

**PORT OF NEWPORT COMMISSION WORK SESSION MEETING AGENDA**

Tuesday, December 9, 2014, 9:00 a.m.  
Port of Newport Marina and RV Park Activities Room  
2120 SE Marine Science Drive, Newport, OR 97365

Walter Chuck (Pos. #1), President; Dean Fleck (Pos. #5), Vice President;  
Ken Brown (Pos. #4), Secretary/Treasurer; JoAnn Barton (Pos. #3); David Jincks (Pos. #2)

- I. Call to Order
- II. Presentation by Oregon Brewing Company
  - A. Site Plan
  - B. Building Elevation View
  - C. Term Expectations
  - D. Rate Expectation
- III. Long-term Expansion Needs
- IV. Next Steps
- V. Adjournment

To place a subject or issue on the agenda for presentation to the commission, please submit your request one week or more in advance of the regular scheduled meeting. Regular meetings are scheduled for the fourth Tuesday of every month at 6:00 p.m.

The Port Newport South Beach Marina and RV Park Activity Room is accessible to people with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours in advance of the meeting to Port of Newport Administration Office at 541-265-7758.

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# Rogue in South Beach

a brief history

- Brewery relocated to South Beach 1992
- Expansion into eastern section 1994
- Phase 1 3,600 sq ft 2004
- Phase 2 7,000 sq ft 2006
- Distillery established at marina store 2006
- Phase 3 11,000 sq ft 2007
- Sevren takeover 2008
- Phase 4 20,000 sq ft 2012
- Second distillery opened 2012
- Rolling Thunder Barrel Works 2014

# Barrel Growth

1998	18,000 barrels	2007	66,000
1999	18,000	2008	68,000
2000	24,000	2009	75,000
2001	27,000	2010	81,000
2002	30,000	2011	91,000
2003	33,000	2012	114,000
2004	38,000	2013	110,000
2005	43,000	2014	120,000 (est.)
2006	51,000	2015	130,000 (est.)

# Go East Young Man

- 6 West coast breweries have or are opening East coast and Midwest breweries
  - New Belgium (North Carolina)
  - Sierra Nevada (North Carolina)
  - Oskar Blues (North Carolina)
  - Lagunitas (Chicago)
  - Green Flash (Virginia)
  - Stone (Virginia)
- Second breweries being established to expand capacity and reduce freight impact
- Significant local economic incentives begin provided (see attachments)

# Rogue in Newport

- 100+ jobs
- Feed the Fisherman
- Tourist attraction
- Brewer's Memorial Ale Fest
- Bay to Brews
- Barrel to Keg
- Pillar of Newport
- 26 years and counting....

# Proposed Structure

- 40,500 square feet
- Allows for continued & contiguous expansion
- Space pressure being applied by bottle line impact & growth
- Would provide 5-10 year growth runway

# FUNDING

- \$2.5M project
- 100% Rogue funded
- No municipal bonds
- No local taxes
- Local contractors used exclusively

# Seafood & Wine

- Hosted in brewery for many years in 1990s
- Proposed structure could house roughly 50% of Seafood/Wine
- Would require letter of agreement with Chamber
- See Chamber of Commerce's attached letter of endorsement

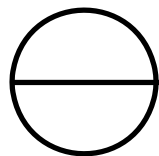


# Rate & Term

- Term proposal: sync up with current lease, through 2037
- Rate proposal: \$.20/sq ft/month with annual increases



