

October 4, 2023
12:00 P.M.
Newport, OR

PORT OF NEWPORT COMMISSION WORK SESSION MINUTES

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

The Port of Newport Commission met on the above date and time at the Administration Building, 600 SE Bay Blvd., and virtually via Microsoft Teams. In attendance were Commissioners Retherford, Ruddiman, Chuck, Lackey, and Sylvia. Also in attendance were Executive Director Paula Miranda, Director of Business and Finance Services Mark Brown, Operations Director Aaron Bretz, Administrative Assistant Gloria Tucker, Harbormaster Kody Robinson, and Accountant I Susan Taylor.

DISCUSSION REGARDING RV PARK PLAN POLICIES

Miranda noted an email the Commission received from James Taneri on the subject of RV Park stays. Sylvia stated Taneri's key objective for the RV Park is for the park to provide financial support for local business. He noted that is not the only concern for the Commission, but he found it a valid point. Miranda stated that is true in part from the staff point of view. She explained long-term users often make a big purchase where they are from before they come to the coast. She noted the short-termers are tourists, and they go to restaurants and shop locally. She indicated if a stay is under one month, they have to pay the hotel tax, and over a month they don't. She added that's one less thing that helps the city.

Sylvia stated that's one goal, but the Port has to make sure revenues meet its financial needs. He noted Taneri grouped the types of people who use the Park, those who around most of the time vs those who aren't in the space and use it as storage. Miranda noted another point in the proposed policies is to make it a requirement for people to use spaces 70 percent of their stay. She explained it is fine to explore the area for a day or two, but the Port doesn't want people to use the RV Park as a resort and park here but only come here on the weekends. She indicated that hurts the whole business community. She added basically, if someone wants to use the RV Park, they have to be here seven out of ten days.

Brown overviewed the definitions included in the packet. He reported an option not included in the packet is to charge long-term stays the daily rate, and not provide a discount. Miranda noted that does not address the need for more short-term stays and the city's hotel tax. She added it would help the Port to reduce the discount during the peak season. Sylvia asked if the simple goal was to optimize returns back to the Port, what would be the policy. Brown replied that would be no discount at all and would result in \$1 million in revenues. Miranda noted the Port needs to be careful in the off season, because demand is not as high. Brown noted even in the plan provided, the Port will need to monitor how many guests it is losing. He explained going through the reservation system, the number of people that logged in and didn't create a reservation in the last three months was hundreds. He stated they could not find a spot. He added he left the off season alone in the proposed policy.

Retherford stated she knows there needs to be an overhaul. She noted charges need to cover not just employees, but utilities and maintenance. She asked if money is being put away to upgrade the place, and if deep discounts mean the Port is not covering basic costs. Brown replied the Port would not survive without the RV Park because that is the cash generating entity. He stated the

revenues cover all the maintenance. Miranda noted the Port is not putting money aside for replacement. She explained the RV Park is a huge offset for other Port expenses including the marina and pavement in South Beach. She added money was not set aside for upgrades to the Annex, and that's no different for the RV Park.

Sylvia stated, hopefully, when the Port redoes the Strategic Plan, the Commission will have this discussion again. He noted he thinks this touches on the fundamentals of financial policies and how that supports fixed costs and infrastructure costs relative to operational costs. He indicated the Commission is in a difficult place because they don't have the revenue stream to pay for fixed and infrastructure costs. He added a lot of Ports are in that position.

Sylvia asked what does the Port lose or gain financially from this policy. Miranda replied staff had to balance that a lot of long-term folks are moorage holders, and they spend most of their time in the Park in the summer. She stated the Port doesn't want to shoot itself in the foot because moorage holders can go somewhere else with their boat. She explained the policy still gives them a discount, but not as heavy a discount as before. She indicated the policy slowly removes long-term stays for non-moorage holders. She emphasized the RV Park is not a mobile park, and the Port's mission is to support tourism, not housing. Retherford noted she stays in Cottage Grove two weeks at a time, and she hits up Costco prior to going. She added people don't go unprepared to the coast because options for buying are limited. She suggested staff overview each year in the proposed policy.

Brown reported the Port does not want to make such a drastic change in year one that no one comes back. He stated staff want to give them an opportunity to plan for future years. He noted in year one, if someone has a slip and RV space, they receive a maximum discount of 40 percent, and can stay up to six months. He explained this reduces the discount from 51 to 40 percent. He indicated those without a marina slip, have only a 35 percent discount and can stay for three months maximum. He added people can leave for a week and then stay another three months.

Brown reported the facility code allows marina slips to be reserved six months in advance, but it is silent on RV spaces. He stated staff applied the same policy to both. He noted the other requirement in year one is to require people to be in the park 70 percent of the time, seven out of ten days in a one-month period.

Sylvia asked how that is enforced. Miranda replied if someone made a reservation and is not there after three days, staff would notify them that they are cancelling their reservation, and then return a portion of the fee (if it falls within the return policy). Brown noted in many state parks, people have to arrive within two days of their reservation, and if they don't arrive, they lose their spot and they don't get a refund. Miranda stated staff will bring back the enforcement details and make it part of the Facilities Code. Bretz stated it is hard to catch people who are skirting the edge of it, but at least this policy gives staff a mechanism for cancelling reservations of egregious violations. Miranda added staff constantly get calls and emails from people who are trying to do a short stay and they are frustrated because they come to the RV Park and see open spaces.

