward with the purchase of the crane through Operations funding, which will be reimburse through the Business Oregon loan. As you can see on the agenda, we will be selling the old crane. Funds will be used to leverage some of the projects we have underway.

Miscellaneous:

Lease with TCB: As seen on the agenda, we have been able to negotiate a lease with our security folks to utilize our leasable offices at our Administration Building. I think this will be a good match for the Port.

Pier Inspections: ODOT through an agreement with the Port has agreed to inspect both the NOAA Pier and the new Port Dock 5 Pier. Inspections were just completed and nothing major has been noted.

Finances: Things are looking good, but we keep watching our cash flow with the Rogue Seawall project coming up. The NIT equipment may take a little longer to be spent.

Employee Handbook: Employee Handbook is being updated. You will see a copy by next month. A month will be given for your review with the changes.

Fiscal Manual: A fiscal manual is also underway.

Audit and Budget processes: We also started on a full audit and the budget process, so these should keep our finance department quite busy.

Meetings/Trainings/Summits:

- 11/20/23 - Operations Recurring Meeting
- 11/20/23 - Finance Recurring Meeting
- 11/21/23 - Director's Monthly Meeting
- 11/21/23 - Commission Meeting
- 11/23-24/23 - Thanksgiving holiday
- 11/27-12/08 - PTO
- 12/11/23 - Operations Recurring Meeting
- 12/11/23 - Finance Recurring Meeting
- 12/11/23 - Appropriations 101 - Business Oregon
- 12/12/23 - Department Heads
- 12/12/23 - Met with the Maritime Museum
- 12/12/23 - Met with Cheri Brubaker - Rep. Val Hoyle's staff
- 12/13/23 - Met with James Sulikowski of OSU COMES
- 12/14/23 - Oregon Public Ports Association Meeting

- 12/14/23 - Maritime Minds - Business Oregon - Topic: West Coast Seafood Processors Association.
- 12/15/23 - PNWA Dues Committee
- 12/15/23 - SDAO Board Meeting - Bylaws Committee

Upcoming Schedule:

- 12/18/23 - Operations Recurring Meeting
- 12/18/23 - Finance Recurring Meeting
- 12/18/23 - Capital Facilities - Business Oregon
- 12/19/23 - Directors Meeting
- 12/19/23 - Commission Meeting
- 12/19/23 - Federal Coordination Committee - Business Oregon
- 12/20/23 - Lincoln County Estuarine Resilience Action Planning (ERAP) Committee
- 12/25/23 - Christmas Holiday
- 12/29/23 - Communications Meeting
- 01/01/24 - New Years Holiday
- 01/03/23 - MARAD - PIDP - NEPA Discussion
- 01/08/24 - Operations Recurring Meeting
- 01/08/24 - Finance Recurring Meeting
- 01/09/24 - USACE Regulatory Open House (Portland)
- 01/10/24 - Department Heads
- 01/11/24 - South Beach Crew Meeting
- 01/12/24 - Communications Meeting
- 01/15/24 - Operations Meeting
- 01/15/24 - Finance Meeting
- 01/16/24 - Directors Meeting
- 01/17/24 - Lincoln County Estuarine Resilience Action Planning (ERAP) Committee
- 01/19/24 - Business Oregon - Federal Coordination Committee
- 01/22-23/24 - PTO
- 01/24-26/24 - Association of Pacific Ports (APP) Conference
- 01/29/24 - Operations Recurring Meeting
- 01/29/24 - Finance Recurring Meeting
- 01/30/24 - Commission Meeting



FINANCE DEPARTMENT MONTHLY REPORT

DATE: December 19, 2023
PERIOD: July 1 to November 30, 2023
TO: Paula Miranda, General Manager
ISSUED BY: Mark Brown, Director of Finance and Business Services

Financial Reports are included through October 31, 2023 for all funds.

