

PORT OF NEWPORT REGULAR COMMISSION MEETING AGENDA

Tuesday, June 21, 2016, 6:00 p.m.
South Beach Activities Room
2120 SE Marine Science Drive, Newport, OR 97365

- I. Call to Order.....6:00
- II. Oath of Office (By-laws, Sec. 5(D))6:01
- III. Changes to the Agenda.....6:04
- IV. Public Comment.....6:05
- V. Consent Calendar 6:08
 - A. Minutes
 - 1. Regular Commission Meeting May 24, 2016
 - B. Financial Reports
 - C. Award Contract of Work Vehicle – 2009 Ford Edge
 - D. Public Utility Easement – Bay/Moore Drainage
 - E. NOAA Oil Boom Supplemental Lease Agreement
 - F. Special Use Permit – Barrel to Keg Relay
 - G. Special Use Permit – MDR Charity Car Show
 - H. Special Use Permit – Oregon Sea Grant “Shop at the Dock”
 - I. Special Use Permit – Ardor Adventures Events
- VI. Correspondence/Presentations
 - A. International Terminal GO Bond Refinancing, David Ulbricht, SDAO 6:18
 - B. Shipping Facility Feasibility Study, Matt Ransom, Market Advisory Group 6:25
 - C. F/V Chelsea Rose, Cody Chase 6:32
- VII. Old Business
 - A. Items Removed from Consent Calendar
 - B. Accounts Paid..... 6:39
 - C. International Terminal Shipping Facility Update..... 6:42
 - 1. Lease Option Extension w/ Teevin Bros.
 - 2. Award Geotechnical Services Contract w/ GRI for an Environmental Site Assessment
- VIII. New Business
 - A. Fiscal Year 2016-17 Budget Hearing (ORS 294.430)..... 6:45
 - B. Resolution Adopting the FY 16-17 Budget..... 6:50
 - C. Support for Marine Science Initiative Location at Hatfield Marine Science Center..... 6:52
- IX. Staff Reports
 - A. Director of Finance..... 6:55
 - B. Director of Operations..... 7:00
 - C. General Manager 7:05
 - 1. Highway 20 Update
 - 2. OPPA Public Records Request
 - 3. Landing Fee Report
 - 4. DulsEnergy
 - 5. Approval of HMSC Sublease with Wildlife Trading Co.
 - 6. City Parking Analysis / Sidewalk Improvements
 - 7. Rogue Brewery Mural Effort
 - 8. Liaison Assignments / PNWA Membership
- X. Commissioner Reports 7:15
- XI. Calendar/Future Considerations 7:20
 - A. 7/4 – 7/6 NOAA Eel grass monitoring
 - B. 7/4 Independence Day, Port Office Closed
 - C. 7/15, 7/22, 7/29, 8/5, 8/12, and 8/26 Shop at the Dock
 - D. 7/16 Barrel to Keg Relay
 - E. 7/26 Regular Commission Meeting
 - F. 8/12 Newport Chamber NOAA Anniversary Salute

- G. 8/13 Great Albacore Tuna BBQ Challenge
- H. 8/23 Regular Commission Meeting
- I. 8/27 Salmon Enchanted Evening
- XII. Public Comment 7:21
- XIII. Adjournment..... 7:24

Regular meetings are scheduled for the fourth Tuesday of every month at 6:00 p.m.

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

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_____, **POSITION 2, 1-YEAR UNEXPIRED TERM**

I, _____, do solemnly swear that I will honestly and faithfully discharge the duties of the Office to which I have been appointed, and that I will support the Laws and Constitution of the State of Oregon, and of the United States of American to the best of my ability.

TERM EXPRIES JUNE 30, 2017

Port of Newport Commissioner

Handwritten signature of Kevin M. Greenwood in black ink.

PORT OF NEWPORT MINUTES

May 24, 2016

Regular Commission Meeting

I. CALL TO ORDER

Commission President Walter Chuck called the Regular Commission Meeting of the Port of Newport Board of Commissioners to order at 6:00 pm at the South Beach Activities Room, 2120 SE Marine Science Drive, Newport, Oregon.

Commissioners Present: Walter Chuck (Pos. #1), President; Ken Brown (Pos. #4), Vice-President; David Jincks (Pos. #2), Secretary/Treasurer; Stewart Lamerdin (Pos. #3); and Patricia Patrick-Joling (Pos. #5).

Management and Staff: Kevin Greenwood, General Manager; Stephen Larrabee, Director of Finance; Rick Fuller, Director of Operations; and Karen Hewitt, Administrative Assistant.

Members of the Public and Media: Barb Dudley; Wayde Dudley; Jim Shaw; Lee Fries; Mark Miranda, Newport Police; Chris Olson, Newport Marina Store & Charter; Kiera Morgan, KYTE; Dennis Anstine, Newport News-Times.

II. CHANGES TO THE AGENDA

There were no changes to the Agenda.

III. PUBLIC COMMENT

Police Chief Mark Miranda handed out an annual report to the Commissioners. He said the Police have been busy, there has not been much out at the docks, but parking is always an issue. Miranda announced he will be retiring in October. It will be up to the City Manager to name a replacement, but Jason Malloy is currently assuming some tasks.

IV. CONSENT CALENDAR

- A. Minutes:
 - 1. Commission Work Session – April 26, 2016
 - 2. Regular Commission Meeting – April 26, 2016
 - 3. Commission Special Meeting & Work Session – May 10, 2016
 - 4. Budget Committee Meeting – May 10, 2016
- B. Financial Reports
- C. Approve City of Newport Easement for Water Outfall
- D. Resolution Setting Rates, Fees and Charges (ORS 294.160)(2016-02)
- E. Resolution Adopting Compensation Plan (Bylaws §6(E))(2016-03)
- F. Resolution Adopting FY 16-17 Capital Improvement List (Bylaws §6(H))(2016-04)
- G. Award Contract to Advanced Remediation Technologies, Inc. for NOAA Dredging JPA Requirement, Sediment Sampling & Characterization
- H. Award Contract to Lincoln Glass Company for NOAA Glass Wall Installation
- I. Special Use Permit for Newport Food Bank – Great Albacore Tuna BBQ Challenge 8/13/2016 and Salmon Enchanted Evening 8/27/2016

A motion was made by Patrick-Joling and seconded by Jincks to approve the Consent Calendar. The motion passed 5 – 0.

V. **CORRESPONDENCE/PRESENTATIONS**

Chuck commented that there were nice letters received from the Tochtrops and the Carnival. Greenwood said that Chris Olson was in attendance in case there were any questions about the lease renewal; there were no questions from the Commissioners.

VI. **OLD BUSINESS**

A. **Items Removed from Consent Calendar**

There were no items removed from the Consent Calendar.

