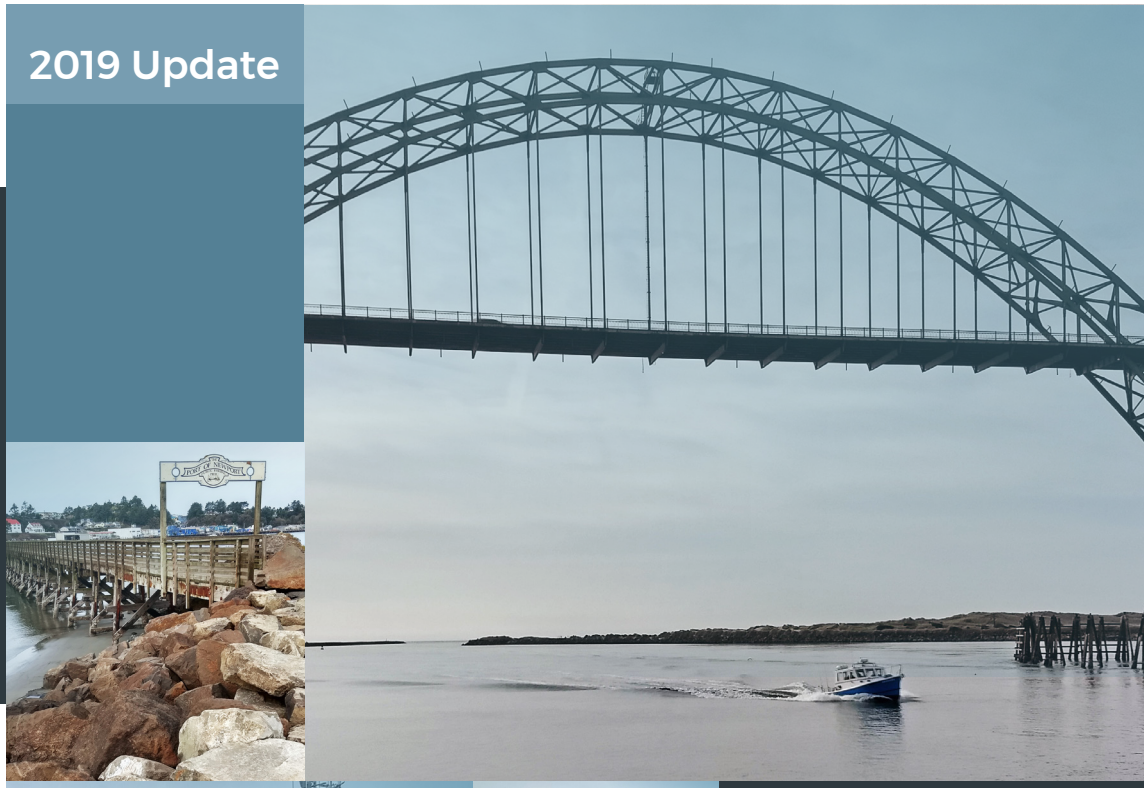
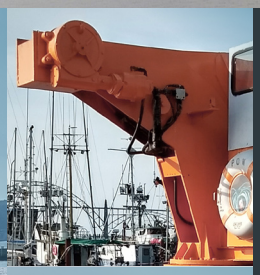
2019 Update

Port of Newport

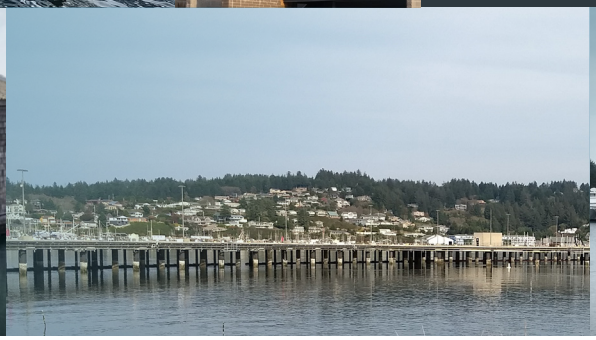
Strategic Business Plan + Capital Facilities Plan





Thank you -

to the Port of Newport, its stakeholders, and community partners for sharing their time and insight in the development of this Strategic Business Plan.



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Acknowledgements
This strategic business plan was developed by the Port of Newport with assistance from Business Oregon. For more information about the Port of Newport, visit www.portofnewport.com/.

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March 2019

STRATEGIC BUSINESS PLAN
PORT OF NEWPORT

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LIST OF ACRONYMS AND ABBREVIATIONS

CIP	capital improvement plan
City	City of Newport
County EMP	Lincoln County Estuary Management Plan
County	Lincoln County
CWEDD	Cascades West Economic Development District
DLCD	Oregon Department of Land Conservation and Development
EMP	Estuary Management Plan
G-P	Georgia-Pacific
IFA	Infrastructure Finance Authority
MARAD	USDOT Maritime Administration
MLLW	mean lower low water
MOC-P	Marine Operations Center, Pacific
MU	management unit
NOAA	National Oceanic Atmospheric Administration
ODFW	Oregon Department of Fish and Wildlife
ODOT	Oregon Department of Transportation
OPRD	Oregon Parks and Recreation Department
ORS	Oregon Revised Statutes
OSMB	Oregon State Marine Board
OSU	Oregon State University
PMEC	Pacific Marine Energy Center
Port	Port of Newport
P3	public private partnership
SWOT	strengths, weaknesses, opportunities, and threats
TSP	transportation system plan
USACE	US Army Corps of Engineers
USDA	US Department of Agriculture
USEDA	US Economic Development Administration

1.0 INTRODUCTION AND STRATEGIC PLANNING PROCESS

This strategic business plan was developed to articulate the planning, facility, and capital improvement needs of the Port of Newport (Port) over a 5- to 20-year planning horizon. This plan is an update to the Port's 2013 business and capital facility plans and complies with the strategic business plan requirements of Business Oregon. The plan is designed to be a flexible guide for the Port Commission as it sets priorities and policies.

1.1 Public Outreach

The plan, which includes the Port's capital facilities plan, was developed with extensive public outreach, including Commission, stakeholder, and public meetings. Summaries of outreach efforts are included as Appendix A.

Stakeholder interviews were conducted based on a series of question regarding the local market and growth opportunities to inform the strategic business plan update. Input was received by Port tenants and project partners, as well as business and community leaders. In total, 19 stakeholders were interviewed during the strategic planning process.

In addition, two Port Commission briefings and two public open houses were held during the planning process to collect input and feedback from the community and Commission as the plan progressed. The Commission briefings and open houses were held back-to-back on the same dates. The first meetings were held in November 2018 to engage the community early in the planning process and seek input on plan and project priorities. The first Port Commission briefing included a facilitated strengths, weaknesses, opportunities, and threats (SWOT) analysis to inform development of the strategic business plan. The second Port Commission briefing and open house were held in March 2019 to present key findings and seek input on the draft plan. A summary of the open houses is included in Appendix A and the SWOT analysis is included as Appendix B.

2.0 PORT VALUES, VISION, AND MISSION

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

Values Statement

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

acceptable standards for how the Port of Newport treats users, customers, partners, and our own team members.

The Port identifies the following governing values:

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

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

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

Accountability. The Port is a careful steward of public resources. We manage our assets responsibly, invest wisely in new infrastructure, manage our budgets efficiently, and capitalize on external sources of financial support. The Port is committed to conducting our work with the highest degree of integrity, professionalism and transparency.

Sustainability. The Port is committed to managing our business operations as well as our human and physical assets in a manner that meets our current needs while ensuring we do not compromise the needs of future generations. We protect and enhance the natural environment wherever possible and we invest the funds entrusted to us wisely, prudently and ethically. We are responsible neighbors and community members who treat our employees fairly and with respect. Our work is conducted with the goal of helping nurture a healthy estuary that is at the foundation of our working waterfront.

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

Vision Statement

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

to see, and what we believe we can accomplish if we stretch our capabilities and aim for the vision.

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

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

Mission Statement

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

This is the Port's current mission statement:

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

3.0 PORT HISTORY AND OVERVIEW

The Port owns over 700 acres of marine and upland property in Lincoln County, Oregon. Most Port facilities are in three locations: South Beach, North Bay, and McLean Point.

The Port District was formed in 1910 to promote water-related commerce in Lincoln County. The Port is located on the central Oregon coast and encompasses the Yaquina Bay estuary. The boundaries of the Port District extend north to Otter Rock, east up to 6 miles inland, south to Seal Rock, and west to the Pacific Ocean (see Figure 1). The Port of Toledo adjoins the Port's eastern boundary and the Port of Alsea adjoins its Seal Rock boundary.

In 1948, a private company sank two flat-bottom concrete barges at McLean Point (now home to the International Terminal) to serve as wharves for cargo handling. The terminal was operated by private operators from the 1950s through the late 1970s. In 1982, the Port purchased the terminal, and in 1987 contracted Jones Oregon Stevedoring/Newport Terminal Company to manage the facility. The Port terminated the contract in 1995 and assumed management.

To meet an ever-increasing demand for boat launching and parking and moorage facilities, in 1978-79, the Port began to construct a 600-berth recreational boat basin, a four-lane launch ramp, and harbor improvements in South Beach.

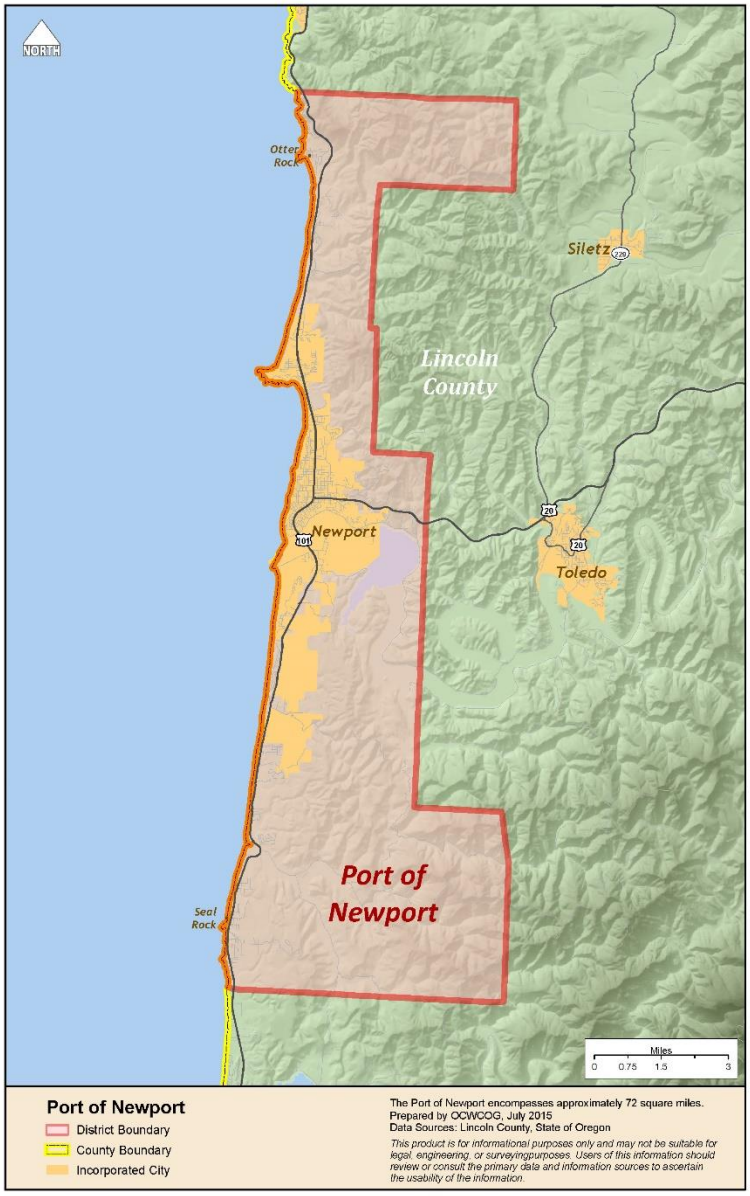

Figure 1. Port District Map

In 1991, Oregon Brewing Company (Rogue) installed its brewing operations and a tasting room in a part of the former dry boat storage building at the South Beach Marina. Rogue now occupies the whole building and uses it for brewing, storage, and distribution, and as a restaurant. Rogue has also expanded its operations, including a distillery and spirit house, into other buildings in South Beach. In 2006, the Port

completed a $3.2 million destination RV park in South Beach that includes 92 spaces, a marina store, an operations building, and a registration/activity center.

The Port completed construction of the International Terminal in 2013. It was designed as a multiuse facility and is used partially by some of the midwater trawl and distant-water commercial fishing fleets. The Port's goal for the terminal is to accommodate a wide variety of users that will fulfill the Port's mission. Market opportunities for the International Terminal are discussed in section 5.3.5.

Port properties and facilities are further discussed in section 3.2.

3.1 Port Utilities and Transportation

These sections describe the utility and transportation infrastructure that serve Port properties and facilities.

3.1.1 Public Street Access

Port facilities are easily accessible from Highway 101 (U.S. 101; principal arterial). Heading north, Highway 101 runs through South Beach and across Yaquina Bay to the North Bay. Once across the bay, SW/SE Bay Boulevard (collector street) provides access to all commercial marina properties. SW/SE Bay Boulevard turns into Yaquina Bay Road (minor arterial), which is used to access the International Terminal. Average daily traffic volumes on this stretch of Highway 101 ranged from 12,900 to 18,400 vehicles per day according to Oregon Department of Transportation's (ODOT) 2017 traffic volume tables.

3.1.2 Water

The City of Newport (City) supplies potable water.

3.1.3 Wastewater and Sanitary Sewer

The City manages the sanitary sewer collection system and treats wastewater at a treatment plant south of South Beach off Highway 101.

3.1.4 Electrical Power

The Central Lincoln Public Utility District provides electrical power.

3.1.5 Communications

Wave Broadband provides fiber optic-based telecommunication services on the Oregon coast.

3.2 Port Properties and Facilities

The Port has made substantial investments in facilities and infrastructure to serve key industries and contribute to the economic development of the region. In conjunction with the development of this strategic business plan, BergerABAM performed a streamlined facilities condition assessment of Port-owned properties. The assessment's results are discussed in the memorandum included as Appendix C. Summary descriptions of Port properties and facilities follow below. They are organized by their general locations (North Bay, South Beach, and International Terminal and surrounding

properties). Figure 3 is an overview of the land holdings at all three, while Figures 3 through 5 show each location and Tables 1 through 3 list the properties in each area. The Port also owns in-water property in Sally's Bend and a 5-acre wooded property located on Yaquina Bay Road, southeast of the Port's other land holdings. These properties are undeveloped and are not discussed in the facilities assessment.

The property map below shows the Port's land holdings based on Lincoln County GIS parcel data. The parcel boundaries do not encompass all Port-owned facilities that extend into the Bay, including the commercial docks and the recreational marina.

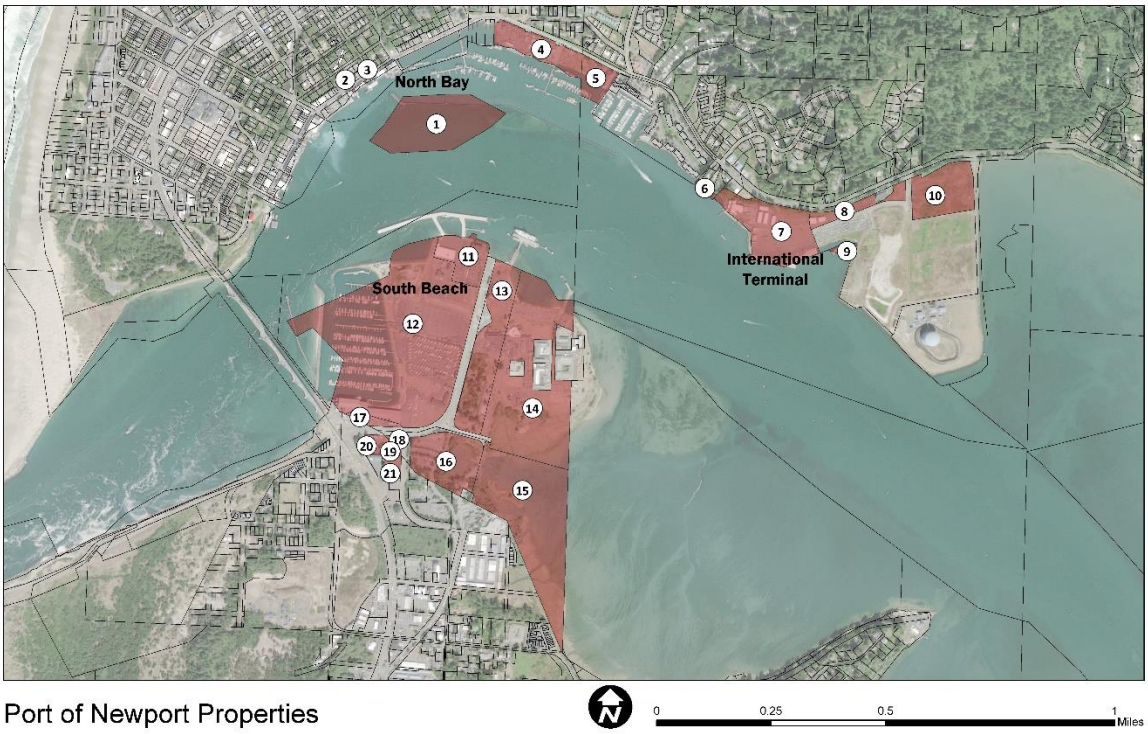

Figure 2. Overview of Port of Newport Land Holdings

3.2.1 North Bay

The Port's North Bay properties include the commercial marina, with over 200 slips and related facilities that primarily serve the commercial fishing and distant water fleets. The marina includes Docks 1, 3, 5, and 7, as well as a hoist dock and storage yard and Swede's Dock. By water, the commercial marina is accessed from the Pacific Ocean via Yaquina Bay. Bay Boulevard provides roadway access to the marina. The conditions of the marina docks vary, with most needing some level of repair. The Port has a plan to reconfigure the marina and replace the existing facilities to better serve the needs of the commercial fleet, including larger boats. Eelgrass is present in the marina area and will require mitigation to offset any potential impacts that could result from marina improvements.

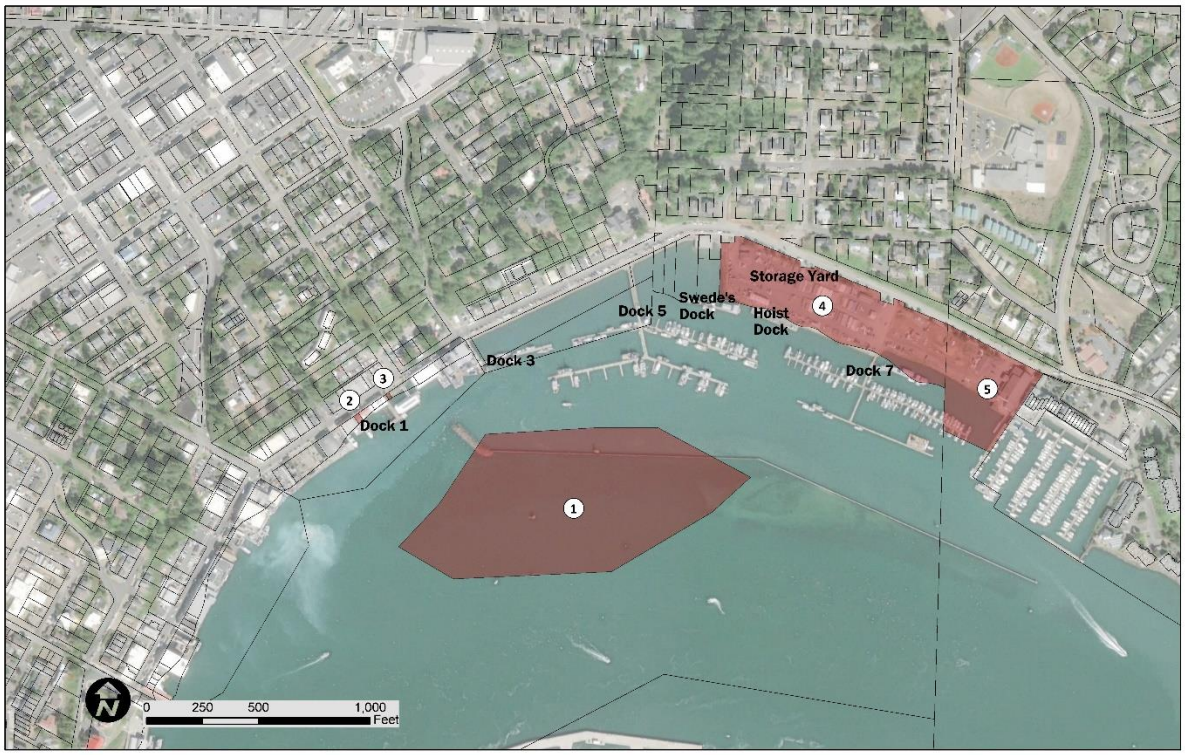

Figure 3. Port of Newport North Bay Properties

Table 1. North Bay Properties

	Map Number	Tax Lot Number	Current Use(s)
North Bay	1	11-11-08-00-00300-00	Breakwater facility, water
	2	11-11-08-DB-02403-00	Captain Reel Charters, boat dock
	3	11-11-08-DB-02400-00	Marine Discovery Tours, boat dock
	4	11-11-08-AD-10100-00	Port Administration Building, port of entry, outdoor storage, hoist dock, and access to Dock 7
	5	11-11-09-CB-00200-00	Yaquina Bay Yacht Club, boat dock

3.2.2 South Beach

The Port's facilities and properties on the south side of Yaquina Bay are referred to as South Beach, which is mostly composed of facilities designed to service sport and recreation fishers, tourists traveling via RV, and educational/recreational facilities, such as the Oregon Coast Aquarium and Oregon State University (OSU) Hatfield Marine Science Center. The National Oceanic and Atmospheric Administration (NOAA) operates the Marine Operations Center, Pacific (MOC-P) on South Beach, and Rogue is the largest manufacturer. Highway 101 provides vehicle access to South Beach, and Yaquina Bay provides access for boats. Recreational facilities at South Beach include a 527-slip recreational marina, a fishing pier, a boat ramp and related upland services, and

approximately 250 RV spaces in the RV Park, RV Park Annex, and Dry Camp. The parking provided throughout South Beach includes over 600 parking spaces, exclusive of the spaces reserved for use by the MOC-P facility.

Figure 4. Port of Newport South Beach Properties

Table 2. South Beach Properties

	Map Number	Tax Lot Number	Current Use(s)
South Beach	11	11-11-17-A0-00300-00	NOAA Marine Operations Center
	12	11-11-17-A0-00400-00	South Beach RV Park and Marina, parking, Dry Camp, water
	13	11-11-17-A0-00200-00	OSU Hatfield Marine Science Center and other agency facilities and parking, shoreline, water
	14	11-11-17-A0-00100-00	
	15	11-11-17-00-00101-00	Oregon Coast Aquarium and parking, shoreline, water
	16	11-11-17-00-01600-00	
	17	11-11-17-A0-01200-00	Rogue
	18	11-11-17-00-01500-00	RV Park Annex
	19	11-11-17-AC-00100-00	
	20	11-11-17-AC-00200-00	
	21	11-11-17-AC-00300-00	

3.2.3 International Terminal and Surrounding Properties

The International Terminal is located east of the commercial marina. The terminal is a 17-acre facility that includes a paved storage yard and adjacent storage buildings, and provides over 800 linear feet of berthing for deep-draft vessels at two berths. A hoist is located at the western berth. Potable water and electricity are available at the terminal. Construction of the terminal was completed in 2013, and it currently serves the distant water fleet that homeports at Newport. Surrounding land holdings include vacant in-water and upland property.

Figure 5. Port of Newport International Terminal Properties

Table 3. International Terminal Properties

	Map Number	Tax Lot Number	Current Use(s)
International Terminal	6	11-11-09-CA-03600-00	Water, shoreline
	7	11-11-09-CD-00300-00	International Shipping Terminal, ship berths and leased property
	8	11-11-09-D0-00103-00	Leased area
	9	11-11-09-D0-00199-00	Water, shoreline
	10	11-11-09-D0-00101-00	Undeveloped property

3.3 Port Commission and Staff

The five-member Port Commission is composed of residents of the district who are locally elected for four-year terms. As stated in the by-laws for the Board of Commissioners, their primary duties and functions are to represent and solicit public opinion from their constituents, establish and interpret policy, and adopt the Port's budget, amongst other duties. The Commission confers authority on the general manager to staff the day-to-day administration of the Port.

3.4 Strategic Partners

Ongoing coordination and collaboration with local, regional, state, and federal partners allows the Port to leverage its resources to fulfill its mission and manage its assets. Maintaining relationships with the following public and private entities is key to the Port's success.

- Federal regulatory agencies
- NOAA
- U.S. Army Corps of Engineers (USACE)
- State regulatory agencies
- Business Oregon and the Infrastructure Finance Authority
- Oregon Department of Fish and Wildlife (ODFW)
- ODOT
- Oregon Department of Land Conservation and Development (DLCD)
- Oregon State Marine Board (OSMB)
- City of Newport
- City of Toledo
- Lincoln County
- Port of Toledo
- American Association of Port Authorities
- Cascades West Economic Development District (CWEDD)
- Discover Newport
- Economic Development Alliance of Lincoln County
- Living Pacific Seafood, LLC
- Local school districts
- Midwater Trawlers Cooperative
- Oregon Board of Maritime Pilots
- Oregon Coast Aquarium
- Oregon Coast Community College
- Oregon Coastal Caucus
- Oregon Public Ports Association
- Oregon State University Hatfield Marine Science Center
- Pacific Coast Congress of Harbormasters
- Pacific Northwest Waterways Association
- Port Tenants
- Rogue
- Seawater Seafood Company

4.0 POLICY CONTEXT AND SITUATIONAL ANALYSIS

The following sections describe local, regional, and state planning and policy documents that may affect the development of Port properties and the Port's ability to implement this strategic business plan. In addition to the documents described below, this strategic business plan aims to capture, and where applicable update or implement, key plans and projects, such as:

Port-led Planning Efforts

- Capital Facilities Plan (2013)
- Strategic Business Plan (2013)
- Facilities Maintenance and Operations Plan (2016)
- Shipping Facility Feasibility Study (2016)
- International Terminal Operations Plan (2017)

Strategic Partner Planning Efforts

- Economic Development Strategy for Marine Businesses, Economic Development Alliance of Lincoln County (2012)
- Comprehensive Economic Development Strategy 2015-2010, CWEDD (2015)
- McLean Point Urban Renewal Plan (2015)
- Marine Studies Initiative – 10-year Strategic Plan 2016-2025 (2016), Oregon State University (2016)
- Greater Newport Area Vision 2040, City of Newport (2017)
- Newport Parking Management Plan, City of Newport (2017)
- Destination Marketing Plan, Destination Newport (2017-2018)

4.1 Consistency with State, Regional, and Local Plans

The successful implementation of this strategic business plan is dependent upon coordination with state, regional, and local planning efforts. The sections below address policy and guidance documents that may affect development on Port property and should be considered in conjunction with future projects.

4.1.1 Oregon Revised Statutes (ORS) Chapter 777

ORS Chapter 777 enables the formation of port districts in Oregon and defines their expected purposes, activities, and financial abilities. ORS 777.065 declares that the development of port facilities at certain ports, including the Port of Newport, is a state economic goal of high priority and requires state agencies to assist ports in this endeavor. The strategic business plan helps meet economic development goals outlined by the state and helps the Port acquire state funding for implementing projects.

4.1.2 Ports 2010 – A New Strategic Business Plan for Oregon's Statewide Port System

In 2010, the Oregon Business Development Department and the Infrastructure Finance Authority (IFA) prepared and adopted *Ports 2010: A New Strategic Business Plan for Oregon's Statewide Port System* (Ports 2010). The purpose of Ports 2010 is to, "Define the State of Oregon's future role, interest and investment in the statewide port system. It

will identify infrastructure, equipment, administrative, regulatory and governance needs of the ports, and also identify ways that Oregon's port system can best serve the interest of the State of Oregon and its residents."

In addition, Ports 2010 includes a business plan template to serve as a guide for individual port strategic business plans. This Port of Newport Strategic Business Plan was developed to meet the state template, and once complete, is subject to final review by the IFA through its peer review process.

4.1.3 Statewide Planning Goals

The Port developed its strategic business plan to be consistent with the statewide planning goals as required by Ports 2010. The following statewide planning goals are most applicable to the Port's planning efforts.

Statewide Planning Goal 9 – Economic Development

To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

Oregon requires local jurisdictions to maintain a 20-year supply of employment lands suitable to meet the needs of existing businesses and industries likely to relocate to the area during the planning horizon. Cascade West Economic Development District (CWEDD) is the federally recognized and funded economic development district for Linn, Benton, Lane, and Lincoln counties. CWEDD prepared a comprehensive economic development strategy (2015-2020) in September 2015 that includes a five-year strategic plan for economic development in the four counties.

Key findings from the strategy that are applicable to Port development include:

- The Oregon Office of Economic Analysis projects that the region will grow roughly 33 percent by 2050. By comparison, the projection for the state overall for the same period is 46 percent. Notably, Lincoln County is expecting growth of only 22 percent. In-migration is expected to accelerate, with in-migration accounting for 83 percent of regional population growth through 2040. Predictions are that coastal populations will continue to age and that net population growth in coastal areas will come from in-migration.

- Multiuse ocean ports for research, fishing, and trade and research institutes were highlighted as economic strengths of the region. Certain lacks (rail connections to the coast, multi-modal transfer stations between the valley and coast, skilled labor force, and affordable housing) are seen as regional weaknesses. Highlighted opportunities include growing trade between the United States and Asia, growing national and international economies, and new and expanding markets (e.g., value-added forest products, wine and beer, marijuana, tourism, etc.). Threats to the region include chronic and catastrophic natural disasters, jurisdictional competition within the region,

housing costs relative to wages, and a shift from resource and manufacturing to a service-based economy.

The Port provides facilities and infrastructure that support the key industries identified in the comprehensive economic development strategy. Through this strategic planning process, the Port has further identified competitive advantages that distinguish it from other ports. These advantages include a strong commercial fishing fleet, a diverse and internationally recognized marine research and education sector, a growing tourism market, and growth potential with local product export opportunities at the International Terminal. Furthermore, through the implementation of this strategic business plan, the Port will continue to contribute to the economic success of the region. Specific projects that will increase economic development opportunities in compliance with Statewide Planning Goal 9 are included in the capital improvement plan (see section 6.1).

Statewide Planning Goal 12 - Transportation

To provide and encourage a safe, convenient and economic transportation system.

Oregon requires local jurisdictions to complete transportation system plans (TSPs). The City and Lincoln County have completed such plans and they include projects within the Port District. Each TSP requires coordination with the Port to meet TSP goals and implement improvement projects. Furthermore, the continued investments in marine infrastructure and other water-dependent and water-related uses by the Port will be instrumental in maintaining a safe, convenient, and economic transportation system. These investments will support a more efficient and cost-effective transportation system for the region and more diversified commodity movements through the Yaquina Bay harbor, which will sustain the long-term viability of maritime commerce, commercial fishing, tourism, and recreation. Additionally, the Port must be engaged with ODOT during the development of projects along Highway 101 under that agency's Statewide Transportation Improvement Program. Specific infrastructure projects are identified in the capital improvement plan (section 6.1).

Statewide Planning Goal 16 – Estuarine Resources

To recognize and protect the unique environmental, economic, and social values of each estuary and associated wetlands; and

To protect, maintain, where appropriate develop, and where appropriate restore the long-term environmental, economic, and social values, diversity and benefits of Oregon's estuaries.

Oregon requires local jurisdictions that include one of the 22 major estuaries along the Oregon coast to prepare an Estuary Management Plan (EMP) in compliance with Statewide Planning Goal 16. Prepared by Lincoln County and administered by the County and cities where applicable, the EMP identifies the boundaries of estuary management units (MUs) and establishes procedures to review the plan for development within the EMP area.

To assure diversity among the estuaries of the state, the state DLCD classifies estuaries to specify the most intensive level of development or alteration allowed within each one in compliance with Goal 16. The Yaquina Bay estuary is classified as a deep-draft development estuary. Most Port property and facilities are within the EMP area and, therefore, future projects and improvements must comply with the policies and procedures set forth in the plan. MUs that pertain to Port properties are addressed in section 4.1.5.

Statewide Planning Goal 17 – Coastal Shorelands

To conserve, protect, where appropriate, develop and where appropriate restore the resources and benefits of all coastal shorelands, recognizing their value for protection and maintenance of water quality, fish and wildlife habitat, water-dependent uses, economic resources and recreation and aesthetics. The management of these shoreland areas shall be compatible with the characteristics of the adjacent coastal waters; and

To reduce the hazard to human life and property, and the adverse effects upon water quality and fish and wildlife habitat, resulting from the use and enjoyment of Oregon's coastal shorelands.

The Port maintains water-dependent and water-related uses along the North Bay and South Beach of Yaquina Bay. This strategic business plan identifies facility and infrastructure improvements to support the continued use of the Port's water-dependent and water-related property. The capital improvement plan in section 6.1 includes planning-level cost estimates and project details. All future development activities affecting coastal shorelands will need to show compliance with Goal 17 policies.

Statewide Planning Goal 19 – Ocean Resources

To conserve marine resources and ecological functions for the purpose of providing long-term ecological, economic, and social value and benefits to future generations.

The Port maintains operational policies to protect ocean resources. The Port follows all applicable local, state, and federal environmental policies, and future development activities on Port property must be evaluated for their compliance with Goal 19. Additional environmental policies and procedures are identified in the environmental plan in section 6.4.

4.1.4 Lincoln County Estuary Management Plan

Yaquina Bay is considered a major estuary by the state DLCD. Oregon requires local jurisdictions that include one of the 22 major estuaries along the Oregon coast to prepare estuary management plans in compliance with Statewide Planning Goal 16. The Lincoln County Estuary Management Plan (County EMP) is included as an element of the County comprehensive plan (Chapter 7) and it is intended to act as a complete use and management plan for the water and intertidal areas of Lincoln County. The County EMP identifies the boundaries of estuary MUs and establishes procedures for the review of development planned within the EMP area. The full authority to plan EMP areas within

incorporated areas is granted to the cities. Newport has incorporated policies and use standards for EMP MUs into its zoning ordinance (Chapter 14.4).

MUs for the Yaquina Bay estuary within the city of Newport are classified as Natural, Conservation, and Development. Table 4 lists the 10 MUs in the EMP, and they are shown on a map in Appendix D.

Table 4. EMP Management Unit Classifications

Management Unit	Classification	Location
1	Conservation	Area between the navigation channel and the north jetty west of the Yaquina Bay Bridge
2	Conservation	Area between the south jetty and the navigation channel west of the third (westernmost) groin
3	Conservation	Area between the navigation channel and the south shore, from the third jetty groin to the South Beach Marina breakwater
4	Development	USACE deep water channel; includes the turning basin up to the urban growth boundary
5	Development	Area along the north shore of the bay from the bridge to McLean Point
6	Conservation	Area between the navigation channel and the port breakwater, from the Highway 101 bridge east to the turning basin
7	Development	Aquatic area between the navigation channel and the south shore and from the Highway 101 bridge east to the small boat pier at the OSU Marine Science Center
8	Conservation	Subtidal area between the navigation channel and the intertidal flats of the Idaho Point/King's Slough area
9-A	Natural	State-owned tidal flats between the OSU Marine Science Center and Idaho Point
10-A	Natural	Sally's Bend, between Coquille Point and Mclean Point

Development within the Yaquina Bay estuary area requires an Estuarine Use Permit. EMP designations for Port properties within estuary areas are identified in Table 5 in the next section.