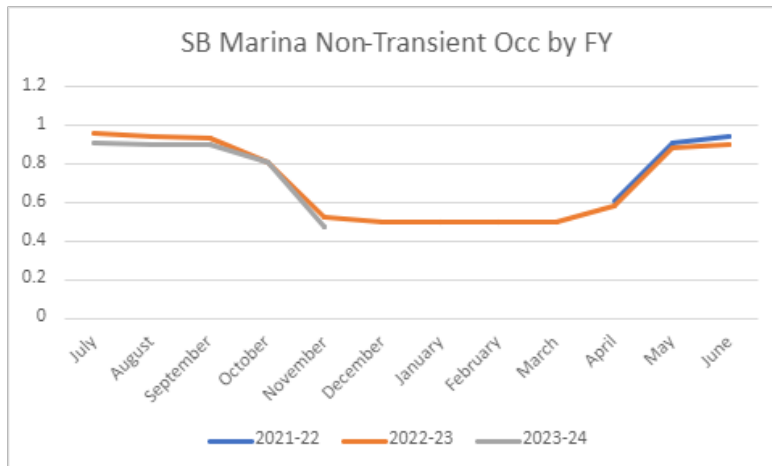
Issues of Importance

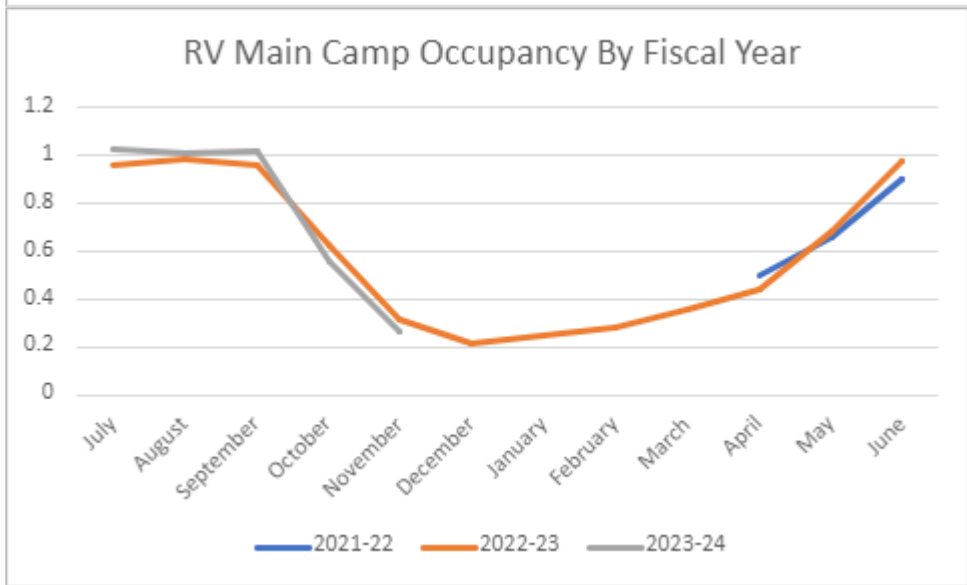
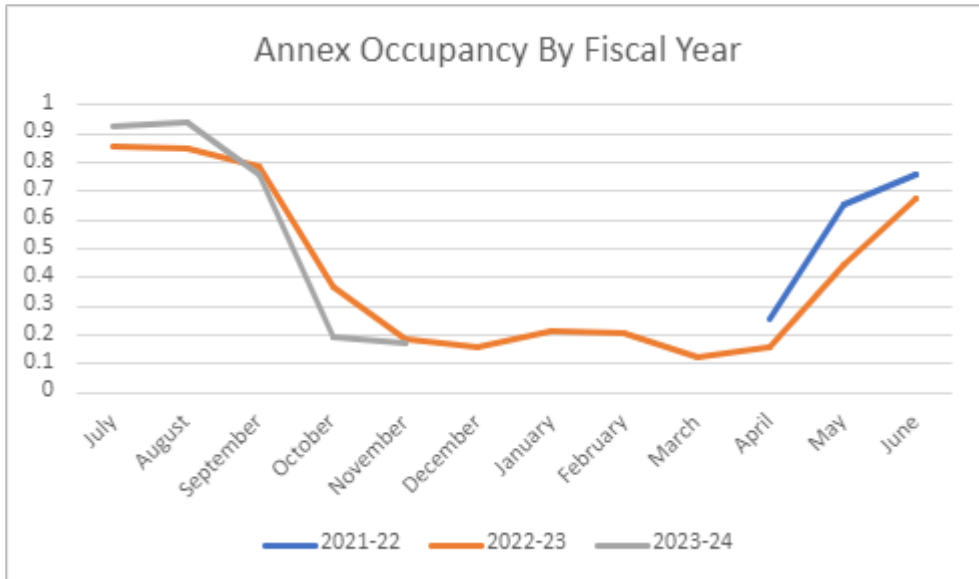
Audit

- Work on the 2022-2023 audit has begun, staff are putting together information as requested by the Auditors.