B. **Accounts Paid**

Ken Brown declared a conflict of interest because of payments made to Les Schwab. **A motion was made by Patrick-Joling and seconded by Jincks to accept the accounts paid. The motion passed 4 – 0.**

VII. **New Business**

A. **Declaration of Vacancy for Commission Position #2 (Res. No. 2014-08)**

Greenwood announced that Jincks had submitted a letter of resignation, effective June 1, 2016. Jincks would be moving out of the Port District, and would no longer be eligible to serve as a Port Commissioner. Greenwood commented that Jincks had served two terms, and had put his time in. According to the Commission By-laws, the Commission would need to formally declare the vacancy. Greenwood referred to Resolution 2014-08, which addressed how a Commission vacancy was to be filled. Greenwood had also discussed with Chuck some options that could be considered for adoption as modifications to the voting process. The newly selected Commissioner would need to run in the May, 2017 election. Greenwood recommended the following process: 1. Declare the position vacant, 2. Solicit letters of interest and the survey 3. Receive letters by June 14th, one week before the Regular Commission Meeting on June 21st, 4. Meet for a Work Session at noon on June 21st for interviews, and 5. Select a candidate to fill the Commission vacancy at the Regular Meeting on June 21st. At the interview, the Commissioners would have the survey answers in advance and could ask the candidates to elaborate. Greenwood asked the Commission at what point they may ask for public comment. There were three options for voting presented in the meeting packet to address the possibility that an initial vote might result in a three way tie with one vote each. After some discussion, the Commission requested that the questionnaire not be used, but that those items be requested in the letter of interest. The Commissioners also agreed not to amend Resolution 2014-08, and proceed with voting as outlined (option 1), with the President voting only in case of a tie, and thereby completing the selection if that were needed. Jincks also commented that, as a general rule, he did not think it appropriate to modify a resolution without notice, especially for big changes.

A motion was made by Brown and seconded by Patrick-Joling to declare Port of Newport commission position number two vacant and to direct staff to publicize the vacancy and process for replacement. The motion passed 5 – 0.

B. Election of Commission Secretary/Treasurer Pro-Tem

Greenwood said that a Secretary/Treasurer Pro-Tem would attest the President's signature while a new Commissioner was selected to fill the vacated position and until a permanent appointment was made in July.

A motion was made by Lamerdin and seconded by Brown to appoint Patrick-Joling as Port of Newport Commission Secretary/Treasurer Pro-Tem. The motion passed 5 – 0.

VIII. DEPARTMENTAL REPORTS

A. Director of Finance

Ken Brown asked if there was a report of how many boats came through the South Beach Marina for the Halibut Opener. Larrabee said he will get that information for the three days of opening weekend.

B. Director of Operations

Jincks asked if there had been a discussion with the Seafood & Wine committee about the boat ramp location. Greenwood said he had a discussion with them, and the concern was storm drainage, but they were otherwise fine with the site. They will be looking at the location after the first rain in the fall to observe drainage. Lamerdin asked if there was more information about the soil stability issues with the Rogue expansion. Fuller said there was not yet enough information for permits to be issued; Rogue is still working with soil engineers. Mike Isaacson has indicated this is moving along, and "soft sand" could potentially be bridged with foundation rather than piling. Fuller estimates that permits will be able to be issued in a week or two, but it is in Clair's hands.

C. General Manager

1. Tenant Opportunities

Greenwood said that he, Patrick-Joling and Brown had a positive meeting with the DulsEnergy team; DulsEnergy and the Port are working in the same direction. Attorney Pete Gittner was working on a Memo of Understanding, staff is looking into the intake and outfall permitting, and an agreement between the Port and HMSC is still needed. There will also be a commercial real estate appraiser requested to help determine the value of the property. Greenwood said that DulsEnergy was not interested in pursuing grants for the piping substructure as they felt it would prolong the process. Chuck Toombs is also looking into flood insurance requirements. Patrick-Joling added that DulsEnergy would take care of the capital costs. Greenwood said the DulsEnergy team is serious and interested in moving in quickly.

2. Infrastructure Repair Options

Greenwood said he met with Kaety Jacobson of Oregon State University, Sea Grant Extension, about meeting with the fishermen and buyers about funding, and looking at options for a landing tax in addition to other possible funding sources. The meeting could address the needs of the fishermen and buyers, and show the need for the new revenue. Jacobson would facilitate the meeting, which would help to show the dock users the need for the tax. Jincks suggested that since the Rates & Fees Resolution was passed without showing the public the need for the fee increases, this meeting should not be needed to pass a landing

tax resolution. Greenwood said he was recommending that the Port reach out to the users, but if the Commission did not want this to happen, a resolution could be drafted without it. Patrick-Joling said that, after being on the City Council, she knows there will always be throwback about any decision made. Brown suggested that the meeting could be held with the fishermen and buyers to present the landing tax resolution draft. Greenwood said the Port would also need to work with Fish & Wildlife about poundage and how staff would keep records. Information could come from the buyers and Fish & Wildlife could be used to audit, or information could come directly from F & W. Jincks proposed every delivery would be a ticket, like fuel tax, and the buyers would make the payments. Greenwood said the Port would need to determine how to track and collect the tax. He asked the Commission if the funds collected would go into the maintenance reserve fund, or specifically designated for the hoist dock. Patrick-Joling said the need was evident at the hoist dock. Lamerdin asked the Commission to consider the long term and whether directing the funds for use at the North Commercial Dock only would limit options for funding other needed projects when the repairs there were complete, and if the Commission could be trusted to spend wisely. Patrick-Joling said it was important that those funds be bound until the facility was pristine and a reserve fund was in place. At that point, additional allocation options could be added by resolution. Jincks added that \$790K was already needed to repair the hoist dock – the reserve fund is important. He sees the need at the hoist dock as perpetual. Lamerdin asked if there were other areas of the Port where fees were collected and specifically allocated. Jincks responded that the use of the North Commercial dock area has changed in the way other areas have not, which has led to a lot of additional costs. Greenwood said that except for NOAA, all other fees go into the general fund, income is tracked, but is then used where needed. Greenwood suggested a 3% tax would generate approximately \$20K-\$30K per year.

3. US20 Closures

Greenwood provided an update on the closures from ODOT, which included 10-hour night closures from 6pm until 4am. Greenwood said the City, the County and others have pushed for the road to be open on Fridays instead of Saturdays. Patrick-Joling asked if the Port had been involved, and if was too late to send support to change the hours. Greenwood said he had attended meetings, and the evening times were dictated by environmental issues, such as nesting birds. He also said that closure information was posted on the Port's website.