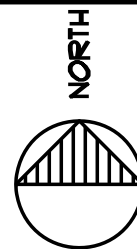
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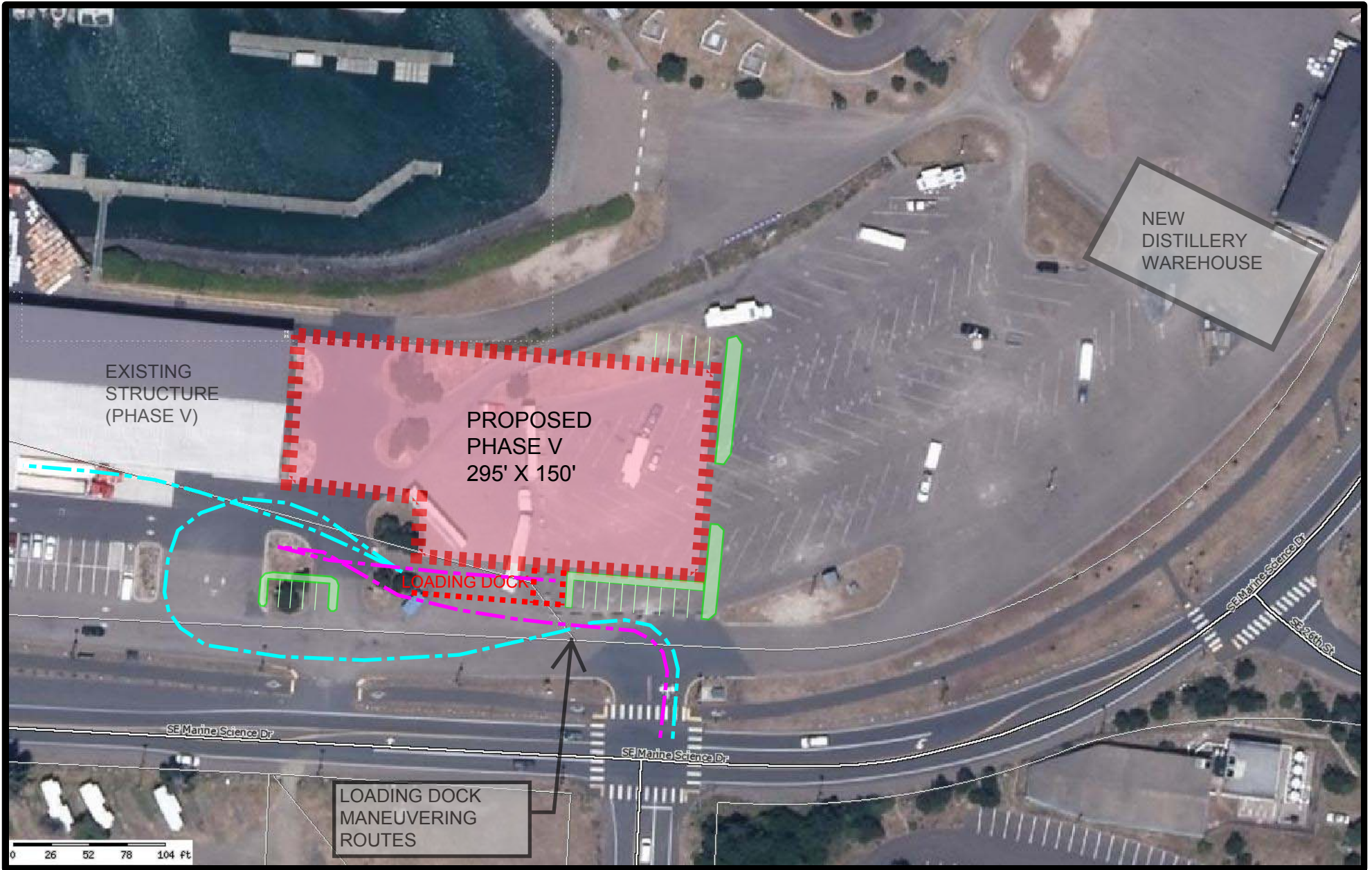