RV Park and Marina

- In November 2023 Occupancies were as follows:
Main RV Park 26.37%
Annex 17.01%
Dry Camp 1.48%
Non-transient 47.96%





Employee Handbook

- A first draft of the employee handbook is now complete, we are completing a review of the manual and hope to present the manual in the January commission meeting.

Fiscal Manual

Most of the work on the fiscal manual is complete, staff now are starting to review the handbook, sections will be added or removed as appropriate to get the handbook to its final state.

Cash Flow

- A 5-year cashflow has been developed, using previous years data. The cashflow includes all projects for the Port and estimated year of completion.
- Based on the analysis the Port will need to defer some of its projects to future years.

Balance Sheet Equity Section

- Equity section of the balance sheet shows critical fund information required by GASB

(Governmental Accounting Standards Board) 54:

Restricted

- Funds that the Donor or Grantor gave the Port with restrictions. The 1.14 million is grant money from the State of Oregon that can only be used for the Rogue Seawall.

Committed –

- Funds that the “Governing Body” restricted, in our case the Port Commission. Port Staff cannot use these funds without authorization of the Port Commission.

Assigned

- If someone below the Port Commission (Executive Director, Director of Finance) they are setting aside funds for a future project, those funds become assigned. The Port can use these funds without further authorization. The \$667,00 are Grant Match funds, we have specific details of each assignment in the Chart of Accounts.

- **Unassigned**

Funds that do not fit into the other three categories, they can be used as needed. This includes cash and other equity the Port has.

Profit and Loss -

The financial reports through October 31, 2023, are attached for your review and are included in the commission packet.

The month-to-month budget is based on a straight line forecast of revenues and expenditures. Revenue is recognized differently in the Commercial Marina from previous years. Revenue is spread across the term of the Moorage License agreement instead of immediately recognized. This means lower revenues during the transition period.

**General Operating Fund
Balance Sheet**

As of November 30, 2023 the Port General Fund has a cash balance of \$2,168,598, \$1,140,000 is restricted and can be used only for the Rogue Seawall (State of Oregon Grant), leaving an available cash balance of \$1,028,598*.

*

Based on the current cash situation, I have requested that no new projects be started, we need to complete the existing projects, and only move forward on projects that are funded fully or partially by grant/loan funds.

General Operating Funds (GOF) FY 2023-24– Budget Vs Actual:

All Departments

- **Operating Revenue** is favorable by \$363,369
- **Operating expenses** are favorable by \$526,499
- **Operating Income** is favorable by \$889,868
- **Non-Operating Revenue** is favorable by \$288,403
- **Non-Operating Expenses** are unfavorable by \$26,000
- **Non-Operating Income** is favorable by \$314,403
- **Net income** is favorable by \$1,204,271

The unfavorable non-operating expense is caused by a fund transfer, this will balance out next month.

Unallocated (000)

- This department is for all Debt Service and Fund transfers that occur within the GOF and is required by the Department of Revenue.
- Operating Income is favorable by \$ 44,306
- Non-Operating revenue is unfavorable by \$133,155
- Non-Operating Expense is favorable by \$36,774
- Net Income (loss) is favorable by \$214,236

*The non-operating revenue is the amount paid out for the Port Dock 3/5 electrical upgrade project. This is a transfer in from the Facilities Maintenance Fund.