4. McLean Point Update

Greenwood noted that John van Staveren is producing a NEPA update. The preliminary engineering report is being developed, and a feasibility study will be done by the end of the month. Greenwood thanked Larrabee and Fuller for their help in getting the IFA loan application submitted last week. Staff is currently working on easements. There is a ConnectOregon Super Act meeting tomorrow, but there will be no public comment. The Port is looking at other opportunities. Staff is working closely with Evan Hall and John vanStaveren.

Annual Port personnel performance evaluations are underway.

IX. COMMISSIONER REPORTS

Patrick-Joling noted a bill that has passed the House and is going to the Senate regarding residential flood insurance. Currently, flood insurance must be purchase through FEMA, but the bill would also allow private carriers to offer flood insurance. This has not yet been proposed for commercial flood insurance, but she is hoping/expecting this to follow. This could be a significant cost savings at NOAA.

Lamerdin complimented the Port volunteers on the work on the South Beach entrance, and expressed thanks.

Brown said, from himself and his Dad, he wanted to let Jincks know it had been a pleasure serving with him on the Port Commission.

Greenwood thanked Jincks for his 18 years of service, both his commitment in time and how much he has contributed. Greenwood said Jincks was always strong in advocating his position, and served on liaison committees to help deliver a superior product. Jincks was tough on the Port staff at times, but he has left a positive mark on the Port.

Jincks said he appreciated the comments and came to this meeting with the same dedication. He said it was a pleasure to have been part of this process, and he feels he is leaving with the Commission in good hands. Jincks presented Greenwood with a Commander’s Coin that he had received from the Army Corps of Engineers.

Chuck also thanked Jincks, and commented that he had been involved in two of the Port’s largest projects, the International Terminal and NOAA MOC-P facilities. Chuck added that Jincks had contributed his knowledge to the Port both as a Commissioner and user, and in steadfastly keeping an eye on the budget. Jincks will be missed. Chuck presented Jincks with an engraved clock in thanks from the Port.

X. CALENDAR/FUTURE CONSIDERATIONS

- A. 5/18-5/31 ...Tall Ships Visit, Port Dock 3
- B. 5/30Memorial Day, Port Office Closed
- C. 6/3-6/4Newport Marathon, North Commercial Lot
- D. 6/5-6/8NOAA Eel Grass Planting
- E. 6/21Public Hearing & Adopt Budget Resolution
- F. 6/21Regular Commission Meeting

Chuck added that on May 25th at 4:30 pm the Newport High School ladies softball team would be playing in the first round of play-offs.

XI. PUBLIC COMMENT

Wayde Dudley, Newport resident and Port Volunteer, shared he had observed that during the Thursday, Friday and Saturday of the Halibut Opening the 205 spaces in the parking lot were filled, and parked vehicles lined up down to the Aquarium. Not all of this would be tracked, including annual launch pass holders.

Lee Fries, Newport resident and Port Volunteer, congratulated Jincks on his retirement and wished him the best. Fries added he hated to see Jincks go; he always had his point of view.

Barb Dudley, Newport resident and Port Volunteer, said she had appreciated Jincks' intelligence and wit. She also thanked Chris Olson for making the wonderful sign at the Marina Store.

XII. ADJOURNMENT

Having no further business, the meeting adjourned at 7:00 pm.

ATTESTED:

Walter Chuck, President

Patricia Patrick-Joling,
Secretary/Treasurer

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DIRECTOR OF FINANCE MONTHLY REPORT

DATE: 06/21/2016
PERIOD: June Board Meeting
TO: Port of Newport Commissioners
ISSUED BY: Stephen J. Larrabee

OVERVIEW

Financials:

May year to date financials are attached.

Finance Operations:

The Budget will be adopted today, thanks to all that helped in the process.

The refinancing of the 2007 and 2008 GO bonds was finalized on June 16th. The refinancing will save the Port District taxpayers over \$1.2 million over the life of the bonds.

The Finance Team is working on developing a Hiring policy and hopes to have it available for review at the July Board Meeting.

A new state transient room tax will go into affect on July 1, 2016.

Port of Newport Operating Fund
Balance Sheet
As of May 31, 2016

	May 31, 16	May 31, 15	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Available Cash & Equivalents	1,523,576.98	1,078,256.79	445,320.19
Restricted Cash & Equivalents	616,878.25	679,866.85	-62,988.60
Total Checking/Savings	2,140,455.23	1,758,123.64	382,331.59
Accounts Receivable			
Accounts Receivable	7,553.35	102,865.31	-95,311.96
Total Accounts Receivable	7,553.35	102,865.31	-95,311.96
Other Current Assets			
Net Pension Asset	146,594.00	0.00	146,594.00
Deferred OF - Contlrb after MD	18,048.00	0.00	18,048.00
Allow for Bad Debt - CM	-10,000.00	-10,000.00	0.00
Allow for Bad Debt - SB	-4,000.00	-4,000.00	0.00
AR Property Tax	10,334.60	10,334.60	0.00
Assets Held For Sale	0.00	4,332.10	-4,332.10
Cash Clearing	0.00	1,000.00	-1,000.00
Due from other Port Funds	104,866.76	125,610.94	-20,744.18
Prepaid Expenses	49,422.04	89,102.51	-39,680.47
Undeposited Funds	946.03	-7,878.38	8,824.41
Total Other Current Assets	316,211.43	208,501.77	107,709.66
Total Current Assets	2,464,220.01	2,069,490.72	394,729.29
Fixed Assets			
Capital Assets	85,670,010.77	88,077,059.77	-2,407,049.00
Total Fixed Assets	85,670,010.77	88,077,059.77	-2,407,049.00
TOTAL ASSETS	88,134,230.78	90,146,550.49	-2,012,319.71
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	93,664.83	58,281.50	35,383.33
Total Accounts Payable	93,664.83	58,281.50	35,383.33
Other Current Liabilities			
Accrued Interest Payable	11,693.00	12,369.00	-676.00
Current Portion-Long Term Debt	353,377.00	0.00	353,377.00
Deferred Revenue	190.95	187.00	3.95
Due to other Port Funds	529.46	0.00	529.46
Payroll Liability	38,201.48	35,593.11	2,608.37
Total Other Current Liabilities	403,991.89	48,149.11	355,842.78
Total Current Liabilities	497,656.72	106,430.61	391,226.11
Long Term Liabilities			
Less Current Portion L Term Deb	-353,377.00	0.00	-353,377.00
Deferred IF - Proportion/Contri	31,249.00	0.00	31,249.00
Deferred IF - Invest Return	282,867.00	0.00	282,867.00
2013 FF&C Bond Premium	111,892.75	118,665.75	-6,773.00
Long Term Debt	8,480,410.74	8,763,781.74	-283,371.00
Total Long Term Liabilities	8,553,042.49	8,882,447.49	-329,405.00
Total Liabilities	9,050,699.21	8,988,878.10	61,821.11
Equity			
GAAP - Pension Income	140,846.00	0.00	140,846.00
GAAP - Pension Expense	18,048.00	0.00	18,048.00
GAAP - Prior Period Adjustment	-308,368.00	0.00	-308,368.00
Contributed Capital	7,130,788.00	7,130,788.00	0.00
Fund Balance	-7,781,637.58	-6,166,639.67	-1,614,997.91
Opening Balance Equity	79,446,413.75	79,446,413.75	0.00
Net Income	437,441.40	747,110.31	-309,668.91
Total Equity	79,083,531.57	81,157,672.39	-2,074,140.82
TOTAL LIABILITIES & EQUITY	88,134,230.78	90,146,550.49	-2,012,319.71