# PROPOSED SITE PLAN (PHASE V)

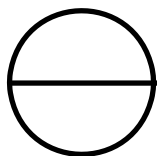
ROGUE BREWERY

NOT TO SCALE





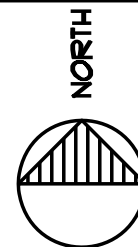
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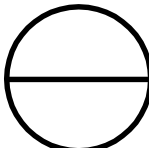
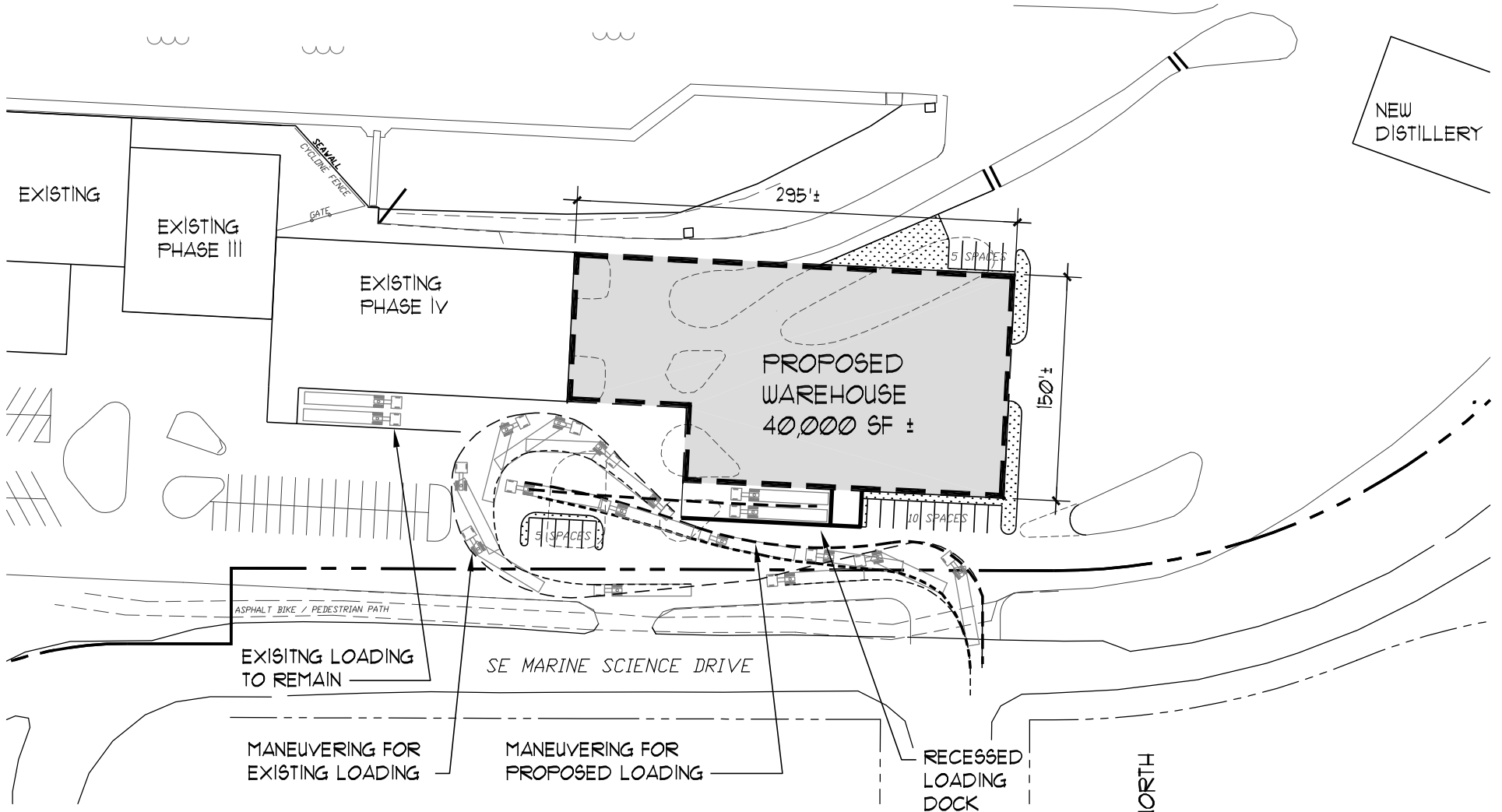


# PROPOSED SITE PLAN (PHASE V)

ROGUE BREWERY

NOT TO SCALE

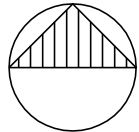




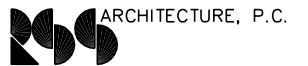
# PROPOSED SITE PLAN

12.1.14

1" = 100'-0"



MASTER PLAN & WAREHOUSE  
 ROGUE BREWERY  
 NEWPORT, OREGON  
 DSL BUILDERS, INC.