Sylvia asked how many people aren't staying the whole time. Brown replied staff haven't had a reason to keep track since it's not a current regulation. Lackey asked if the complaints are more about empty spaces or empty RVs. Bretz replied it is more about spaces, but staff get complaints about both. Ruddiman asked are all the spaces over there reservable, or are there any first come, first serve. Brown replied they are reservable. Miranda replied the Port could offer some first come, first serve, but that is too difficult now during peak season.

Brown stated part of this policy is no lottery system. He explained as people leave; they make a reservation for the next year for up to 50 percent of the park. Retherford suggested requiring

if people make a reservation and do not come here in three days, then that reservation is gone. Brown added there are no changes to the off season in any of the policy years.

Brown reported in year two, for those with an RV space and marina slip, they can still stay six months. He stated instead of 40 percent, it's a 35 percent discount. He explained for those with just an RV space, it's a 30 percent discount and only three month stays. He indicated they still must spend 70 percent of the time in the Park. He added the amount of long-term stays in the Park will be reduced from 50 percent to 40 percent, meaning an increase for the short-term stays.

Rutherford stated 5 percent doesn't seem much of a discount change. Miranda replied staff are trying to be considerate and don't want to put too much on people. Brown replied the Port doesn't want to give undue hardship. He added a small change at the marina is a big increase in price.

Brown reported in year three, there is a 30 percent discount for those who have RV and moorage. He stated the discount for non-moorage holders is eliminated. He noted the number of available spaces for long-term stays is reduced to 35 percent. He explained the moorage holders occupy 30-35 percent of the Park. Sylvia asked what the percentage of users is who have RV and moorage. Brown replied it is around 50 percent. Miranda added those users are not all long-term stays. Brown overviewed the question and answers section included in the packet.

Lackey asked does Brown anticipate staff time to go up with more short-term stays. Brown replied people who stay long-term do take less staff time, but short-term stays that are made online require even less staff time. Miranda replied there may be a little more work, but sometimes the folks who stay longer can take a lot of time too. Brown noted the RV Park has three fulltime staff members, plus the supervisor. He added it may not be easy to change, but it can be planned for. Miranda noted for the Annex, it is a good idea to have a plan in place before the new site comes. Bretz noted a reduction in occupancy is a benefit. He explained the Park is functionally full at 85 percent, and when occupancy is above that, staff can't keep up on maintenance or turnover. Brown added during peak season, the occupancy has been 100 percent in the RV Park.

Sylvia asked if this plan balances the needs of revenue for the Port's fixed costs and the economic needs of the community. He asked does it contribute to net dollars in tourism and does it cover the cost of staff. He noted as a Commissioner, he would be very concerned if the Port was trading off \$300-\$400,000 of revenue to meet economic development needs of the community. He asked is the Port giving up significant revenue to have this plan. Brown replied the opposite is true, and the Port will gain revenue by implementing this plan. Sylvia asked is the plan optimal. Brown replied if there were no discounts, the Port would lose a significant population of customers and revenues would be worse. Miranda stated the Port does need to have analysis throughout the Port on all its costs and potential costs. Discussion ensued on the need for a long-term analysis on the financials of the Port. Miranda added the RV Park is a critical revenue generator for the Port, and staff never want to do anything to a point where it loses the customer base.

Rutherford stated there are not a whole lot of costal RV Parks to choose from in Oregon. She noted there is an advantage to having a RV park on the middle of the Oregon coast. She indicated it's going take gas to go other places, and the same fishing is not available everywhere. She added there is an advantage to this RV Park, and the Port needs to think forward about future customers. Sylvia summarized this is a unique Port with unique attributes and characteristics that make it valuable. He noted pricing and stay policies need to take advantage of that. Discussion ensued on the importance on keeping up on the costs to infrastructure improvements. Sylvia requested in the future, staff provide policy alternatives.


Retherford asked if anything would change in the off season after three years. Miranda replied the off season discount is a marketing tool. She stated the Port is trying to recruit people to come here in the winter months. Brown stated the biggest thing the Port can do during the off season is to find events like the Seafood and Wine Festival and charge a surcharge. Bretz noted when the Annex gets redeveloped, that will change the rates and occupancy as well. Retherford confirmed with staff the same fees will apply throughout the RV Park and Annex. She asked if long-term stays will be allowed in the new Annex. Brown replied staff are still discussing that.

Lackey recommended simplifying the seven out of ten days to three or four days in a row, something cut and dry. Chuck asked if the Port could limit users subleasing spaces. Bretz replied he believes that is already in the Code. Retherford suggested requiring people who don't show up for reservations within a certain length of time to have their reservation cancelled.

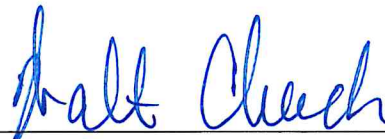
ADJOURNMENT

Having no further business, the meeting adjourned at 1:26 p.m.

ATTESTED:



Gil Sylvia, President



Walter Chuck, Secretary/Treasurer