**Port of Newport Operating Fund
 Profit & Loss Budget vs. Actual
 July 2015 through May 2016**

	Jul '15 - May 16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Holst Dock & Services	426,638.13	410,200.00	16,438.13	104.0%
Launch Ramp & Trailer Storage	66,070.35	62,000.00	4,070.35	106.6%
Lease Revenues	544,091.68	608,051.00	-63,959.32	89.5%
Miscellaneous Revenue	60,746.99	37,200.00	23,546.99	163.3%
Moorage	1,061,154.93	1,081,000.00	-19,845.07	98.2%
RV Parks	732,337.92	655,000.00	77,337.92	111.8%
Shipping Terminal Revenues	15,698.20	15,900.00	-201.80	98.7%
Total Income	2,906,738.20	2,869,351.00	37,387.20	101.3%
Gross Profit	2,906,738.20	2,869,351.00	37,387.20	101.3%
Expense				
Debt Services	398,604.69	637,033.00	-238,428.31	62.6%
Materials & Services	1,120,633.80	1,524,407.00	-403,773.20	73.5%
Personal Services	963,846.15	1,147,035.00	-183,188.85	84.0%
Total Expense	2,483,084.64	3,308,475.00	-825,390.36	75.1%
Net Ordinary Income	423,653.56	-439,124.00	862,777.56	-96.5%
Other Income/Expense				
Other Income				
Gain/(Loss) on Sale of Assets	20.00	0.00	20.00	100.0%
Grant & Loan Proceeds	1,800.00	183,000.00	-181,200.00	1.0%
Interest Income	5,187.73	2,500.00	2,687.73	207.5%
Miscellaneous	15,347.37	0.00	15,347.37	100.0%
Property & Dredge Sales	1,298.00	0.00	1,298.00	100.0%
Property Tax Revenue	97,052.76	92,350.00	4,702.76	105.1%
Total Other Income	120,705.86	277,850.00	-157,144.14	43.4%
Other Expense				
Capital Outlay	6,918.02	215,000.00	-208,081.98	3.2%
Contingency	0.00	200,000.00	-200,000.00	0.0%
Transfers Out	100,000.00	100,000.00	0.00	100.0%
Total Other Expense	106,918.02	515,000.00	-408,081.98	20.8%
Net Other Income	13,787.84	-237,150.00	250,937.84	-5.8%
Net Income	437,441.40	-676,274.00	1,113,715.40	-64.7%

**Port of Newport Operating Fund
 Profit & Loss Budget vs. Actual - Admin
 July 2015 through May 2016**

	Jul '15 - May 16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Hoist Dock & Services	2,750.00			
Lease Revenues	543,899.68	608,051.00	-64,151.32	89.4%
Miscellaneous Revenue	3,670.33	0.00	3,670.33	100.0%
Moorage	2,502.00			
Total Income	<u>552,822.01</u>	<u>608,051.00</u>	<u>-55,228.99</u>	<u>90.9%</u>
Gross Profit	552,822.01	608,051.00	-55,228.99	90.9%
Expense				
Debt Services	17,852.00	17,851.00	1.00	100.0%
Materials & Services	305,982.95	532,650.00	-226,667.05	57.4%
Personal Services	418,377.84	474,879.00	-56,501.16	88.1%
Total Expense	<u>742,212.79</u>	<u>1,025,380.00</u>	<u>-283,167.21</u>	<u>72.4%</u>
Net Ordinary Income	-189,390.78	-417,329.00	227,938.22	45.4%
Other Income/Expense				
Other Income				
Gain/(Loss) on Sale of Assets	20.00	0.00	20.00	100.0%
Grant & Loan Proceeds	0.00	183,000.00	-183,000.00	0.0%
Interest Income	5,187.73	2,500.00	2,687.73	207.5%
Miscellaneous	10,774.00	0.00	10,774.00	100.0%
Property Tax Revenue	97,052.76	92,350.00	4,702.76	105.1%
Total Other Income	<u>113,034.49</u>	<u>277,850.00</u>	<u>-164,815.51</u>	<u>40.7%</u>
Other Expense				
Capital Outlay	0.00	15,000.00	-15,000.00	0.0%
Contingency	0.00	200,000.00	-200,000.00	0.0%
Transfers Out	100,000.00	100,000.00	0.00	100.0%
Total Other Expense	<u>100,000.00</u>	<u>315,000.00</u>	<u>-215,000.00</u>	<u>31.7%</u>
Net Other Income	13,034.49	-37,150.00	50,184.49	-35.1%
Net Income	<u><u>-176,356.29</u></u>	<u><u>-454,479.00</u></u>	<u><u>278,122.71</u></u>	<u><u>38.8%</u></u>

**Port of Newport Operating Fund
 Profit & Loss Budget vs. Actual - NIT
 July 2015 through May 2016**

	<u>Jul '15 - May 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Hoist Dock & Services	204,750.13	147,000.00	57,750.13	139.3%
Lease Revenues	192.00			
Miscellaneous Revenue	6,536.50	0.00	6,536.50	100.0%
Moorage	73,537.60	70,000.00	3,537.60	105.1%
Shipping Terminal Revenues	15,115.50	14,500.00	615.50	104.2%
Total Income	<u>300,131.73</u>	<u>231,500.00</u>	<u>68,631.73</u>	<u>129.6%</u>
Gross Profit	300,131.73	231,500.00	68,631.73	129.6%
Expense				
Debt Services	204,021.99	441,403.00	-237,381.01	46.2%
Materials & Services	93,653.86	104,650.00	-10,996.14	89.5%
Personal Services	53,804.65	63,101.00	-9,296.35	85.3%
Total Expense	<u>351,480.50</u>	<u>609,154.00</u>	<u>-257,673.50</u>	<u>57.7%</u>
Net Ordinary Income	<u>-51,348.77</u>	<u>-377,654.00</u>	<u>326,305.23</u>	<u>13.6%</u>
Net Income	<u><u>-51,348.77</u></u>	<u><u>-377,654.00</u></u>	<u><u>326,305.23</u></u>	<u><u>13.6%</u></u>