4.1.5 Zoning

In addition to the policies and use standards of the EMP, upland portions of Port-owned property must comply with the zoning and development standards of the applicable zoning code. The property map below (Figure 6) shows the Port's land holdings. The table below the map identifies the zoning designation of each Port parcel and the corresponding map number, as well as key considerations related to zoning. Applicable

MUs in the City of Newport are included if the property partially or entirely includes area within the estuary.

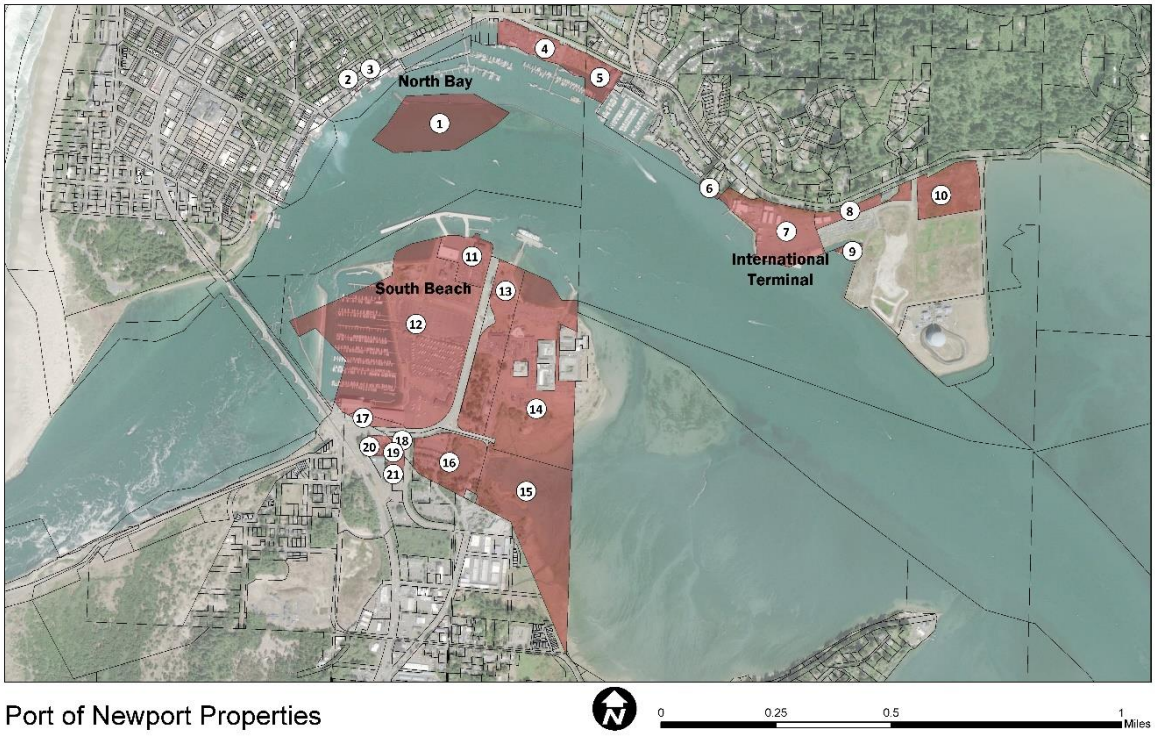

Figure 6. Overall Property Map and Corresponding Map Numbers

Table 5. Zoning and Management Units

	Map Number	Tax Lot Number	Zoning/MU	Current Use(s)	Key Considerations
North Bay	1	11-11-08-00-00300-00	Zoning: NA MU: 5, 6	Breakwater facility, in-water	MU 5 objective: • This area is managed to provide for the development of port facilities and other water-dependent, water-related, and non-water related uses. MU 6 objective: • This area is managed to conserve natural resources consistent with navigation, municipal, and recreation requirements. W-1 – Water-Dependent: • Marinas and port facilities, marine research and education facilities, seafood processing and packaging plants, and boat rentals, sport fishing, and charter services are allowed outright. • Boat building and marine equipment manufacturing, parking lots, and warehouses, are conditional uses. • Bait, tackle and sporting goods stores, seafood markets, general retail, and offices or residencies not of the ground floor of an existing building are not allowed. W-2 – Water-Related: • Marinas and port facilities, warehouses, seafood markets, parking lots, boat building and marine equipment manufacturing, marine research and education, and boat rentals, sport fishing, and charter services are allowed outright. • General retail and offices or residencies not of the ground floor of an existing building are conditional uses. I-3 – Heavy Industrial 3: • Industrial uses, parking facilities, utilities, and trade and vocational schools are allowed outright • General and bulk retail and waste and recycling facilities are conditional uses. • Office, personal services, vehicle repair, self-service storage, and residential uses are not allowed.
	2	11-11-08-DB-02403-00	Zoning: W-2 MU: 5	Captain Reel Charters, boat dock	
	3	11-11-08-DB-02400-00	Zoning: W-2 MU: 5	Marine Discovery Tours, boat dock	
	4	11-11-08-AD-10100-00	Zoning: W-1 MU: 5	Port Administration Building, port of entry, outdoor storage, Hoist Dock, and access to Port Dock 7	
	5	11-11-09-CB-00200-00	Zoning: W-1, W-2 MU: 5	Yaquina Bay Yacht Club, boat dock	
International Terminal	6	11-11-09-CA-03600-00	Zoning: W-2 MU: 5	In-water, shoreline	
	7	11-11-09-CD-00300-00	Zoning: W-1 MU: 5	International Shipping Terminal, ship berths	
	8	11-11-09-D0-00103-00	Zoning: I-3 MU: NA	Leased area	
	9	11-11-09-D0-00199-00	Zoning: W-1 MU: 5	In-water, shoreline	
	10	11-11-09-D0-00101-00	Zoning: I-3 MU: NA	Undeveloped property	

	Map Number	Tax Lot Number	Zoning/MU	Current Use(s)	Key Considerations
South Beach	11	11-11-17-A0-00300-00	Zoning: W-1 MU: 7	NOAA Marine Operations Center	MU 7 objective: • This area is managed to provide for development compatible with existing uses and consistent with the resources capabilities of the area. MU 8 objective: • This area is managed to conserve natural resources such as eelgrass and shellfish beds. Navigation improvements can be provided. MU 9-A objective: • This area is managed to preserve and protect natural resources and values. C-2 – Commercial-Tourist: • General retail, entertainment, parking facilities, and utilities are allowed outright • Personal services and waste and recycling facilities are conditional uses. • Office, bulk retail, vehicle repair, self-service storage, manufacturing, and college or vocational schools are not allowed.
	12	11-11-17-A0-00400-00	Zoning: W-1, W-2 MU: 7	South Beach RV Park and Marina, parking, RV dry camping area, in-water	
	13	11-11-17-A0-00200-00	Zoning: W-2 MU: 7	OSU Hatfield Marine Science Center, other agency facilities, associated parking, shoreline, in-water	
	14	11-11-17-A0-00100-00	Zoning: W-2 MU: 7, 8, 9-A		
	15	11-11-17-00-00101-00	Zoning: W-2 MU: 9-A	Oregon Coast Aquarium, associated parking, shoreline, in-water	
	16	11-11-17-00-01600-00	Zoning: W-2 MU: NA		
	17	11-11-17-A0-01200-00	Zoning: W-2 MU: NA	Rogue	
	18	11-11-17-00-01500-00	Zoning: W-2 MU: NA	RV Park Annex	
	19	11-11-17-AC-00100-00	Zoning: C-2 MU: NA		
	20	11-11-17-AC-00200-00	Zoning: C-2 MU: NA		
	21	11-11-17-AC-00300-00	Zoning: C-2 MU: NA		

Notes: MU=management unit; NA=not applicable

5.0 MARKET ANALYSIS AND OPPORTUNITIES

The following sections summarize current demographics, industry trends, and market opportunities for the Port. The full market analysis is included as Appendix E.

5.1 Regional Demographic Profile and Projections

Between 2010 and 2018, the population of Lincoln County and the Port District grew at an average annual rate of 0.6 percent. In contrast, the City of Newport grew at an average annual rate of 0.2 percent while the state as a whole grew by 1.1 percent annually. The Port District's estimated population in 2018 was 15,152. Assuming that its growth rate matches that of the County, the District's population would grow to approximately 17,000 residents by 2038.

The age of the District's population is increasing, with an increasing share of residents 65 years and older and decreasing shares of working age (18 to 64 years) and children (under 18 years). These trends match what is occurring countywide.

5.2 Regional Economic Profile

Lincoln County's economy is heavily based on tourism, health care, and retail trade. These three sectors accounted for more than 50 percent of jobs in the County in 2015. The employment distribution in the County is similar to the rest of the Oregon coast; manufacturing, natural resource industries, and transportation/warehousing industries accounted for only 10 percent of total employment.

Workers who live in Lincoln County are increasingly likely to commute to jobs outside the county, primarily to the Portland metro area, Marion County, and, to a lesser extent, Linn and Benton counties. Growth of the local economy could enable fewer residents to commute.

Wages in Lincoln County averaged $36,700 in 2017, which is similar to the average wages in other coastal counties, including Clatsop and Tillamook, but lower than nearby counties in the Willamette Valley (Lane and Benton counties). However, the sectors that use Port facilities generally have higher wages; commercial fishing wages average $50,000 and marine research and education jobs in the federal sector average $70,000 per year.

5.3 Market Analysis

The key employment sectors currently supported by the Port are commercial fishing, marine research and education, and tourism/recreation. Marine cargo also presents a limited opportunity for the Port as described in section 5.3.4. These industries are summarized below, including market trends, constraints, and opportunities for growth.

5.3.1 Commercial Fishing

Newport is one of the most important commercial fishing ports in Oregon, and commercial fishing is one of the most important industries in Lincoln County. According to one recent analysis, the industry supports 3,924 jobs in Lincoln County.

The availability of support services in the Yaquina Bay region is one of the main reasons for the strength of the industry locally. The Port of Newport and the neighboring Port of Toledo together provide the range of services needed by the commercial fleet. This includes moorage, fish processing, gear storage, vessel repair, fuel, and other services. In recent years, millions of dollars have been invested to increase fish processing capacity and expand vessel repair capabilities.

Coastal counties (i.e., Clatsop, Lincoln, Coos, Curry, and Tillamook) accounted for approximately 96 percent of the total fishing employment in Oregon, based on where landings occur. Newport was the largest port for this activity, accounting for 332 commercial fishers, or approximately 25 percent of commercial fishers in Oregon.

The value and volume of the Oregon commercial seafood catch ranges widely from year to year. Factors, such as fish availability, price, and weather, among other factors, can cause large swings from year to year. Even with these swings, however, Oregon's commercial fishing industry has generally seen rising harvest values over the past 20 years. From 2007 through 2017, the harvest value averaged $141 million, and varied from a low of $116 million to a high of $191 million. Through November, the value of landings in 2018 was more than $171 million.

Generally, the fisheries that are targeted by the Newport fleet are well managed. Harvest volumes vary from year to year, depending on the species and the factors that affect them. The long-term impacts of climate change are not known, but could impact the species available for harvest and the size of the harvest.

Oregon and Newport Commercial Fleet Trends

The number of vessels licensed for commercial fishing in Oregon declined substantially between 2011 and 2018, falling from approximately 1,760 to 1,410 boats. Much of this decline was due to vessel buyback programs aimed at reducing the size of the fleet and increasing the sustainability of harvests.

The Port provides moorage, storage space, and work areas for commercial vessels at the Commercial Marina and the International Terminal. The Commercial Marina accounts for approximately 82 percent of moorage revenue with the International Terminal encompassing 18 percent. This revenue averages more than $500,000 annually. The largest share of moorage revenue from vessels at the Port of Newport Commercial Marina is generated by vessels that are 50 feet or less. However, over the past five years, there has been a gradual shift, with a declining share of revenue from vessels 50 feet or less and a growing share coming from vessels that are 51 feet or longer.

The increase in bigger boats presents several challenges to the Port, as well as to other older harbors in the region. First, the existing docks are at the end of their useful life, and will need to be replaced. Second, the larger vessels put additional physical strain on facilities that were not designed for them; this can cause structural damage, especially during storms. Third, replacement marina facilities will need to be designed to meet current and future vessel trends. According to staff, in the past few years, at least 20 boats that were looking for moorage had to be turned away.

For the International Terminal, vessels longer than 70 feet accounted for 85 percent of moorage revenue in 2018. The International Terminal is the only moorage facility in Newport that can handle the larger commercial fishing boats, and these boats are a critical part of the local fleet. In addition, much of the distant-water fleet for vessels that fish in Alaska is based in Newport and moor at the International Terminal. If Dock 5 and Dock 7 were rebuilt and reconfigured to accommodate large vessels, the demand from these vessels at the International Terminal might be reduced.

Commercial Fishing Opportunities

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

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

5.3.2 Marine Research and Education

The marine research and educational sectors are well established in Newport; an estimated 300 people work at the Hatfield Marine Science Center, including the OSU faculty, graduate students, researchers, and staff from other agencies. Other agencies include ODFW, NOAA, the U.S. Fish and Wildlife Service, U.S. Environmental Protection Agency, and U.S. Department of Agriculture. The marine research and education sectors and growth opportunities are described below.

Ocean Research

The OSU Marine Studies Initiative is designed to address ocean health and coastal challenges by creating a global education and research program that blends the science of oceanography with business, engineering, education, the arts and humanities, agriculture sciences, forestry, and social sciences. The Initiative examines a range of issues, including rising sea levels, ocean acidification, low-oxygen waters, declining fisheries, offshore energy, and the threat of catastrophic tsunamis. The Initiative includes

development of a large campus in Newport at the Hatfield Marine Science Center (100,000-square-foot building) in 2019. By 2025, the campus will be able to accommodate approximately 500 undergraduate and graduate students in Newport.

Ocean Research Opportunities

The OSU Marine Studies Initiative creates several opportunities in Newport. The Ocean Observatory Initiative Endurance Array consists of a network of science-driven sensor systems that will be used by researchers to measure the physical, chemical, geological, and biological variables in the ocean and seafloor to help detect and forecast environmental changes and their effects on biodiversity, coastal ecosystems, and climate. These devices will be developed, staged, stored, and maintained in Newport and will require upland facilities for storage and staging, as well as marine facilities for moving the devices in and out of the water.

An underlying goal of the program is to greatly expand access to water resources for students and faculty. OSU has been selected by the National Science Foundation to spearhead the construction of a new class of research vessels for the U.S. academic research fleet. The *Oceanus*, an aging 175-foot research vessel, will be replaced in 2021 by a new 193-foot vessel that will have extensive cutting-edge capabilities. In addition, OSU will expand its fleet of smaller vessels (18 feet to 50 feet long) and will require additional moorage facilities and supporting infrastructure.

Offshore Energy

OSU serves as a key research center for the offshore energy industry via the Pacific Marine Energy Center (PMEC) program. Offshore wind energy is widespread in Europe and is beginning to be developed in the United States. The global market for wind energy is strong, driven by the increasing competitiveness of wind power and opportunities to reduce emission of greenhouse gases by renewable energy sources. Analysts expect U.S. offshore wind energy to enjoy significant growth in the coming decade, due primarily to reduced capital and operating costs.

Offshore Energy Opportunities

In coordination with OSU's PMEC program, offshore energy devices, including offshore floating wind systems and wave energy systems, represent potential opportunities for Newport and the Oregon coast. Wave energy, which is still in developmental stages, is being tested near Newport. The market for wave or tidal energy is less developed but the future appears bright. In the United States, much of the research on wave energy is occurring at Newport via the PMEC. A new Oregon law specifies that 50 percent of the state's electricity must come from renewable resources by 2040. Development of offshore wind and wave/tidal systems could play an important role in this transition.

Aquaculture

Aquaculture is a rapidly growing sector of the international economy and represents an opportunity for development in Newport as well. Worldwide aquaculture production increased from 24.3 million tons in 1995 to 73.8 million tons in 2014, an average annual

rate of 6 percent. Sales of aquaculture products in the United States totaled $1.37 billion in 2013, up 26 percent since 2005. U.S. aquaculture products ranked by sales were: (1) food fish, including fish raised for consumption as well as fish eggs; (2) mollusk production; (3) crustacean sales; and (4) ornamental fish, baitfish, and sport fish.

Oregon is a relatively small aquaculture producer, with 37 farms and $12.1 million in sales in 2013 (87 percent of which were mollusk sales). In contrast, Washington had sales of $328.7 million on 304 farms in 2013. Oregon accounted for 12.2 percent of the farms and 3.7 percent of the sales on the West Coast. However, according to ODFW, a significantly larger program is "possible through expansion, intensification and diversification." A target value of $22.8 million is proposed for a strengthened statewide program.

Aquaculture Opportunities

Opportunities for growing aquaculture in the Newport area include the expansion of existing operations, as well as the development of new ones.

- Oyster cultivation could be expanded in Yaquina Bay. There is demand for intertidal land for oyster cultivation with the appropriate characteristics (soil conditions and water quality, etc.). However, it is currently costly and time consuming for individual growers to pursue permits in Yaquina Bay. The Port could assist this effort by helping to streamline the permit process, including preparing an inventory of suitable sites, creating an aquaculture park, and acquiring permits that could be leased or sold to private sector entities. Typical intertidal operations are expected to encompass 5 acres or larger.
- Seaweed cultivation is also being evaluated in Newport. The Port is currently working with OSU and a private company to commence cultivation of dulse. This effort will likely be land-based and could have a footprint of 0.5 to 1 acre.
- Cultivation of other aquaculture and/or finfish species on tideland and upland may also occur within the time frame of the Port's strategic plan (next five years). This could require Port assistance with permitting and/or the use of Port property for hatcheries, cultivation, and processing facilities.

5.3.3 Tourism and Recreation

The Port provides facilities for the moorage of recreational vessels and charter boats and for stays at RV parks, as well as leases to businesses that support and enhance the tourist experience, such as the Oregon Coast Aquarium and Rogue, among others. The leisure and hospitality sector in Lincoln County is projected to add 470 jobs between 2017 and 2027, an average annual growth rate of 1 percent.

Tourism Trends

Statewide visitor spending increased substantially between 2000 and 2017, in spite of a recession-caused drop in visitor spending from 2008 through 2010. Adjusting for inflation, spending grew from $7.4 billion in 2000 to $11.8 billion in 2017 (as measured in

2017 dollars). Visitor spending is tracked by the state for the Oregon Tourism Commission, and Lincoln County is included in the Central Coast region (defined as all of Lincoln County, along with the western portions of Douglas and Lane counties). Visitor spending in the Central Coast experienced a growth pattern similar to the statewide pattern, with steady growth for a number of years after 2000, no growth or a slight decline caused by the recession, and a resumption of growth in recent years.

In Lincoln County, earnings of workers in visitor industries grew from an inflation-adjusted $111 million to $162 million, or 2.3 percent average annual growth, from 2000 to 2017. Visitor industry employment in Lincoln County grew from 4,300 workers to 6,130 workers, or at an average annual rate of 2.1 percent. Also, visitor-generated taxes grew from $17.4 million in 2000 to $29.4 million in 2017, an annual increase of 3.1 percent.

Accommodations account for nearly 30 percent of visitor spending in Lincoln County and food and beverage services account for nearly 28 percent. Arts and entertainment is the next largest category, accounting for 13 percent of spending, followed by retail sales (12 percent), food stores (nearly 9 percent), and local transportation and gas (nearly 9 percent).

Recreation Vehicle Camping

RV camping has been on a long-term growth trend for nearly four decades. The value of RV retail sales peaked at nearly $19.1 billion in 2004 and then declined slowly for several years before dropping to $5.9 billion in 2009, a decline of 69 percent. The recovery from this drop took until 2017 – when inflation-adjusted sales passed the peak of 2004.

Occupancy at the Port of Newport RV parks is extremely seasonal, with highest occupancy in July, August, and September, and lowest occupancy in December and January. From January 2016 through October 2018, occupancy across all three parks ranged from a low of 9 percent to a high of 71 percent. The RV Park Annex has less than half as many sites as the overflow park, but it hosts substantially more site-nights. A key reason is that all of the sites at the Annex have full utility hookups, while none of the sites at the overflow park have hookups. Occupancy at the main RV park and the Annex run close to 100 percent during the peak months. Peak occupancy at the overflow lot grew from approximately 60 percent in 2016 to 70 percent in 2018.

Overnight stays at Oregon state parks in the Newport area (South Beach State Park, Beverly Beach State Park, Devil's Lake State Recreation Area, and Beachside State Recreation Site) have seen strong growth since the end of the recession. Combined, these four parks saw the number of overnight guests grow from 364,000 in 2011 to 438,000 in 2017, an increase of more than 20 percent.

Recreational Boating

Based on the most recent triennial survey from OSMB, 84 percent of boat trips in the Lincoln County were fishing trips. Water skiing was the next most popular activity

(6 percent), followed by cruising (5 percent), and sailing (1 percent). The South Beach Marina at the Port is the key facility that provides boaters with access to these bodies of water.

The number of boats registered in Oregon reversed a long-term decline in recent years. Between 2000 and 2014, the number of boats registered dropped from nearly 196,000 to fewer than 156,000, a decline of more than 20 percent. Between 2014 and 2017, however, the number of boats grew to nearly 166,000. The drop in the number of registered boats was due to declining numbers of boats less than 20 feet long. The number of registered boats longer than 20 feet actually increased between 2000 and 2017.

Oregon Coast Aquarium

The aquarium is a big draw for residents and tourists, attracting approximately 460,000 to 480,000 visitors per year. Approximately 65 percent to 70 percent are from the Portland metro area with the remainder spread across the region from Eugene to the Tri-Cities to Idaho and beyond. The aquarium is also a major employer with 70 full-time staff, but during peak season that number can reach 120 employees. According to its press kit, "The Aquarium is consistently rated among the nation's top aquariums, most recently by the Travel Channel, USA Today, Coastal Living, Parents Magazine, Forbes Traveler and 10Best.com." The aquarium also links marine research to the community and tourists.

Tourism and Recreation Opportunities

The Port is an important provider of tourism and recreation facilities and amenities. Recent improvements to the recreational marina and RV Park provide better access to regional recreation and tourism opportunities. In addition, future improvements included in the capital improvement plan in section 6.1 will continue to support tourism in the region

5.3.4 Marine Cargo

The Port's International Terminal provides an updated facility for potential cargo users. The strongest prospect for this facility is cargo that is either produced or consumed locally, which is primarily forest products. Log shipments represent the greatest opportunity, while receipts of wood chips and/or waste paper and shipments of fish are also potential markets. The case for attracting other cargo types from farther inland is not compelling.

The following section describes the terminal and the markets that it has the potential to serve.

Transportation Links

Links to transportation infrastructure are a critical factor in determining the market for marine terminals. These links include highways, rail lines, and navigation channels.

Newport is served by two main highways: U.S. 20, running east-west between Newport and the Willamette Valley, and Highway 101, running north-south along the coast. U.S. 20 was recently improved and provides a safer and more efficient route between the Valley and the coast for both freight and passengers.

Newport is not served by rail. The nearest rail line is the Portland and Western Toledo branch line that runs from Corvallis to Toledo, and terminates at the Georgia-Pacific mill in Toledo. As late as 1919, there were plans to extend the line to Newport, but the line was never built. The 8 miles of rail line from Toledo to Yaquina City were abandoned in 1937, and the tracks were removed.

The main navigation channel in Yaquina Bay extends from the ocean end of the north and south jetties, upstream to the turning basin adjacent to McLean Point. The channel is authorized to a depth of 30 feet mean lower low water (MLLW) (the average of the lower low water height of each tidal day) from the entrance to the turning basin, and 40 feet MLLW across the bar and at the outer end of the entrance channel. The 30-foot channel is shallow when compared to other ports in the region, and limits the size of ships that can call at the International Terminal.

Cargo Types

Breakbulk

Since the 1970s, most breakbulk cargo has been converted to containers. As a result of this shift, the breakbulk trade has become far more specialized, targeting certain high-volume commodities, such as logs, lumber, wood pulp, paper, fruit, lumber, and some steel products.

West Coast foreign imports of breakbulk/neobulk cargo dropped by more than half between the peak year of 2004 and 2016. Metals, especially steel, accounted for more than two-thirds of these imports, with most destined for construction markets near the inbound ports. Non-containerized fruits and vegetables are the second-largest category of breakbulk imports, followed by machinery and wood products.

West Coast exports of breakbulks/neobulks are led by fruits and vegetables, pulp and paper, wood products, and rice. There is also a small amount of fish exported in breakbulk form. Exports of breakbulks/neobulks have grown substantially since 2000; however, volumes peaked from 2011 through 2013 and have dropped substantially since then.

Logs

The Port's International Terminal does not currently handle log shipments, but several companies have expressed interest in doing so. From 1990 through 2009, West Coast log exports fell 85 percent. In 2010, China emerged as a new market, and West Coast log exports began to increase for the first time in more than two decades. Log export volumes jumped from 0.44 billion board feet in 2009 to 0.80 billion board feet in 2010,

and continued to climb to a high of 1.34 billion board feet in 2013. Volumes decreased slightly in 2014 and fell to 0.91 billion board feet in 2015, averaging 0.93 billion board feet from 2015 through 2017.

Currently, Coos Bay and Astoria are the only ports in Oregon that handle log exports. A recent forecast projected that Pacific Northwest log exports are likely to grow slowly through 2035, assuming that Chinese demand continues to grow.

A relatively small volume of logs is imported, with some Pacific Northwest mills sourcing logs from Canada, depending on availability and price.

The timber harvest in the Newport region is less than half of what it was during the mid-1960s, but has seen growth since bottoming out in 1998. Lincoln County's share of the regional harvest averaged 8.5 percent from 1962 to 2017.

Log shippers have demonstrated interest in using the International Terminal to ship logs. The Port should consider accommodating log shipments, if this will produce positive net revenue for the Port.

Dry Bulk

Dry bulk cargoes are those that can be handled with a system of conveyor belts, hoppers, and other equipment between trucks, railcars, storage facilities, and ships. These are typically commodities with a low unit value moving in very high volume, such as coal, iron ore, various forms of semi-processed iron, minerals, cement, grains, and woodchips. For the most part, the dry bulk commodities that move in and out through West Coast ports are transported to or from inland point by rail or by barge, with smaller volumes moving directly into or out of plant or moving by truck. Because the Port is not served by rail or by river barge, the Port is unlikely to attract a substantial volume of most dry bulk cargo.

Woodchips are a major dry bulk cargo handled by ports in the Pacific Northwest. The Georgia-Pacific (G-P) mill in Toledo may represent a potential market for receiving woodchips through the International Terminal. The G-P mill has been in operation for approximately 60 years, and at one time, it received woodchips by barge, but now receives woodchips only via truck and rail. The International Terminal may be able to attract some of the G-P woodchips if the economics of the combination barge/truck move are competitive. The Port should consider approaching G-P to determine if this is feasible.

Liquid Bulk

Liquid bulks are free-flowing liquid cargoes, such as crude oil and petroleum products that are poured into and sucked out of large tank spaces, known as the holds, of a tanker. Liquid bulk traffic on the West Coast is dominated by crude oil and refined petroleum products. Various other liquid commodities (e.g., animal fats, vegetable oils, chemicals, and fertilizers) are also handled, but in much smaller volumes. The vast

majority of this cargo moves directly into or out of oil refineries on the Puget Sound. Because Newport does not have a large population base, and does not have industries that use or produce liquid bulks, the Port is unlikely to attract liquid bulk cargoes.

Containers

Containerized cargo uses intermodal containers (also called shipping containers and ISO containers) that have standardized dimensions. They can be loaded and unloaded, stacked, transported efficiently over long distances, and transferred from one mode of transport to another, including between container ships, rail transport flatcars, and semi-trailer trucks – without being opened.

Most container traffic is concentrated in the San Pedro Bay, San Francisco Bay, Puget Sound, and British Columbia; other ports on the West Coast handle limited volumes of containers, generally for small niche markets. Smaller ports face a number of issues attracting container trade due to trends toward larger ships in the trans-Pacific trade and the fact that port alliances control almost 90 percent of it. Because Newport lacks water depth, rail access, and a large population base, it is unlikely to play a significant role in West Coast container markets.

5.3.5 International Terminal Opportunities

The shipping channel that reaches the International Terminal is 30 feet deep, which is shallow when compared to other ports in the region. For example, the Coos Bay channel is 36 feet deep, Grays Harbor is 38 feet, and ports on the Lower Columbia River are served by a channel 43 feet deep. The Yaquina Bay channel limits the size of vessel that can use the terminal.

Marine terminals are typically located near sources of demand, either major population centers (for imports for consumption) or production regions (for exports or imports), or they are located on major shipping corridors, such as rail lines or river barge routes. The lack of rail access and river barge to Newport means that high-volume cargos, such as dry bulks (grain, fertilizers, and the like), liquid bulks, containers, and automobiles, are unlikely to move through the International Terminal. The population of the Newport region is probably too small to support imports for consumption.

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

Newport may be able to attract a portion of these logs to the International Terminal, either for loading onto ship for export, or loading onto oceangoing barges for transport to another port for export, such as Astoria, Coos Bay, or Longview. As noted above, log shippers have demonstrated interest in using the International Terminal to ship logs.

The Port should consider accommodating log shipments, if this will produce positive net revenue for the Port. Proposals that require investments by the port that are greater than the projected revenue, or proposals that displace existing revenue-generating uses should not be considered.

Any plan for shipping logs should assume that the 30-foot channel will not be deepened. This effectively limits shipments to barge movements of logs from Newport to other ports for loading onto ships (e.g., Astoria, Coos Bay, Longview), or light-loading of ships in Newport.

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

- Competition from other ports whose hinterlands overlap those of Newport. For example, for points north of Albany, Portland is closer than Newport and offers multiple shipping terminals. Similarly, points south of Eugene are closer to Coos Bay than Newport
- Insufficient volumes of non-containerized cargo. The overwhelming majority of cargo shipped from the Willamette Valley is containerized, and the remaining non-containerized volume is likely not sufficient to attract vessel service. In addition, the state of Oregon is also studying the potential to locate an intermodal terminal in the Willamette Valley for to handle containerized export and import cargo.
- Water depth in the Yaquina Bay shipping channel limits the size of ships that can use the International Terminal. Because smaller ships are less efficient than larger ones, this increases the ocean shipping costs. The higher ocean shipping costs are likely to offset any inland distance advantage that Newport might have.
- The clearance under the Highway 101 bridge (air draft) also limits the size of ships that can reach the International Terminal.

Because of these limitations, the Port does not have a good opportunity to attract these inland cargoes.

5.3.6 Other Markets and Industry Opportunities

Rogue

Operations at Rogue began in 1992 and have continued to grow ever since, and now include a production brewery and a brewpub, Rogue Spirits Distillery, Rogue Rolling Thunder Barrel Works, Rogue House of Spirits, Bayfront Public House, and Rogue Bed and Beer. Rogue currently distributes beer to all 50 states and internationally to 32 countries. The firm's market is mainly located in the Pacific Northwest and west of Rockies. Rogue has approximately 300 employees, and is the tenth largest employer in Lincoln County.

Key issues and opportunities identified for Rogue include

- The approximately 700-foot seawall under the brewery needs to be repaired. The Port is currently working to address this issue.
- There are approximately 500 feet of dock in front of the brewery that could be used for transient moorage.
- The lack of affordable workforce housing is a major issue that makes it hard to attract employees, especially the lower paid employees. The seasonality of pubs also makes it difficult to attract and retain employees.
- Health care is another issue affecting the workforce.
- Potential opportunities that Rogue is considering include producing dulce and/or salt – some is used to produce gose, a fermented beer.

Cruise Ships

Newport could attract cruise ships as a port of call during repositioning trips. The Alaska cruise market is based in Vancouver, BC, and in Seattle, Washington. At the beginning and the end of the Alaska cruise season, each vessel must be repositioned (moved) from or to its winter homeport, and these repositioning cruises present an opportunity for coastal ports such as Newport.

The Alaska cruise market grew from 315 vessel calls and less than 1 million passengers in 2009 to 457 vessel calls and 2 million passengers in 2018. Two key dimensions of the Yaquina Bay navigation channel that limit the size of cruise vessels that can operate in Newport are the channel depth and the vertical clearance beneath the Highway 101 bridge. The navigation channel in Yaquina Bay has an authorized depth of 30 feet. The cruise ships operating in Alaska typically draw less than 30 feet of water, and only two of the ships in the 2018 Alaska market draw more than 28 feet of water. This has not changed substantially over time, even as ships have gotten longer.

Air draft under the Highway 101 bridge is a more important limitation. Most of the large cruise ships that operate in the Alaska market cannot pass under the bridge. Several smaller ships operate in that market, however, and they may present an opportunity for Newport. In order to explore this opportunity, the Port and the community should make contact with the industry group, Cruise the West, as well as with cruise directors from lines that operate small vessels.

6.0 STRATEGIC BUSINESS PLAN GOALS AND POLICIES

The state template identifies five elements that must be included in a local Oregon port strategic business plan. The following sections identify the Port's goals and policies related to capital improvements, management, finance, environment, and marketing. These goals and policies will help guide the Port's economic development activities over the 5- to 20-year planning horizon. Each section provides an overview of the element, Port-wide goals and policies, and, where applicable, goals and policies specific to the locations of Port facilities (North Bay, South Beach, and the International Terminal).

6.1 Capital Improvement Plan

The Port's capital improvement plan (CIP) identifies the highest priority capital improvement projects to facilitate economic development opportunities and the continued success of Port operations and facilities. The CIP guides capital improvement priorities, but does not obligate the Port to make improvements. Table 6 lists each project, a planning level cost estimate, and time line or status for project completion. These capital improvement projects do not represent all projects being pursued by the Port, but instead, the highest priority projects across all Port business lines. Additional project opportunities are identified in Appendix G and in other plans completed by the Port and its strategic partners, as listed in section 4.0.