Randal S. Saunders Architect/President

2225 COUNTRY CLUB RD. (503) 982-1211  
 WOODBURN, OREGON 97071 (503) 370-7929

PROJECT NO. 1419  
 NOVEMBER 2014

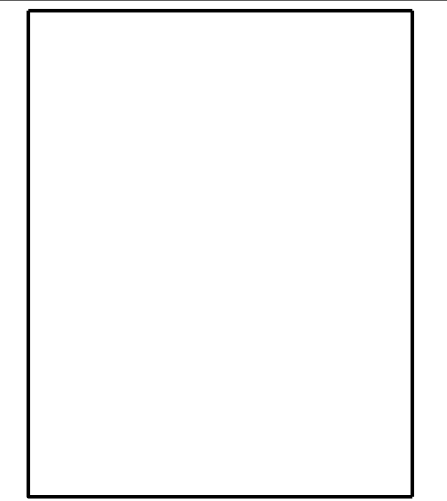
DRAWN BY :  
MDR  
CHECKED :  
RSS  
APPROVED :  
RSS

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ROGUE BREWERY  
SHIPPING WAREHOUSE  
DSL BUILDERS, INC.

NEWPORT, OREGON 97365

2320 OSU DRIVE



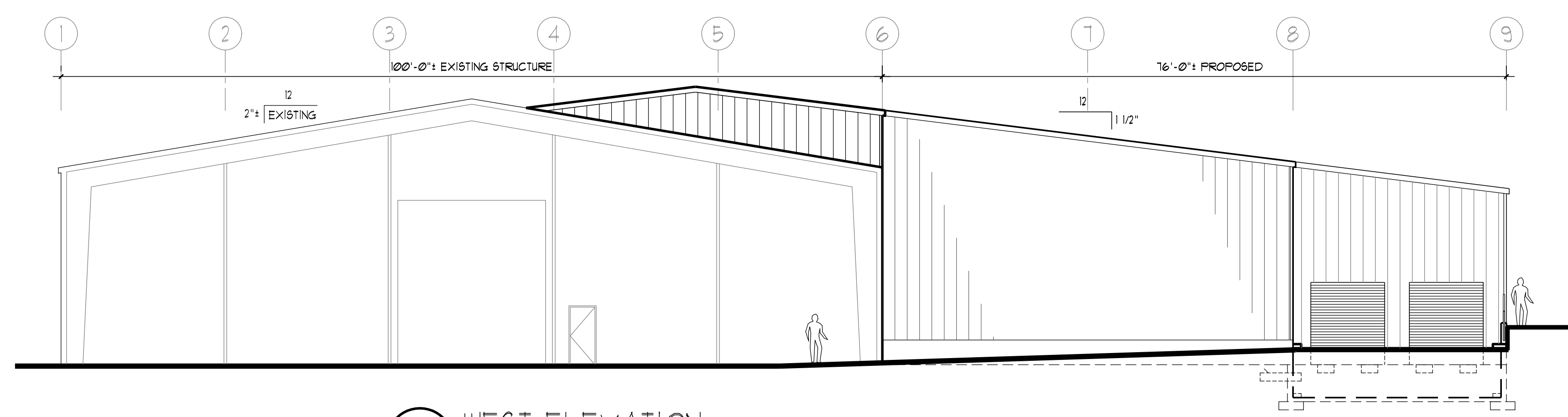
REVISIONS

A PROFESSIONAL CORPORATION

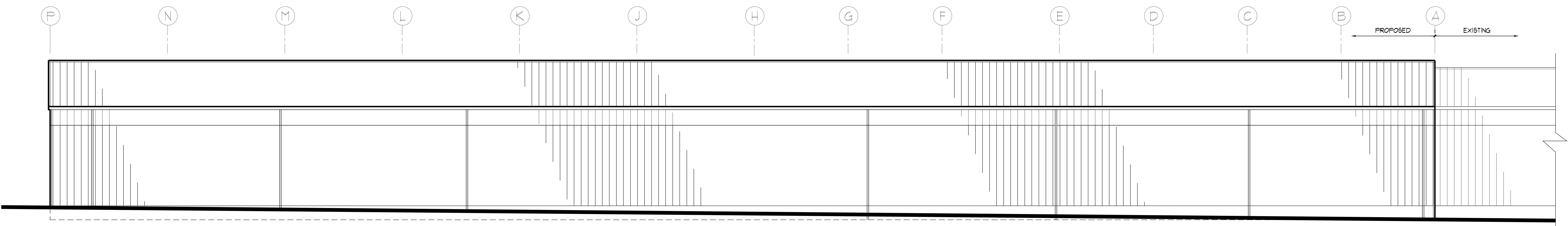
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(503) 982-1211