**Port of Newport Operating Fund
 Profit & Loss Budget vs. Actual - SB
 July 2015 through May 2016**

	<u>Jul '15 - May 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Hoist Dock & Services	20,137.50	6,000.00	14,137.50	335.6%
Launch Ramp & Trailer Storage	65,748.35	62,000.00	3,748.35	106.0%
Miscellaneous Revenue	42,730.96	33,200.00	9,530.96	128.7%
Moorage	615,274.39	611,000.00	4,274.39	100.7%
RV Parks	732,337.92	655,000.00	77,337.92	111.8%
Total Income	<u>1,476,229.12</u>	<u>1,367,200.00</u>	<u>109,029.12</u>	<u>108.0%</u>
Gross Profit	1,476,229.12	1,367,200.00	109,029.12	108.0%
Expense				
Debt Services	170,354.55	170,823.00	-468.45	99.7%
Materials & Services	492,125.91	587,507.00	-95,381.09	83.8%
Personal Services	265,817.51	330,689.00	-64,871.49	80.4%
Total Expense	<u>928,297.97</u>	<u>1,089,019.00</u>	<u>-160,721.03</u>	<u>85.2%</u>
Net Ordinary Income	547,931.15	278,181.00	269,750.15	197.0%
Other Income/Expense				
Other Income				
Grant & Loan Proceeds	1,800.00	0.00	1,800.00	100.0%
Miscellaneous Property & Dredge Sales	4,373.23 1,298.00	0.00	1,298.00	100.0%
Total Other Income	<u>7,471.23</u>	<u>0.00</u>	<u>7,471.23</u>	<u>100.0%</u>
Other Expense				
Break-in Replacement	0.00	0.00	0.00	0.0%
Total Other Expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>
Net Other Income	<u>7,471.23</u>	<u>0.00</u>	<u>7,471.23</u>	<u>100.0%</u>
Net Income	<u><u>555,402.38</u></u>	<u><u>278,181.00</u></u>	<u><u>277,221.38</u></u>	<u><u>199.7%</u></u>

**Port of Newport Operating Fund
 Profit & Loss Budget vs. Actual - CM
 July 2015 through May 2016**

	Jul '15 - May 16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Hoist Dock & Services	199,000.50	257,200.00	-58,199.50	77.4%
Launch Ramp & Trailer Storage	322.00	0.00	322.00	100.0%
Miscellaneous Revenue	5,667.89	4,000.00	1,667.89	141.7%
Moorage	367,419.94	400,000.00	-32,580.06	91.9%
Shipping Terminal Revenues	582.70	1,400.00	-817.30	41.6%
Total Income	<u>572,993.03</u>	<u>662,600.00</u>	<u>-89,606.97</u>	<u>86.5%</u>
Gross Profit	572,993.03	662,600.00	-89,606.97	86.5%
Expense				
Debt Services	6,376.15	6,956.00	-579.85	91.7%
Materials & Services	224,031.62	299,600.00	-75,568.38	74.8%
Personal Services	215,533.34	278,366.00	-62,832.66	77.4%
Total Expense	<u>445,941.11</u>	<u>584,922.00</u>	<u>-138,980.89</u>	<u>76.2%</u>
Net Ordinary Income	127,051.92	77,678.00	49,373.92	163.6%
Other Income/Expense				
Other Income				
Miscellaneous	169.79	0.00	169.79	100.0%
Total Other Income	169.79	0.00	169.79	100.0%
Other Expense				
Capital Outlay	6,918.02	200,000.00	-193,081.98	3.5%
Total Other Expense	6,918.02	200,000.00	-193,081.98	3.5%
Net Other Income	-6,748.23	-200,000.00	193,251.77	3.4%
Net Income	<u><u>120,303.69</u></u>	<u><u>-122,322.00</u></u>	<u><u>242,625.69</u></u>	<u><u>-98.4%</u></u>

Port of Newport - NOAA Fund
Balance Sheet
As of May 31, 2016

	May 31, 16	May 31, 15	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Cash & Equivalents	5,557,303.83	5,574,009.95	-16,706.12
Total Checking/Savings	5,557,303.83	5,574,009.95	-16,706.12
Other Current Assets			
Derfered OF - Contrib After MD	2,957.00	0.00	2,957.00
Due From Other Funds	58.43	0.00	58.43
Net Pension Asset	24,019.00	0.00	24,019.00
Prepaid Expenses	33,580.21	28,094.94	5,485.27
Total Other Current Assets	60,614.64	28,094.94	32,519.70
Total Current Assets	5,617,918.47	5,602,104.89	15,813.58
TOTAL ASSETS	5,617,918.47	5,602,104.89	15,813.58
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	13,072.07	10,226.02	2,846.05
Total Accounts Payable	13,072.07	10,226.02	2,846.05
Other Current Liabilities			
Accrued Interest Payable	499,410.00	499,410.00	0.00
Current Portion-Long-Term Debt	840,000.00	0.00	840,000.00
Due to Operations or Const Fund	301.82	181,732.60	-181,430.78
Vacation Payable	4,758.00	1,373.00	3,385.00
Total Other Current Liabilities	1,344,469.82	682,515.60	661,954.22
Total Current Liabilities	1,357,541.89	692,741.62	664,800.27
Long Term Liabilities			
Deferred IF - Invest Return	46,347.00	0.00	46,347.00
Deferred IF - Prop/Contrib	5,120.00	0.00	5,120.00
Less Current Portion L Term Deb	-840,000.00	0.00	-840,000.00
Long-Term Debt	21,554,006.00	22,357,424.00	-803,418.00
Total Long Term Liabilities	20,765,473.00	22,357,424.00	-1,591,951.00
Total Liabilities	22,123,014.89	23,050,165.62	-927,150.73
Equity			
GAAP - Pension Expense	2,957.00	0.00	2,957.00
GAAP - Pension Income	23,078.00	0.00	23,078.00
GAAP - Prior Per Adj	-50,526.00	0.00	-50,526.00
Opening Balance Equity	-17,758,143.71	-17,758,143.71	0.00
Unrestricted Net Assets	1,321,334.81	503,621.26	817,713.55
Net Income	-43,796.52	-193,538.28	149,741.76
Total Equity	-16,505,096.42	-17,448,060.73	942,964.31
TOTAL LIABILITIES & EQUITY	5,617,918.47	5,602,104.89	15,813.58