Table 6. 5-Year Capital Improvement Plan

	Capital Improvements	2019 Cost Estimate	Timeline
International Terminal Plan	Planning project to identify a mix of uses/opportunities that will maximize use of the terminal and adjacent vacant port-owned properties, and increase net revenues to the Port. Project completion primarily by Port staff.	$15,000 (to cover cost of part time Port project manager for research and report preparation)	2019
Mitigation Plan	Planning project to address mitigation needs of future capital projects and potential inventory of mitigation sites. Anticipated to be completed by Port staff in partnership with the Port of Toledo, Yaquina Bay users, NOAA, ODFW, and the USACE. Project completion primarily by Port staff.	$25,000 (to cover cost of part time Port project manager)	2019 - 2021
RV Park Annex Plan	Planning and conceptual design project to redesign and reconfigure the RV Park Annex to maximize space and functionality.	$120,000	2019-2021
Planning Projects Subtotal		**$160,000**	
Port Dock 5 Interim Improvements	Interim improvements to replace pier and improve dock. • Approach pier replacement • Replace 6 pilings • Replace rods, whalers, rub boards, bumpers and triangles (PD 5C) • Replace rods, bumpers, rub boards and 6 whalers (PD 5B) • Replace rods and rub boards (PD 5X) • New power pedestals	• Approach pier: $2.4 million • Replace Pilings: $60,000 • PD 5C: $270,000 • PD 5B: $350,000 • PD 5X: $25,000 • Power Pedestals: $350,000 **All PD 5 Interim Improvements: $3.5 million**	2019-2022
Port Dock 7 Interim Improvements	Interim improvements prior to reconfiguration/replacement • Miscellaneous float and pile improvements and electrical improvements • Replace 6 pilings	• Misc. Activities: $288,000 • Replace Pilings: $60,000 **All PD 7 Interim Improvements: $348,000**	2019-2021

	Capital Improvements	2019 Cost Estimate	Timeline
Reconfiguration and Reconstruction of Commercial Marina	Complete reconstruction and reconfiguration of commercial marina, including Port Docks 3 and 7, Upland Improvements, Swede's Dock and Commercial Marina channel. **Dock 3 Improvements:** • Replace rods, UHMW rub boards **Dock 7 Improvements:** • Furnish and drive new steel piles and pile caps (100 piles) • Furnish and install new floats (38,093 SF) • Furnish and install new gangways (3 @ 220 LF total) • Furnish and install new electrical equipment (38,093 SF) • Dredging PD 7 berths **Swede's Dock:** • New piling **Mitigation Projects:** • Miscellaneous mitigation projects including eelgrass mitigation **Channel:** • Dredging Commercial Marina channel **Upland Improvements:** • New waste oil collection facility/oil-water separator, pump out station	**Reconfiguration and Replacement Total: $14.75 million** • Dock 3: $110,000 • Dock 7: $9.80 million • Swede's Dock: $335,000 • Mitigation Projects: $1.0 million • Channel Dredging: $3.0 million • Upland Improvements: $500,000	2019-2024
Fishing Pier Improvement	Identify replacement strategy and design new fishing pier. • Structural and design improvements to maximize public access for recreational fishing, including ADA improvements	**$2.9 million**	2022
Rogue Seawall Repair	• Phase II study of Rogue seawall (geotech and repair alternatives) • Rogue seawall repairs	**$1.36 million**	2019-2021
Safety and Security	• South Beach Marina electric load centers • South Beach fuel tank replacement • Relocate/replace hoist dock electrical lines • Consolidate and upgrade total security camera network, port-wide	**Safety and Security Total: $2.56 million** • South Beach Marina: $600,000 • South Beach Fuel Tank: $300,000 • Hoist Dock Electrical Lines: $102,000 • Security Camera Network: $200,000	2019-2024

	Capital Improvements	2019 Cost Estimate	Timeline
International Terminal Improvements	• Grading of Port's 9-acre lot (cost does not include wetland mitigation) • Asphalt lot west of shop, behind shop, and near the east entrance • Asphalt northwest corner of laydown area • Installation of waste oil collection tank • Mutually beneficial project(s) as required by development agreement with McLean Point developer.	**International Terminal Total: $482,000** • Grading: $153,000 • Asphalt: $234,000 • Tank: $45,000 • Other: $50,000	2019-2023
RV Annex	• Final plans, new RV Annex • New RV Annex construction	**Total: $2.62 million**	2019-2022
Capital Projects Subtotal		**$27.16 million**	
Total		**$27.32 million**	

Notes:

[1] All cost estimates are planning-level and include a 20 percent construction contingency. Costs are provided in 2019 dollars.

[2] Mitigation Plan cost ranges vary based on level of effort and could include mitigation and regulatory requirements of proposed capital projects and/or an inventory and field work of Port property with mitigation potential.

[3] Reconstruction and reconfiguration of commercial marina includes demolition of 7, and Swede's Dock, and construction mobilization; does not include demolition/reconstruction of the Dock 5 trestle. Port Dock 7 costs include 5 percent for engineering and permits and 3 percent for construction management.

[4] Port Dock 5 and 7 interim improvements include 15 percent for engineering and permitting and 5 percent for construction management.

[5] Fishing pier improvement costs include 20 percent for engineering and permitting and 8 percent for construction management.

[6] Yard improvement costs include 15 percent for engineering and permitting and 5 percent for construction management.

6.2 Management Plan

The Port's existing personnel and management policies govern the successful management of the Port's assets and facilities while strengthening the effectiveness of its personnel and Commission.

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

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

Strategy 1.1.1: Annually review and update the capital facilities plan and develop a list of priority projects in conjunction with the budget development process.

Strategy 1.1.2: Pursue partnership opportunities with private businesses to develop industrial/commercial facilities that meet market demand and provide greater economic development opportunities within the District.

Strategy 1.1.3: Integrate the strategic business plan as a planning tool and review its key projects and policies annually in conjunction with budget meetings.

Strategy 1.1.4: Expand the Port's portfolio by targeting and pursuing new industries identified in the market analysis, such as seaweed and oyster cultivation, log exports, and attracting small cruise ships as a port of call.

Policy 1.2: Maintain and optimize marine assets.

Strategy 1.2.1: Develop a set of metrics to evaluate projects and properties, including underutilized and vacant properties.

Strategy 1.2.2: Lease marine facilities, but do not sell marine assets.

Strategy 1.2.3: Develop a *mitigation* plan to address impacts of capital projects and streamline future permitting.

Strategy 1.2.4: Develop an International Terminal Plan to study a mix of uses and opportunities, required transportation improvements, and the maximization of terminal space at the International Terminal.

Strategy 1.2.5: Develop a North Commercial area plan to develop and evaluate solutions to address service, infrastructure, capacity, and long-term financial sustainability issues.

Strategy 1.2.6: Develop additional business unit plans for Newport International Terminal, NOAA, and South Beach

Strategy 1.2.7: Adhere to and periodically update the Ports strategic business plan to determine priorities and provide for long-term efficiency and financial sustainability.

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

Strategy 1.3.1: Sustain and leverage current partnerships for inter-governmental coordination needed to develop projects, even if the Port is not the lead agency.

Strategy 1.3.2: Maintain focus on the Port's vision, mission, and target industries in the pursuit of partnership opportunities.

Policy 1.4: Maintain Port operations and pursuit of market opportunities through staff and management changes.

Strategy 1.4.1: Develop a staffing strategy and succession plan to account for employee turnover and future employment needs.

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

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

Strategy 2.1.1: Plan and budget for periodic training opportunities to allow Port Commissioners and staff to gain knowledge relevant to their positions, as well as existing protocols and policies.

Strategy 2.1.2: Encourage Commissioner and staff participation in professional organizations (e.g., Pacific Northwest Waterways Association, Oregon Public Ports Association, American Association of Port Authorities, Special Districts Association of Oregon, and other entities).

6.3 Financial Plan [Pending]

6.4 Environmental Plan

The Port's goals include being environmentally responsible in the management of operations and facilities. Sustainability is another of the Port's governing values – maintaining and expanding facilities while not compromising local resources and the natural environment. The following goal, policies, and strategies are proposed to assist the Port in maintaining its commitment to sound environmental stewardship.

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

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

Strategy 1.1.1: Work with local representatives to address environmental concerns and engage community input as needed for special projects.

Strategy 1.1.2: Share resources, funds, and opportunities with local and regional partners as appropriate to achieve common environmental goals and projects.

Strategy 1.1.3: Achieve "Clean Marina" and "Clean Shipyard" certifications from the OSMB.

Strategy 1.1.4: Develop a mitigation plan to address impacts of capital projects and streamline future permitting.

Strategy 1.1.5: Complete a risk assessment that forecasts the potential cost of negative environmental impacts and recommends risk mitigation and avoidance measures.

Strategy 1.16: Complete a comprehensive wetland mitigation strategy that identifies all wetlands on developable port property, as well as mitigation strategies (i.e., wetland enhancement, replacement, wetland bank) where avoidance is determined infeasible given site development programs.

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

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

6.5 Marketing Plan

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

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

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

Strategy 1.1.1: Work with Discover Newport to capture the rise in tourism by marketing local facilities and amenities to trades groups.

Strategy 1.1.2: Partner with CWEDD and the Economic Development Alliance of Lincoln County to promote the distinct advantages of the region and its assets, opportunities, and synergies in marketing efforts.

Strategy 1.1.3: Market directly to target industries and businesses that could locate in the Newport area and where demand exists.

Strategy 1.1.4: Identify opportunities to market the Port nationally and internationally.

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

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

Strategy 2.1.1: Host community events, such as barbeques, where the community can come and learn about the history of the Port and the projects that are underway or on the drawing board, and meet Port staff and Commissioners.

Strategy 2.1.2: Partner with local businesses to give joint tours of research, education, and recreational facilities.

Strategy 2.1.3: Establish a responsive single-point of contact, such as the marketing manager, for community inquiries, suggestions, or concerns.

7.0 IMPLEMENTATION AND ACTION PLAN

Table 7 provides an action plan that identifies top Port priority projects, a timeline, potential funding sources, planned actions, and roles (lead, support and resource agencies) including the Port and its partners. The action plan will help to guide the Port as it implements the recommendations within this strategic business plan. Successful completion of the planned capital, marketing, and maintenance projects will require ongoing review and updating. This action plan should be reviewed annually in conjunction with the Port's budget development process, and may be updated as needed.

Table 7. Action Plan

Project	Timeline	Potential Funding Sources	Action	Agency Roles
International Terminal Plan Planning project to identify a mix of uses/opportunities that will maximize use of the Terminal and adjacent vacant port-owned properties. Potential Terminal uses include cargo shipping for forest products or fisheries, commercial fisheries support, and opportunities to support small cruise ships, and employment land development.	2019	• IFA • Public private partnership (P3) • USEDA • MARAD	• Identify funding sources and pursue loan/grant funding to support additional analysis and partnership opportunities at the International Terminal. • Complete an in-depth analysis of economic opportunities and facility needs to support potential uses of the Terminal and adjacent vacant properties. • Coordinate with adjacent property owners (Mclean Point developer and others)	• Port (lead) • Business Oregon/IFA/EDA (support) • USDOT MARAD (support) • ODFW/USACE (resource/regulatory)
Mitigation Plan Planning project to address mitigation needs of future capital projects and potential inventory of mitigation sites. Partnerships and collaboration between the ports of Newport and Toledo, Yaquina Bay users NOAA, ODFW, and the USACE are envisioned to complete this plan.	2019 to 2021	• Business Oregon • IFA • USDA • Various research and science grants	• Identify funding sources and pursue loan/grant funding for ongoing site readiness through advanced mitigation planning. • Identify wetlands on a comprehensive basis for top priority Port development sites, including mitigation options. • Include sub-tidal eelgrass mitigation strategies. • Develop a leadership role for the Port in eelgrass propagation. • Become a regional leader in environmental mitigation, including habitat enhancement, in conjunction with OSU and other regional partners and resource agencies.	• Port (lead) • Business Oregon/IFA (support) • Port of Toledo (support) • Yaquina Bay users (support) • NOAA (support) • Oregon State University (OSU) (partner) • ODFW (resource/regulatory) • Department of State Lands/USACE (resource/regulatory)

Project	Timeline	Potential Funding Sources	Action	Agency Roles
RV Park Annex Plan Planning and conceptual design project to redesign and reconfigure the RV Park Annex to maximize space and functionality.	2019 to 2021	• Port • OPRD Grants	• Facilities and site layout for RV Park Annex site plan to increase the number of RV sites and improve utilities and services.	• Port (lead) • OPRD (support) • Oregon RV Association/ Travel Oregon (resource)
Port Dock 5 Interim Improvements Interim improvements to replace pier and improve dock. • Approach pier replacement • Replace 6 Pilings • Replace Rods, Whalers, Rub Boards, Bumpers and Triangles (PD 5C) • Replace Rods, Bumpers, Rub Boards and 6 Whalers (PD 5B) • Replace Rods and Rub Boards (PD 5X) • New power pedestals	2019-2021	• IFA • P3 • USEDA	• Secure funding • Preliminary design • Permitting • Final engineering • Bid and Construction	• Port (lead) • Business Oregon/IFA/USEDA (support) • ODFW/USACE (resource/regulatory)
Port Dock 7 Interim Improvements Interim improvements prior to reconfiguration/replacement • Miscellaneous float and pile improvements and electrical improvements • Replace 6 Pilings	2019-2021	• IFA • P3 • USEDA	• Secure funding • Preliminary design • Permitting • Final engineering • Bid and Construction	• Port (lead) • Business Oregon/IFA/USEDA (support) • ODFW/USACE (resource/regulatory)

Project	Timeline	Potential Funding Sources	Action	Agency Roles
Reconfiguration and Reconstruction of Commercial Marina Complete reconstruction and reconfiguration of commercial marina, including Port Docks 3 and 7, Upland Improvements, Swede's Dock and Commercial Marina Channel. **Dock 3 Improvements:** • Replace Rods, UHMW Rub Boards **Dock 7 Improvements:** • Furnish and Drive New Steel Piles and Pile Caps (100 piles) • Furnish and Install New Floats (38,093 SF) • Furnish and Install New Gangways (3 @ 220 LF total) • Furnish and Install New Electrical Equipment (38,093 SF) • Dredging PD 7 Berths **Swede's Dock:** • New piling **Mitigation Projects:** • Miscellaneous Mitigation Projects including eelgrass mitigation **Channel:** • Dredging Commercial Marina Channel **Upland Improvements:** • New waste oil collection facility/oil-water separator, pump out station	2019 to 2024	• IFA • P3 • USEDA • Connect Oregon	• Program Refinement • Secure funding • Preliminary design • Permitting • Final engineering • Bid and Construction	• Port (lead) • Private Development/ Business Oregon/ ODOT/IFA/USEDA (support) • ODFW/USACE (resource/regulatory)

Project	Timeline	Potential Funding Sources	Action	Agency Roles
Fishing Pier Improvement Identify replacement strategy and design new fishing pier to improve ADA accessibility. • Maximize public access for recreational fishing with a focus on diverse users, particularly those with disabilities • Reduce environmental impact of the pier structure	2022	• Port • OSMB • City of Newport • Lincoln County • USCAE	• Conduct public outreach to identify replacement strategy • Secure funding • Preliminary design • Permitting • Final engineering • Remove structures as required • Bid and construction	• Port (lead) • OMB (support) • ODFW/USACE (resource/regulatory)
Rogue Seawall Repair • Phase II Study of Rogue Seawall (Geotechnical and Repair alternatives) • Rogue Seawall Repairs	2019-2021	• Port • USEDA • Business Oregon • Private foundations	• Complete Phase II Study • Secure funding • Preliminary design • Permitting • Final engineering • Bid and construction	• Port (lead)
Safety and Security • South Beach Marina Electric Load Centers • South Beach Fuel Tank Replacement • Relocate / Replace Hoist Dock Electrical Lines • Consolidate and Upgrade Total Security Camera Network, Port-wide	2019 to 2024	• Port • P3	• Secure funding • Preliminary design • Permitting • Final engineering • Bid and construction	• Port (lead)
International Terminal Improvements • Grading of Port's 9 Acre Lot • Asphalt lot west of shop, behind shop, and near the east entrance • Asphalt Northwest Corner of Laydown Area • Installation of Waste Oil Collection Tank • Mutually beneficial project(s) as required by development agreement with McLean Point developer.	2019 to 2023	• Port • Private • P3	• Secure funding • Preliminary design • Permitting • Final engineering • Bid and Construction	• Port (lead) • Private Development (support)
RV Annex • Final plans, new RV Annex • New RV Annex Construction	2019 to 2022	• Port • OPRD	• Secure funding • Preliminary design • Permitting • Final engineering • Bid and Construction	• Port (lead) • OPRD (support) • Oregon RV Association/ Travel Oregon (resource)

8.0 ATTACHMENTS AND EXHIBITS

Port of Newport
Strategic Business Plan
Newport, Oregon

Appendix A
Outreach Summaries

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Port of Newport Strategic Business Plan Update
Stakeholder Interviews Summary

As part of its Strategic Business Plan (SBP) update, the Port of Newport invited stakeholders to small group interviews on 20 November, 2018. Follow up interviews were conducted with those unable to attend the in-person sessions. In addition, the International Longshore & Warehouse Union (ILWU), Coast Longshore Division, provided a letter to be included in response to the request for a stakeholder interview (see Attachment A).

The Consultant team of BergerABAM and BST Associates conducted the interviews, which were based on a series of questions regarding the local market and growth opportunities. Responses are given by category below and a list of the individuals interviewed are listed at the end of this summary. This information will assist the project team and the Port in completing the SBP update.

1. Geographic extent of primary and secondary market area

Newport has a diverse economy, including fishing, tourism, manufacturing, and research. The Port is home to a large commercial fleet, a recreational marina, and its largest manufacturer is Rogue Brewery. The commercial fleet is serviced primarily at the Port of Toledo, which is also home to Georgia Pacific; the local economies are closely tied together. Many of those interviewed responded that their primary market area is Newport and the central Oregon coast, including fisheries activities from Alaska to California and receiving markets nationwide and international, including California, New York, China, and other destinations. Fisheries are strong on the north and central coast, and a number of boats have moved up from Port of Brookings and Northern California. Many of the fish processors locally are receiving Pacific Whiting and Hake, while local buyers distribute a variety of seafood, such as crab, albacore, and black cod, and live catch landed by Newport's homeport fleet of up to 100 boats. Those in the tourism and service industries reported strong visitation from the Portland Metro area and Willamette Valley, followed by the Tri-Cities and Idaho. There are many national and international visitors to Newport as well. The Oregon Coast Aquarium receives nearly 500,000 annual visitors.

2. General locational advantages of Newport as a place to do business

Yaquina Bay provides direct access to the Pacific Ocean, and is considered to be a comparatively safe Oregon Coast bar crossing. The strong mix of uses – including the working waterfront, NOAA facilities, Oregon State University Marine Research Center, Oregon Coast Aquarium (OCA), Rogue Brewery, and other destinations – paired with world class fishing and fisheries are impressive, creating a broad consumer and visitor awareness for a smaller community. The location is ideal for marine research and marine deployment, and all interviewees felt that the commercial fleet facilities – with the new travel lift in Toledo – make the range of services complete. The community's history of getting things done (NOAA, OCA, etc.), was also noted as

making this a positive place to grow existing businesses and entice new business growth. Those interviewed were all very upbeat about the future and attractiveness of the location, while dock-side independent fisheries service needs, recent Port turnover, issues and decisions impacting the International Terminal, and regional-to-state intergovernmental relationships were cited as threats to be overcome as soon as possible to ensure ongoing positive growth.

3. Greatest assets Newport has to attract jobs

The Port enjoys an ideal location and a strong contingent of marine tradesman to support further marine industry growth. It also has a marine terminal that the commercial fishing fleet will need to continue to access for dockside mooring, lift access and layout space. The International Terminal is considered among the Port's greatest assets. Generally, there is interest in niche markets that could provide shipping opportunities that are compatible with and don't displace fisheries activities. With the new 600-metric-ton lift in Toledo and all services for the fishing fleet available at the Port or in the area, the concern now turns to maintenance of the docks (nos. 5 and 7 need to be rebuilt) and adequate storage for the current generation of wider fishing vessels. The Port is considered the key agency for community economic development and, although many acknowledged steps to bridge gaps recently created with local, regional, and state agencies, all agreed the Port will need to invest in its political and "human capital" to attract and retain jobs that are based on a stable Port staff and operations.

4. What is your familiarity with Port assets and operations, and what do you feel would encourage job growth?

All of those interviewed were very familiar with the Port and its operations. There were a number of suggestions on how the Port should work to encourage growth, including:

- The Commission should work together to fully understand what users are contributing to the Port and community
- Seek trade organization input
- Recognize the tie between Port and community
- Consider cargo, but it must be done right
- Add a card swipe system to hoists for offloading; keep charges fair
- Allow the Rogue Brewery to grow and invite them to economic development committees
- The OAC has been involved in economic development previously and would like to reengage
- Continue to add fishing fleet support services (e.g., welder)
- Reconstruct Commercial Docks 5 and 7
- Revise buyer fork lift policy to allow private lifts and install heavier hoists

5. Top projects or initiatives you want the Port to consider

Those interviewed provided a number of ideas for the port to consider in terms of new projects and initiatives. Some are well known maintenance needs, such as dock repair, and others involve improvements to operations, facilities, and marine services provided by the Port, such as

increasing available moorage. The following summarize top project priorities suggested by stakeholders:

- For the commercial dock, rebuild pier and replace Docks 5 and 7
- Consider a new mobile crane to replace hoists
- Update commercial dock electrical systems that are becoming unsafe
- Digitize fee system, improve parking
- Consider metering parking on Bayfront to reduce parking pressure
- The International Terminal is key – a large Alaska fleet homeports in Newport
- Complete terminal tsunami tie-downs
- Repair agency relationships
- Address workforce housing needs
- Continue strong interim management lead to reconnect agencies/users/stakeholders

6. Primary Industry types and ideas for strengthening existing industry clusters

There were a number of stakeholder ideas that were offered to strengthen existing industries. These were primarily related to marine service improvements and to intergovernmental coordination. Specific responses included:

- Create a financial plan to run the Port like a business
- Ensure customer-friendly approach and timely billing
- Consider production of dulse seaweed as a niche market
- Utilize the resources we already have
- Create a renaissance that builds on the old pillars of the community
- Leave room for independent fish buyers (physical and market space)
- Ensure transparency (e.g., accountability to the Coastal Caucus)
- Consider an incubator space on Bayfront; smaller tourism space, but keep it marine related
- Innovation in manufacturing (e.g., expansion of existing businesses into spinoff/support areas)
- Synergy (Astoria example: education, research and development, food and beverage, artists, tourism)

7. Do you have what you need to grow your business or help your constituents grow locally?

All of those interviewed were vested in seeing business growth and stated many examples of successes within Newport and the Port District. The following provide insight to what businesses see as critical for growth:

- Consider a future improvement to Dock 4, which adjoins Docks 5 and 7, including dockside access
- Note private redevelopment plans may add marine services in place of the Undersea Gardens

- Enhance fleet services: ice, improved offloading facilities
- Current fisheries revenue multiplies through the local economy, so don't displace fisheries jobs
- Workforce housing is needed to grow business (e.g., OCA's biggest challenge to recruitment; Rogue has its own apartments to help new employees transition into housing)
- Ready industrial land in short supply. In general, the Port does not have much land.

8. Are there certain marine or industrial sector services that are missing in the Newport/Lincoln County economy?

There were a few missing services reported during the interviews, including:

- Airport access
- Schools have improved and more could be done
- Healthcare can be an issue, but newly remodeled hospital should help
- Consider smaller cruise ships, but must be balanced with environmental concerns
- More moorage and dockside access is needed
- Increase number of hoists/lifts
- Balance of compatible fishing and shipping
- Trader Joe's- or New Seasons-style grocer
- International Terminal enhancements: ice, freezer storage, mobile crane/hoists, more gear space

9. What should the Port continue to pursue and what should it not do?

The interviews included encouraging comments and needs for improvements. Among the dos and don'ts, we heard:

Do:

- Train Port staff on customer service and technical facilities skills
- Continue building positive relationships with state and local agencies
- Prepare a succession plan to maintain stability during staff/management transitions
- Consider new dockside policies (e.g., private fork lifts)
- Embrace a cultural change to "can do" attitude at the docks
- Replace Dock 5 pier – if lost, it will cripple the fleet
- Complete the International Terminal with dockside amenities (ice, freezer storage, covered gear storage)
- Progress quickly but carefully to recruit the new manager
- Consider existing businesses and users when assessing new opportunities
- Protect waterfront property for water dependent and related uses

Don't:

- Contentious issues (e.g., log shipping) need to be dealt with carefully

- Don't just build it – make this a dynamic community!
- Be aggressive in getting the Port's house in order
- Don't displace fishing vessels at International Terminal

10. Anything else you would like to add?

The following is a summary of the responses.

- Be transparent
- Explore all avenues
- Over $400,000 in revenue generated at the Terminal from fishing boats last year
- Fishing is expanding and doing well
- Port innovation is key
- Find the right Port Manager; Port governance is key
- Focus on adequate space for fishing
- Cargo will likely require dredging
- Consider small cruise ships, short sea barge shipping; focus on uses that avoid dredge needs

Stakeholders Interviewed:

- Spencer Nebel, City Manager, Newport
- Dietmar Goebel, City Councilor, Newport
- Bud Shoemake, Manager, Port of Toledo
- Clint Funderburg, Commercial Fisherman
- Gary Ripka, Commercial Fisherman
- Carrie Lewis, Director, Oregon Coast Aquarium
- Jack Waibel, Operations Director, Rogue Brewery
- Brett Hammerick and Kathy, Seawater Seafood
- Cari Brandenberg and Geoff Mulfino, Living Pacific
- Heather Mann, Midwater Trawlers Cooperative
- Senator Arnie Roblan, District 5

Additional interviews were conducted in conjunction with the Market Analysis prepared by BST Associates. Stakeholders interviewed included:

- Evan Hall, Rondys
- Gil Sylvia, OSU (Marine Resource Economist/Director of the Coastal Marine Experiment Station)
- Chris Langdon, OSU (Professor of Fisheries)
- Caroline Baumann, Economic Development Association of Lincoln County
- Jack Barth, OSU (Director of Marine Studies Initiative)
- Bruce Conner, Port of Astoria and Cruise the West
- Bryson Robertson, OSU (Director of Pacific Marine Energy Center)
- Bob Cowan, OSU (Director of Hatfield Marine Science Center)

Attachment A
ILWU Letter

Good afternoon and thank you for giving us the opportunity to make our case for a stronger, more diverse and robust future for the Port of Newport.

The ILWU, International Longshore & Warehouse Union, Coast Longshore Division has a strong history of working to expand and support the efficient movement of goods in and out of the United States through a network of Ports along the West Coast. Some of these ports are large and move massive amounts of cargo over their docks and throughout the world. Other ports are smaller, providing necessary and critical services to local businesses with more specialized and unique shipping needs. The Port of Newport falls into this category.

Today, the Port of Newport is struggling to find its footing in the economic world of shipping and receiving goods and to figure out how it can play an important role in providing services to the entire State of Oregon. We at the ILWU see the future as one in which the Port of Newport becomes a more vital and profitable partner with other ports in Oregon. Providing a variety of alternatives for the shipment of agricultural and manufactured products.

Currently, timber, agricultural, and manufactured products are being moved by truck and rail to ports in Portland, Seattle, and even San Francisco. This adds congestion on already overburdened highways and puts additional strain on our roads and infrastructure in Oregon and Washington. The current process adds millions of dollars to the cost of moving these products to markets outside of Oregon placing Oregon products at an economic disadvantage in the global marketplace.

We urge you to consider the needs of Oregon's timber, agricultural and manufacturing business as you develop your strategic economic plan for the Port of Newport. We believe it is critical that you include the expanded use of the International Dock as was originally envisioned for the construction of this dock. This is a path we believe will make the Port of Newport a profitable part of Oregon's import and export market.

The Port of Newport has the benefit of a newly constructed International Dock designed to meet the needs of a wide variety of shipping interests. Our view is one that is more global, and we believe offers a more diverse economic future for both the Port and for the entire area here in Newport. It is our goal to see the Port as part of the bigger economic engine for Oregon offering a variety of export opportunities, large and small, diverse and stable.

We want to encourage you as an elected Commission to examine every opportunity for the expanded use of the new International Dock, which was paid for by bonds approved by the taxpayers here in the Newport area along with state and federal tax dollars collected by and invested for all Oregonians and others. The use of extremely limited economic development funds and critical transportation funds designed to improve the overall infrastructure of Oregon shows that there is an interest in expanding the economic base in Newport by expanding future opportunities for international trade. There is room for everyone who wants to participate in building a more robust economic base in Newport, Oregon. You have the opportunity and the obligation to see that the Port of Newport meet the needs of the entire community and all the businesses who operate here and throughout Oregon by making this Port a part of a full economic expansion for everyone.

Unfortunately, we are not available to travel to Newport for the 1-hour hearing. However, if you have questions, we will be available by phone to respond to any questions you may have.

Mary Botkin
Judi Mehrens

Port of Newport

DATE: *January 8, 2019*

RE: *Port of Newport Strategic Business Plan*
1st Community Open House

TO: *Port of Newport Board of Commissioners*

ISSUED BY: *General Manager*

On November 20, 2018, the Port of Newport hosted a Community Open House at Newport City Hall to allow the public to meet with the consulting team from BergerABAM and provide initial feedback on how to best support job growth in the Port district, for consideration as the Strategic Business Plan is drafted.

Twenty-three members of the public from various sectors attended the event. Comments were solicited and collected. Here is a summary of the suggestions:

Commercial Marina	International Terminal	Recreation & Tourism	Other
Redesign & Rebuild PD 5 & 7	Attract/Facilitate Transpacific cargo	Hoist to launch boats & dock at Yaquina Bay Yacht Club	Partner with other agencies for projects of mutual interest
Upgrade electrical systems to 480V	Upgrade electrical systems to 480V	Non-motorized boat launch ramp on north shore of Yaquina Bay	Restoration effort to support commercial & sport species
Alternate moorage for larger vessels 85' to 150'	Find additional activity (e.g. shipping, cruise ships) that doesn't displace distant water fleet	Partner with County and City for bus shuttle service/develop parking plan	Work with scientific community to support other uses of Port resources
Dredge Port Dock 7 Marina	Get ODOT authorization to allow more trucks to the Terminal	Tours to important wildlife areas/eco-tourism	Hire a Marketing & Sales Manager
Consider finite resources of fishing industry	Gain support by including all of Lincoln County (finance and voting)	Expand walkability along the Bayfront	Lessons learned from past failures and plans to correct the problems
	Consider rail/inter-modal access	Maintain access for current users at SB Marina	Consider Tsunami zone
	Utilize 9 acre property and collaborate with adjacent property owners	Small Cruise Ships	Continue PON Mates Volunteer Work & Outreach
		Cross-Bay water taxi	International Airport
		Continue improvements to SB facilities	Upgrade Port Office
			Workforce housing

The Port Commission, Staff and Consultants thank all of those who participated for their suggestions and interest in the Port of Newport.

Port of Newport
Strategic Business Plan
Newport, Oregon

Appendix B
SWOT Analysis

BergerABAM
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Port of Newport
Strengths, Weaknesses, Opportunities, and Threats Analysis
November 19, 2018

As part of the kickoff meeting for the Port's strategic business planning process, Scott Keillor, project manager for BergerABAM, facilitated a strengths, weaknesses, opportunities, and threats analysis (SWOT) with the Port of Newport Commission. The analysis was conducted as part of a Port Commission workshop and was open to the public. Commission, Staff, and Consultant attendees are listed below, additional attendees are included on the attached sign-in sheet.

Port of Newport Commission
Stewart Lamerdin, President
Sara Skamser, Vice President
Walter Chuck, Secretary/Treasurer
Jim Burke

Port of Newport Staff
Teri Dresler, Interim General Manager
Aaron Bretz, Director of Operations
Kent Gibson, Commercial Marina Harbormaster
Bill Hewitt, RV Park Supervisor
Karen Hewitt, Administrative Supervisor
Becca Bishop, Accounting Clerk
Annie Tarr, Accounting Clerk

Consultants
Scott Keillor, BergerABAM, Project Manager
Nicole McDermott, BergerABAM, Deputy Project Manager
Brian Winningham, BST, Economist

The following is a narrative description of each discussion topic followed by a table of bullet points generated during the meeting.

Strengths

All agreed that the Port of Newport is well positioned to capitalize on its strengths and potential for business growth. The Port is in a prime location to see continued growth in commercial fishing, as well as growth in recreation and tourism, given the Port's proximity to population centers in the Willamette Valley. The Port is supported by an excellent staff with institutional knowledge as well as new employees that bring a fresh perspective. The Port's

finances are diversified with revenue streams supported by different industry types (commercial fishing, tourism, recreation, and institutional/research), which brings economic resiliency. The Port has a strong identity and has experienced many successes in recent years, including the development of the International Terminal, NOAA facilities, and the continued expansion of the commercial fishing industry. There is still room to grow and unmet business demand. The Port has the infrastructure to support future development and growth, and the Newport community offers an excellent quality of life with an engaged citizenry.

Weaknesses

Despite considerable strengths, the Port also faces challenges – the Port's reputation has taken a hit over recent staff turnover and disagreements related to the future use of the International Terminal. Deferred maintenance, especially at the commercial marina, is a challenge for the Port and a changing regulatory environment can make improvements and updates more costly. The Port also relies on outdated record keeping and accounting procedures that create inefficiencies. Allocating financial resources is also made challenging by the continuing budget pressure from Public Employees' Retirement System (PERS) funding requirements. While the Port has land to grow, that land is not development-ready and mitigation sites are not prepared to offset environmental impacts.

Opportunities

Despite current challenges and future threats, the Port sees a variety of opportunities to improve economic development and be an example for other West Coast ports. The Port can develop management and communication protocols and update administrative and accounting practices using modern technology. An annual work plan will help the Commission and staff prioritize projects. The Port can also strengthen relationships with other agencies and local industries to leverage resources and capitalize on untapped potential. A marketing plan can help the Port tell its story and rebuild its reputation. There are also opportunities to repurpose existing underutilized land and explore the potential for developing mitigation sites and/or building demonstration projects.

Threats

Many weakness are also potential threats to the economic viability of the Port. A lack of staff protocols, procedures, and transition planning threatens the resources and staff necessary to run the Port's operations. Deferred maintenance at the commercial marina threatens the livelihood of the commercial fishing industry, and changing regulations and resources for dredging are a challenge for financial planning. The lack of rail access could threaten the Port's ability to attract industry, and the bridge air draft is a challenge for ships entering the bay. Other threats faced by the Port include rising housing costs, which threatens the Port's ability to attract and retain staff, and climate change and potential natural disasters, which threaten all coastal communities.

SWOT Analysis Table

Strengths	Weaknesses
• Deep-water entrance and deep-draft channel • Diversity in users and staff in place (long-term and new employees) to capitalize on potential – Port of Newport is more than just a commercial harbor • Changing demographics in the community bring new resources and ideas – not just a sleepy fishing village • Highway 20 improvements • One-hour access to channel/lanes, Pacific Marine Highway • Room to grow • Multiple revenue sources (recreational, commercial fishing, industrial, institutional) – economic resilience • Engaged users • Strong marine trades expertise • Proximity to shipyard • Central location – proximity to fisheries and Willamette Valley • Strong history • New facilities/infrastructure (RV park, the International Terminal, NOAA, boat ramp, recreational marina) • Identity of port – investment from the state, Oregon State University, etc. • Good quality of life (hiking, biking, etc.) • Size of facilities • Business growth and demand • Research and development, including satellite businesses • Good fill material • Development estuary designation	• Deferred maintenance • Finances of the Port – Port is heavily leveraged • Reputation of staff turnover • Lack of historical data/systems/record keeping – staff procedures and human resource protocols • Lack of new revenue – decline in grant funding and increases in local match requirements • Lack of technology/office space/storage • Resistance to change • No rail access • No reinvestment in revenue streams • PERS liability • Regulation changes that will impact facility updates, including dock replacement • Lack of mitigation sites and places to grow – lack of land • Staff capacity • Lack of long-term vision • Staff and workforce training and cross-training • Lack of dredge material disposal sites • Cost of insurance due to location – tsunami zone • Unable to pass bonds for revenue source • Lack of capacity for industrial buyers (processing and storage) • Lack of marina amenities – waste disposal, showers, laundry • No cash reserves
Opportunities	**Threats**
• Deep-water entrance • Updated administration and office technology • New administrative office location • Proactive mitigation planning – increase development-ready land	• Housing costs, specifically workforce housing • Lack of staffing strategy and planning – management/communications • Condition of commercial marina • Lack of dredge material disposal sites

Opportunities	Threats
• Provide staff/workforce training/cross-training • Develop a staffing strategy and succession plan • Develop a work plan for annual updates • Repurpose land • Improve partnerships/ties with the City, County, state, and tribes – collaborate on initiatives (affordable housing, etc.) • Develop new revenue streams (fishing and shipping) • Capture innovation – value added • Tell story/better PR/build local pride • Capitalize on off-shore marine construction • Capture vessel traffic • Service dock rehabilitation • Development opportunity – urban renewal area • 5 acres of woodland property in Port ownership • Explore potential uses of tidal land – mitigation, restoration, etc. • Commercial marina – revamp – look ahead (function and technology) • Use new technology/build demonstration projects • Explore opportunities for "value-added" products • Partner with green technology firms • Business growth and demand in various sectors, including development potential at the RV annex, commercial fishing, industry, and research – "ocean science" cluster • Partner with research and education organizations to advance stewardship • Be an example/focal point for ports on the west coast	• Funding for dredging (lack of control)/permitting/changing regulations • No rail access/container capacity • Bridge air draft • Climate change/tsunami • Unable to pass bonds for revenue source • Lack of affordable housing • Lack of capacity for individual buyers at the commercial marina (processing and storage) • Offshore marine construction (terminal location) - fishing

Next Steps

The Port staff and Commission will direct refinements in the SWOT analysis to be included in the Port's strategic business plan, targeted for completion in early 2019.