Administration (100)

• Operating Revenue is favorable by	\$ 113,243
• Operating Expenses are favorable by	\$ 171,767
• Operating Income is favorable by	\$ 285,010
• Non-Operating Revenue is favorable by	\$ 123,002
• Non-Operating Expenses are Neutral	
• Non-Operating Income is favorable by	\$ 123,002
• Net income is favorable by	\$ 408,012

Commercial Marina

• Operating Revenue is favorable by	\$ 112,740
• Operating expenses are unfavorable by	\$ 17,266
• Operating Income is favorable by	\$ 95,474
• Non-Operating Revenue is Neutral	\$
• Non-Operating Expenses are favorable by *	\$ 77,887
• Non-Operating Income is favorable	\$ 77,887
• Net Income is favorable by	\$ 173,361

“*” the budget for non-operating income will be reallocated to future months, this will go to neutral next month.

International Terminal

• Operating Revenue is favorable by	\$ 33,245
• Operating expenses are unfavorable by	\$ 81,463
• Operating Income is favorable by	\$ 48,218
• Non-Operating Revenue is Neutral	\$
• Non-Operating Expense is favorable	\$ 18,655
• Non-Operating Income is Neutral	\$
• Non-Operating Expense is Unfavorable	
• Overall, Net income is favorable by	\$ 66,873

South Beach

• Operating Revenue is favorable by	\$ 165,954
• Operating expenses are favorable by	\$ 340,701
• Operating Income is favorable by	\$ 506,654
• Non-Operating Revenue is Neutral	\$
• Non-Operating Expense is favorable	\$ 11,260
• Overall, Net income is favorable by	\$ 495,394

**NOAA Lease Revenue Fund
Balance Sheet**

As of October 31, the NOAA Lease revenue Fund had a cash balance of \$2,286,050 with an available balance of \$524,329; the remaining \$1,761,721 is reserved for the annual maximum debt service payment on bonds, as required in the bond contract. The cash balance is down due to dredging activities.

**Income Statement
Budget vs. Actuals**

- **Operating Revenue** is favorable by \$ 4,144
- **Operating expenses** are favorable by \$ 741,989
- **Operating Income** is favorable by \$ 746,132
- **Non-Operating Revenue** is unfavorable* by \$ 723,276
- **Non-Operating Expenses** are unfavorable** by \$ 323,295
- **Non-Operating Income** is unfavorable by \$ 1,046,006
- **Net income** is unfavorable by \$ 299,874

The Non-operating revenue will be reallocated to the end of the year, we were potentially going to receive a grant to assist with the dredging but that did not occur.

** Dredging was inappropriately coded to a capital expenditure; this will be moved to an expense bringing this back to favorable.

NOAA Capital Reserve Fund

- Cash available \$1,958,786
- The income statement is being corrected to allocate Personnel and Materials and Services to NOAA.

**Bonded Debt Fund:
Balance Sheet**

- Cash available \$844,976

Construction Fund:

- Cash available \$13,191

Facility Maintenance Fund:

- Cash available \$452,029

###



DIRECTOR OF OPERATIONS REPORT

DATE: 12/12/2023
PERIOD: November-December 2023
TO: Paula J. Miranda, General Manager
ISSUED BY: Aaron Bretz

OVERVIEW DIROPS

Summary:

Everyone has had a busy month. Crab season is getting ready to kick off, and the South Beach and Commercial Crews have been rotating through both locations to gain familiarization with both sides of the facility. I have been working on a number of other issues and have several items for approval in the meeting packet. The new crane has arrived at the Terminal and we're working to get training accomplished on the new equipment.

Detail:

- **Army Corps CAP Section 107 Project (Commercial Marina Channel Dredging) and Port Dock 7 Planning**

The Sediment Analysis Plan has been submitted to the Portland Sediment Evaluation Team (Army Corps, Portland District) for approval. We are now holding meetings with them to ensure that our plan goes through.

In other Port Dock 7 planning news, we had a meeting with the Section 408 team from the Army Corps of Engineers, Portland District to discuss the plan for the replacement of the Fishing Pier. This team mainly deals with the South Beach Breakwater, and the proposed changes to that structure. We're moving along and gaining better awareness of the level of engineering that will be required for attaining the permits.

- **RORO Dock Piling Assessment**

The public comment period is now closed on the permits, and there was nothing significant to report, so our permits should continue moving through the process. The funding picture from the federal government, however is not yet very clear.

- **Dredging**

Completed the post-project report on NOAA dredging and submitted to the Army Corps of Engineers and Oregon Department of State Lands.