**Port of Newport - NOAA Fund
 Profit & Loss Budget vs. Actual
 July 2015 through May 2016**

	Jul '15 - May 16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Interest Income	9,587.84	10,500.00	-912.16	91.3%
Lease Income	2,329,376.61	2,542,000.00	-212,623.39	91.6%
Misc Income	13,670.61			
Total Income	<u>2,352,635.06</u>	<u>2,552,500.00</u>	<u>-199,864.94</u>	<u>92.2%</u>
Expense				
Debt Service	1,999,433.76	1,999,434.00	-0.24	100.0%
Materials & Service	299,274.41	605,120.00	-305,845.59	49.5%
Personal Services	89,867.41	109,660.00	-19,792.59	82.0%
Total Expense	<u>2,388,575.58</u>	<u>2,714,214.00</u>	<u>-325,638.42</u>	<u>88.0%</u>
Net Ordinary Income	<u>-35,940.52</u>	<u>-161,714.00</u>	<u>125,773.48</u>	<u>22.2%</u>
Other Income/Expense				
Other Expense				
Capital Outlay	7,856.00	56,000.00	-48,144.00	14.0%
Contingency	0.00	100,000.00	-100,000.00	0.0%
Fund Transfers Out	0.00	500,000.00	-500,000.00	0.0%
Total Other Expense	<u>7,856.00</u>	<u>656,000.00</u>	<u>-648,144.00</u>	<u>1.2%</u>
Net Other Income	<u>-7,856.00</u>	<u>-656,000.00</u>	<u>648,144.00</u>	<u>1.2%</u>
Net Income	<u><u>-43,796.52</u></u>	<u><u>-817,714.00</u></u>	<u><u>773,917.48</u></u>	<u><u>5.4%</u></u>

Facility Maintenance Reserve Fund
Balance Sheet
 As of May 31, 2016

	<u>May 31, 16</u>	<u>May 31, 15</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
Umpqua Bank - Money Market	148,547.99	166,721.67	-18,173.68
Total Checking/Savings	<u>148,547.99</u>	<u>166,721.67</u>	<u>-18,173.68</u>
Total Current Assets	<u>148,547.99</u>	<u>166,721.67</u>	<u>-18,173.68</u>
TOTAL ASSETS	<u><u>148,547.99</u></u>	<u><u>166,721.67</u></u>	<u><u>-18,173.68</u></u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	99,786.19	118,357.54	-18,571.35
Total Accounts Payable	<u>99,786.19</u>	<u>118,357.54</u>	<u>-18,571.35</u>
Total Current Liabilities	<u>99,786.19</u>	<u>118,357.54</u>	<u>-18,571.35</u>
Total Liabilities	<u>99,786.19</u>	<u>118,357.54</u>	<u>-18,571.35</u>
Equity			
Fund Balance	48,378.36	166,595.95	-118,217.59
Net Income	383.44	-118,231.82	118,615.26
Total Equity	<u>48,761.80</u>	<u>48,364.13</u>	<u>397.67</u>
TOTAL LIABILITIES & EQUITY	<u><u>148,547.99</u></u>	<u><u>166,721.67</u></u>	<u><u>-18,173.68</u></u>

**Construction Fund - Port of Newport
 Balance Sheet
 As of May 31, 2016**

	May 31, 16	May 31, 15	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Construction Fund Bank Accts	122,271.97	5,432.53	116,839.44
Total Checking/Savings	122,271.97	5,432.53	116,839.44
Other Current Assets			
Due From Other funds	0.00	181,732.60	-181,732.60
Total Other Current Assets	0.00	181,732.60	-181,732.60
Total Current Assets	122,271.97	187,165.13	-64,893.16
TOTAL ASSETS	<u>122,271.97</u>	<u>187,165.13</u>	<u>-64,893.16</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
A/P - Construction	0.00	3,916.01	-3,916.01
Total Accounts Payable	0.00	3,916.01	-3,916.01
Total Current Liabilities	0.00	3,916.01	-3,916.01
Total Liabilities	0.00	3,916.01	-3,916.01
Equity			
Fund Balance	183,266.66	750,803.54	-567,536.88
Net Income	-60,994.69	-567,554.42	506,559.73
Total Equity	122,271.97	183,249.12	-60,977.15
TOTAL LIABILITIES & EQUITY	<u>122,271.97</u>	<u>187,165.13</u>	<u>-64,893.16</u>

**Bonded Debt Fund - Port of Newport
 Balance Sheet
 As of May 31, 2016**

	May 31, 16	May 31, 15	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Gen Obligation Bond MM-OCB	402,107.62	363,336.01	38,771.61
Total Checking/Savings	402,107.62	363,336.01	38,771.61
Other Current Assets			
Due from Operating Fund	-9,906.00	0.00	-9,906.00
Property Tax Receivable	86,925.12	76,845.12	10,080.00
Total Other Current Assets	77,019.12	76,845.12	174.00
Total Current Assets	479,126.74	440,181.13	38,945.61
Other Assets			
Bond Issue costs, net of amort.	91,334.00	91,334.00	0.00
Total Other Assets	91,334.00	91,334.00	0.00
TOTAL ASSETS	570,460.74	531,515.13	38,945.61
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
Bonds Payable - Current	300,000.00	285,000.00	15,000.00
Total Other Current Liabilities	300,000.00	285,000.00	15,000.00
Total Current Liabilities	300,000.00	285,000.00	15,000.00
Long Term Liabilities			
2007 Series Bonds	4,209,263.00	4,312,682.00	-103,419.00
2008 Series Bonds	4,304,912.00	4,414,908.00	-109,996.00
2011 Series Bonds	5,211,741.00	5,269,811.00	-58,070.00
Less Current Portion LTD	-300,000.00	-285,000.00	-15,000.00
Total Long Term Liabilities	13,425,916.00	13,712,401.00	-286,485.00
Total Liabilities	13,725,916.00	13,997,401.00	-271,485.00
Equity			
Bonded Debt Fund Balance	1,464,547.00	1,189,547.00	275,000.00
Opening Balance Equity	-15,156,375.83	-15,156,375.83	0.00
Retained Earnings	223,572.11	181,354.05	42,218.06
Net Income	312,801.46	319,588.91	-6,787.45
Total Equity	-13,155,455.26	-13,465,885.87	310,430.61
TOTAL LIABILITIES & EQUITY	570,460.74	531,515.13	38,945.61



CONSENT CALENDAR AGENDA ITEM

DATE: June 15, 2016
RE: Purchase of Director of Operations work vehicle – 2009 Ford Edge
TO: Kevin Greenwood / Port of Newport Board of Commissioners
ISSUED BY: Rick Fuller – Director of Operations

BACKGROUND

The 2015/2016 capital budget appropriated \$15,000 for a vehicle to be used by the Director of Operations and available to administrative staff. An existing 2010 Ford F150 fleet vehicle has been used as an interim but is now required to be returned back into the staff fleet due to the recent surplus of an aged and unrepairable fleet truck.