Port of Newport
Strategic Business Plan
Newport, Oregon

Appendix C
Facilities Condition Assessment

BergerABAM

700 Northeast Multnomah Street, Suite 900, Portland, Oregon 97232-4189
503/872-4100 • 503/872-4101 Fax • www.abam.com

Memorandum

Date: 4 February 2019

Subject: Port of Newport Facility Condition Assessment

From: Scott McMahon, PE

To: Teri Dresler, Interim General Manager and Aaron Bretz, Director of Operations

OVERVIEW

The Port of Newport (Port) owns over 700 acres of marine and upland property in Lincoln County, Oregon. The Port has property in two primary locations: South Beach and North Bay. In addition, the Port owns an approximately 5-acre wooded property located on Yaquina Bay Road, southeast of the Port's other land holdings. BergerABAM performed a limited facilities assessment on the majority of Port properties, including the commercial marina, International Terminal, and South Beach properties. BergerABAM did not visit the 5-acre wooded property.

The assessment included a visual reconnaissance and review of available technical reports and drawings that the Port provided. BergerABAM did not perform any calculations or testing. Scott Keillor and Nicole McDermott visited the Port's properties on 19 November 2018, and Scott McMahon visited on 20 November 2018 with Port staff. A summary of Port-owned properties follows.

NORTH BAY – COMMERCIAL MARINA AREA

Overview

The Commercial marina is located in the North Bay and includes over 200 boat slips and related facilities that primarily serves the commercial fishing and distant water fleets (see Photo 1). The marina includes Docks 1, 3, 5, and 7, as well as a hoist dock and yard and Swede's Dock. By water, the commercial marina is accessed from the Pacific Ocean via Yaquina Bay. By road, the marina is accessed from Bay Boulevard. The marina docks are in varying conditions with the majority needing some level of repair. The Port has a plan to reconfigure the marina to replace existing facilities and to better serve the current needs of the commercial fleet, including larger boats. Eelgrass is present in the marina area and will require mitigation to offset any impacts that result from marina improvements.

The condition of the facilities is further described below.

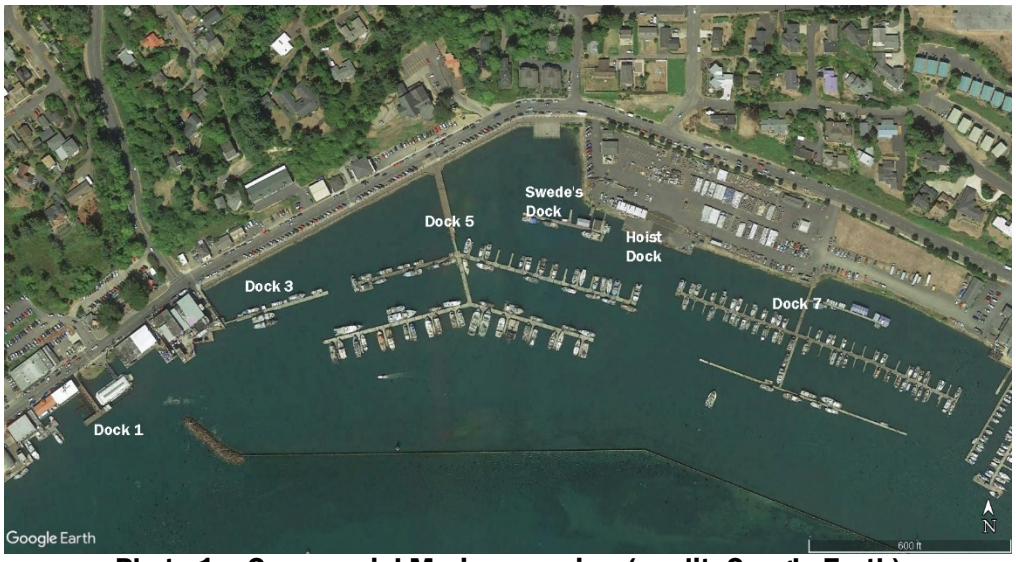


Photo 1 – Commercial Marina overview (credit: Google Earth)

Port Dock 1

Port Dock 1 is located on the western side of the marina and directly accessed from Southwest Bay Boulevard. It is primarily used by tourists to view sea lions, with some tuna boats using it during the summer. The southern end of the dock is in private ownership (roughly 92 linear feet of berth space), with the other berth space in Port ownership (roughly 118 linear feet, excluding the space fronting the sea lion dock foundation). The dock is wood construction and the overall observed condition is poor. See Photo 2.

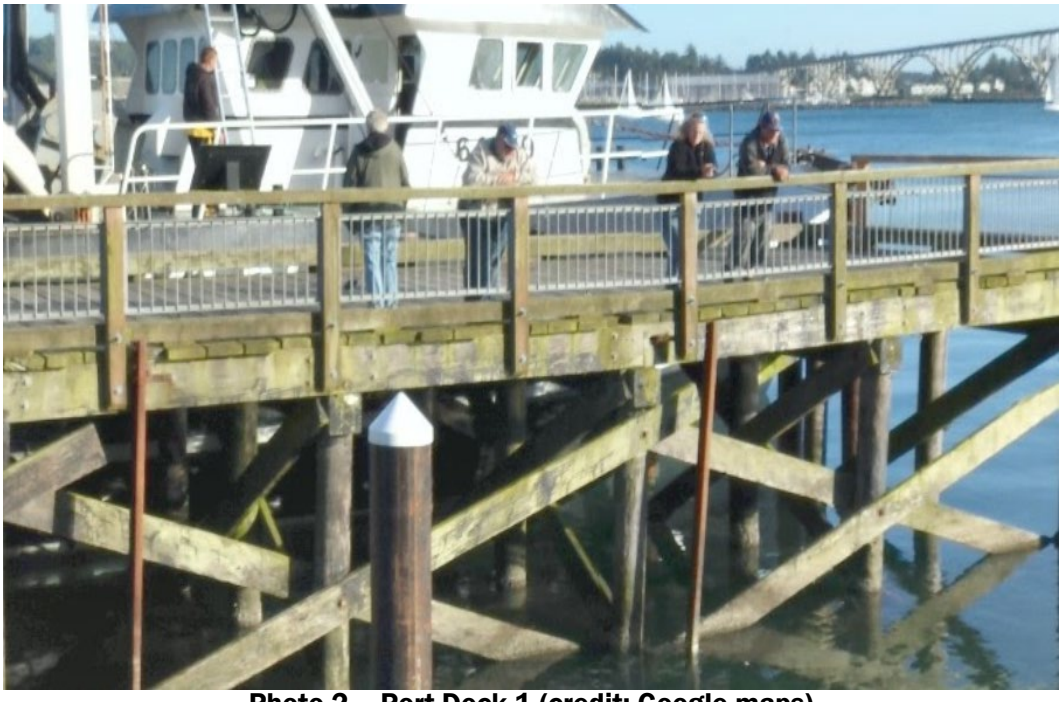


Photo 2 – Port Dock 1 (credit: Google maps)

Port Dock 3

Port Dock 3 is a floating concrete dock with uncoated steel piles. Access to the dock is provided by a 50-foot-long aluminum gangway attached to a private dock owned by Pacific Seafood, which is directly accessed from Southwest Bay Boulevard. The Port may want to consider alternate access. Port Dock 3 includes roughly 580 linear feet of berth space and is in fair condition. Some of the steel piles supporting the gangway landing have holes, the electrical pedestals need upgrades, and float rods need replacement.

Photo 3 – Port Dock 3 – Concrete Float

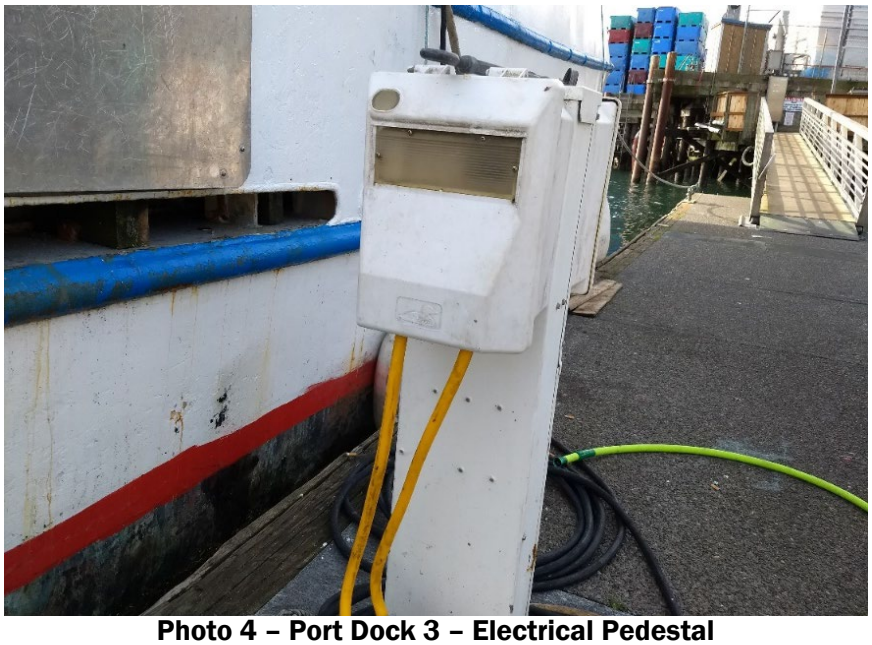


Photo 4 – Port Dock 3 – Electrical Pedestal

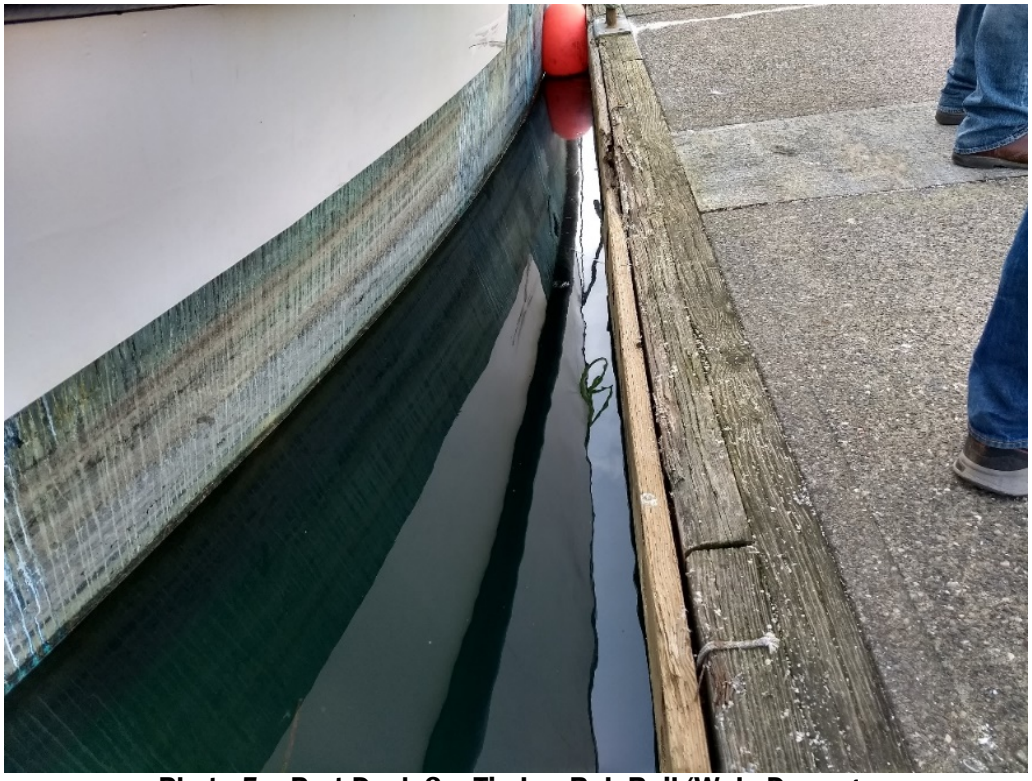


Photo 5 – Port Dock 3 – Timber Rub Rail/Wale Damage

Port Dock 5

Port Dock 5 includes an approach trestle that provides vehicular access off Southwest Bay Boulevard, a landing float, and four floating docks extending from the main stem. The approach trestle includes a wood deck and wood piles. The approach trestle is in poor condition, and the Port is working with an engineer on the design of a replacement. The project would also include replacement of the landing float. The main stem is roughly 430 feet long. The northeast walkway extending from the main stem includes 540 linear feet of parallel berth space on the south side of the dock, with 13 finger floats on the north side. The southeast walkway extending from the main stem includes 380 linear feet of parallel berth space on the north side of the dock, with five finger floats on the south side. The southwest walkway extending from the main stem includes 440 linear feet of parallel dock space on the north side of the dock and six finger floats on the south side. The northwest walkway extending from the main stem includes 650 linear feet of parallel berth space on both the north and south side.

All of the floating docks are concrete with steel piles and are in fair condition. The piles are a mix of uncoated and galvanized steel. The main stem is also a concrete float with steel piles. It is understood that the dock rods will be replaced soon. The steel piles appear to be short and may not be tall enough to handle a high tide with a storm surge or tsunami.

One float wing is a timber floating dock with steel piles, which require replacement. It also appears that some boats using this dock are too large for the slips.

The electrical system on the dock needs to be replaced; the breaker is too small for all the pedestals and the transformer at the street is overloaded. Also, several electrical pedestals are obsolete and need to be replaced. The floats need new rods and replacement timber wales. The Port will look to install UHWM boards with rubber D-bumpers where possible.

Photo 6 – Port Dock 5, Approach Trestle

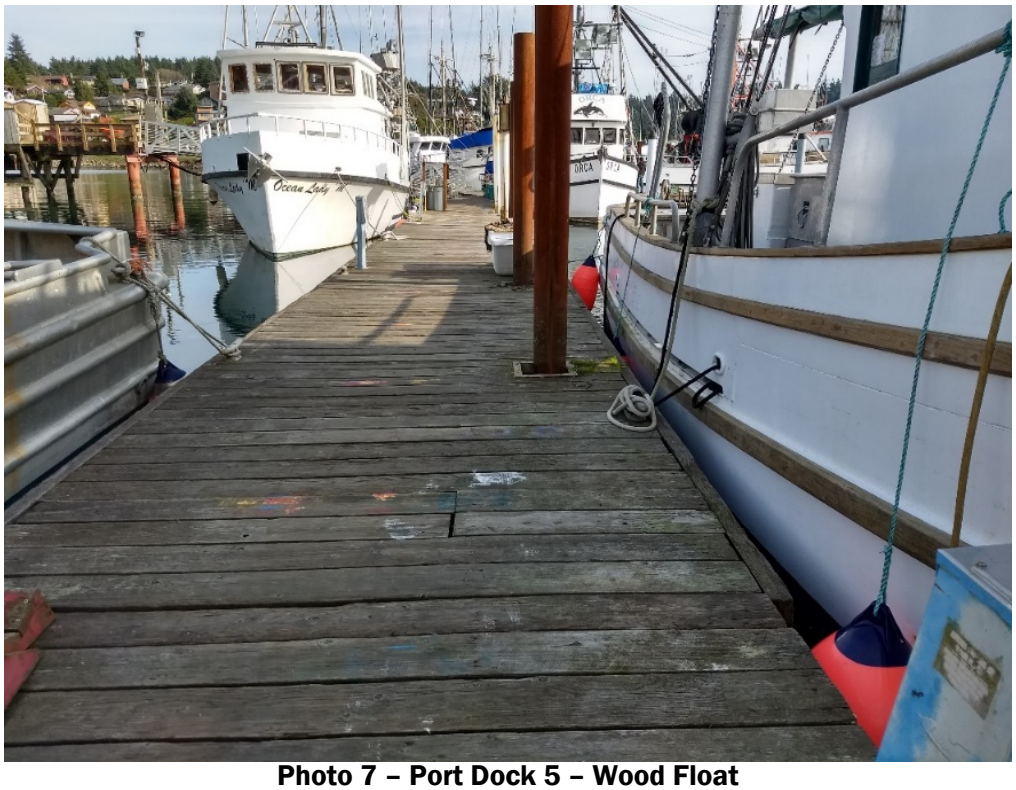


Photo 7 – Port Dock 5 – Wood Float

Photo 8 – Port Dock 5 – Concrete Float

Port Dock 7

Port Dock 7 consists of an approach and four floating docks. The dock is accessed via the eastern end of the storage yard, described below with the Hoist Dock. The main stem measures roughly 315 feet from shore. The southernmost 150 feet of the stem allows for north/south parallel berthing. The closest dock to the shore, extending east from the main stem, contains house boats and is missing piles. The central two docks, extending east and west from the main stem, measure 880 feet in total and contain finger floats; 26 on the north side of the docks and 24 on the south side. The most southern dock, also extending east and west from the main stem, includes roughly 1,300 feet of dockage space for parallel berthing.

The floats are wood with steel piles and concrete fingers. The concrete finger floats were installed in 1993. The fingers have been removed from Float B and many of the 8-inch steel piles are missing. The other floating docks were re-decked approximately 24 years ago. Some floats were observed to be leaning and all the floats are in fair to poor condition. Erosion was observed on the east side of the approach. The existing electrical service includes two 30 amp circuits; the Port would like 50 amps for 50-foot slips and larger.

Photo 9 – Port Dock 7 – Erosion

Photo 10 – Port Dock 7 – Approach

Photo 11 – Port Dock 7 – Wood Floating Dock and Concrete Fingers

Photo 12 – Port Dock 7 – Floating Dock B

Hoist Dock and Storage Yard

The hoist dock and yard are located to the west of Port Dock 7. The hoist dock includes two jib-type swing hoists and two crane hoists. The crane hoists are not often used, as the fisherman prefer the swing hoists.

The existing dock has a paved asphalt deck surface with wood support in the center and concrete on each end. The dock is approximately 220 feet by 30 feet, with 30-foot concrete sections on each end (built in the late 1980s) and a 200-foot timber-supported center.

Fender piles at the west end of the dock are timber and are rotten. The remainder of the piles are steel and were replaced approximately 6 years ago. Electrical lines are located below the dock within the tidal zone. These should be moved underneath the deck to better protect the lines. Conductors will also need to be replaced. The overall condition of the dock appears to be fair, but the Port commented that the entire dock will require replacement in the future.

The storage yard consists of storage areas for crab pots and other equipment, portable offices for fish buyers, and Port shop building. The eastern end of the yard, which is upland and away from the shore, includes the Port office building and restrooms. There are roughly 60 parking spaces that serve Port Dock 7 and the Port office. Additional amenities are needed in the yard, including bilge pump-out, showers, and laundry facilities. Existing tanks for collecting used oil are old and need replacement, as does an oil/water separator. Port staff noted that more security

cameras are needed in the yard and throughout the Port's facilities. A fire protection/detection system and security alarm are needed in the shop building.

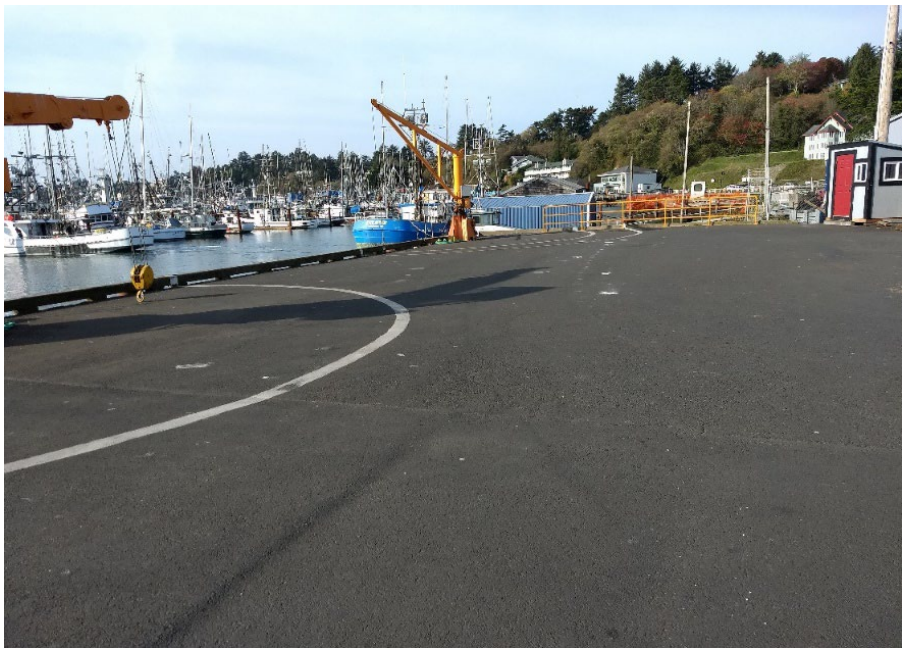


Photo 13 – Hoist Dock – Swing Crane

Photo 14 – Hoist Dock – Rotting Fender Piles

Photo 15 – Hoist Dock – Electrical in Tidal Zone

Photo 16 – Hoist Dock – Storage Yard

Swede's Dock and Concrete Outfall

Swede's Dock is located just west of the Hoist Dock. Swede's Dock is accessed via a steel gangway onto a concrete float, which connects to a wood float. The dock contains roughly 400 feet of parallel berthing space. A floating shop is located on the eastern end of the dock. The steel piles on the floating dock are in poor condition and should be replaced. The Port owns the floating shop and rents it to a private tenant.

North of the dock, there is a City-owned outfall that reportedly flushes sediment into the dock area. A second outfall under a nearby dock platform also causes problems and discharges sand into the marina area. The Port estimated that approximately 200 cubic yards of material has been discharged into the marina. This material generally comes from the upland hillside north of the marina.

Photo 17 – Swede's Dock – Gangway and Concrete Float

Photo 18 – Swede's Dock – Damaged Pile

NORTH BAY – INTERNATIONAL TERMINAL

The International Terminal is located east of the commercial marina. The terminal is a 17-acre facility that includes a paved storage yard, adjacent storage buildings, and provides roughly 870 linear feet of berthing for deep draft vessels. A hoist is located at the western berth. Potable water and electricity are available at the terminal. Construction of the terminal was completed in 2013 and currently serves some of the distant midwater trawl and water fleets that homeport at Newport..

The International Terminal is in good condition, but some improvements are needed, including paving the lot near the storage buildings. Additionally, there is a 9-acre lot to the east of the International Terminal that could be utilized, but improvements are required. Fill and grading is needed to provide positive drainage.

Photo 19 – International Terminal Overview (credit: Google Earth)

Photo 20 – International Terminal – West Berth

Photo 21 – International Terminal – East Berth and Storage Area

Photo 22 – International Terminal – Storage Buildings

Photo 23 – International Terminal – 9-Acre Site

SOUTH BEACH

Overview

The Port's facilities and properties on the south side of Yaquina Bay are referred to as South Beach. South Beach is composed primarily of facilities designed to service sport and recreation fishers, traveling tourists via recreational vehicles (RVs), and educational/recreational facilities such as the Oregon Coast Aquarium and Hatfield Marine Science Center. NOAA operates the Marine Operations Center-Pacific (MOC-P) on South Beach, and Rogue is the largest manufacturer. Vehicle access to South Beach is provided by Highway 101 and by boat via Yaquina Bay. The recreational marina includes 522 slips and the RV Park/Annex/Dry Camp offer approximately 250 RV spaces. Parking is provided throughout South Beach and includes over 600 parking spaces, exclusive of the spaces strictly for the MOC-P facility.

Fishing Pier

The Fishing Pier is located west of the South Beach Marina, accessed from a pedestrian path off of Southeast Marine Science Drive. The pier is roughly 1,000 linear feet and open to the public for crabbing and other fishing activities. On the path leading up to the pier, the Port recently added riprap to prevent erosion. The railing is loose in some areas along the pier and some of the substructure has deteriorated, especially the corner posts. The Port is interested in exploring the potential for reconfiguration of the pier and developing a mitigation area. The overall condition of the pier appears to be fair, but will require substructure and support improvements and maintenance on an ongoing basis.

Photo 24 – Fishing Pier – Riprap

Photo 25 – Fishing Pier – Substructure Support

Photo 26 – Fishing Pier – Railing Support

South Beach Marina, Service Dock, and Upland Area

The South Beach Marina is a recreational marina that includes a series of floating docks with 522 slips ranging from 24 to 48 feet in length. The Marina has a multi-lane boat ramp, pay station, serviced fuel dock, transient dock, fresh-water hook-ups, and a sanitary pump station. Recent work at the Marina includes adding floats and installing a gate for an Oregon State Police Guardian vessel. The overall condition of the floating docks appears to be good.

A new concrete boat ramp was also recently completed at the marina. It appears riprap was not placed at the end of the boat ramp, which has resulted in a roughly 18-inch scour hole at the end of the boat ramp. Riprap or some stabilization is needed in this location.

There are four electrical load centers that service the marina and provide the main electrical terminal for the floating docks. These load centers are in poor condition. Some of the foundations are leaning and there is severe corrosion at the bases.

Additional services at the marina include six public restrooms, three fish-cleaning stations, three picnic areas, four information kiosks, and other minor facilities such as a boat washdown and diver shower. These facilities are shared with the RV Park. Additional picnic facilities are needed at the marina.

The service dock runs parallel to the Rogue brewery building on the south end of the marina. It appears to be in fair condition, but could be improved and expanded upon. The Port is considering pursuing Oregon State Marine Board funding to replace 500 feet of the dock and connect it with the land to the east to complete a walkway from the RV lot to the Fishing Pier. This would provide public access, address spillover from the marina, and add an Americans with Disabilities Act accessible loading area for charter boats.

A Port-owned storm sewer line runs across the South Beach site to an outfall near the Highway 101 Bridge (southwest of the Rogue brewery building) and to an outfall at the northern end of South Beach near the Fuel Dock. ODOT recently replaced the sewer outfall and added riprap near the bridge. At the other outfall, the pipe is failing and causing settlement in the roadway because of saltwater intrusion. There are currently patches on the road accessing the Fuel Dock and sinkholes are starting to form. The sewer line needs replacement.

Photo 27 – South Beach Marina – Boat Ramp

Photo 28 – South Beach Marina – Electrical Load Centers

Photo 29 – South Beach Marina – Load Center Base Corrosion

Photo 30 – Service Dock

Photo 31 – Manhole and Riprap near Bridge

Photo 32 – Patched Road near Fuel Dock

RV Park, Annex, and Dry Camp

The Marina RV Park is located just east of the South Beach Marina and contains 92 fully-serviced spaces, including water, sewer, and electrical hook-ups, and shower, restroom, and laundry facilities. All spaces and roadways are paved and the park can be accessed via SE Marine Science Drive. The overall condition of the RV Park is good and no facility improvements are currently identified.

The Annex is a 52-space RV park located at the southeast corner of Southeast Marine Science Drive and Southeast Ferry Slip Road. The Annex includes gravel pads with water, sewer, and electrical service to all sites. Pedestals and restroom and shower facilities are outdated and site layout is inefficient. The overall condition of the Annex is poor. The Port's current budget includes a planning study to address a new layout and improvements to the Annex.

The Dry Camp is located south of the Marina RV Park and east of Rogue along Southeast Marine Science Drive. This park has no hookups or facilities; users have access to a public dump station and laundry facilities. Site capacity depends upon vehicle size and method of parking, but is probably no greater than 80 RVs.

Photo 33 – RV Annex

Rogue

Rogue is located along Southeast Marine Science Drive. Brewery facilities include the main brewery building with a restaurant, distillery building and tasting room, the Rogue House of Spirits, and associated parking. The brewery facilities appear to be in satisfactory condition; however, improvements are needed at the brewery building. The seawall, which is the northern most foundation wall of the brewery building, is in need of significant repair. An evaluation and potential design of seawall repairs is underway. Roof downspout/anchors are also needed to address drainage issues and corrosion on the existing roof.

NOAA Marine Operations Center-Pacific

The NOAA MOC-P is located on a roughly six-acre lot on the northside of South Beach abutting Yaquina Bay. The facility includes an office building, warehouse, generator building, guard building, and haz-mat storage building. A 1,300-foot dock is connected to the landside facility to accommodate NOAA's ship fleet. There is also a 224-foot dock for smaller boats and a parking area that can accommodate 178 vehicles. Per the Port's lease agreement with NOAA, the Port maintains the facilities associated with MOC-P, including dredging at the berths, and maintenance of the dock, equipment, and building.

Hatfield Marine Science Center

The Oregon State University (OSU) Hatfield Marine Science Center (HMSC) is located northeast of the Marina RV Park across Southeast Marine Science Drive on approximately 48 acres, leased

from the Port. The HMSC campus includes multiple buildings and facilities to support collaborative education and research programs from OSU and state and federal agencies. These facilities are maintained by OSU.

Oregon Coast Aquarium

The Oregon Coast Aquarium (OCA) is located east of Southeast Ferry Slip Road and south of Southeast 25th Street, abutting Yaquina Bay. The majority of OCA is not located on Port property; however, an approximately 45-acre area including a portion of OCA buildings and parking is leased from the Port. The OCA maintains these facilities.

UTILITIES AND TRANSPORTATION

The Port owns some underground utilities associated with storm drainage and lighting, but outside agencies own and operate most of the utilities that provid services to the Port, as detailed below.

Public Street Access

Port facilities are easily accessible from Highway 101 (U.S. 101), a principal arterial. Heading from the south, Highway 101 runs through South Beach and then across Yaquina Bay to North Bay. Once across the bay, Southwest/Southeast Bay Boulevard. (collector street) provides access to all commercial marina properties. Southwest/Southeast Bay Boulevard turns into Yaquina Bay Road (minor arterial), which is used to access the International Terminal. Average daily traffic volumes on this stretch of U.S. 101 ranged from 12,900 to 18,400 vehicles per day according to Oregon Department of Transportation's 2017 Traffic Volume Tables.

Water

Potable water is supplied by the City of Newport.

Wastewater and Sanitary Sewer

The City of Newport manages the sanitary sewer collection system. The City treats their wastewater at a treatment plant south of South Beach off of U.S. 101.

Electrical Power

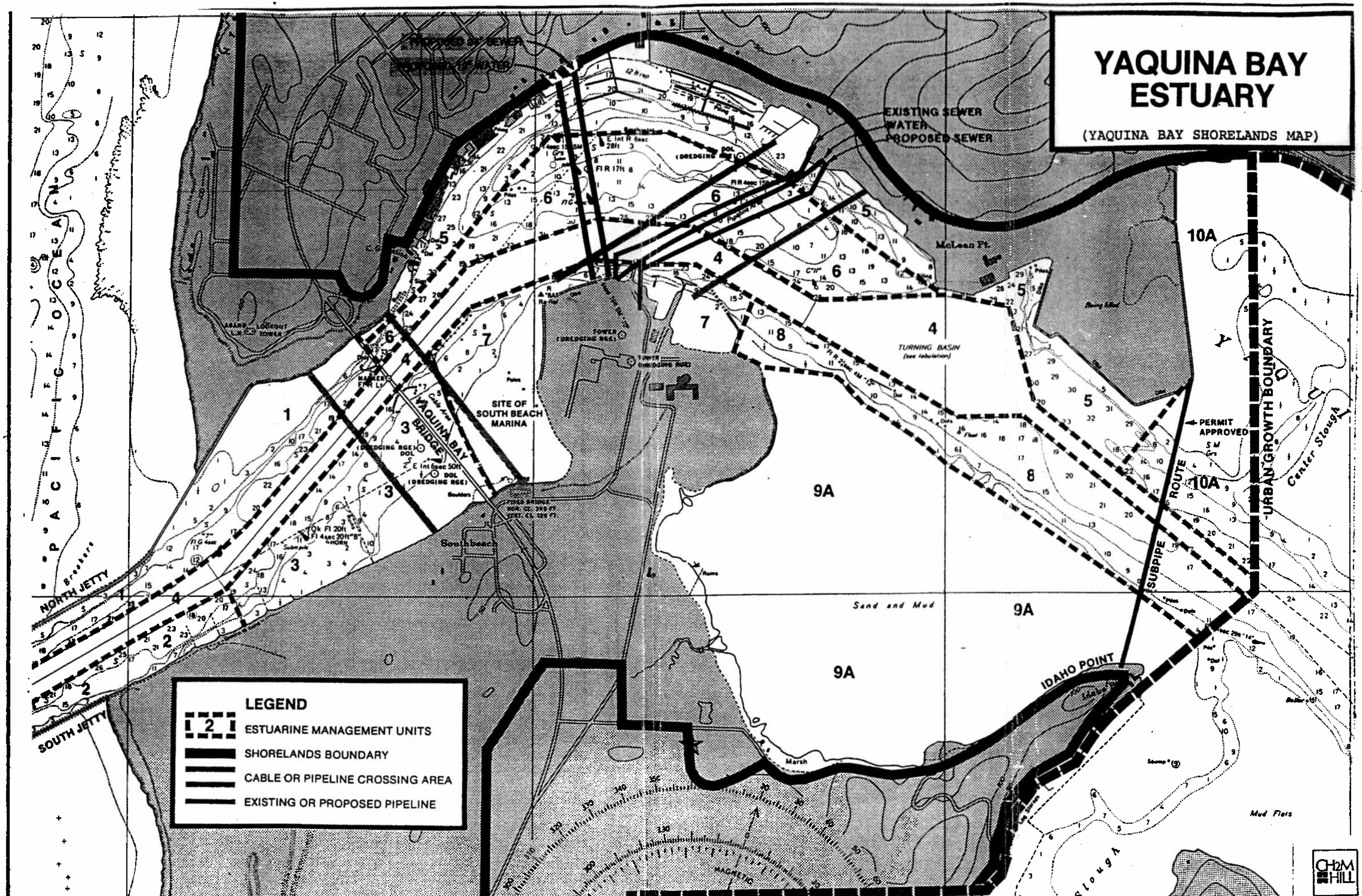
The Central Lincoln Public Utility District provides electrical power.

Communication

Wave Broadband provides fiber-optic-based telecommunication services on the Oregon Coast.