After the approval of the amended Sand and Gravel License that's in the meeting packet (to include disposal of dredged material from the SB Marina on the SB disposal site), I expect that our permits for the SB Marina Dredging project will finally come through shortly thereafter. That proprietary piece was the final thing to be completed, and DLCD has withheld their approval pending completion of this task.

Once it's done, we should have everything we need for permits to dredge the berths in the north end of the SB Marina. We are on track to dredge next winter.

- **RV Park Annex Redesign**
See meeting packet.
- **Rogue Seawall**
I expect to have the final specs in hand prior to the Port Commission Meeting, and will have the project out for bid shortly thereafter.
- **MARAD PIDP Grant:** We attended several training sessions and meetings with MARAD to prepare us for compliance with the grant process for the PIDP grant we received. It appears that it will take us about six months to get the project certified to receive funds, but we have several more meetings upcoming with their staff to be sure.
- **Abandoned and Derelict Vessels**
We still have one sunk in the SB Marina; the Coast Guard has removed contaminants from the vessel. We're chasing funding and trying to find the cheapest way to have the vessel removed. We've attempted once already, but the job was beyond the capabilities of the diver.
- **Pier Inspections:**
ODOT completed the annual inspections on both the NOAA Pier and the Port Dock 5 Pier. Both structures look to be in good condition, but we do have some minor discrepancies we will add to the project list in the next couple years. We have a few very small cracks and some minor spalling on the NOAA Pier as well as some paint failure on the under side. The inspectors noted some minor corrosion on the piling caps on the PD5 Pier, which we expected to see, and as projected we will need to repaint the piling caps and the steel crossmembers under that pier in the next couple years.

Newport International Terminal- Don Moon, Supervisor

Billable Services Performed this Period (june)

- ☒ Forklift –104 hrs
- ☒ Moorage – 145 Days
- ☒ 30 Ton Hydraulic Crane -50.25 hrs
- ☒ Hoist Dock Tie Up –57.75 hrs
- ☒ Labor – 153.75 hrs
- ☒ 120V power – 0 hrs
- ☒ Other Overtime Billed 2 hrs
- ☒ 208V power – 145 Days

Commercial Marina / South Beach Marina Harbormaster- Kody Robinson

Billable Services Performed this Period:

- ☒ We had 466 launches @ \$4195 between 11/1/2023-12/1/2023

Recreational Marina: The Crew has accomplished multiple projects while I was out of the office. All fish table lighting has been completed at the 3 locations. New Gate has been installed at the cherry plant for the new entrance. There is only 2 docks left to be fitted with the new LED lighting. The first of the 2 fillet tables is completed. Waiting for a good window for installation of the one. It will be completed before the new season begins. We had new strainer baskets made due to some of them being stolen/removed from the tables. The crew has done an excellent job on keeping the shop clean and extremely organized. Sewer lift station is operational but not where it should be. We will need to have the new system installed hopefully before peak season.

Commercial Marina: The crew has been busy dealing with the derelict vessels in the marina, dewatering them and continuing to check for any issues. The storage lot is starting to look like it should as far as organization goes. Crew is gearing up for the dump week and getting all our equipment dialed in. All cranes and hoist are recertified and ready to go for the season. Crane two has all new hydraulic hoses and manifold. Crane 1 was serviced as well. All forklifts have been serviced and ready to go as well. Crew had to do some extensive torch, and welding work on the compactor to make sure it stays in operation. We still need to look at new ones for both sides in our very near future. We should have the new oil strainer system done within the next month.

Staffing: We have all our full time positions fill on both sides currently. We are still going to require seasonals for crab season to help with night work, and to help keep overtime down. I plan on putting more/new employees in the coming budget years.

NOAA MOC-P Jim Durkee, Maintenance Supervisor
Special Projects:

Vessels Using the Facility Since My Last Report – NOAA vessel Hi’ialikai. R/V Elakha.

Replaced broken shower head bar in men’s room.

Grass seed was sprayed on dredge spoil site.

Replaced man gate exit control.

Andrew dug out parking lot area drains into swales and rebuilt them with new rock.

Working with painting contractor and NOAA staff on security clearances.