PURPOSE, SCOPE AND DETAIL

Through analysis, it had been decided that a small crossover SUV vehicle is a better suited vehicle in lieu of a truck due to the nature of the Director of Operations duties and the intermittent travel needs of administrative personnel. State surplus was contacted at the beginning of 2016 and provided a want list for a vehicle matching a simple description of excellent condition, less than 100,000 miles and white in color. Two vehicles were forwarded during the period that did not meet the criteria. Other sources were used including internet searches and local car dealers. During the search, the Ford Escape and Ford Edge remained high on the list of reliable and safe fleet vehicles while fitting the budget. Commissioner Ken Brown was consulted as to the repair trends of these models that Les Schwab Tires has experience with. It was recommended by Mr. Brown to contact the fleet manager at Central Lincoln PUD which uses both vehicles in their fleet. Bob Cusick of CLPUD highly recommended the vehicles for use in a commercial fleet. The manager of the local branch of Power Ford was contacted to help with a search of like vehicles but was unable to find a match. Through the internet and subsequent phone queries, a 2009 Ford Edge in excellent shape and 95,000 miles was located at Beaverton Infinity with a listing of \$13,699. CarGurus.com lists the market value of the vehicle at \$17,870. Final negotiations were settled at \$13,200 including a 2 year warranty, complete mechanical check, detailed clean and full fuel tank. Also negotiated was the purchase terms of \$500 deposit upon acceptance with payment in full due after Commission approval during the June, 21st regular meeting.

BUDGET IMPLICATIONS

\$15,000.00 was appropriated in the 2015/2016 capital expense budget for the purchase of a vehicle. Total cost of the 2009 Ford Edge is \$13,427.00 including title and registration fees.

RECOMMENDATION

I would recommend that the commission approve and authorize the General Manager to finalize the purchase of the 2009 Ford Edge from Beaverton Infinity per the attached purchase agreement.

-###-

BEAVERTON INFINITI
9500 Sw Canyon Blvd
Portland, OR 97225

MOTOR VEHICLE PURCHASE AGREEMENT
(INCLUDES TERMS ON BACK OF PAGE)

EXPECTED DELIVERY DATE 06/15/16

TODAY'S DATE 06/15/16

PURCHASER'S NAME PORT OF NEWPORT		PHONE RES (541) 961-3904 BUS (541) 961-3904	STOCK NO. P5898A
ADDRESS 600 SE BAY BLVD	CITY NEWPORT	STATE OR	ZIP 97365

Subject to the terms and conditions set forth below and on reverse side, Purchaser agrees to purchase from Dealer the vehicle described below (the Vehicle). Delivery is to be made on the expected delivery date shown above or as soon thereafter as possible. HOWEVER, PURCHASER AGREES THAT NEITHER THE DEALER NOR THE MANUFACTURER WILL BE LIABLE FOR FAILURE TO EFFECT DELIVERY.

NEW OR USED USED	YEAR 2009	# CYL. N/A	MAKE FORD	BODY TYPE SUV	MODEL EDGE	VEHICLE IDENTIFICATION NUMBER (VIN) 2FMDK46C49BA35586
COLOR BRILLIANT SILVER CLEAR	MILEAGE 96,688	LICENSE	SALES REPRESENTATIVE DOUG NESS			

ALL DEPOSITS TAKEN ON NEW VEHICLE ORDERS ARE NON-REFUNDABLE EARNEST MONIES

DESCRIPTION OF TRADE-IN				ITEMIZATION OF PURCHASE	
YEAR	MAKE	BODY TYPE	MODEL		
N/A	N/A	N/A	N/A	Cash Price of Unit	\$ 13,200.00
VEHICLE IDENTIFICATION NO. N/A					
				N/A	
				N/A	

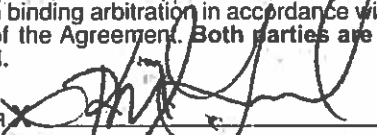
IMPORTANT WARRANTY INFORMATION

Unless Dealer furnishes Purchaser with a separate written warranty or service contract made by Dealer on its own behalf, DEALER HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ON ALL GOODS AND SERVICES SOLD BY DEALER. ALL USED VEHICLES ARE SOLD AS IS. Any warranty on any new vehicle or used vehicle still subject to a Manufacturer's warranty is that made by the Manufacturer only. All warranties, if any, by Manufacturers and suppliers are theirs, not Dealer's, and only the Manufacturers and suppliers shall be liable for performance under such warranties.

LIMITATION OF DAMAGES. PURCHASER SHALL NOT BE ENTITLED TO RECOVER FROM DEALER ANY DAMAGES FOR LOSS TO PROPERTY OR PERSONS OR DAMAGES FOR LOSS OF USE, LOSS OF TIME, LOSS OF PROFITS, LOSS OF INCOME, OR ANY OTHER CONSEQUENTIAL OR INCIDENTAL DAMAGES.

BINDING ARBITRATION

Purchaser acknowledges that Dealer and/or Purchaser shall have the right to require that any claim, controversy, or dispute between the parties, including but not limited to those arising out of or relating to the Agreement, the interpretation thereof, or the vehicle, shall be resolved in binding arbitration in accordance with paragraph 11 on the backside of the Agreement. Both parties are waiving their right to a jury trial.

PURCHASER 

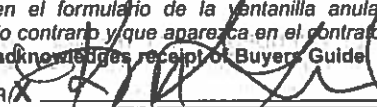
OPTIONAL ELECTRONIC FILING FEE

For a fee of \$ 25.00, this Dealership can electronically file your DMV forms. You will receive your standard Oregon license plates today, and your registration and ownership documents will arrive more quickly, but electronic filing is optional and not required by law. If you do not want to electronically file your DMV forms, you will receive your documents and plates in DMV's standard processing time.

ACCEPTS (INITIAL) DECLINES (INITIAL)

USED CAR BUYERS GUIDE

A 'Buyers Guide' has been posted on the window of each used vehicle. The information on the Buyers Guide for this Vehicle is part of and overrides any contrary provisions in this Agreement. [La informacion que aparece en la ventanilla de este vehiculo forma parte de este contrato. La informacion contenida en el formulario de la ventanilla anula cualquier prevision que establezca lo contrario y que aparece en el contrato de venta.] Purchaser acknowledges receipt of Buyers Guide.