TSM:ENM:keh

Appendix D
Shoreline Unit and Management Classifications



YAQUINA BAY ESTUARY
(YAQUINA BAY SHORELANDS MAP)
LEGEND
ESTUARINE MANAGEMENT UNITS
SHORELANDS BOUNDARY
CABLE OR PIPELINE CROSSING AREA
EXISTING OR PROPOSED PIPELINE
PACIFIC OCEAN
NORTH JETTY
SOUTH JETTY
YAQUINA BAY BRIDGE
SITE OF SOUTH BEACH MARINA
TURNING BASIN
EXISTING SEWER
WATER
PROPOSED SEWER
McLean Pt.
PERMIT APPROVED
URBAN GROWTH BOUNDARY
SUBPIPE ROUTE
IDAHO POINT
Sand and Mud
Marsh
Mud Flats
Center Slough
Southbeach

Port of Newport
Strategic Business Plan
Newport, Oregon

Appendix E
Market Analysis

Port of Newport
Strategic Business Plan Market Analysis
REVISED DRAFT REPORT

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March 11, 2019

BST Associates
Market Research & Strategic Planning

Port of Newport
Strategic Business Plan Market Analysis
Draft Report

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Port of Newport
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1 INTRODUCTION

1.1 PURPOSE

BST Associates was retained by Berger ABAM to assist in producing a market analysis for the Port of Newport Strategic Business Plan.

1.2 OVERVIEW

The Port of Newport is a diversified operation, with property and facilities on the north side and south side of Yaquina Bay, in the City of Newport. These facilities support a number of industries that are critical to the local economy, including commercial fishing, recreational fishing, marine research, tourism, and manufacturing, among other business sectors.

In the South Beach area (on the south side of Yaquina Bay), the Port of Newport owns a large property that is home to a variety of uses, including:

- In the tourism sector, the Port owns and operates a large recreational marina as well as three RV parks.
- In the marine research sector, the Port leases property to the National Oceanic and Atmospheric Administration (NOAA) for its vessel fleet operations, to Oregon State University for the Hatfield Marine Science Center, and to the Oregon Coast Aquarium.
- In the manufacturing sector, Oregon Brewing Company (Rogue) leases a large amount of space from the Port for its operations, which include a brewery, distillery, and cooperage, among others.

On the north side of Yaquina Bay, the Port owns a number of facilities.

- In the commercial fishing sector, the Port owns two commercial fishing boat harbors, leases space to fish processors, and leases space for fishing gear storage. The Newport International Terminal also provides moorage, storage, and workspace for the commercial fleet.
- In the transportation/industrial sector, the he Newport International Terminal has been upgraded to handle marine cargo.

The Port also leases land and buildings to various other users. In general, the Port's facilities support the following sectors:

- Commercial fishing
- Marine research and education
- Tourism/recreation

- Marine cargo
- Other

This section summarizes the findings of the analysis.

1.3 DEMOGRAPHICS AND ECONOMIC TRENDS

The Port of Newport district runs along the ocean shoreline approximately 10 miles north of Newport (to north of Otter Rock) and 10 miles south (to south of Seal Rock) and includes the City of Newport. The eastern border of the Port District varies between approximately two and six miles inland from the shoreline.

1.3.1 Demographics

- Between 2010 and 2018, the population of Lincoln County increased from 46,034 to 48,210, and grew at an average annual rate of 0.6%.
- During the same period, the estimated population of the Port District increased from 14,468 to 15,152, or an average rate of 0.6% per year (at the same rate as Lincoln County).
- The population base in the Port's district is getting older, with an increasing share of residents 65 years and older and decreasing shares of working age residents (18 to 64 years) and children (under 18 years).

1.3.2 Employment and Wages

- The Lincoln County economy is heavily based on tourism, health care, and retail trade. Together, these sectors accounted for more than 50% of the jobs in the county in 2015. Manufacturing, natural resource industries, and transportation/warehousing industries account for only 10% of total employment.
- Workers who live in Lincoln County are increasingly likely to commute to jobs outside of Lincoln County, primarily to the Portland metro area, Marion County, and to a lesser extent Linn and Benton counties. Growth of the local economy could enable fewer residents to commute.
- Wages in Lincoln County averaged $36,700 in 2017, which is similar to the average wage in other coastal counties, including Clatsop and Tillamook but lower than counties in the Willamette Valley (e.g. Lane and Benton Counties).
- The sectors that use Port facilities generally have higher wages; commercial fishing wages are around $50,000 per year, while marine research and education jobs in the federal sector average $70,000 per year.
- According to recent projections by the Oregon Employment Department, employment in the Northwest Region (Benton, Clatsop, Columbia, Lincoln, and Tillamook Counties) is expected to grow at an average rate of 0.7% per year between 2017 and 2027. In comparison, Oregon is projected to see average employment growth of 1.1% per year.
- Lincoln County could add an additional 1,344 jobs by 2027, based on the growth rate for the Northwest Region.
- The key employment sectors that utilize Port of Newport facilities are commercial fishing, marine research and education and tourism.

1.3.3 Commercial Fishing

- Newport is one of the most important fishing ports in Oregon. The availability of support services in the Yaquina Bay region is one of the main reasons for the strength of the industry locally, and the Port of Newport provides many of these services.
- The value and volume of the Oregon commercial seafood catch varies widely from year to year, depending on fish availability, price, and weather, among other factors. Even with these swings, however, Oregon's commercial fishing industry has generally seen rising harvest values and volumes over the past 20 years.
- The commercial fishing industry in Oregon is increasingly concentrated on the north coast (i.e., Lincoln, Tillamook, and Clatsop counties). The Port of Newport provides facilities that are critical to the fishing fleet, but these facilities require significant investments in order to meet the needs of the fleet.
- The number of vessels licensed for commercial fishing in Oregon declined substantially between 2011 and 2018, falling from approximately 1,760 to 1,410 boats, or a drop of 328 boats. More than two-thirds of the decline was in smaller boats, particularly those less than 40 feet in length; this group saw a decline of 224 boats.
- Much of this decline was due to vessel buyback programs aimed at reducing the size of the fleet and increasing the sustainability of harvests. One positive aspect of the buyback programs is that the remaining fleet harvests more tonnage per vessel, and generates more revenue per vessel.
- Vessels have been getting longer and wider, on average, and moorage facilities need to be updated to accommodate them.
- The number of boats from Oregon that are licensed to fish in Alaska declined from 136 boats in 2017 to 126 in 2018. Most of these boats are homeported in Newport.
- Coastal counties (Clatsop, Lincoln, Coos, Curry, and Tillamook) accounted for approximately 96% of fisheries employment. Newport was the largest homeport for this activity, with 332 commercial fishers (as estimated by Oregon Employment Department), accounting for approximately 25% of commercial fishers in Oregon state.
- Consolidation in the industry is expected to continue in the next five years and beyond. Newport, like other fishing ports, must seek to retain the existing fleet and processors as well as attract additional entrants. This will require updating/improving facilities such as moorage space, offloading docks and equipment, gear storage, upland support services, processing facilities and logistic facilities, among others. The Port of Toledo provides boat repair facilities.

1.3.4 Marine Research and Education

- The marine research and education sector is well established in Newport. Currently there are estimated to be around 420 people working in facilities at the Hatfield Marine Science Center and NOAA facility, including Oregon State University (OSU) faculty, graduate students, researchers, and staff from a variety of government agencies. This sector is strong and growing.
- The projects of these institutions may require additional moorage space, loading docks, upland storage and staging facilities, among other facilities and services. This effort will require collaboration between the Port of Newport and the marine research community.
- The Ocean Observatory Initiative (OOI) Endurance Array consists of a network of science-driven sensor systems, which will be developed, staged, stored and maintained in Newport. This will require upland facilities for storage and staging as well as marine facilities for moving the devices in and out of the water.

- OSU has been selected by the National Science Foundation to spearhead construction of a new class of research vessels for the United States Academic Research Fleet. OSU will expand its fleet of small and large vessels, which will require additional moorage facilities and supporting infrastructure.
- OSU also serves as a key research center for offshore energy, including offshore floating wind systems and wave energy systems. The Pacific Marine Energy Center (PMEC), several state and federal agencies, and private sector developers are jointly evaluating development of wave, tidal, in-river, and offshore wind energy technologies. The Port may be able to provide facilities for these projects.
- Oregon State University has a long-established expertise in fisheries and aquaculture research. Aquaculture, which is rapidly growing sector of the international economy, also represents an opportunity for development in Newport. Possible areas for growth include oyster cultivation, seaweed cultivation, and cultivation of other aquatic species.
- The Port should continue to work with these organizations to provide facilities and otherwise accommodate their growth, where appropriate.

1.3.5 Tourism/Recreation

- The recreational visitor industry is strong, and is expected to remain strong during the next five years and beyond.
- Tourism is an important and growing part of the Lincoln County economy, and the Port of Newport plays an important role in this sector. The Port's tourism-related facilities include a large recreational marina, boat ramp, and several RV parks operated by the Port, and land leases to Oregon Coast Aquarium and Rogue. In addition, marine research and commercial fishing draw locals and tourists to the area.
- Visitor spending in the Central Coast region (which includes Lincoln County) grew steadily in the years prior to the recession. Visitor spending slowed down starting in 2009 through 2012, but growth has been strong since 2013. Lincoln County accounts for 76% of visitor spending in the Central Coast region, and this share has increased over time.
- From 2000 through 2017, visitor industry employment in Lincoln County grew from 4,300 workers to 6,130 workers, or at an average annual rate of 2.1%. Earnings by these workers grew at the same rate, when adjusted for inflation. Local tax receipts grew at 3.1% during the same period (adjusted for inflation).
- The Port of Newport operates three RV parks, with a total of 260 spaces. Occupancy is highly seasonal, with highest occupancy in July, August, and September, and lowest occupancy in December and January. The parks with full utility hookups (main park and annex) have higher occupancy than the overflow lot, which does not have utility hookups.
- Overnight stays at Oregon State Parks in the Newport area have increased steadily since the end of the recession, growing from 364,000 in 2011 to 438,000 in 2017.
- Recreational boating is an important activity for locals and tourists in Lincoln County. The majority of this boating involves fishing.
- The number of boats registered in Oregon dropped from nearly 196,000 to less than 156,000 between 2000 and 2014, but grew back to nearly 166,000 boats in 2017. The decline was primarily in boats 20 feet or less in length, and the number of boats longer than 20 feet increased between 2000 and 2017.

- The Port needs to maintain its recreational facilities in good order and to explore new opportunities for additional recreational business development. Upgrading the overflow RV Park with utility hookups and other improvements may increase utilization.

1.3.6 Marine Cargo

- The Newport International Terminal is a 17-acre facility located on a 30-foot deep shipping channel. The facility has access by road but does not have rail access. The Port also owns a nearby 9-acre parcel with direct access to the Terminal.
- Local production represents the most likely cargo opportunity for the International Terminal. The two main production industries in Lincoln County are forest products and fish/seafood products.
- The forest products industry may represent an opportunity for the port, especially log shipments and woodchip receipts et al. Pacific Northwest log exports have increased substantially over the past decade; more than half of the logs are exported through Longview, and half of the Longview logs are harvested in Oregon. The G-P mill in Toledo is a major local user of woodchips, all of which currently move by truck and rail.
- The output volume of the commercial fishing industry is relatively small, but may be sufficient to attract small breakbulk freighters.
- The International terminal is not likely to attract substantial volumes of international cargo from farther inland, such as from the Willamette Valley, due to competition from:
    - existing services (direct trucking and intermodal service via Portland),
    - proposed intermodal service in the Willamette Valley, and
    - other ports, such as Coos Bay and ports on the Lower Columbia River.
- All cargo would depend on access by truck, since Newport is not served by rail. This also means that high-volume cargos such as dry bulks (grain, fertilizers, and et al.), liquid bulks, containers, and automobiles are unlikely to move through the International Terminal.
- The population of the Newport region is too small to support imports for consumption.
- The navigation channel is relatively shallow when compared to other ports in the region, which limits the size of ships that can call at the terminal.

1.3.7 Other Uses

The Port serves several existing tenants and potential uses that do not fit into the above sectors, including manufacturers - Rogue Ale facilities (Distillery, House of Spirits, warehouse/brewery), and small cruise ships.

- Rogue has a large complex of facilities in the South Beach area and two operations on the Bayfront in North Bay. The South Beach operations include the production brewery and brewpub, the Rogue Spirits Distillery, Rogue Rolling Thunder Barrel Works, and, Rogue House of Spirits. In the North Bay Rogue operates the Bayfront Public House, and a small inn (the Bed 'n' Beer).
- Rogue currently distributes beer to all 50 states and internationally (to 32 countries) from the Newport operations. The firm's market is mainly located in the Pacific Northwest and west of Rockies
- The seawall under the Rogue brewery needs to be replaced, without disrupting the brewing operation. The seawall is approximately 700 feet long, and the Port is currently working to

address this issue. There are also approximately 500 feet of dock in front of the brewery (adjacent to the seawall) that could be used for transient moorage.

- The lack of affordable workforce housing makes it hard to attract employees. The seasonality of pubs also makes it difficult to attract and retain employees. Healthcare is also an issue affecting the workforce.
- Potential opportunities that Rogue is considering include production of dulce, and production of salt, some of which is used for production of gose (a fermented beer).
- Newport could potentially attract cruise ships as a port of call during what are known as "repositioning" trips. These trips occur at the beginning and the end of the Alaska cruise season, when vessels must be repositioned from Seattle and Vancouver to their winter homeports.
- Air draft under the US-101 Bridge is a limitation for most of the ships operating in the Alaska market. There are several smaller ships that operate in the market, however, and these may present an opportunity for Newport.
- In order to explore this opportunity, the Port of Newport and the community should make contact with the industry group Cruise the West, as well as with cruise directors from lines that operate small vessels.

2 DEMOGRAPHICS

2.1 DISTRICT DEMOGRAPHIC PROFILE

The Port of Newport includes the City of Newport, and runs along the ocean shoreline approximately 10 miles north of Newport (to north of Otter Rock) and 10 miles south (to south of Seal Rock). The eastern border of the Port District varies between approximately two and six miles inland from the shoreline.

Most of the population of the district is located in Newport, or in small communities along the shoreline. Inland from the shoreline, the district mainly consists of forest lands.

2.1.1 Population Growth

The population of Lincoln County grew at an average rate of 0.3% per year between 2000 and 2010, and increased from 44,479 to 46,034. Based on Census tract data, the estimated population of the Port of Newport grew from 13,887 in 2000 to 14,468 in 2010, or at approximately 0.5% per year. (Note: 2010 is the last year in which census tract data is available). The Port district includes the City of Newport as well as surrounding areas, and during this period, the population in the city grew faster than in the rest of the Port district.

Between 2010 and 2018, the population of Lincoln County increased from 46,034 to 48,210, and grew at an average annual rate of 0.6%. During the same period, the estimated population of the Port District increased from 14,468 to 15,152, or at an average rate of 0.6% per year (the same rate as Lincoln County). The population of the City of Newport grew at a lower rate, 0.2% per year, while the estimated population of the Port District outside of Newport grew at a 1.5% per year. (See Table 2-1).

Table 2-1: Population Growth

Year	Oregon	Lincoln County	City of Newport	Other Port of Newport (est.)	Total Port of Newport (est.)
2000	3,421,437	44,479	9,532	4,355	13,887
2010	3,831,074	46,034	9,989	4,479	14,468
2018	4,195,300	48,210	10,125	5,027	15,152
2000 to 2010	1.1%	0.3%	0.5%	0.3%	0.4%
2010 to 2018	1.1%	0.6%	0.2%	1.5%	0.6%

Source: U.S. Census Bureau, PSU Population Research Center, BST Associates

2.1.2 Population Projections

To help determine how these historic population trends will influence land needs and employment growth in upcoming decades, the state requires each county to adopt a coordinated population forecast, pursuant to ORS 195. If a county has not completed one, it may adopt a forecast completed by the Oregon Office of Economic Analysis (OEA) and assume that urban areas within that county will maintain a share of the projected population equal to the current share (OAR 660-024-0030). Because Lincoln County has not completed a coordinated population forecast, this analysis uses the OEA projections.

The OEA projects Lincoln County to grow to 53,895 residents by 2035 and 54,688 residents by 2040; using a constant growth rate, the estimated population will be 54,529 in 2036. Assuming that the Port

of Newport grows at the same rate as the county, the district population would grow to approximately 17,000 residents by 2038.

2.1.3 Population Age

The estimated age distribution of people living in the Lincoln County shows that a growing share of the population is of retirement age. From 2000 through 2018 the share of population 65 years and older jumped from 19.5% to 28.4%, and the total number of residents that age grew from 8,686 to 13,668.

The working-age population, or those between the ages of 18 and 64, grew by just 2.3% between 2000 and 2018, compared to county population growth of 8.4%. The share of the county population 18 to 64 years of age fell from 59.0% to 55.8%.

The number of children in the county dropped by nearly 20% between 2000 and 2018, falling from 9,535 to 7,664. Children's share of the Lincoln County population fell from 21.4% in 2000 to 15.9% in 2018.

Table 2-2: Lincoln County Population Trends

	Population			Share of Population		
Age/Sex	**2000**	**2010**	**2016**	**2000**	**2010**	**2016**
Under 18	9,535	8,051	7,664	21.4%	18.0%	15.9%
18 to 64 years	26,258	27,214	26,878	59.0%	61.0%	55.8%
65 years and over	8,686	9,355	13,668	19.5%	21.0%	28.4%
Total	44,479	44,620	48,210	100.0%	100.0%	100.0%

Source: U.S. Census Bureau, PSU Population Research Center, BST Associates

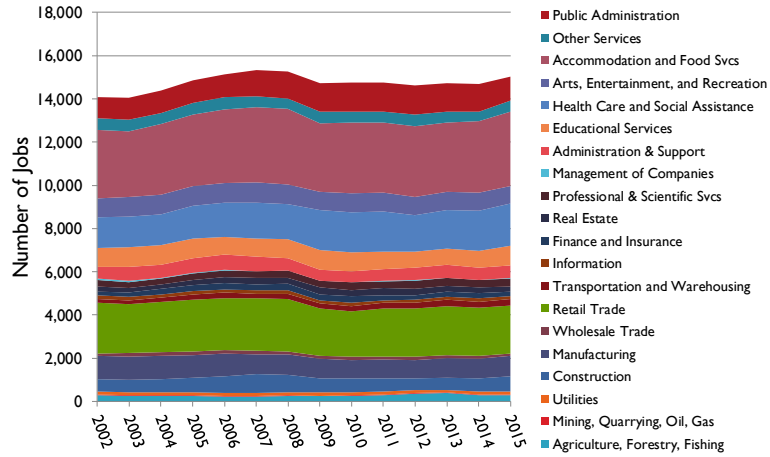
2.2 Economic Profile

2.2.1 Employment Distribution

The Lincoln County economy is heavily based on tourism, health care, and retail trade. Together, these three sectors accounted for more than 50% of the jobs in the county in 2015. The accommodation/food service sector accounted for nearly 23% of all jobs, retail trade accounted for nearly 15%, and health care / social assistance accounted for 13%. (See Figure 2-1.)

The Lincoln County economy is similar to the rest of the coast, in that manufacturing, natural resource industries, and transportation/warehousing industries accounted for only 10% of total employment.

Figure 2-1: Lincoln County Employment by Sector

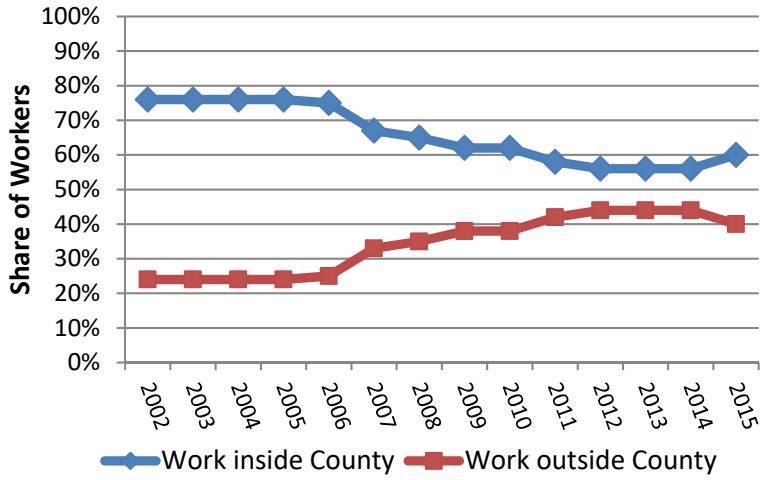


Source: U.S. Census Bureau On The Map

2.2.2 Commute Trends

Workers who live in Lincoln County are increasingly likely to commute to jobs outside of Lincoln County. From 2002 through 2006, the share of workers commuting outside the county remained at or below 25%. This share increased sharply with the start of the recession in 2007, and continued increasing until reaching 44% in 2012. This share remained unchanged for three years, before dropping back to 40% in 2015. (See Figure 2-2)

Figure 2-2: Share of Residents Working in Lincoln County



Source: US Census Bureau On The Map website

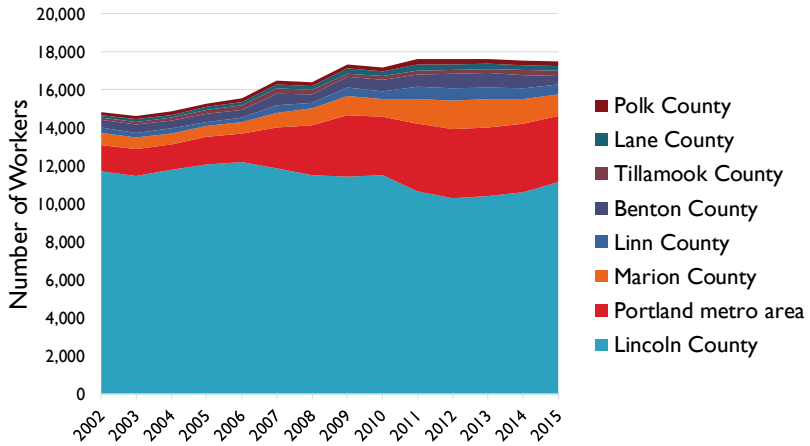
The biggest shift for workers who live in Lincoln County has been the growth in the number who commute to the Portland metropolitan area[1]. The number of workers making this commute jumped

[1] The Portland MSA (Metropolitan Statistical Area) includes Clackamas, Columbia, Multnomah, Washington, and Yamhill Counties in Oregon, and Clark and Skamania Counties in Washington.

from approximately 1,400 in 2002 to more than 3,600 in 2014, and their share of Lincoln County workers grew from less than 10% to nearly 20%. (See Figure 2-3)

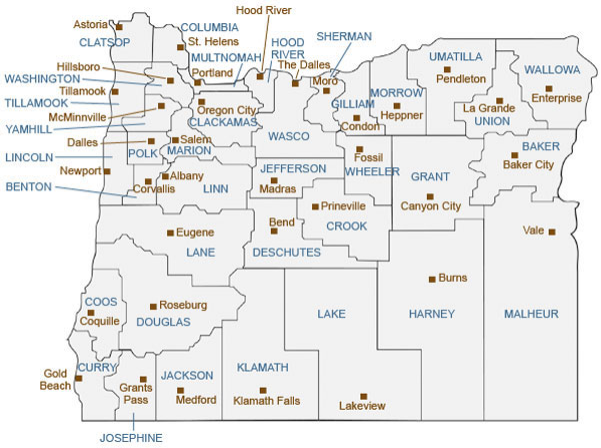
Another increasingly important commute destination for Lincoln County workers is Marion County, the location of the state capital. The number of workers making this drive grew from approximately 640 in 2002 to nearly 1,500 in both 2012 and 2013, although it dropped to 1,300 in 2014 and to less than 1,200 in 2015. Linn County (i.e. Albany) and Benton County (Corvallis) together have about the same number of workers who commute from Lincoln County as Marion County; other counties make up the remainder.

Figure 2-3: County of Work for Lincoln County Residents



Source: US Census Bureau On The Map website

Figure 2-4: Map of Oregon Counties



Source: Oregon Secretary of State

2.3 WAGES IN LINCOLN COUNTY

Wages in Lincoln County averaged $36,700 in 2017. This is similar to the average wage in other coastal counties, including Clatsop and Tillamook. In neighboring counties that are primarily in the Willamette Valley, average wages are higher. In Lane County, which is partially on the coast but mainly in the Willamette Valley, the average annual wage in 2017 was $42,600. Benton County, located in the

Willamette Valley directly to the east of Lincoln County, is home to Oregon State University; wages there averaged $50,100 in 2017. (See Table 2-3)

Table 2-3: Wages and Employment in North Coast Counties in 2017

	Employment						Average Wages					
Age/Sex	Benton	Clatsop	Lane	Lincoln	Polk	Tillamook	Benton	Clatsop	Lane	Lincoln	Polk	Tillamook
Total All Ownerships	37,660	18,453	154,623	18,337	20,288	9,411	$50,100	$36,800	$42,600	$36,700	$36,300	$38,400
Total Private Coverage	28,037	15,687	129,003	14,316	14,906	7,546	$46,500	$35,800	$41,000	$33,800	$33,400	$36,700
Natural Resources & Mining	1,023	344	2,283	302	1,821	762	$40,200	$45,700	$41,400	$47,500	$35,200	$38,300
Construction	1,095	879	6,882	837	943	346	$51,500	$42,600	$51,500	$41,900	$46,900	$46,600
Manufacturing	2,773	1,769	13,805	1,008	2,240	1,422	$80,100	$59,200	$52,800	$59,000	$42,100	$50,200
Trade, Transp. & Utilities	4,610	3,321	29,989	3,372	2,435	1,418	$31,900	$32,400	$35,800	$29,400	$33,200	$29,800
Wholesale	369	196	6,119	160	338	116	$78,200	$60,000	$54,200	$51,300	$54,900	$44,800
Retail	3,785	2,805	20,672	2,865	1,706	1,064	$26,200	$28,100	$28,800	$27,200	$25,600	$25,100
Transp, Warehousing & Utilities	456	320	3,198	347	391	238	$41,800	$52,800	$45,900	$37,400	$47,500	$43,300
Information	572	150	2,704	156	68	51	$70,000	$46,900	$69,000	$37,400	$43,800	$31,800
Financial Activities	1,100	586	6,144	582	464	209	$51,800	$38,900	$57,300	$38,400	$40,200	$39,600
Finance & Insurance	652	301	3,575	272	276	125	$65,700	$52,100	$72,500	$51,100	$47,300	$46,500
Real Estate Rental & Leasing	448	285	2,569	310	188	84	$31,500	$25,000	$36,100	$27,300	$29,900	$29,400
Professional & Business Services	4,525	969	17,947	1,100	1,242	443	$57,700	$36,300	$43,400	$34,700	$36,000	$39,400
Professional, Scientific & Tech Svcs	2,147	310	5,475	340	314	130	$72,100	$40,900	$53,400	$50,600	$46,600	$47,700
Management of Companies	1,131	48	3,217	26	218	46	$61,500	$57,700	$67,000	$34,700	$42,600	$54,400
Admin. & Support	1,247	611	9,256	733	711	267	$29,400	$32,200	$29,300	$27,400	$29,300	$32,700
Education & Health Svcs	6,520	2,307	25,344	1,767	2,865	990	$54,600	$49,300	$48,700	$54,100	$34,600	$53,000
Education	470	65	1,856	113	152	47	$24,000	$26,400	$33,000	$29,500	$25,300	$27,100
Health & Social Assistance	6,050	2,242	23,488	1,654	2,713	942	$57,000	$50,000	$50,000	$55,800	$35,100	$54,300
Leisure & Hospitality	4,182	4,620	17,256	4,506	1,917	1,438	$16,800	$21,700	$17,700	$21,700	$15,600	$20,400
Arts, Entertainment & Rec	444	274	2,060	205	227	53	$16,100	$24,500	$17,400	$26,600	$11,700	$24,700
Accommodations & Food Svcs	3,738	4,345	15,196	4,300	1,690	1,385	$16,900	$21,500	$17,700	$21,400	$16,200	$20,300
Accommodation	272	1,263	1,764	1,819	36	446	$17,200	$22,500	$19,900	$21,000	$15,700	$21,000
Food services	3,446	2,799	13,102	2,360	1,495	934	$16,000	$19,800	$16,800	$20,000	$16,100	$17,400
Other Services	1,646	768	6,637	704	940	463	$28,900	$21,300	$25,800	$22,400	$20,500	$19,100
Private Non-Classified	(c)	(c)	21	(c)	(c)	(c)	(c)	(c)	$54,500	(c)	(c)	(c)
Total All Government	9,570	2,762	25,312	3,960	5,315	1,845	$58,000	$41,100	$49,400	$45,800	$42,500	$43,900
Total Federal Government	515	195	1,714	325	72	106	$72,500	$61,500	$65,500	$70,700	$51,700	$54,100
Total State Government	396	456	3,336	657	732	393	$38,200	$44,800	$36,500	$34,100	$33,700	$45,000
Total Local Government	8,658	2,110	20,262	2,978	4,512	1,347	$58,000	$38,500	$50,100	$45,600	$43,800	$42,700

Source: Oregon Employment Department

The economy of Lincoln County is led by the leisure and hospitality sector, which accounts for approximately one out of four jobs. This sector includes lodging, food service, and arts and entertainment. Wages in the hospitality sector are relatively low, averaging approximately $21,700 per year.

The government sector (including federal, state, and local government) is the second largest source of jobs in Lincoln County, accounting for 22% of all jobs in 2017. Wages in the government sector are relatively high, averaging $45,800 per year, or $9,100 higher than the county average.

The manufacturing sector accounts for less than 6% of jobs in Lincoln County, but this sector pays much better than most others, with average annual wages of $59,000. Only the federal government sector pays wages that are higher (on average) than the county average in Lincoln County.

The trade, transportation, and utilities sector is another key source of jobs in Lincoln County, accounting for 18% of all jobs in 2017. This sector includes the wholesale trade, retail trade, and transportation/warehousing/utilities sub-sectors. Retail trade is the largest of these sub-sectors, accounting for more than 2,800 of the nearly 3,400 jobs in the sector.

2.4 ECONOMIC OPPORTUNITIES

The State of Oregon Employment Department recently completed updated employment projections for the state and regions. As shown in Table 2-4, Oregon is expected to add 245,800 jobs between 2017 and 2027 (1.1% growth per year). The forecasts are produced by region, with Lincoln County included in the Northwest Region (this region includes Benton, Clatsop, Columbia, Lincoln, and Tillamook Counties). Based on the estimated growth rate for the region (i.e. 0.7% per year), by 2027 Lincoln County is projected to see 1,344 additional jobs.

The key employment sectors for the Port of Newport are commercial fishing, marine research and education, and recreation/tourism. The opportunities for these sectors are summarized in the following section, and described in more detail later in the document.

Table 2-4: Oregon Employment Forecast

	Oregon State				Lincoln County			
Sector	2017	2027	Change	CAGR	2017	2027	Change	CAGR
Total Employment	2,046.0	2,291.8	245.8	1.1%	18,337	19,681	1,344	0.7%
Total private	1,639.3	1,851.0	211.7	1.2%	14,316	15,493	1,177	0.8%
Natural resources and mining	56.0	62.2	6.2	1.1%	302	317	15	0.5%
Construction	96.8	113.7	16.9	1.6%	837	945	108	1.2%
Manufacturing	189.4	202.0	12.6	0.6%	1,008	1,053	45	0.4%
Trade, transportation, and utilities	349.4	386.1	36.7	1.0%	3,372	3,512	140	0.4%
Wholesale trade	76.5	82.7	6.2	0.8%	160	162	2	0.1%
Retail trade	210.3	230.0	19.7	0.9%	2,865	2,970	105	0.4%
Transportation, warehousing, and utilities	58.0	68.7	10.7	1.7%	347	378	31	0.8%
Information	34.2	37.7	3.5	1.0%	156	159	3	0.2%
Financial activities	99.1	104.0	4.9	0.5%	582	611	29	0.5%
Professional and business services	242.6	283.8	41.2	1.6%	1,100	1,266	166	1.4%
Professional and technical services	94.2	112.6	18.4	1.8%	340	384	44	1.2%
Private educational and health services	289.4	344.1	54.7	1.7%	1,767	1,955	188	1.0%
Leisure and hospitality	205.7	232.6	26.9	1.2%	4,506	4,976	470	1.0%
Accommodation and food services	178.9	201.6	22.7	1.2%	4,300	4,755	455	1.0%
Accommodation	24.6	26.7	2.1	0.8%	1,819	1,984	165	0.9%
Food services and drinking places	154.3	174.9	20.6	1.3%	2,360	2,622	262	1.1%
Other services and private households	76.7	84.8	8.1	1.0%	704	733	29	0.4%
Government	282.7	3.7	18.0	0.6%	3,960	4,116	156	0.4%
Federal government	28.2	27.9	(0.3)	-0.1%	325	322	(3)	-0.1%
State government	39.2	41.8	2.6	0.6%	657	702	45	0.7%
Local government	215.3	231.0	15.7	0.7%	2,978	3,098	120	0.4%

Source: Oregon State Employment Department

2.4.1 Commercial Fishing

The Oregon Employment Department estimated that there were 1,330 commercial fishers in Oregon, on an average annual basis for 2017. Coastal counties (i.e. Clatsop, Lincoln, Coos, Curry, and Tillamook) accounted for approximately 96% of the total fishing employment, based on where landings occur. Newport was the largest port for this activity, accounting for 332 commercial fishers, or approximately 25% of commercial fishers in Oregon.[2]

As shown in a later section, the number of commercial fishing boats has declined over the past 20 years but has reached a relatively stable level. In 2017, the average commercial fishing boat had revenues of $150,000 and supported 1.4 commercial fishers on an annual average basis. Statewide, there were 32 processors in 2017, which employed 1,172 persons with wages of $40 million.

[2] Source: Knoder, Eric. *Oregon's Commercial Fishing in 2017*, May 2, 2018. https://www.qualityinfo.org/-/oregon-s-commercial-fishing-in-2017. These estimates may not include commercial fishing operations engaged in distant water fishing or tribal fisheries.

Consolidation in the industry is expected to continue in the next five years and beyond. Newport, like other fishing ports, must seek to retain the existing fleet and processors as well as attract additional entrants. This will require updating/improving facilities needed by the fisheries sector, including moorage space, offloading docks and equipment, gear storage, upland support services, processing facilities and logistic facilities.

2.4.2 Marine Research and Education

The marine research and education sector is well established in Newport. Currently there are estimated to be 420 people who work in the facilities the Hatfield Marine Science Center (HMSC), including Oregon State University (OSU) faculty, graduate students, researchers, and staff from other agencies. These other agencies include the Oregon Department of Fish and Wildlife, U.S. Fish and Wildlife Service, U.S. Environmental Protection Agency (EPA), U.S. Department of Agriculture, and the National Oceanic and Atmospheric Administration (NOAA).[3]

There are several projects underway at OSU Newport such as:

- Ocean Observatory Initiative (OOI) designed to study environmental changes in the ocean and seafloor and the impacts on climate and biological systems by means of an endurance array, described in greater detail below.
- Oregon Climate Change Research Institute (OCCRI) is one of two federally funded regional climate science centers.
- Coastal Imaging Lab supports near-shore research, remote sensing, coastal dynamics, coastal erosion, fluid dynamics and sediment transport.
- Northwest National Marine Renewable Energy Center (NNMREC) facilitates the development of marine renewable energy technologies (primarily wave and tidal) via research, education, and outreach.
- Marine Mammal Institute focuses on critical habitats of target species and understanding how they interact with their environment and human activities.
- In addition, OSU will continue aquaculture and fisheries research development.

Bringing these efforts to fruition will also require moorage space, loading docks, upland storage and staging facilities, among other facilities and services. This effort will require collaboration between the Port of Newport and the marine research community.