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DATE: NOV. 2014

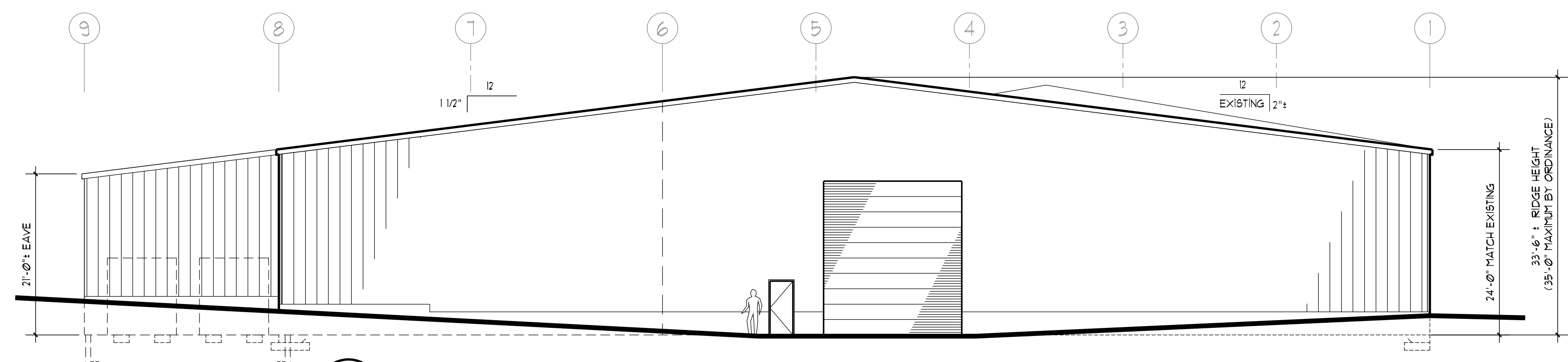
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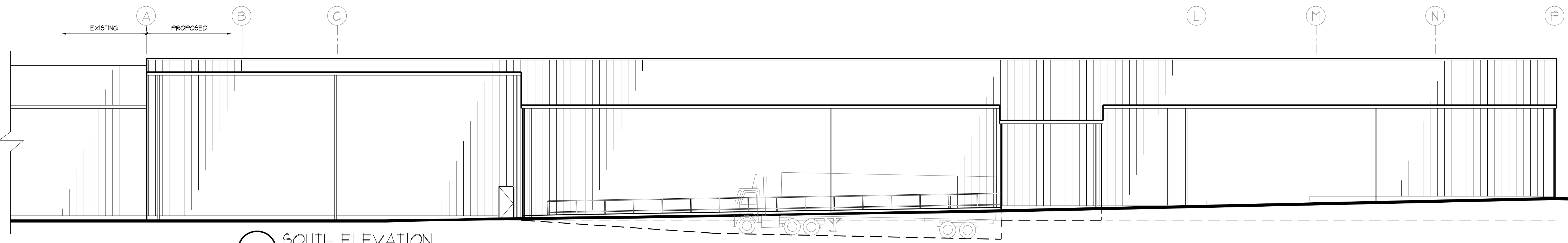
WEST ELEVATION  
PROPOSED NEW CONSTRUCTION  
3/32"=1'-0"



NORTH ELEVATION  
PROPOSED NEW CONSTRUCTION  
3/32"=1'-0"



EAST ELEVATION  
PROPOSED NEW CONSTRUCTION  
3/32"=1'-0"



SOUTH ELEVATION  
PROPOSED NEW CONSTRUCTION  
3/32"=1'-0"