2.4.3 Tourism

The leisure and hospitality sector, which consists of accommodation and food services, is projected to add 470 jobs between 2017 and 2027, or 47 jobs per year. This amounts to growth of 1.0% per year in Lincoln County. Statewide this sector is expected to grow at 1.2% per year, adding 26,900 new jobs by 2027.

The Port of Newport provides facilities for recreational vessel moorage, moorage for charter boats, and RV parks. The Port also leases property to businesses that support and enhance the tourist experience, such as the Newport Aquarium and Rogue, among others. The Port needs to maintain its recreational facilities in good order and to explore new opportunities for tourist-related business development.

[3] Source: Personal communication with Bob Cowen, Director of the Hatfield Marine Science Center, 1-18-2019.

3 MARKET ANALYSIS

3.1 OVERVIEW

The Port of Newport owns and manages a substantial portfolio of waterfront properties on Yaquina Bay, and these properties serve a variety of markets. The Port's main lines of business include:

- South Beach commercial properties
- South Beach institutional properties
- South Beach recreational properties
- North Bay commercial properties
- North Bay commercial marinas
- International Terminal

3.2 COMMERCIAL FISHERIES

Newport is one of the most important fishing ports in Oregon, and the fishing industry is one of the most important in Lincoln County. The availability of support services in the Yaquina Bay region is one of the main reasons for the strength of the industry locally.

The Port of Newport and the neighboring Port of Toledo together provide the range of services needed by the commercial fleet. This includes moorage, fish processing, gear storage, boat repair, fuel, and other services. As demonstrated below, Newport has become one of the top commercial fishing port in Oregon and the Pacific Northwest.

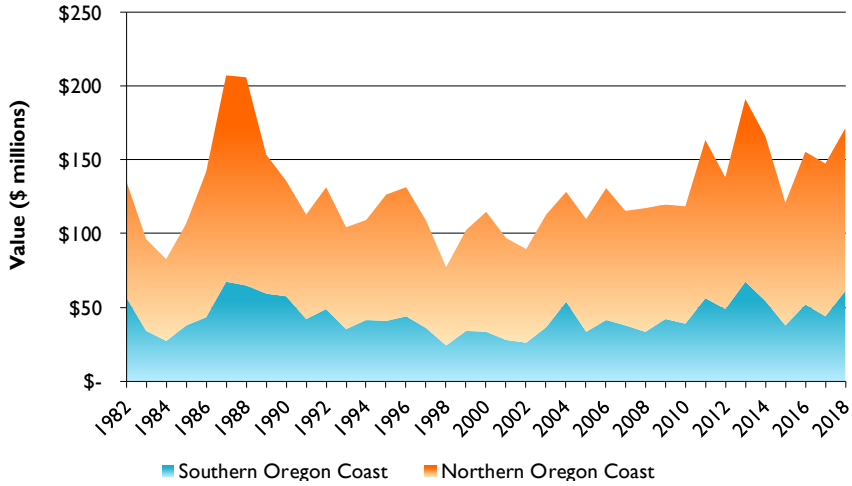
3.2.1 Harvest Volumes

The value and volume of the Oregon commercial seafood catch varies widely from year to year. Factors such as fish availability, price, and weather, among other factors, can cause large swings from year to year. Even with these swings, however, Oregon's commercial fishing industry has generally seen rising harvest values over the past 20 years.

The variability in harvest value over the past 20 years pales in comparison to that of the 1980's. Adjusted to 2018 dollars, the total harvest value fell from $136 million in 1982 to $82 million in 1984, before jumping to more than $206 million in 1987 and 1988. (See Figure 3-1).

Harvest values began to fall in 1989, and, with the exception of only a few years, continued falling until bottoming out at less than $77 million in 1998. Since 2000, however, total harvest value only fell below $100 million in 2001 and 2002). From 2007 through 2017, the harvest value averaged $141 million, and varied from a low of $116 million to a high of $191 million. Through November, the value of landings in 2018 were more than $171 million. (All figures are adjusted to 2018 dollars).

Figure 3-1: Inflation-Adjusted Value of Oregon Fish Landings (2018 $)



Source: Pacific Coast Fisheries Information Network[4]

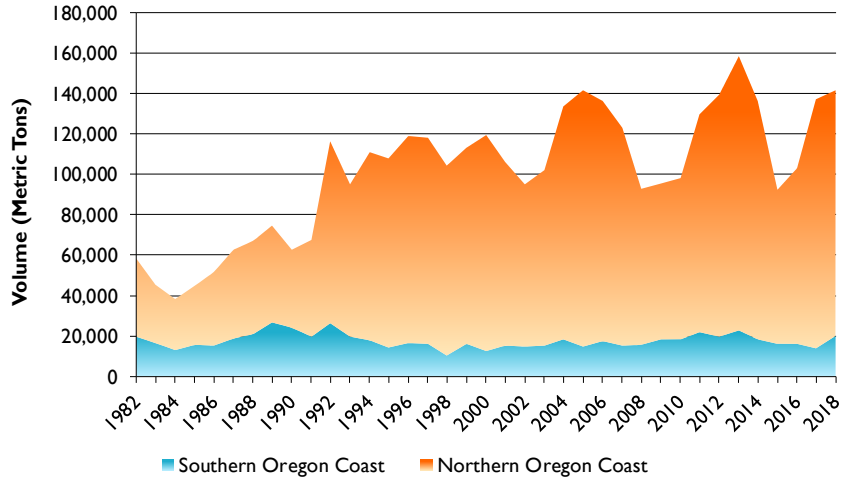
The volume of fish harvested commercially in Oregon grew from less than 40 million metric tons in 1984 to 116 million metric tons in 1992, and fell below 100 million metric tons in only five years after 1992.

Since the late 1990's, harvest volumes have experienced several multi-year cycles of growth and decline. During these cycles the volume dropped as low as 93 million metric tons, but remained that low for a relatively short time. Since 2000, there have been three periods where peak volumes exceeded 140,000 metric tons, and three periods in which landings dropped to between 92,000 and 95,000 metric tons. (See Figure 3-2)

The commercial fishing industry in Oregon is increasingly concentrated on the north coast (i.e., Lincoln, Tillamook, and Clatsop counties). In the early 1980's approximately two-thirds of commercial fish tonnage was landed on the northern coast and one-third on the southern coast. Since the mid 1990's, however, the northern coast has accounted for approximately 86% and the southern coast just 14% of landed tonnage. The main reason for this shift in market share is that the southern coast saw little change in volume, while the northern coast saw large increases.

[4] Pacific Fisheries Information Network (PacFIN) retrieval dated 12-17-2018, Pacific States Marine Fisheries Commission, Portland, Oregon (www.psmfc.org).

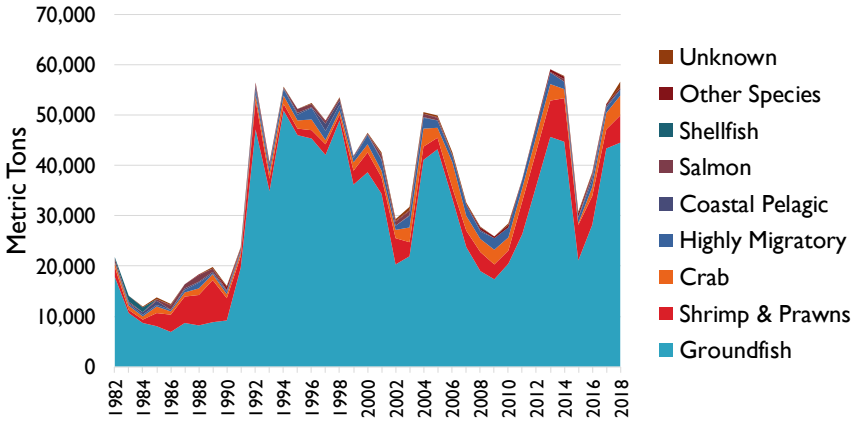
Figure 3-2: Oregon Fish Landings by Region (Metric Tons)



Source: Pacific Coast Fisheries Information Network[5]

In the Newport area, groundfish accounts for the largest tonnage of landings. This fishery was relatively small during the 1980s, but increased tremendously after 1990. Over the past two decades, landings of groundfish have cycled through large fluctuations in volume, exceeding 40 million tons during certain years before falling to approximately 20 million metric tons in the following years. (See Figure 3-3)

Figure 3-3: Newport Area Landings by Fisheries Group (Metric Tons)



Source: Pacific Coast Fisheries Information Network

Shrimp is the second-largest category of seafood landed in the Newport area, and has grown substantially over the past decade. From 1990 through 2010, shrimp landings averaged 2,800 metric tons per year, and exceeded 5,000 metric tons in only two years. In contrast, from 2011 through 2016, landings averaged approximately 7,000 metric tons, and reached as high as 8,700 metric tons. (See Figure 3-4)

Crab is the third largest fishery for the Newport area. Crab landings exhibited long-term growth between the 1990 and 2013, rising from less than 1,000 metric tons to as more than 3,200 metric tons.

[5] PacFIN, 12-17-2018.

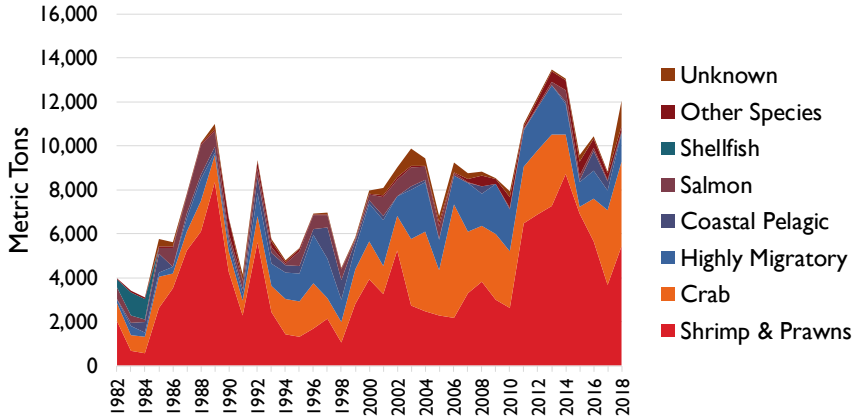
Several factors caused crab landings to drop from 2014 through 2016, but crab landings saw a strong recovery in both 2017 and 2018.

Highly migratory species, primarily albacore tuna, are another important fisheries group for the Newport area. The tuna harvest varies widely from year to year, peaking at approximately 2,300 metric tons.

The sardine fishery saw spectacular growth for several years, but stocks have since crashed and the fishery has been closed. This is a fishery that is highly cyclical, due to the migration patterns of the sardines.

For the most part, the fisheries that are targeted by the Newport fleet are well managed. Harvest volumes vary from year to year, depending on the species and the factors that affect them. The long-term impacts of climate change are not known, but could impact the species available for harvest and the size of the harvest.

Figure 3-4: Newport Area Landings Excluding Groundfish (Metric Tons)



Source: Pacific Coast Fisheries Information Network

3.2.2 Oregon Commercial Fleet Trends

The number of vessels licensed for commercial fishing in Oregon declined substantially between 2011 and 2018, falling from approximately 1,760 to 1,410 boats, or a drop of 328 boats. Much of this decline was due to vessel buy-back programs aimed at reducing the size of the fleet and increasing the sustainability of harvests.

More than two-thirds of the decline was in smaller boats, particularly those less than 40 feet in length; this group saw a decline of 224 boats. The commercial fleet saw a decline of 104 boats that were 40 feet or longer.

One positive aspect of the buy-back programs is that the remaining fleet harvests more tonnage per vessel, and generates more revenue per vessel.

Table 3-1: Oregon Commercial Fishing Fleet Trends

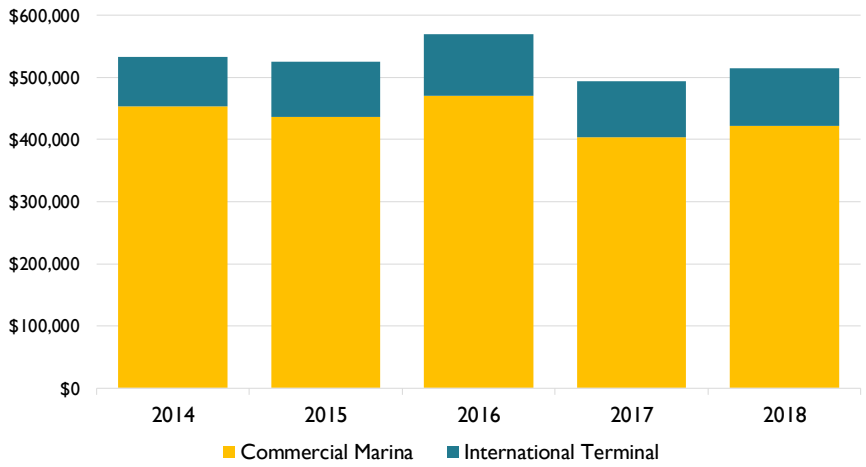
Length (ft)	2011	2012	2013	2014	2015	2016	2017	2018	Change	% Change
Under 20	62	54	27	37	49	35	32	33	(29)	-46.8%
20 to 29	602	583	482	523	570	469	446	472	(130)	-21.6%
30 to 39	317	319	258	278	324	256	233	252	(65)	-20.5%
40 to 49	352	358	294	326	345	314	285	301	(51)	-14.5%
50 to 59	193	183	161	182	184	186	166	174	(19)	-9.8%
60 to 69	92	88	76	84	81	85	79	78	(14)	-15.2%
70 to 79	71	71	62	64	64	57	53	53	(18)	-25.4%
80 to 89	33	37	30	31	32	31	31	33	-	0.0%
90 and over	15	15	12	10	11	12	12	13	(2)	-13.3%
Total	1,737	1,708	1,402	1,535	1,660	1,445	1,337	1,409	(328)	-18.9%

Source: Oregon Dept. of Fish & Wildlife

3.2.3 Newport Fleet

The Port of Newport provides moorage, storage space, and work areas for commercial vessels at the Commercial Marina (i.e. Port Dock 5 and Port Dock 7) and at the International Terminal. As shown in Figure 3-5, the Commercial Marina accounts for approximately 82% or moorage revenue and the International Terminal 18%. Over the past five years, moorage revenue averaged more than $500,000 per year.

Figure 3-5: Commercial Vessel Moorage Revenue by Facility



Source: Port of Newport

It is important to note that moorage only accounts for approximately 25% of the revenue generated by the commercial fleet at the International Terminal. Equipment rental, including forklifts and cranes, accounted for 25% or more, as did lot storage. Service dock tie-ups and fishing vessel fueling each account for 5% to 10% of terminal revenue.

At the Commercial Marinas, moorage accounts for approximately 60% of annual revenue. Equipment rental, lot storage, and service dock tie-ups each account for approximately 5% to 15%, depending on the year.

There is a substantial difference in the size of vessels that use each of the two facilities. As shown in Figure 3-6, the largest share of moorage revenue from vessels at the Port of Newport Commercial

Marinas is generated by vessels that are 50 feet or less. However, over the past five years there has been a gradual shift, with a declining share of revenue from vessels 50 feet or less and a growing share from vessels that are 51 feet or longer.

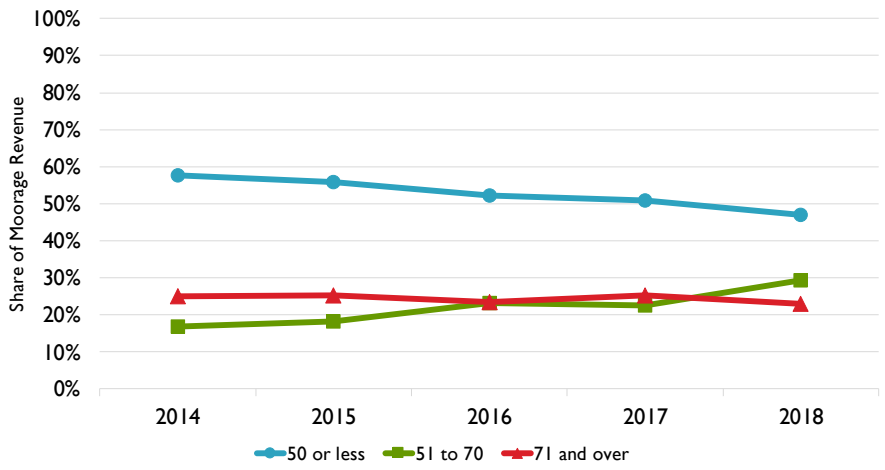
The share of revenue generated by vessels 50 feet or less fell from 58% in 2014 to 47% in 2018, while the share of revenue generated by vessels 51 feet to 70 feet grew from 17% to 29%. Revenue from vessels longer than 70 feet accounted for a relatively steady 25% from 2014 through 2018.

The increase in bigger boats presents several challenges to the Port of Newport, as well as to other older harbors in the region. First, the existing docks are at the end of their useful life, and will need to be replaced. Second, the increasingly large vessels put additional physical strain on facilities that were not designed for them; this can cause structural damage, especially during storms. Third, replacement marina facilities will need to be redesigned to meet current and future vessel trends. According to staff, in the past few years they have had to turn away at least 20 boats that were looking for moorage.

According to Port staff, Dock 7 was constructed in 1967, and is now over 50 years old. Marina facilities in coastal environments typically have lifespans of 30 or 40 years, so this dock is clearly past the end of its useful life. In fact, approximately 500 feet of the moorage floats is now barely floating. Deferred maintenance in the past has also increased the current need for investment. A draft plan for redevelopment of Dock 7 would increase moorage space by 41%, and would provide side ties for bigger boats.

Dock 5 is newer, but the main pier leading to the dock has become structurally unsound, and needs to be replaced. The condition of the pier means that vehicles can no longer drive on it, making it difficult for crews to move heavy equipment on and off boats.

Figure 3-6: Size Range of Vessels Mooring at Commercial Marina



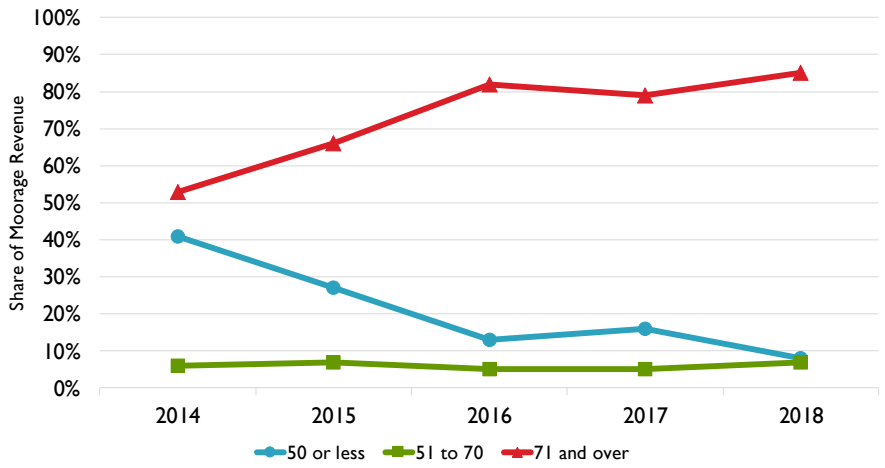
Source: Port of Newport

The largest commercial fishing boats use the Port of Newport International Terminal. As shown in Figure 3-7, vessels longer than 70 feet accounted for 85% of moorage revenue at the International Terminal in 2018. The share of revenue from these vessels increased sharply over the past five years, growing from 53% in 2014 to 85% in 2018.

Vessels 50 feet or less generated 41% of moorage revenue at the International Terminal in 41%, but this share dropped to just 8% in 2018. Vessels 51 feet to 70 feet accounted for only 5% to 7% of moorage revenue at the International Terminal during this period.

The International Terminal is the only moorage facility in Newport that is capable of handling the larger commercial fishing boats, and these boats are a critical part of the local fleet. If Dock 5 and Dock 7 were rebuilt and reconfigured to accommodate large vessels, it might reduce the demand from these vessels at the International Terminal.

Figure 3-7: Size Range of Vessels Mooring at Newport International Terminal



Source: Port of Newport

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

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

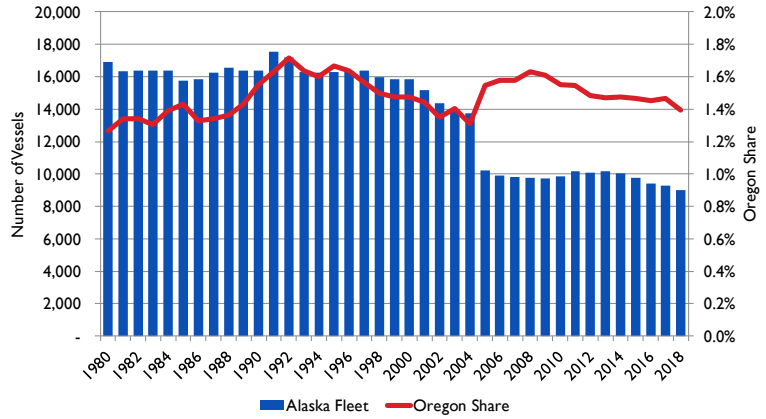
3.2.3.1 Alaska Fleet

Oregon is the homeport state for many vessels that fish in Alaska, and much of this distant-water fleet is based in Newport

The Alaska fishing industry has changed substantially in recent decades, and one of the biggest changes has been a significant drop in the number of boats in the commercial fishing fleet. As recently as 1991 there were more than 17,500 vessels licensed to fish in Alaska, but this dropped to 9,026 vessels in 2018, the lowest number since at least 1980. The drop in the size of the fleet was due primarily to vessel buy-back programs and the adoption of individual fishing quotas, rather than a decline in fishing effort or harvest.

Oregon-based boats have historically accounted for only a small share of the Alaska fleet, but this share has remained relatively steady for decades, varying from a low of 1.3% to a high of 1.7%; since 2012, Oregon's share has remained between 1.4% and 1.5%. The number of Oregon boats fishing in Alaska fell from a high of 295 in 1992 to 158 boats in 2005 then remained at that level through 2011. From 2012 through 2018, the fleet declined modestly to 136 boats in 2017 and 126 in 2018.

Figure 3-8: Oregon State Distant Water Fleet



Source: Alaska Commercial Fishery Entry Commission.

3.2.4 Conclusions

The commercial fishing industry in Oregon is well managed and healthy, and Newport is one of the most important commercial fishing ports. The Port of Newport provides facilities that are critical to the fishing fleet, but these facilities need significant investments in order to meet the needs of the fleet.

The Commercial Marinas (Port Dock 5 and Port Dock 7) are past the end of their useful lives, and need to be reconstructed. The commercial fishing fleet has changed significantly since these docks were built; there are fewer boats in the fleet, but these boats are longer and wider. The replacement dock facilities must take into account the changing sizes of vessels, as well as the on-shore facility needs of the fleet.

The International Terminal is a critical facility for larger fishing vessels, especially those longer than 70 feet, and there appears to be increasing demand from this size of vessel. The Commercial Marinas do not have docks that are large enough or strong enough to accommodate these boats. In addition, the International Terminal has the space that large vessels need for storing fishing gear between seasons, working on vessels, and loading and unloading equipment. The majority of the revenue generated by the commercial fleet at the International Terminal comes from storage, equipment rental, and service dock usage.

3.3 Marine Research & Education

Newport has assembled a diverse and internationally recognized group of public and private agencies engaged in a variety of ocean research activities. This section addresses the trends and opportunities for development of aquaculture, offshore energy and other ocean research and identifies opportunities in Newport.

3.3.1 Ocean Research

The Oregon State University (OSU) Marine Studies Initiative (MSI) is designed to address ocean health and coastal challenges by creating a global education and research program that blends the science of oceanography with business, engineering, education, the arts and humanities, agriculture sciences, forestry and social sciences.[6] The MSI encompasses a range of areas of issues, including: rising sea levels, ocean acidification, low-oxygen waters, declining fisheries, offshore energy, and the threat of catastrophic tsunamis. These efforts are inter-connected with OSU's research expertise in fisheries and aquaculture.

The MSI includes development of a large campus in Newport at the Hatfield Marine Science Center (100,000-square-foot building) in 2019. By 2025, the campus will be able to accommodate approximately 500 under-graduate and graduate students in Newport. In addition, expansion is also underway at the main OSU campus in Corvallis, which could accommodate approximately 800 more marine studies-related students.

The MSI is a multi-disciplinary effort to coordinate ocean and marine research, including:[7]

- Ocean Observatory Initiative (OOI) designed to study environmental changes in the ocean and seafloor and the impacts on climate and biological systems by means of an endurance array, described in greater detail below.
- Oregon Climate Change Research Institute (OCCRI) is one of two federally funded regional climate science centers.
- Coastal Imaging Lab supports near-shore research, remote sensing, coastal dynamics, coastal erosion, fluid dynamics and sediment transport.
- Northwest National Marine Renewable Energy Center (NNMREC) facilitates the development of marine renewable energy technologies (primarily wave and tidal) via research, education, and outreach.
- Marine Mammal Institute focuses on critical habitats of target species and understanding how they interact with their environment and human activities.

All of these projects require inter-connected systems of research devices deployed across the coastal ocean to study coastal upwelling, marine ecosystems and seafloor motions, and, importantly, to understand the relationships among them.

3.3.1.1 Ocean Observatory Initiative

The Ocean Observatory Initiative (OOI) Endurance Array consists of a network of science-driven sensor systems, which allows researchers to measure the physical, chemical, geological, and biological variables in the ocean and seafloor to help detect and forecast environmental changes and their effects on biodiversity, coastal ecosystems, and climate.

[6] Oregon State University website

[7] Oregon State University website

Figure 3-9 – Ocean Observatory Initiative System

As shown in Figure 3-9, the OOI includes links between a wide variety of devices such as satellites, a radioware system, Argus imaging system, moored buoys, hydrophones, water profilers, acoustics, gliders, seismometers and surface drifters.

This program creates several opportunities in Newport.

These devices will be developed, staged, stored and maintained in Newport. This requires upland facilities for storage and staging as well as marine facilities for moving the devices in and out of the water.

An underlying goal of the program is to greatly expand access to the water resources for students and faculty. OSU has been selected by the National Science Foundation to spearhead construction of a new class of research vessels for the United States Academic Research Fleet.[8] The *Oceanus*, which is an aging 175-foot long research vessel, will be replaced in 2021 by a new 193-foot vessel that will have extensive cutting-edge capabilities. In addition, OSU will expand its fleet of smaller vessels (18 feet to 50 feet long), which will require additional moorage facilities and supporting infrastructure.

Some of these activities can be accommodated at existing OSU facilities, but as the program grows, additional facilities will be required in close proximity to the OSU campus in Newport.

3.3.2 Offshore Energy

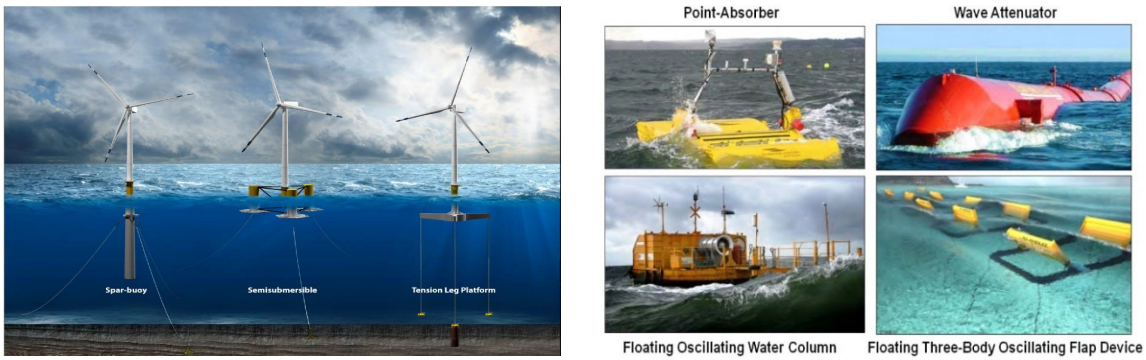
OSU also serves as a key research center for the offshore energy industry via the Northwest National Marine Renewable Energy Center (NNMREC) program. Offshore energy devices including offshore floating wind systems (OFW) and wave energy systems, called marine hydrokinetic systems (MHK)[9] represent opportunities for Newport and the Central Oregon coast. Offshore wind energy is widespread in Europe and is beginning to be developed in the US. Wave energy, which is still in developmental stages, is being tested near Newport, Oregon. Figure 3-10 depicts some of the devices for these two energy options.[10]

[8] OSU inks largest research grant in its history to begin ship construction, as reported in oceanleadership.org, July 17, 2017.

[9] Coast & Harbor Engineering, a Division of Hatch Mott MacDonald. *Determining the Infrastructure Needs to Support Offshore Floating Wind and Marine Hydrokinetic Facilities on the Pacific West Coast and Hawaii*, OCS Study; BOEM 2016-011.

[10] National Renewable Energy Laboratory for BOEM. Potential Offshore Wind Energy Areas in California: An Assessment of Locations, Technology, and Costs.

Figure 3-10: Offshore Wind System and Wave Energy Devices



Source: National Renewable Energy Laboratory

The global market for wind energy is strong, driven by the increasing competitiveness of wind power and opportunities to reduce emission of greenhouse gases by renewable energy sources.[11] The International Energy Agency (IEA) estimates the average annual growth in development of wind energy was 24% per year from 1990 to 2015.[12] In 2016, wind turbines accounted for 23.2% of renewable electricity in the Organization for Economic Cooperation and Development (OECD). Most of the growth also occurred in OECD Europe. However, the United States is the largest producers of electricity from wind within the OECD, producing 229.3 TWh. Analysts expect U.S. offshore wind energy to enjoy significant growth in the coming decade, due primarily to reduced capital and operating costs.

The market for wave or tidal energy is less well developed, but the future appears to be bright.[13] According to OSU officials: "Wave energy has the potential to provide clean, reliable electricity to meet the world's rising energy demands. Globally, the marine energy market is projected to reach nearly $700 billion by the year 2050, and the World Energy Council estimates that 10% of the worldwide electricity demand could be met by harvesting ocean energy."[14] In the U.S., much of the research on wave energy is occurring at Newport via the NNMREC.

A new law in Oregon[15] specifies that 50% of the state's electricity will have come from renewable resources by 2040. Development of offshore wind and wave/tidal systems could play in important role in this transition.

The Pacific Marine Energy Center (PMEC), several state and federal agencies, and private sector developers are jointly evaluating the responsible development of wave, tidal, in-river, and offshore wind energy technologies. The PMEC is a consortium of universities, including University of Alaska at Fairbanks, University of Washington, and Oregon State University. In Oregon, this effort is supported by

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[11] BP Energy Economics. *BP Energy Outlook*, 2018 Edition.

[12] IEA. Renewables Information 2017 Overview.

[13] Levitan, Dave, "Why Wave Power Has Lagged Far Behind as Energy Source". *Yale Environment 360*. April 28, 2014.

[14] Land purchased on Oregon Coast to support commercial wave energy research, by State Library of Oregon, July 5th 2018

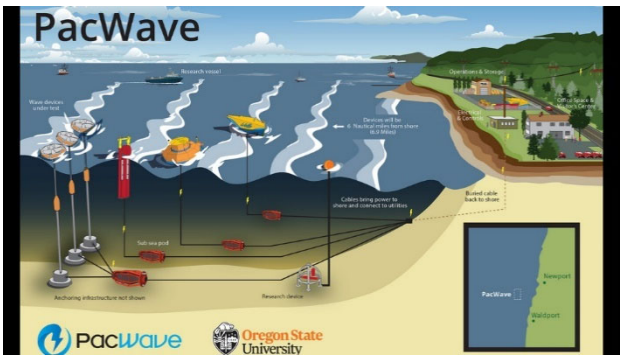
[15] Oregon Senate Bill 1547, passed in March 2016

facilities on the Corvallis OSU campus at the Wallace Energy Systems and Renewables Facility and the wave tanks at the O.H. Hinsdale test facility, and in Newport at the Hatfield Center.

Figure 3-11: Marine Energy Converter Testing Facilities in Central Oregon

Two test sites located on the central Oregon Coast are being used for testing: The North Energy Test Site (NETS) can accommodate devices up to 100kW connected to the Ocean Sentinel, and larger devices can be accommodated if no grid emulation or connection is required. The Newport South Energy Test Site (SETS) will serve as the utility-scale wave energy test facility for the US.[16] (See Figure 3-11)

Figure 3-12: PacWave Facilities in Central Oregon



OSU is currently developing SETS (named PacWave), which consists of a 5-acre parcel on the central Oregon Coast (between Newport and Waldport.

PacWave will offer pre-permitted, grid-connected wave energy testing in an open-ocean environment. This project will enable wave energy to be captured from the test site and delivered to the utility-grid. The ocean site will be divided into four "bays" able to accommodate up to a half dozen wave generators each; a buried cable will bring the power to shore. (See Figure 3-12).

The US Department of the Interior Bureau of Ocean Energy Management (BOEM)[17] evaluated various locations in Oregon and other West Coast states for offshore energy development. The Port of Newport met classifications for:

- Quick Response Port (QRP) for offshore wind facilities (OFW) and marine hydrokinetic devices (MHK). A quick response port could include the following functions: crew transfer, minor

[16] Northwest National Marine Renewable Energy Center

[17] Determining the Infrastructure Needs to Support Offshore Floating Wind and Marine Hydrokinetic Facilities on the Pacific West Coast and Hawaii, prepared for BOEM by Hatch Mott MacDonald, 2016

maintenance and repairs, operations homeport, homeport for pre-installation surveys (bathymetric, benthic), among other functions.

- Fabrication and construction port and assembly port for MHK. This could include the following functions: construction, staging, and pre-assembly of device components, transport hub for device components and materials, fabrication of nacelle, blade, foundation, cable, generator, hub, cable; support final assembly of MHK devices, provide staging and storage areas, marine tow to installation location and potential cable-laying and mooring installation and monitoring base.

The Quick Response Port for OFW and the staging area for MHK would each require approximately 1-2 acres of upland storage area. Some of the staging activities can be undertaken at the OSU dock in Newport, but there are also opportunities for development at the Port of Newport. This could entail facilities for upland storage and staging, loading/unloading of devices, and moorage for vessels and structures. In addition, OSU is partnering with private sector firms which may also require similar facilities.

3.3.3 Aquaculture

Oregon State University has a long-established expertise in fisheries and aquaculture research. Aquaculture, which is rapidly growing sector of the international economy, also represents an opportunity for development in Newport.

Worldwide aquaculture production increased from 24.3 million tons in 1995 to 73.8 million tons in 2014, or at an average annual rate of 6.0%. Sales of aquaculture products in the United States totaled $1.37 billion in 2013, up 26 percent since 2005.[18] U.S. aquaculture products ranked by sales were as follows:

- Food fish, which includes fish raised for consumption (catfish, tilapia, trout, salmon and other species) as well as fish eggs, accounted for more than 50% of aquaculture sales in 2013, with a sales value of $732 million, up 9% from 2005.
- Mollusks production (oysters, clams and mussels) reached $329 million in 2013, an increase of 62% from 2005. Oysters represent approximately 55% of mollusk production by value.
- Crustacean sales (shrimp, prawns, crayfish, lobster and crab) totaled $85 million in 2013, up 59% from 2005. Saltwater shrimp accounted for just over half of 2013 crustacean sales.
- The remaining aquaculture includes ornamental fish, baitfish and sport fish, among other species.[19]

[18] United States Department of Agriculture, National Agricultural Statistics Service. *2013 Census of Agriculture Highlights, ACH12-21*. February 2015. The aquaculture census defines an aquaculture farm as any place from which $1,000 or more of aquaculture products were produced and sold, or distributed for conservation, recreation, enhancement, or restoration purposes, during the census year.

[19] National Marine Fisheries Service Office of Science and Technology, Fisheries Statistics Division, *Fisheries of the United States, Current Fishery Statistics No. 2016*. August 2017. Page xiii.

Marine aquaculture in the United States contributes to seafood supply, supports commercial fisheries, restores habitat and at-risk species, and maintains economic activity in coastal communities and at working waterfronts in every coastal state.[20]

Oregon is a relatively small aquaculture producer, with 37 farms and $12.1 million in sales in 2013. In contrast, Washington had sales of $328.7 million on 304 farms in 2013. Oregon accounted for 12.2% of the farms and 3.7% of the sales in the U.S. West Coast.

Sales of mollusks ($10.6 million) accounted for 87% of aquaculture production value in Oregon in 2013. The remaining sales were food fish (mainly trout), ornamental fish, and bait fish. Sales per farm are typically much lower in Oregon than elsewhere on the U.S. West Coast.

In Oregon, aquaculture is centered in the following areas: [21]

- Oysters are grown in Coos Bay, Winchester Bay, Yaquina Bay, Tillamook Bay, and Netarts Bay.
- Fish (trout, bass, sunfish, koi, catfish, and tilapia) are grown on private, inland farms across the state, from Bandon to the Wallowa Valley.
- Private salmon-ranching facilities once operated on Coos Bay and Yaquina Bay up until the 1980s, but there are no commercial salmon ranches functioning now on any of Oregon's estuaries.

According to ODFW, a significantly larger program is "possible through expansion, intensification and diversification. A target value of $22.8M is proposed for a strengthened statewide program (current value of $12.1M).[22] To achieve this, the "state must optimize her natural endowments" by expanding existing aquaculture programs and evaluating the potential development of organisms that could help diversify Oregon's aquaculture farming including:

- "Marine - Manila clams, little neck clams, mussels, abalone, algae, sea cucumbers, sea urchins and purple varnish clams et al.
- "Freshwater – sturgeon, hybrid striped bass, yellow perch, tilapia, carp, shrimp [marine in inland systems or freshwater], walleye, ornamental fishes and plants et al." [23]

The opportunities for growing aquaculture in the Newport area include expansion of existing operations as well as development of new operations:

- Oyster cultivation could be expanded in Yaquina Bay. There is demand for intertidal land for oyster cultivation with the appropriate characteristics (soil conditions and water quality, etc.). However, it is currently costly and time consuming for individual growers to pursue permits in Yaquina Bay. The Port could assist this effort by helping to streamline the permit process,

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[20] NOAA Office of Aquaculture, https://www.fisheries.noaa.gov/national/aquaculture/us-aquaculture.

[21] *Aquaculture in Oregon, Thriving in the Throes of Change*, Confluence Magazine. Summer 2013.

[22] Moehl, John. Developing Additional Investment in Aqua Farming in Oregon: a roadmap for sustainable development Oregon Department of Agriculture RFP #2014-05. Oregon Department of Agriculture—Market Access & Certification Programs. March 2015.

[23] ibid

including preparing an inventory of suitable sites, creating an aquaculture park and acquiring permits for areas that could be leased or sold to private sector entities. Typical intertidal operations are expected to encompass 5 acres or more.

- Seaweed cultivation is also being evaluated in Newport. The Port is currently working with OSU and a private company to commence cultivation of dulse. This effort will likely be land-based and could have a footprint of 0.5 to 1.0 acres.
- Cultivation of other aquaculture and/or finfish species on tidelands and uplands may also occur within the time frame of the Port's Strategic Plan (next 5 years). This could require Port assistance with permitting and/or utilization of Port property for hatcheries, cultivation and processing facilities.

3.3.4 Conclusions

The Port's facilities support a variety of ocean research activities, and these are areas of strong growth. The Port should continue to work with public agencies and private organizations to provide the facilities that are needed. At the same time, the Port should work to ensure that agreements with these organizations should generate positive net revenue to the Port.

3.4 TOURISM & RECREATION

Tourism is an important and growing part of the Lincoln County economy, and the Port of Newport plays an important role in this sector. The Port's tourism-related facilities include a large recreational marina, boat ramp, and several RV parks operated by the Port. The Port also leases land to Oregon Coast Aquarium and Rogue. In addition, the Port's commercial fishing facilities along Bay Boulevard draw tourist and provide fresh seafood to local restaurants.

3.4.1 Tourism Trends

Visitor spending in Oregon is tracked by Dean Runyan Associates[24] for the Oregon Tourism Commission. According to the most recent analysis, estimated total visitor spending in Oregon was $11.8 billion in 2017. Statewide visitor spending increased substantially between 2000 and 2017, in spite of a recession-caused drop in visitor spending from 2008 through 2010. In nominal terms (i.e. current year dollars) visitor spending grew from $5.3 billion in 2000 to $11.8 billion in 2017. Adjusted for inflation, spending grew from $7.4 billion in 2000 to $11.8 billion in 2017 (as measured in 2017 dollars).

Statewide visitor spending peaked in 2007 at approximately $8.6 billion, then dropped slowly in each year from 2008 through 2010, bottoming out at $8.3 billion (in nominal dollars). Since 2010 statewide visitor spending has grown in each year, increasing by an average of 4.4% per year (in current dollars) and 2.7% per year in 2017 dollars.

Lincoln County is one of three counties or partial counties) that Dean Runyan Associates includes in the Central Coast region. The region is defined to include all of Lincoln County, along with the western portions of Douglas and Lane Counties.

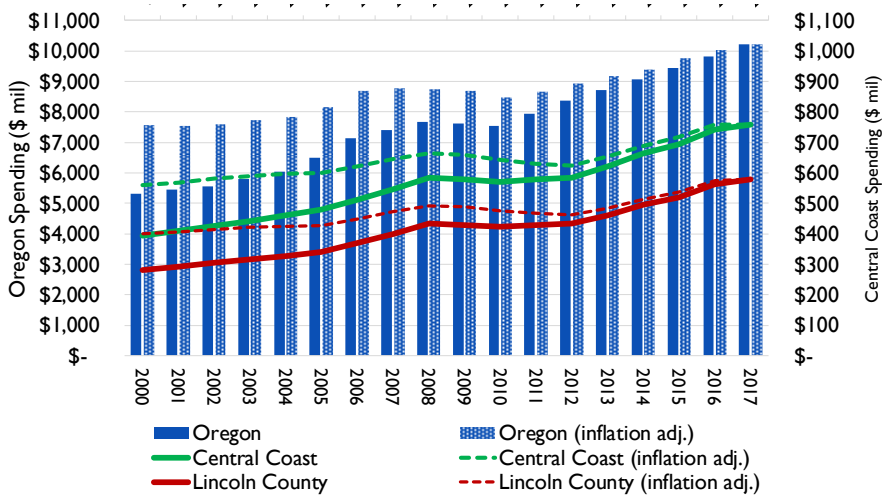
Visitor spending in the Central Coast region experienced a growth pattern similar to the statewide pattern, with steady growth for a number of years after 2000, no growth or a slight decline caused by the recession, and resumed growth in recent years. The slowdown on the Central Coast started one

[24] Dean Runyan Associates. *Oregon Travel Impacts Statewide Estimates 1992-2017p*. June 2018.

year later than it did statewide (i.e. in 2009), but also lasted longer (i.e. until 2012). Spending growth was strong from 2013 through 2017.

Lincoln County accounts for the majority of visitor spending in the region, and the county's share has risen slowly since 2000. Approximately 72% of Central Coast visitor spending occurred in Lincoln County in 2000; this share grew to more than 76% in 2017.

Figure 3-13: Visitor Spending



Source: Dean Runyan Associates

In Lincoln County, earnings of workers in visitor industries grew from $78 million in 2000 to $162 million in 2017, or at an average annual rate of 4.4% (not adjusted for inflation), and from an inflation-adjusted $111 million to $162 million, or 2.3% average annual growth. The growth rate was lower from 2000 through 2010 due to the effects of the recession, and was higher from 2010 through 2017, when earnings grew at an average annual rate of 4.8%.

Visitor industry employment in Lincoln County grew from 4,300 workers to 6,130 workers, or at an average annual rate of 2.1%. Unlike earnings, employment grew more slowly from 2010 through 2017 than from 2000 through 2010.

Inflation-adjusted earnings per worker have slowly increased. From 2000 through 2010, annual wage growth actually decreased at an average rate of 0.8% per year (when adjusted for inflation), but from 2010 through 2017 earnings grew at a rate of 1.6% (adjusted for inflation. Adjusted for inflation, per-worker earnings grew from $25,720 in 2000 to $26,430 in 2017, and the rate of growth across this period was 0.2% per year.

In Lincoln County, state and local tax receipts related to tourism grew at a faster rate than visitor spending, with growth averaging 5.3% per year between 2000 and 2017. In nominal terms, visitor-generated taxes grew from $12.2 million in 2000 to $29.4 million in 2017. Adjusted for inflation, tax receipts grew at 3.1% per year, and increased from $17.4 million in 2000 to $29.4 million in 2017.

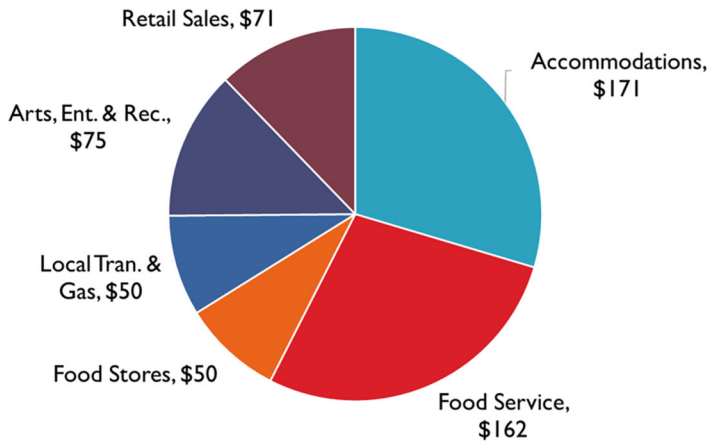
Table 3-2: Lincoln County Direct Travel Impacts, 2000-2017

							Average Annual % Change			
Area	**2000**	**2005**	**2010**	**2015**	**2016**	**2017**	**16-17**	**00-17**	**00-10**	**10-17**
Spending ($Millions)										
Total	418.1	439.2	486.7	547.7	585.3	590.8	0.9%	2.1%	1.5%	2.8%
Other	17.1	11.8	11.0	10.3	11.6	12.1	3.9%	-2.0%	-4.3%	1.3%
Visitor	400.8	427.4	475.7	537.4	573.8	578.7	0.9%	2.2%	1.7%	2.8%
Non-transportation	369.5	385.1	424.8	490.4	526.3	528.3	0.4%	2.1%	1.4%	3.2%
Transportation	31.5	42.3	51.0	46.8	47.4	50.4	6.4%	2.8%	5.0%	-0.2%
Earnings ($Millions)	110.6	113.2	131.0	146.8	156.6	162.0	3.5%	2.3%	1.7%	3.1%
Employment	4,300	5,886	6,228	6,019	6,189	6,130	1.2%	2.1%	2.6%	1.5%
Tax Revenue ($Mil.)										
Total	17.4	19.3	22.3	26.2	28.3	29.4	3.9%	3.1%	2.5%	4.1%
Local	7.8	8.8	10.5	12.7	13.2	13.6	3.2%	3.3%	2.9%	3.8%
State	9.5	10.5	11.8	13.5	15.1	15.8	4.5%	3.0%	2.2%	4.3%

Note: dollars figures are adjusted for inflation to 2017 dollars
Source: Dean Runyan Associates

The accommodations sector accounts for nearly 30% of visitor spending in Lincoln County and the food & beverage services sector accounts for nearly 28%. Arts and entertainment is the next largest category, accounting for 13% of spending, followed by retail sales (12%), food stores (nearly 9%), and local transportation and gas (nearly 9%).

Figure 3-14: 2017 Lincoln County Visitor Spending ($ millions)



Source: Dean Runyan Associates

3.4.2 Recreational Vehicle Camping

Recreational vehicle camping has been on a long-term growth trend for nearly four decades, while spending on recreational vehicles has varied with the state of the economy.

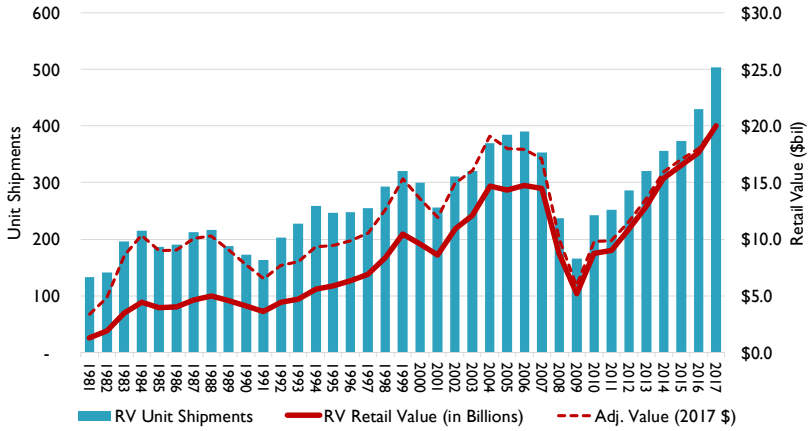
Discretionary spending on big-ticket items are sensitive to the state of the economy, and sales of recreational vehicles are no exception. As shown in Figure 3-15, sales of RVs typically drop sharply during economic recessions, such as those that occurred in the early 1990s, early 2000s, and during the

Great Recession that begin in 2007. The impact of the Great Recession was especially strong, with sales falling from a high of $14.7 billion in 2006 to less than $5.2 billion in 2009, or a drop of 65%.

On an inflation-adjusted basis (using 2017 dollars), the value of RV retail sales peaked at nearly $19.1 billion in 2004 and then declined slowly for several years before dropping to $5.9 billion in 2009, an overall decline of 69%. The recovery from this drop was long, and it was not until 2017 that inflation-adjusted sales passed the peak of 2004.

Sales of RVs have shown a strong ability to recover from recessions, although the recovery can take time. Unit sales dropped by 25% in the early 1990s but took just two years to recover, and in the late 1990s, sales dropped by 20% and also took just two years to recover. During the Great Recession, however, unit sales dropped by more than 57%, and took seven years to fully recover. In 2016, the number of units sold (nearly 431,000) set a new record, surpassing the previous record of nearly 391,000 units sold in 2006. In 2017, sales jumped to nearly 505,000 units.

Figure 3-15: Recreational Vehicle Sales



Source: Recreational Vehicle Industry Association

The Port of Newport operates three RV parks in the South Beach area, which offer a combined 260 RV sites. The main RV Park has 92 sites, all of which have full hookups (i.e. water, power, wastewater). The overflow park has more sites (i.e. 116), but none of these has utility hookups. The RV park annex offers an additional 52 spots, all of which have full hookups. (See Table 3-3.)

Table 3-3: Port RV Site Inventory

Site Class	Attributes	Main	Overflow	Annex	Total
Premium Back-In	Full Hookups	11			11
Back-In	Full Hookups	12			12
Pull-In	Full Hookups	24			24
Pull-Thru	Full Hookups	45			45
Overflow	No Hookups		116		116
Annex Back-in	Full Hookups			51	51
Annex Pull-in	Full Hookups			1	1
Total		92	116	52	260

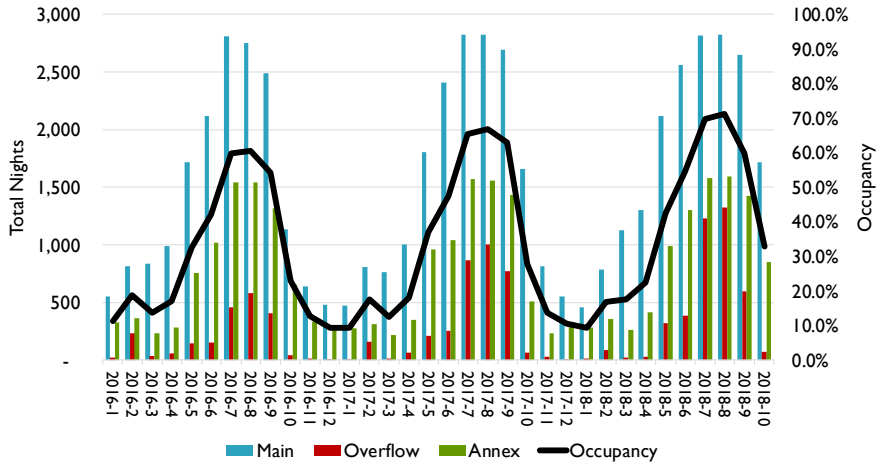
Source: Port of Newport

Occupancy at the Port of Newport RV parks is highly seasonal, with highest occupancy in July, August, and September, and lowest occupancy in December and January. From January 2016 through October 2018, occupancy across all three parks ranged from a low of 9% to a high of 71%. (See Figure 3-16.)

The main RV park accounts for the largest number of site-nights (i.e. one site-night equals one site occupied for one night). The main park hosted an average of 1,598 site-nights per month, ranging from a low of 455 (i.e. in January 2018) to a high of 2,827 (i.e. in August 2017 and August 2018). The RV park annex hosted an average of 777 site-night per month, ranging from a low of 220 to a high of 1,595. The Overflow park hosted an average of 284 site-nights per month, ranging from a low of 1 to a high of 1,322.

The RV park annex has less than half as many sites as the overflow park, but it hosts substantially more site-nights. A key reason for this is that all of the sites at the annex have full utility hookups, while none of the sites at the overflow park have hookups.

Figure 3-16: RV Park Usage

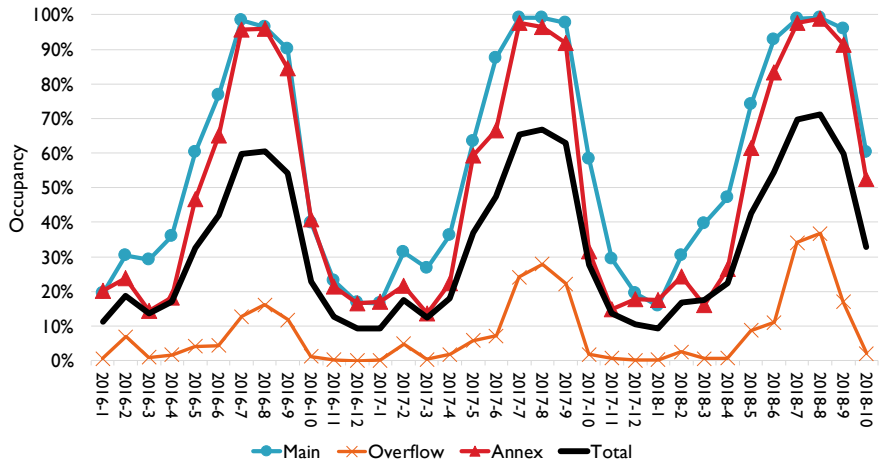


Source: Port of Newport

Occupancy at the main RV Park and the RV park annex runs close to 100% during the peak months of July, August, and September. Peak occupancy at the overflow lot grew from approximately 60% in 2016 to 70% in 2018.

From October through April occupancy at the overflow lot drops to between 0% and 2%. Occupancy also drops at main RV Park and the RV Park Annex, but never lower than 16% (main park) and 14% (annex). Occupancy is above 50% from May through October at the main park and from May through September at the annex. (See Figure 3-17.)

Figure 3-17: RV Park Usage



Source: Port of Newport

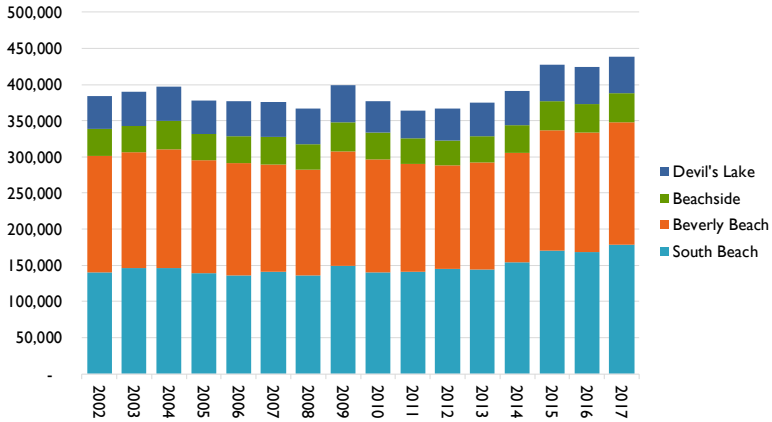
Overnight stays at Oregon State Parks in the Newport area have seen strong growth since the end of the recession. The four State parks closest to Newport that offer RV camping include:

- South Beach State Park (approximately 2 miles south of Newport)
- Beverly Beach State Park (7 miles north)
- Devil's Lake State Recreation Area (25 miles north), and
- Beachside State Recreation Site (19 miles south).

Combined, these four parks saw the number of overnight guests grow from 364,000 in 2011 to 438,000 in 2017, an increase of more than 20%.

South Beach State Park, the State park closest to Newport, accounts for the largest share of these overnight stays, and this share has grown steadily since 2002. South Beach overnight stays accounted for 41% of overnight stays in 2017, up from 36% in 2002. The number of overnight stays at South Beach fell from a high of 397,000 in 2004 to less than 375,000 per year from 2007 through 2013 (with the exception of 2009). After 2013, the number of stays began several years of strong growth, to nearly 427,000 in 2015 and to 438,000 in 2017.

Figure 3-18: Overnight Stays at State Parks



Source: Oregon State Parks

As shown in Table 3-4, recent trends in overnight stays at State parks can be divided into three distinct periods.

- From 2002 through 2008, overnight stays at parks in the Newport region declined a total of 4.5% as the recession took hold. Statewide, combined total stays at all State parks fell by 2.2% during the same period.
- From 2008 through 2011, the number of stays in the Newport region declined slightly, by a total of 0.8%. Statewide overnight stays decreased by the same percentage.
- From 2011 through 2017, the number of overnight stays at State parks in the Newport area grew by 20.3%, while statewide stays grew by 20.8%.

Table 3-4: Growth in Overnight Stays at State Parks

	Growth in Overnight Stays		
Year	2002-2008	2008-2011	2011-2017
South Beach State Park	-3.2%	3.8%	26.4%
Beachside State Recreation Site	-4.3%	0.7%	14.9%
Beverly Beach State Park	-9.4%	2.3%	13.2%
Devil's Lake State Recreation Area	9.1%	-23.6%	31.1%
Newport region	-4.5%	-0.8%	20.3%
State total	-2.2%	-0.8%	20.8%

Source: Oregon State Parks

In conclusion, the recreational visitor industry is strong, and the Port of Newport is an important provider of RV park space. Upgrading the overflow RV Park to include utility hookups and other amenities may increase utilization.

3.4.3 Recreational Boating

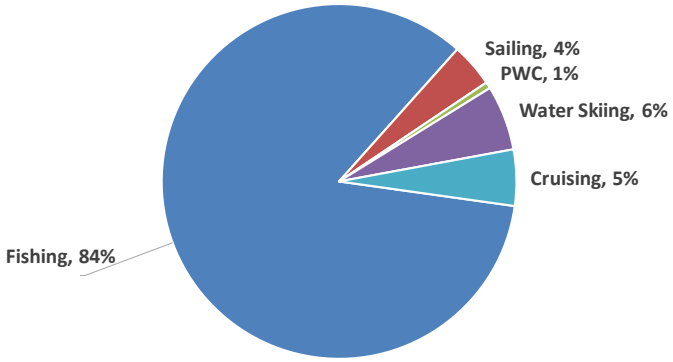
Recreational boating is a major tourist activity in Lincoln County. Most recreational boating in Lincoln County involves fishing, according to survey data from the Oregon State Marine Board (OSMB)[25]. Based on the most recent triennial survey from the OSMB, 84% of boat trips in the county were for the purpose of fishing. Water skiing was the next most popular activity (i.e. 6%), followed by cruising (5%) and sailing (1%). (See Figure 3-19).

A previous version of the OSMB survey documented the waterbodies used by boaters in Lincoln County[26]. This data indicated that the two most popular water bodies for boating in Lincoln County were Yaquina Bay and the Pacific Ocean, which accounted for nearly half of all activity days. The South Beach Marina at the Port of Newport is a key facility that provides boaters with access to these bodies of water.

[25] Oregon State Marine Board. *Triennial Survey of Boaters*. 2017.

[26] Oregon State Marina Board. *Triennial Survey of Boaters*. 2011.

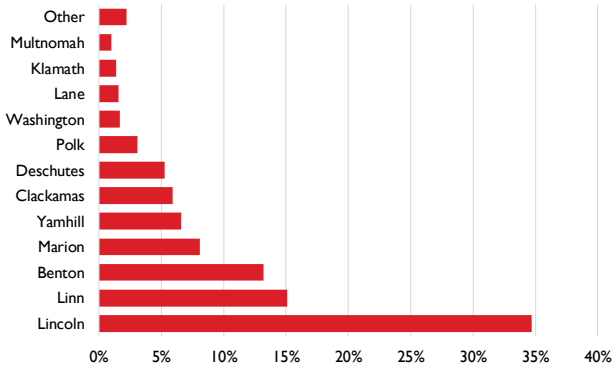
Figure 3-19: Boating Activities in Lincoln County



Source: Oregon State Marine Board

Boaters from outside of Lincoln County account for the majority of boat use days in Lincoln County, with local boaters accounting for approximately one-third of boat use days. Four neighboring counties (i.e. Linn, Benton, Marion, and Yamhill) account for a combined 43% of boat use days in Lincoln County. (See Figure 3-20)

Figure 3-20: Home County of Boaters in Lincoln County

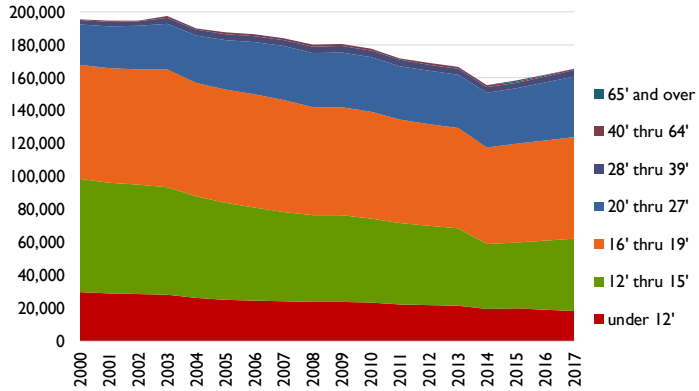


Source: Oregon State Marine Board

The number of boats registered in Oregon reversed a long-term decline in recent years. Between 2000 and 2014, the number of boats registered dropped from nearly 196,000 to less than 156,000, a decline of more than 20%. Between 2014 and 2017, however, the number of boats grew to nearly 166,000.

The drop in the number of registered boats was due to declining numbers of boats less than 20 feet long. The number of registered boats longer than 20 feet actually increased between 2000 and 2017, although the number declined during the recession before recovering. The number of boats between 20 and 27 feet grew by approximately 12,250, or 50%. The number of boats 28 to 39 feet grew by more than 1,000, or 37%, the number of boats between 40 feet and 65 feet grew by 635, or 148%, and those 65 feet or longer grew by 38, or 200%. It is possible that the recent growth represents boats that were not registered for several years and have re-entered the registry. (See Figure 3-21)

Figure 3-21: Oregon Registered Boats by Length



3.4.4 Oregon Coast Aquarium

The Oregon Coast Aquarium, which is located on 39-acres of Port property at South Beach, opened in 1992. The aquarium is a big draw for residents and tourists, attracting approximately 460,000 to 480,000 visitors per year. Approximately 65% to 70% are from the Portland metro area with the remainder spread from Eugene to the Tri-Cities to Idaho and beyond. The aquarium is also a major employer with 70 full time staff; however, during peak seasons the number of employees can reach as high as 120. According to the Aquarium press kit, "The Aquarium is consistently rated among the nation's top aquariums, most recently by the Travel Channel, USA Today, Coastal Living, Parents Magazine, Forbes Traveler and 10Best.com." The aquarium also provides a link from marine research to the community and tourists.

3.4.5 Conclusions

The Port owns a number of facilities that support the region's growing tourism industry. Several projects could help to increase the contribution of these facilities to the Port's bottom line, including:

- Upgrading the overflow RV park to include utility hookups and other amenities,
- Continue to maintain the recreational marina and boat ramp, and
- Work with the Oregon Coast Aquarium to accommodate their project/needs.

3.5 MARINE CARGO

Yaquina Bay has not been a major cargo port for several decades, but the Port's Newport International Terminal provides an updated facility for potential cargo users. Past shipments from the area included logs and lumber, both of which ended by the late 1990's.

The following section describes the Newport International Terminal and the markets that it has the potential to serve.

3.5.1 Transportation Links

Links to transportation infrastructure are a critical factor in determining the market for marine terminals. These links include navigation channels, rail lines, and highways.

This section describes the transportation infrastructure for each of these modes in Yaquina Bay region.

3.5.1.1 Road Access

Newport is served by two main highways:

- U.S. 20 runs east-west between Newport and the Willamette Valley, and crosses the Coast Range. The distance from the International Terminal to Interstate 5 east of Corvallis is 58 miles.
- U.S. 101 runs north and south along the coast from Newport.

The main truck route to the Yaquina Bay region is U.S. 20. This road is a 2-lane highway for most of the 43 miles between Newport and Philomath. A recently completed project significantly upgraded the route by eliminating severe, hairpin curves, widening travel lanes and shoulders, and adding climbing lanes on several grades. The project reduced the total distance by 5.5 miles, and the improved road provides a safer and more efficient route between the valley and the coast for both freight and passengers.

The highway that runs north and south from Newport is U.S. 101. This route is also a two-lane highway in most places, although through population centers it widens to four lanes or two lanes with a center turn lane. This road also provides alternative access to the Willamette Valley, via Highway 18 and 22 at Lincoln City (to the north) and via Highway 126 and 36 at Florence (to the south).

3.5.1.2 Rail Access

Newport is not served by rail. The nearest rail line is the Portland and Western Toledo branch line that runs from Corvallis to Toledo, and terminates at the Georgia-Pacific mill in Toledo. This line originally extended as far west as Yaquina City, approximately three miles upriver from the Port's International Terminal at McLean Point and five miles from the Bayfront in Newport.

The railroad from Corvallis to Yaquina City was completed in 1884. As late as 1919 there were plans to extend the line to Newport, but the line was never built. The eight miles of rail line from Toledo to Yaquina City were abandoned in 1937, and the tracks were removed.[27]

Rail access does not guarantee that a port will attract significant volumes of waterborne cargo. Many ports on the West Coast, from Humboldt Bay to Port Angeles, were once served by rail but no longer are. For most of these ports, the rail line was built to haul forest products from the coast to inland markets, rather than to haul cargo from inland points to ports for export. Examples include Humboldt Bay, Tillamook, Astoria, Willapa Bay, and Port Angeles. Coos Bay is still served by rail, but the rail line has not attracted large volumes of waterborne cargo.

3.5.1.3 Waterborne Navigation

The main navigation channel in Yaquina Bay extends from the ocean end of the north and south jetties, upstream to the turning basin adjacent to McLean Point. The channel is authorized to a depth of 40 feet MLLW[28] across the bar and at the outer end of the entrance channel, and 30 feet MLLW from the entrance to the turning basin.[29]

Upstream from the turning basin the Yaquina River channel is authorized to a depth of 10 feet MLLW to Toledo. A second small channel extends 2,000 feet from the main Yaquina Bay channel to the South Beach Marina, with an authorized depth of 8 feet.

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[27] Sandler, Rich. *The Rise and Fall of Yaquina City*. 2008.

[28] "MLLW" is the average of the lower low water height of each tidal day.

[29] U.S. Army Corps of Engineers. *Ports on the Oregon Coast*. Port Series No. 33, Revised 2001.

The mean range of tide at Newport is 6 feet, with a diurnal range of 8 feet.

One bridge crosses the navigation channel at Yaquina Bridge. The U.S. Highway 101 Bridge is a fixed-structure located one mile above the mouth of the channel. The vertical clearance under the bridge is 136 feet above MLLW and 129 feet above MHHW[30].

3.5.2 Cargo Types

Breakbulk/neobulk cargoes include unitized, palletized or packaged general goods, which are not containerized. Neobulk cargoes refer to non-containerized cargoes that require specialized berths and equipment, such as logs, steel, autos, and roll on - roll off (RO-RO) cargoes (mining, agriculture and construction equipment, etc.), among other cargoes.

Prior to containerization, virtually all non-bulk cargoes moved in breakbulk form. Since the 1970s, however, the majority of breakbulk cargo has been converted to containers. As a result of this shift the breakbulk trade has become far more specialized, targeting certain high-volume commodities such as logs, lumber, woodpulp, paper fruit, lumber, and some steel products.

Dry bulk cargoes are those that can be handled with a system of conveyor belts, hoppers and other equipment between trucks, railcars, storage facilities and ships. These are typically commodities with a low unit value moving in very high volume, such as coal, iron ore, various forms of semi-processed iron, minerals, cement, grains, and woodchips.

Liquid bulks are free-flowing liquid cargoes, such as crude oil and petroleum products that are poured into and sucked out of large tank spaces, known as the holds, of a tanker.

Containerized cargo uses intermodal containers (also called shipping containers and ISO containers) that have standardized dimensions. They can be loaded and unloaded, stacked, transported efficiently over long distances, and transferred from one mode of transport to another, including container ships, rail transport flatcars, and semi-trailer trucks—without being opened.

3.5.3 Logs

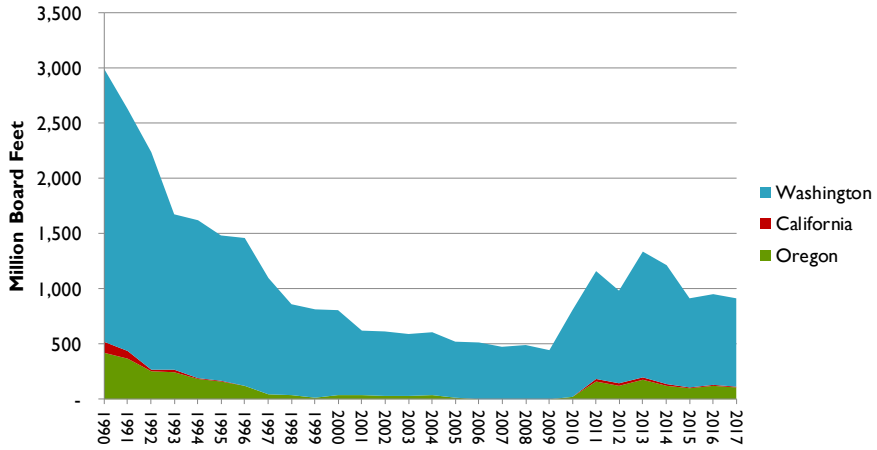
The Port of Newport's International Terminal does not currently handle log shipments, but several companies have expressed interest in doing so. The following section describes the market for log exports on the West Coast and in the Pacific Northwest.

West Coast log exports declined precipitously during the 1990s, falling from 3.00 billion board feet in 1990 to 0.81 billion board feet in 1999. This decline continued until 2009, when it reached a low of 0.44 billion board feet. From 1990 through 2009 log exports fell a total of 85%.