PLOT DATE/TIME: DATE: 12/14 TIME: 3:45 PM FILE: PRELIMINARY FLOOR PLAN-SOUTH LOADING.DWG

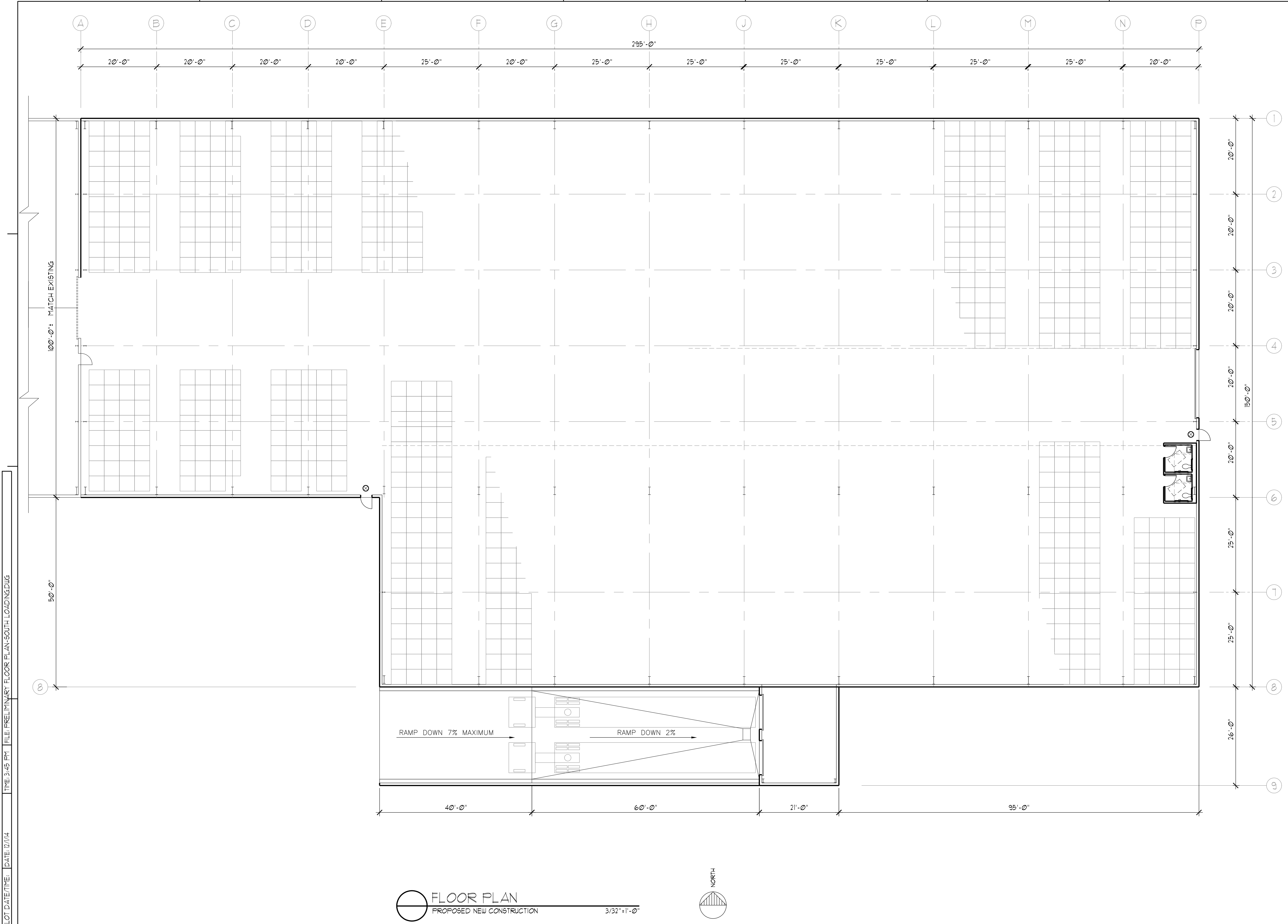
NO.	REVISIONS

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 (503) 982-1211

PROJECT NO.: 1419  
 DATE: NOV. 2014  
 DRAWING NO.: A1.0



PLOT DATE/TIME: DATE: 12/14 TIME: 3:45 PM FILE: PRELIMINARY FLOOR PLAN-SOUTH LOADING.DWG



## GREATER NEWPORT CHAMBER OF COMMERCE

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[www.newportchamber.org](http://www.newportchamber.org)

E-mail: [lorna@newportchamber.org](mailto:lorna@newportchamber.org)

Brett Joyce  
Rogue Brewery  
2320 OSU Drive  
Newport Oregon 97365

December 3, 2014

Dear Brett,

Thank you for the opportunity to meet with you and Mike regarding Rogues possible plan for development. We were thrilled to be included in the conversation with you and Mike plus Kevin and Chris from the Port of Newport.