In 2010, China emerged as a new market, and West Coast log exports began to increase for the first time in more than two decades. Log export volumes jumped from 0.44 billion board feet in 2009 to 0.80 billion board feet in 2010, and continued to climb to a high of 1.34 billion board feet in 2013. Volumes decreased slightly in 2014 and fell to 0.91 billion board feet in 2015, and averaged 0.93 billion board feet from 2015 through 2017.

[30] "MHHW" is the average of the higher high water height of each tidal day.

Figure 3-22: West Coast Log Exports



Source: Jones Stevedoring

Washington ports handle the majority of West Coast log exports, while Oregon ports play a smaller role. From 1990 through 2017, the share of exports handled by Oregon ports averaged 7%, and ranged between 0% and 15%. Since the revival of log exports, Oregon's share has held relatively steady, averaging 12% from 2011 through 2017.

Longview is the largest log export port on the West Coast, accounting for more than half of all exports. It should be noted that Oregon logs made up about half of the logs shipped from Longview.

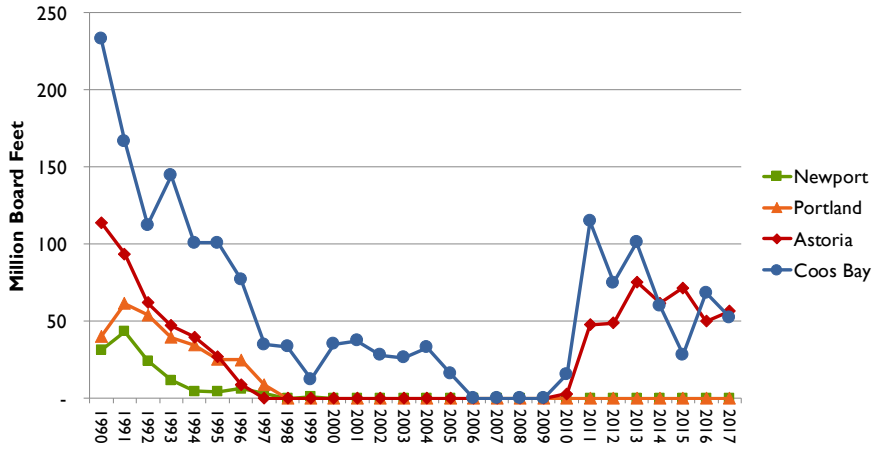
The maximum volume of logs exported through Oregon ports (since 1990) was 419 million board feet in 1990. Exports declined in nearly every year after 1990, falling to less than 100 million board feet in 1997 and to less than 40 million board feet from 1998 through 2010. Since 2011, they have ranged from 100 million to 177 million board feet.

As recently as 1990, there were four ports in Oregon that handled log exports, but since 2010 there have only been two, Coos Bay and Astoria. Limited volumes of logs were exported through Newport during the 1990s, but these declined throughout the decade and essentially disappeared in 1997. (See Figure 3-23).

A recent forecast projected that Pacific Northwest log exports are likely to grow slowly through the year 2035, with a reference growth rate of 0.8% per year, low growth rate of -0.2% per year, and high growth rate of 2.2% per year [31] The forecast low and reference cases assume that Chinese demand continues to grow, but at a slower pace than in recent years; the high case assumes that demand from China increases. All growth scenarios assume that Japanese demand declines due to increasing domestic timber harvests in Japan. The imposition of tariffs by China were not considered in this forecast, however, and it is possible that log exports could be negatively impacted.

[31] BST Associates. *2017 Marine Cargo Forecast and Rail Capacity Analysis*. August 2017.

Figure 3-23: Oregon Log Exports



Source: Jones Stevedoring

Some Pacific Northwest mills source logs from Canada, depending on availability and price. Waterborne imports of logs grew steadily from 700,000 metric tons in 2000 to 1.7 million metric tons in 2005 as domestic sources dwindled. After 2005, import volumes began to decline, and ranged from 300,000 metric tons to 600,000 metric tons between 2008 and 2015

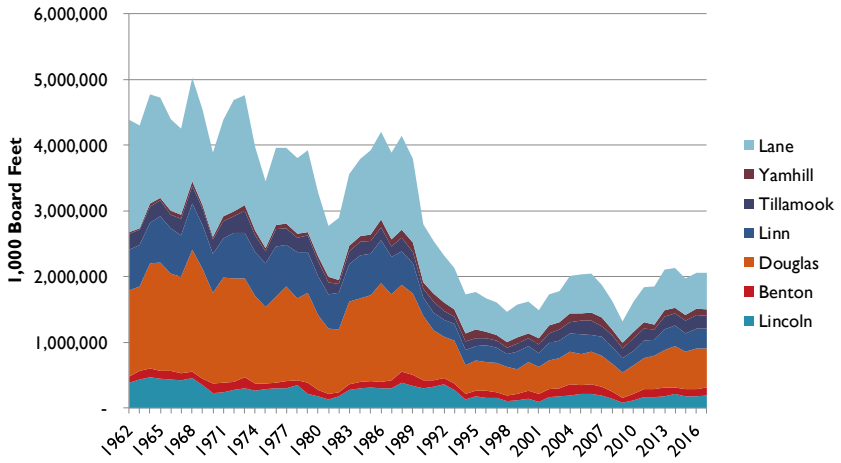
Pacific Northwest log import volumes are projected to increase from 400,000 metric tons in 2015 to between 450,000 and 600,000 metric tons in 2035.

The timber harvest in the Newport region is less than half of what it was during the mid-1960s, but has seen growth since bottoming out in 1998. For this discussion, the Newport region includes Lincoln County along with Benton, Douglas, Lane, Linn, Tillamook, and Yamhill Counties. From 1962 through 1973, the annual timber harvest for the region averaged 4.5 billion board feet. During this period, the harvest volume reached a high of 5.0 billion board feet, and dropped below 4.0 billion board feet in only one year (i.e. 1970).

From 1974 through 1989, the annual harvest averaged 3.7 billion board feet, and ranged from a low of approximately 2.8 billion board feet to a high of 4.2 billion board feet.

Timber harvest volumes began a steady decline in 1990, falling from 2.8 billion board feet in 1990 to less than 1.5 billion in both 1998 and 2001. This represents a drop of more than two-thirds from the peak year of 1968. Since 2004, the regional timber harvest has averaged approximately 2.0 billion board feet per year. The only exception was during the height of the recession (from 2008 through 2010), when the harvest dropped to a low of 1.3 billion board feet). (See Figure 3-24).

Figure 3-24: Timber Harvest Trends in Newport Region



Source: Oregon Department of Forestry

Lincoln County is a relatively small producer of timber.

- From 1962 through 2017, the county harvest averaged 247 million board feet per year, and ranged from a low of 81 million board feet to a high of 469 million board feet.
- Lincoln County's share of the regional harvest averaged 8.5% during this period, and ranged from a low of 4.6% to a high of 15.4%.
- For the most recent decade (2007 through 2017), Lincoln County's share also averaged 8.5%. However, during this decade harvest volumes averaged 160 million board feet, which represents a drop of one-third from the long-term average and two-thirds from the long-term high.

3.5.4 Other General Cargo

West Coast foreign imports of breakbulk/neobulk cargo dropped by more than half between the peak year of 2004 and 2016. Metals, especially steel, account for more than two-thirds of these imports, and most of this is destined for construction markets near the inbound ports. Non-containerized fruits and vegetables are the second-largest category of breakbulk imports, followed by machinery and wood products

West Coast exports of breakbulks/neobulks are led by fruits & vegetables, pulp & paper, wood products, and rice. There is also a small amount of fish exported in breakbulk form. Exports of breakbulks/neobulks have grown substantially since 2000; however, volumes peaked from 2011 through 2013 and have dropped substantially since then.

The 2016 Shipping Facility Feasibility Study[32] suggested several cargo types that could potentially move through the Newport International Terminal. In addition to logs, these included waste paper (as an input to the G-P Toledo mill, manufactured timber products, bark mulch (a byproduct of log exports), and agricultural commodities (such as hay, hazelnuts and aquaculture).

The potential to handle waste paper at the terminal depends on two main factors, including 1) the demand for the material by G-P, and 2) the cost competitiveness of shipping by water through Newport

[32] Market Advisory Group, LLC., *Port of Newport Shipping Facility Feasibility Study Final Report*, June 2016.

versus other routes/modes. The demand for waste paper at the G-P mill is not known, and several attempts to contact G-P were unsuccessful; the Port of Newport should make additional efforts to explore potential cargo movements with G-P.

The cost competitiveness of shipping waste paper by water through Newport is a function of where the material originates, how far it moves, how many times it switches modes (e.g., from truck to barge), and the type of vessel used, among others. In general, in order to be cost competitive the waste paper would need to originate in population centers (e.g. Seattle, Portland, San Francisco), and at recycling centers on or near navigable waterways. The farther away from navigable waterways that the waste paper originates, the less likely it will move by water.

Manufactured timber products are another cargo type mentioned in the Market Advisory Group study. Little of this cargo is currently generated in the immediate market region of the Newport International Terminal; however, there is some possibility that, over time, the movement of logs through the Terminal might lead to the establishment of additional value-added manufacturing and processing industries to emerge. These could, in turn, create additional demand for shipping through the Terminal.

The Market Advisory Group also notes that the de-barking of logs for exports produces bark as a by-product. This bark can be used to create mulch for use in the agricultural industry. There is some possibility that this bark or mulch could be shipped through the Terminal.

As noted in the Market Advisory Group analysis, the major agricultural commodities produced in the Willamette Valley are shipped by container. As discussed below, Newport is unlikely to attract container vessel service. In addition, the State of Oregon is evaluating the potential construction of an intermodal facility in the Willamette Valley to load containers onto rail for shipment to Seattle and Tacoma.

3.5.5 Refrigerated Cargo

Refrigerated ("reefer") cargoes were historically transported in specialized breakbulk refrigerated ships, but they have increasingly shifted to containers. This trend, which is expected to accelerate, limits the potential for Newport to attract this type of cargo.

According to the consultancy Drewry, 79% of the worldwide perishable reefer cargo trade was carried in containers in 2016 and 21% in specialized reefer vessels.[33] Although Drewry projects the volume of reefer trade to grow by 2.8% per year between 2016 and 2021, the share of this cargo carried in dedicated reefer vessels is expected to drop to 15% as the number of the ships in the fleet drops. Leading the growth in reefer trades are bananas, meat, and fish.

Dynamar, another maritime consultancy, estimated that there were a total of 574 conventional reefer ships with combined capacity of 183 million cubic feet in operation as of July 1 2018, with just 16 ships on order. Given the age of much of the fleet, the number of ships is projected to fall to 400 by 2025, with total capacity of 134 million cubic feet by 2025.[34] This represents a decrease in capacity of 27% and a decrease in fleet size of 30%. It is estimated that more than half of all conventional reefer vessels have been scrapped since 2000.

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[33] Drewry. *Container Lines Taking Lion's Share of Seaborne Reefer Market*. September 14, 2016

[34] Dynamar. *Reefer Analysis - Market Structure - Conventional - Containers*, 2017edition.

In contrast, the capacity of container ships to handle refrigerated containers is projected to continue growing. Dynamar estimated that in July 2018 there were 5,275 container ships with 2.3 million reefer plugs, with 345 new ships on order with a total of 202,700 reefer plugs on order. This represents a capacity increase of nearly 9%.

One recent analysis estimated that on the U.S. to Asia route, breakbulk reefer accounts for less than 10% of the total market.[35].

The primary reefer commodities exported from the Pacific Northwest include meat, fish, dairy, fruit, and vegetables. Ports in the Pacific Northwest are in the Seattle or Portland customs district; the Portland district includes all ports in Oregon, as well as Washington ports on the Lower Columbia River. In 2017, 99% of these commodities were exported through the Seattle customs district.

The total weight of these commodities was approximately 1.0 million metric tons, of which 90% was containerized and 10% non-containerized. Ports in the Portland customs district accounted for 10,000 metric tons, essentially all of which was non-containerized, and the Port of Portland accounted for 99% of this non-containerized reefer cargo. This limited volume of non-containerized reefer cargo is not sufficient to induce new vessel calls.

3.5.6 Containers

Container traffic on the West Coast is concentrated in San Pedro Bay (i.e. Los Angeles and Long Beach), San Francisco Bay (i.e. Oakland), and Puget Sound (i.e. Seattle and Tacoma), as well as Vancouver and Prince Rupert, British Columbia. Other ports on the West Coast handle limited volumes of containers, but these are generally for small, niche markets.

Smaller ports face a number of issues in attracting container trade, and Portland is a prime example. Portland has a large population base, excellent rail connections, and a 43-foot deep navigation channel. At one time three container shipping lines operated from Portland, with annual container volumes as high as 330,000 TEU in 1995. By 2015, however, two of the three carriers left Portland, and container volume dropped to less than 23,000 TEU. A recent analysis for the Port of Portland[36] concluded, "The trend toward larger ships in the transpacific will continue and there will be limited opportunities for Portland to attract a transpacific service due to vessel size limitations. Alliances control almost 90% of the transpacific freight. This is not a favorable condition for a smaller port like Portland."

The loss of container service impacted importers and exporters alike. In response, the State of Oregon has analyzed the market for containerized goods moving into and out of the Willamette Valley, and is investigating the market potential for an intermodal terminal in the valley. This facility would be a rail terminal where containers are loaded onto and off trains, and these trains would shuttle between this terminal and the ports of Seattle and Tacoma. Initial studies identified approximately 38,000 export containers and 9,000 import containers that could utilize a mid-Willamette intermodal yard, of which 75% would be export cargo and 25% import cargo.

One of these recent studies, by ECONorthwest, that evaluated the feasibility of an intermodal facility in the Willamette Valley estimated that approximately 38,000 containers are shipped internationally each

[35] Munoz, Matthew. *The Difference Between Container Shipping and Break Bulk*, September 26, 2017.

[36] Advisian, *Terminal 6 Business Study*. January 2018.

year from the Willamette Valley and Klamath County.[37] ECONorthwest divided agricultural exports into containerized and non-containerized cargo; non-containerized cargo included shipments that were too small to be containerized (e.g., 5 kg of specialty seed), large enough quantity in a single shipment to indicate a shipload of bulk commodity, or other commodities unlikely to be containerized, such as telephone poles and debarked logs.

According to ECONorthwest, the vast majority of export containers (approximately 25,000 containers) from the Willamette Valley are filled with straw. Straw is a byproduct of producing grass seeds, wheat, barley, or oats

Other containerized agricultural exports from the region include:

- Pulp – approximately 1,800 to 4,800 containers per year,
- Hay – approximately 1,350 containers of hay (from the Willamette Valley and Klamath County combined),
- Lumber – 4,500 containers per year
- Potatoes – 1,200 refrigerated containers from Klamath County,
- Christmas Trees, Garlands, Wreaths, and Greens - approximately 500 refrigerated containers,
- Nursery Stock –500 containers or less, and
- Other Commodities – limited numbers of containers.

These containers are shipped from the Willamette Valley to the Ports of Seattle and Tacoma for export overseas. In addition, at least 9,000 containers are imported to the Willamette Valley for consumption or as inputs to production.

After evaluating the feasibility analysis of an intermodal facility in the Willamette Valley, the State of Oregon issued a request for proposals to develop such a facility. Several proposals were submitted, and have been evaluated. According to the analysis of one of these facilities, the basic terminal concept and operating plans are workable, but the commercial challenge is formidable, because combined truck and rail intermodal service cannot match all-truck rates and service between the Willamette Valley and the Ports of Seattle and Tacoma. As a result, this proposal would only be commercially viable if it were partially subsidized.[38]

Because Newport lacks water depth, rail access, and population base, it is not likely to play a significant role in West Coast container markets. In addition, the proposed Willamette Valley intermodal facility could absorb much of the potential container traffic.

3.5.7 Automobiles and RO/RO

For the most part, automobile port terminals: 1) are located in or near major population centers and 2) require access to railroads. Vehicles destined for local markets are distributed by truck, while inland markets are generally served by rail. Four ports in the Pacific Northwest handle automobile imports or exports: Portland, Vancouver (Washington), Tacoma, and Grays Harbor.

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[37] ECONorthwest, *Feasibility of an Intermodal Transfer Facility in the Willamette Valley, Oregon*. December 14, 2016

[38] Tioga, *Brooks Intermodal and Transload Facility Proposal Summary Report*. January 8, 2019.

Because the Port of Newport is not linked to the rail system and serves a small population, it is unlikely to attract automobile exports or imports.

3.5.8 Dry Bulk Cargo

Dry bulk cargoes are those that can be handled with a system of conveyor belts, hoppers and other equipment between trucks, railcars, storage facilities and ships. These are typically commodities with a low unit value moving in very high volume, such as coal, iron ore, various forms of semi-processed iron, minerals, cement, grains, and woodchips. For the most part, the dry bulk commodities that move in and out through West Coast ports are transported to or from inland point by rail or by barge, with smaller volumes moving by truck.

Woodchips are a major dry bulk cargo handled by ports in the Pacific Northwest. The Georgia-Pacific (G-P) mill in Toledo may represent a potential market for receiving woodchips through the International Terminal. The G-P mill has been in operation for approximately 60 years, and at one time, it received woodchips by barge, but now receives woodchips only via truck and rail. Most of these woodchips are sourced at Oregon sawmills. The International Terminal may be able to attract some of the G-P woodchips if the economics of the combination barge/truck move are competitive.

Grain is the largest dry bulk category handled by ports in the Pacific Northwest, and essentially all of the grain is moved from inland points by rail or by barge. Other key dry bulk exports include minerals (primarily potash and soda ash), scrap metal, petroleum coke, and woodchips. Woodchips move mainly through ports on the Columbia River, but also through coastal ports such as Coos Bay.

Dry bulk imports in the region were once dominated by alumina, but the number of aluminum smelters in the region has fallen from ten to two. Dry bulk imports are now dominated by construction-related commodities, such as gypsum, limestone, and cement. Fertilizers and chemicals account for most of the remaining import tonnage. Most of the construction materials are imported into the major population centers (i.e. the Portland metro area and central Puget Sound).

Because the Port of Newport is not served by rail or by river barge, it is unlikely to attract substantial volumes of dry bulk cargoes other than woodchips.

3.5.9 Liquid Bulk Cargo

Liquid bulk traffic on the West Coast is dominated by crude oil and refined petroleum products. A variety of other liquid commodities (e.g. animal fats, vegetable oils, chemicals, and fertilizers) are also handled, but in much smaller volumes. The vast majority of this cargo moves directly into or out of oil refineries on Puget Sound.

Because Newport does not have a large population base, and does not have industries that use or produce liquid bulks, it is not likely to attract liquid bulk cargoes.

3.5.10 Marine Highway / Domestic

The U.S. Maritime Administration has extensively studied the potential for barges and/or vessels to move cargo along inland and coastal waterways, creating an alternative to conventional freight and cargo movement by trucks and rail. Several of the potential routes identified are located on the West Coast.

In 2014, a MARAD-funded study identified three potential West Coast routes with the best chances of supporting a short-sea service. The report identified the best opportunity as "international cargoes that are bulky and heavy, are not time-sensitive, and will load in 20-, 40- or 45-foot container assets."[39]

> There are several potential social and environmental benefits from developing marine highways, including: creating and sustaining jobs in U.S. vessels and in U.S. ports and shipyards; increasing the state of good repair of the U.S. transportation system by reducing maintenance costs from wear and tear on roads and bridges; increasing our nation's economic competitiveness by adding new, cost-effective freight and passenger transportation capacity; increasing the environmental sustainability of the U.S. transportation system by using less energy and reducing air emissions (such as greenhouse gases) per passenger or ton-mile of freight moved. Further environmental sustainability benefits come from the mandatory use of modern engine technology on designated projects; increasing public safety and security by providing alternatives for the movement of hazardous materials outside heavily populated areas; increasing transportation system resiliency and redundancy by providing transportation alternatives during times of disaster or national emergency; and increasing national security by adding to the nation's strategic sealift resources.[40]

One of the corridors on the West Coast is the M-5 Marine Highway Corridor, which runs north-south along coast. Analysis of the M-5 Marine Highway Corridor considered several routes and eliminated the multi-port routes because the relatively short-distance between the port pairs on the strings was not cost or time competitive with truck transportation.

> "Four of the services were between port pairs, and the other two services were strings with multiple ports. Three of the four potential services between port pairs were estimated judged to have the greatest potential to be economically viable from an operational perspective, and a business plan and viability assessment was developed for them. Those port pairs were:
>
> 1) San-Pedro Bay Ports (Ports of Los Angeles and Long Beach) to the Port of Oakland;
>
> 2) San-Pedro Bay Ports to Pacific Northwest Ports (Ports of Seattle and Tacoma); and
>
> 3) Port of Oakland to Pacific Northwest Ports.
>
> The two multi-port service strings were not included in the expanded analysis, because the relatively short-distance between the port pairs on the strings was not cost or time competitive with truck transportation. The strings included San Diego/San Pedro, San Pedro/Port Hueneme, Oakland/ Redwood City, and Humboldt Bay/Crescent City.
>
> The business plan and viability assessment found that a Marine Highway service between the San-Pedro Bay Ports and the Port of Oakland appears to have potential for financial viability due to available cargoes and other operational factors. The study also identified several challenges

[39] Cardno TEC Inc., *West Coast Marine Highway Market Analysis Project*. Prepared for the West Coast Corridor Coalition through a cooperative agreement with United States Department of Transportation – Maritime Administration, April 2014.

[40] America's Marine Highway Program - MARAD

that if solved, could increase the likelihood of developing other successful Marine Highway services on the M-5 Marine Highway Corridor:

1) The shortage of efficient, right-sized vessels eligible to transport U.S. domestic cargoes;

2) The shortage of credible market data to identify cargoes available for Marine Highway services; and

3) The lack of maritime entrepreneurs willing to take the risk of starting up a new service."[39]

A marine highway service that operated between Stockton and Oakland for one year in 2014 and 2015 ended after failing to generate the needed cargo volumes. This service, known as the "M-580", included two barges and one tugboat to move containers between the ports. Average transport time between the ports was 9.5 hours, and the service made two weekly round-trip rotations. The Port of Stockton received some funding from agencies for the start-up, but operations lost nearly $1 million per month.

Marine highway systems need an anchor user with sufficient volumes to drive an acceptable level of service (trips per week) and to minimize per unit costs. Other than logs and frozen fish, the Yaquina Bay region may not generate the cargo volumes needed to attract and sustain marine highway service. A service similar to the M-580 aimed at attracting containers or other cargo from the Willamette Valley is likely to face the same issues and require operating subsidies.

3.5.11 Other International Terminal Uses

The International Terminal has existing and potential uses beyond marine cargo. As discussed above, the Terminal is a critical facility for the local fishing fleet. The Marine Terminal itself is 15 acres, but adjacent properties increase the amount of land available. These adjacent properties include the Hall property (approximately 40 acres) and a port-owned 9-acre parcel.

The amount of land available and the goals of the Port and the Hall family create the opportunity to coordinate on development. The Rondys property includes approximately 4 acres bordered on two sides by the International Terminal, and which is currently used for fishing gear storage. The Hall family is currently developing plans for their property, with a focus on serving the fishing industry. If this development occurs, it may reduce the need for the Port to provide these facilities.

The Port-owned 9-acre site is situated along Yaquina Bay Road, and is bordered on two sides by the Hall property and on one side by Yaquina Bay. The property has access to the International Terminal. The ability to develop this property, and the potential uses, will depend in part on how much of the land is usable and how much is wetlands.

One potential use of this property would be to sell or trade it to the Hall family. A potential trade would be the 9-acre Port property for the 4-acre gear storage Hall property; this would provide both the Port and the Hall family contiguous properties with more regular property lines.

The 9-acre property could be used as storage for:

- Logs,
- Woodchips,
- Fishing equipment,
- Marine research equipment,

- Buses (staging for cruise ships),
- Environmental mitigation and
- Dredge spoils.

Another potential use is light industrial, such as light manufacturing or storage.

A key consideration for any use of this property is whether or not the Port would be competing with private industry. For example, light industrial space may compete with existing private developments along US101 south of the Yaquina Bay Bridge and elsewhere as well as with the proposed development by the Hall family.

3.5.12 Cruise

Newport could potentially attract cruise ships as a port of call during what are known as "repositioning" trips. The Alaska cruise market is based in Vancouver, British Columbia and Seattle, Washington. At the beginning and the end of the Alaska cruise season each vessel must be repositioned from or to its winter homeport, and these repositioning cruises present an opportunity to coastal ports such as Newport.

The Alaska cruise market grew from 315 vessels calls and less than 1.0 million passengers in 2009 to 457 vessel calls and 2.0 million passengers in 2018. As the passenger count has increased so has the average ship size; as a result, the number of ships serving the market in 2018 (i.e.35) was the same as in 2004. These 35 vessels represent a potential of 70 repositioning cruises, or one in each direction.

Two key dimensions of the Yaquina Bay navigation channel that potentially limit the size of cruise vessels that can are the channel depth and the vertical clearance under the US-101 Bridge. The navigation channel in Yaquina Bay has an authorized depth of 30 feet. The cruise ships operating in Alaska typically draw less than 30 feet of water, and only two of the ships in the 2018 Alaska market draw more than 28 feet of water. This has not changed substantially over time, even as ships have gotten longer.

Air draft under the US-101 Bridge is a more important limitation. Most of the large cruise ships that operate in the Alaska market are not able to pass under the bridge. There are three to five smaller ships that operate in the market, however, and these may present an opportunity for Newport. With one potential call in the spring and one in the fall, these three to five ships represent a potential of six to 10 vessel calls.

The International Terminal would the most likely facility used by cruise ships. One of the important considerations in where to handle cruise ships is the ability to provide the appropriate level of marine security; locations along the Bayfront are not large enough to provide separation between cruise operation and other uses. In addition, the 9-acre parcel owned by the Port and adjacent to the Terminal could be used as an area to stage the buses needed to transport passengers.

In order to explore this opportunity, the Port of Newport and the community should make contact with the industry group Cruise the West, as well as with cruise directors from lines that operate small vessels.

3.5.13 Conclusions

Potential marine cargoes for Newport can be divided into local cargo and inland cargo. Local cargo includes goods or commodities produced locally and shipped outbound, and inputs to local consumption or production received inbound. Inland cargo includes goods moving to or from the Willamette Valley

or beyond. Local cargo appears to present an opportunity for the Port, but there is not a compelling case for Newport to be able to attract inland cargo.

Local production represents the best marine cargo opportunity for the International Terminal. The two main production industries in Lincoln County are forest products and commercial fishing.

Potential forest products cargoes include logs and woodchips. Logs are harvested in the region surrounding Newport, and Pacific Northwest log exports have increased substantially over the past decade. Most of the region's logs are exported through Washington ports, primarily Longview, and logs from Oregon account for approximately half of Longview's volume. Newport may be able to attract a portion of these logs to the International Terminal.

Log shippers have demonstrated interest in using the International Terminal to ship logs. The Port should consider accommodating log shipments, if this will produce positive net revenue for the Port. Proposals that require investments by the port that are greater than the projected revenue, or proposals that displace existing revenue-generating uses should not be considered. Any plan for shipping logs should assume that the 30-foot channel will not be deepened. This effectively limits shipments to barge movements of logs from Newport to other ports for loading onto ships (e.g. Astoria, Coos Bay, Longview), or light-loading of ships in Newport.

The Georgia-Pacific mill in Toledo uses large volumes of woodchips, most of which are sourced from Oregon sawmills. The G-P mill has received woodchips by barge in the past, but now receives all woodchips by truck or rail. If the economics of receiving woodchips at the International Terminal and trucking to Toledo are competitive with other moves then this may represent a potential cargo for the terminal. The Port should work with G-P to explore the concept.

The output volume of the commercial fishing industry is relatively small to support shipping via water, but may be sufficient to attract service from small breakbulk freighters.

Attracting other cargo from farther inland is challenging for Newport. Outbound inland cargo can be divided into direct exports and coastal shipments, as well as into containerized and non-containerized cargo. The volume of non-containerized cargo generated in the Willamette Valley is likely not high enough to attract vessel service to Newport. Newport does not have adequate facilities to attract direct outbound container service, and a coastal drayage service for moving containers to Seattle or Tacoma is unlikely to be successful.

In addition, the ability of Newport to attract cargo from farther inland, such as the Willamette Valley, is limited by competition from other ports whose hinterlands overlap those of Newport. For example, for points north of Albany, Portland is closer than Newport and offers multiple shipping terminals. Similarly, points south of Eugene are closer to Coos Bay than to Newport.

The State of Oregon is also studying to potential to locate an intermodal rail terminal in the Willamette Valley for containerized export and import cargo, which would compete with trucking to move containers from the Willamette Valley to the Northwest Seaport Alliance (Ports of Seattle and Tacoma). If built, this facility would compete with the International Terminal for Willamette Valley cargo.

Because of these factors, the Port has a limited opportunity to attract inland cargoes.

Small cruise ships represent an opportunity for the Port, particularly at the International Terminal. Bridge clearance issues limit this to the smallest vessels in the Alaska cruise fleet, which typically number

between three and five ships and represent a potential of six to 10 vessel calls per year. The Port should work with industry organizations such as Cruise the West to determine what would be needed to attract these vessels, and what the cost to the Port would be. If these vessels can be accommodated at the Port and generate positive net revenue, without displacing existing uses, then the Port should consider this use.

3.6 FINALLY, FUTURE OTHER MARKETS

The Port serves several additional tenants that do not fit into the above sectors, including:

- Manufacturers - Rogue facilities (Distillery, House of Spirits, warehouse/brewery)
- Government agencies, including the General Services Administration and Customs Border Patrol and moorage for the vessel Guardian, among others.

3.6.1 Rogue

Rogue began operations in Newport in 1992 on the Bayfront, and eventually moved to the South Beach area where there was room for expansion. Since that time, the companies Newport operations have grown to include:

- The production brewery and brewpub,
- Rogue Spirits Distillery,
- Rogue Rolling Thunder Barrel Works,
- Rogue House of Spirits in the South Beach area,
- The Bayfront Public House, and
- A small inn (the Bed 'n' Beer) along the Bayfront in North Bay.

According to Brewbound: "Rogue is perhaps one of the most diversified beer companies in the U.S. It makes beer, spirits, cider and soda, grows a variety of ingredients at its own farm, crafts its own wooden barrels, and currently operates seven brewpubs and two tasting rooms."

Rogue currently distributes beer to all 50 states and internationally (to 32 countries). The firm's market is mainly located in the Pacific Northwest and west of Rockies. Rogue has approximately 300 employees in the company, and is the 10-largest employer in Lincoln County.

Key issues for Rogue include:

- The seawall under the Rogue brewery needs to be replaced. It is approximately 700 feet long. The Port is currently working to address this issue.
- There are approximately 500 feet of dock in front of the brewery that could be used for transient moorage.
- The lack of affordable workforce housing is a major issue that makes it hard to attract employees, especially the lower paid employees. The seasonality of pubs also makes it difficult to attract and retain employees.
- Healthcare is also an issue affecting the workforce.
- Potential opportunities that Rogue is considering include production of dulce, and production of salt, some of which is used for production of gose, a fermented beer.

Appendix F
Financial Plan (Pending)

Port of Newport
Strategic Business Plan
Newport, Oregon

Appendix G
Project Opportunities

Port of Newport Strategic Business Plan Update – Project Opportunities

The table below is an overview of Port project opportunities, including those identified in the 2018/2019 capital improvement plan, as well as projects that were identified during community outreach for the 2019 strategic business plan update.

Table 1. Port Project Opportunities

	Project and Description	Source	Priority (1 high to 5 low)
Port Planning and Partnerships	Develop an annual work plan, including review of key strategic business plan project and budget updates	SWOT	2
	Develop a Port marketing/PR plan. Consider hiring a marketing and sales manager	SWOT	2
	Develop a staffing strategy and succession plan. Include staff training and protocols.	SWOT	2
	Develop a dredging plan – highlighting additional material disposal sites, dredge funding, and permitting/regulations	SWOT	3
	Identify partnership opportunities for workforce housing	SWOT	4
	Re-establish the Users' Advisory Group, including key stakeholders from a variety of industries	Stakeholder Interviews/Open House	2
	Foster strategic partnerships with key actors/agencies in the community for mutually beneficial projects	SWOT/ Stakeholder Interviews	2
	Partner with the City and County to develop a parking plan and consider shuttle service for accessing both sides of the bay	Open House	5
	Study alternative moorage location (other than International Terminal) for vessels 85 to 150 feet	Open House	2
	Develop a mitigation plan to offset impacts from dock improvement and replacement projects	SWOT/Facilities Assessment	1
North Bay	Reconfigure and reconstruct commercial marina	Stakeholder Interviews/Open House/Facilities Assessment	1
	Improve hoist dock and yard: • Electrical improvements • Two additional hoists • 100-foot dock extension • Construct bilge pump out • Install oil/water separator • Replace two 5,000-gal tanks in upland buildings	18/19 CFP/Facilities Assessment/ Stakeholder Interviews	2

North Bay	• Install shower and laundry facilities • Replace fender piles • Add more security cameras • Install fire protection at shop building • Install digital fee/card swipe system for use of hoists		
	Port Dock 7 Improvements (interim improvements prior to replacement/reconfiguration): • Replace pile and deck – stainless/fiberglass preferred • Make electrical upgrades • Incorporate raceways for new utilities	18/19 CFP/Facilities Assessment/ Stakeholder Interviews	1
	Port Dock 5 Improvements (interim improvements prior to replacement/reconfiguration): • Approach trestle replacement • Make electrical improvements • Replace missing and increase pile length • Make fuel dock improvements • Improve float	18/19 CFP/Facilities Assessment/ Stakeholder Interviews	1
	Port Dock 3 Improvements: • Replace rods • Make electrical upgrades • Develop alternate access • Replace piles	Facilities Assessment/ Stakeholder Interviews	3
	Port Dock 1 Improvements: • Replacement needed	Facilities Assessment/ Stakeholder Interviews	3
	Work with City on pedestrian improvements/walkability issues along Bay Blvd.	Open House	5
	New Port office	SWOT/ Open House	4
	Add a non-motorized boat launch between Port Dock 7 and Yaquina Bay Yacht Club	Open House	5
	Add hoist to launch boats at Yaquina Bay Yacht Club	Open House	5
South Beach	Make Rogue improvements: Evaluate and design seawall repair Roof downspouts/anchors	18/19 CFP/ Facilities Assessment	2
	Replace siding on small building near boat ramp	Facilities Assessment	3
	Riprap boat ramp	Facilities Assessment	2
	Improve service dock to add pedestrian connection from RV Park to fishing pier.	Facilities Assessment	3

South Beach	Upgrade RV Park Annex design and improve facilities	18/19 CFP/ Facilities Assessment	1
	Improve Recreational Marina: • Electrical improvements • Picnic tables	18/19 CFP/ Facilities Assessment/ Open House	2
	Improve Fishing Pier: • Railing and bracing improvements • Substructure/pier replacement/improvements • Investigate reconfiguration and mitigation site potential	Facilities Assessment	1 – including mitigation site
	Manhole replacement near bridge and general drainage improvements	Facilities Assessment	3
International Terminal	Improve International Terminal: • Ice and freezer storage • Mobile crane/hoists to increase lifts • Extra gear space and enclosed storage • Tsunami tie-downs • Pave lot near storage buildings and improve stormwater system • Used oil collection tank • 9-acre property – fill and maintenance to address drainage	Facilities Assessment/SWOT/ Stakeholder Interviews	4
	Develop an International Terminal Plan: studying a mix of uses/opportunities, maximizing the space of the terminal, and the use of the adjacent 9-acre property; consider rail access and required transportation improvements and constraints.	SWOT/Open House	1