The Chamber has a strong commitment to our area businesses in supporting their development and success. We have had a long-standing partnership with Rogue for a number of years and have been pleased to see the commitment Rogue has put forth in supporting local businesses and our economic area and its growth.

The Newport Seafood & Wine, which is an event the Chamber has produced for nearly 38 years the last full weekend of February, is set up adjacent to the Rogue in two 25,000 square foot tents. The additional footprint for outbuildings and porta potties is another 10-13,000 square feet. For a number of years we were housed in the Rogue warehouse, with additional tents set up outside to accommodate the crowd. Over the years, as the Rogue grew and the festival grew, we eventually moved to the lone standing structures and share the property with the Rogue.

Each year as we set up for the event we face adverse weather conditions and have experienced some near-disastrous situations that have forced us to look for alternative options.

We are excited to hear about your expansion plans for another warehouse-type of facility on the grounds, and support such a development. We, like you feel that this could be a good opportunity for the Chamber put part of the festival back into a building, a much desired direction for us. While we know that the structure wouldn't be as large as the footprint or floor-space we use currently for the event, we believe the building with some attached tents as we once utilized would reduce exposures to the elements considerably.

The Seafood & Wine Festival is a signature community benefit event. Over 20 local non-profits provide services that enable them to raise much needed funds for their organizations/groups. We estimate that the event has an economic impact of over 2 million dollars throughout the weekend.

We also hope to explore further with you the possibility of partnering with you to house other events that would draw visitors to Newport during the year. It seems that the development of the facility would not only solve a number of challenges that both the Rogue and the Chamber face, but lend itself to other opportunities for the economic good of Newport and our surrounding area.

Sincerely,  
*Lorna Davis*

Lorna Davis  
Executive Director-Greater Newport Chamber of Commerce

## WORK SESSION w/ Rogue Brewery to Discuss Expansion Opportunities

December 9, 2014

### ROGUE BREWERY EXPANSION

Rogue is looking for a 40,500 sf expansion of their warehouse of which a third would be cold storage. In reviewing Rogue leases, it appears that most of the leased square footage is for the building footprint and does not take into account required parking, storage (for trucks, kegs, etc.). I would probably advocate that any new leases include space for those other uses to adequately include full use.

I had previously identified three areas that I thought were good expansion areas:

1. RV Park (Sportsman) Annex – 3.46 acres
2. Yaquina Bay Fruit Lot – c. 2.00+ acres
3. McLean Point – 8.0 acres

Rogue has indicated that they'd like to expand at their current site.

4. Current Location – c. 1.00 acre

#### RV Park Annex

County has value of the RV Park Annex land at \$881,500 (\$254,768/acre). This parcel has some long-term infrastructure needs such as replacement of the restrooms/showers/stalls. It's close to the current brewery, but the city would limit forklift traffic across OSU Dr. City would allow truck traffic between sites. There would also be development charge credits that could reduce some permitting costs to Rogue.

#### Rick Fuller's Lot

County has estimated value of the lot by Yaquina Bay Fruit and NOAA at \$548,560 (\$274,280/acre). Truck and forklift traffic would both be allowed. It's a ways away from the main brewery however.

#### Port's McLean Point Site

County has value of the \$1,002,400 for 8.95 acres (\$112,000/acre). Lots of room to grow. Clearly a trucking-only option.

#### Expansion at current Rogue Site.

County has value of the property at \$350,000/acre. High/diverse use with dry camping, special events, chamber event, access to service dock, etc. Would be of some short-term benefit to Chamber as Rogue agreed to host the Wine & Seafood Festival in the new warehouse for up to ten years. Chamber would still need some external tents and a permanent solution after the ten years. Rogue may consider helping remove traffic islands at the portion of the lot, move the service dock gangway to eliminate access



issues, fill in the Old Boat Ramp (a priority 3 project in the Port's Capital Facilities Plan), and reconfigure the traffic flow to regain the loss of usable land.

#### ROGUE PROPOSAL

Rogue is proposing a lease on 40,500 sf. ft. One option would add another 10% for parking, over flow, etc. bringing the total to 44,550 sf. ft.

$44,550 \text{ sf} \times \$0.20 \times 12 = \$106,920$  annually to the Port.

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