PURCHASER 

1. Total Cash Sale Price	\$ 13,200.00
2. Other Charges	
A. License/Registration Fee	\$ N/A
B. Title Fee	\$ 77.00
C. DEQ Certification Fee	\$ N/A
D. Electronic Filing Fee	\$ 25.00
E. Title & Registration Processing Fee	\$ 125.00
F. Service Contract Fee	\$ N/A
G. _____	\$ N/A
H. _____	\$ N/A
Total Other Charges (Add 2A through 2H)	\$ 227.00
3. Downpayment:	
A. Cash Downpayment	\$ 500.00
B. One deferred downpayment (pickup pymt) due _____	\$ N/A
C. Trade In: Value \$ _____	\$ N/A
Less Owing \$ _____	\$ N/A
Total Down (A + B + C)	\$ 500.00
4. Unpaid balance of cash sale price (1 + 2 minus 3)	\$ 12,927.00
To be paid	N/A

TRADE-IN ALLOWANCE AND PAYOFF BALANCE

Purchaser agrees to deliver to Dealer the title(s) to the Trade-in and warrants that Purchaser holds title to the Trade-in free and clear of all liens and encumbrances except as noted below. Purchaser agrees to pay any lost title replacement fees. Subject to the terms set forth on the back of this Agreement, the Trade-in allowance shown on line 3C above is the amount Dealer agrees to credit to Purchaser's account, providing Purchaser accepts delivery of the Vehicle and completes the transaction in accordance with this Agreement. If the value of the Trade-in exceeds the amount owing on the Trade-in, the excess shall be included in Purchaser's down payment. If the payoff balance (amount owing) exceeds the amount shown on line 3C above, Purchaser shall pay the deficiency in cash on demand.

PAYOFF OWED TO N/A

PURCHASER HAS READ ALL THE PROVISIONS PRINTED ON THE FRONT SIDE AND BACK SIDE OF THIS PAGE AND AGREES THAT THEY FORM A PART OF THIS CONTRACT.

PURCHASER SIGNATURE  CO-PURCHASER SIGNATURE _____

DEALER BEAVERTON INFINITI

Purchaser agrees to obtain physical damage and liability insurance on the Vehicle. Delivery of the Vehicle to Purchaser is subject to credit approved by a financial institution of Dealer's choice (Lender). If Purchaser's credit is not approved by Lender, Purchaser will immediately return the Vehicle to Dealer. THE FRONT AND BACK OF THIS AGREEMENT COMPRISE THE ENTIRE AGREEMENT PERTAINING TO THIS TRANSACTION AND IT MAY ONLY BE AMENDED BY A WRITING SIGNED BY ALL OF THE PARTIES.

Rick Fuller

From: Doug Ness <dougness@beavertoninfiniti.dealer.com>
Sent: Thursday, May 12, 2016 4:00 PM
To: Rick Fuller
Subject: 2009 Ford Edge Inquiry



2009 Ford Edge SE 4WD, Leather, Warranty!

Bodystyle: SUV
Engine: V-6 cyl
Transmission: 6-Speed Automatic
Ext. Color: White Suede

Price: \$13,699.00

Int. Color: Charcoal Black
Odometer: 95558
Stock #: P5898A
Vin: 2FMDK46C49BA35586

[CLICK FOR DETAILS](#)

Rick,
This 2009 Ford Edge SE just went on the lot today, and looks about as close to new as any vehicle I've seen with the current miles.

It's extremely clean inside and out, and needs nothing at all in terms of tires, brakes or any cosmetic detailing.

I spoke to our GSM, and he said he would sell the vehicle for \$13,200 plus license and registration fees.

He indicated that although we hold vehicles on deposit for a few days, a two week window on an inexpensive vehicle would be longer than we would want to go.

We understand you have constraints with the state funding processes, but this is the type of price range and quality that will sell very easily.

Let me know if you have any way of speeding up the process.

Thanks again,
DOUG NESS
DIGITAL SALES MANAGER



O 503.626.8822 | C 503.806.5292

Beaverton Infiniti
9500 SW Canyon RD
Portland, OR 97225

(0)

Advertise | Join | My account | Q

Español (https://www.cargurus.com/es/2008-Ford-Edge-Usados-Newport-c9095_L28826) |

Used Cars (/Cars/forsale) New Cars (/Cars/new/) Car Values (/Cars/instantMarketValue.action)

Sell My Car (/Cars/sell-car/) Research (/Cars/autos/) Questions

Home (/) / Used Cars (/Cars/forsale) / Ford Edge (/Cars/I-Used-Ford-Edge-d923) / 2008 (/Cars/I-Used-2008-Ford-Edge-c9095) / Newport, OR (/Cars/I-Used-2008-Ford-Edge-Newport-c9095_L28826)



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2008 Ford Edge for Sale in Newport, OR 97365 Change ZIP

Save this search (#)

New Search

By Car By Body Style By Price

Ford

Edge

2008 to Similar

ZIP 97365

Radius 500 mi

Search

Advanced Search (/Cars/inventorylisting/advancedSearch.action?zip=97365)

2008 Ford Edge

Color (javascript:void(0)) Trims (javascript:void(0)) (Clear all filters (#))

Best deals first

1 - 7 out of 7 listings

All Listings



2009 Ford Edge Limited AWD

Viewed Save

Fair Deal \$1,137 BELOW Instant Market Value of \$17,870 52 days on market

Price: \$16,733 \$303/mo Mileage: 58,455 mi Location: Hillsboro, OR 77 mi Dealer rating:



2008 Ford Edge Limited AWD

Save

Fair Deal \$587 BELOW Instant Market Value of \$13,585 20 days on market

Price: \$12,998 \$236/mo Mileage: 89,815 mi Location: Boise, ID 390 mi

Email me price drops and new listings for these results. Email

Subscribe

You will receive listing updates from CarGurus.com when new listings match your search. Privacy Policy



2009 Ford Edge Limited AWD

Save

Fair Deal \$158 ABOVE Instant Market Value of \$14,840 12 days on market

Price: \$14,998 \$272/mo Mileage: 123,145 mi Location: Bend, OR 140 mi Dealer rating:



2008 Ford Edge Limited AWD

Save

Fair Deal \$544 ABOVE Instant Market Value of \$15,468 19 days on market

Price: \$16,012 \$46,534 \$290/mo Mileage: 75,484 mi Location: Burlington, WA 278 mi



2009 Ford Edge Limited AWD

Save

Filter Results

7 listings

Price

\$7,000 - \$21,000

Include Listings Without Available Pricing (0)

Mileage

47,000 miles - 189,000 miles

Transmission

Any Manual Automatic

Trim

(clear (javascript:void(0)))

- Limited (1) Limited AWD (7) SE SE AWD SEL (2) SEL AWD (7) SEL Plus SEL Plus AWD (1) Sport

Show all trims [↑ \(javascript:void\(0\);\)](#)



Fair Deal
 \$1,428 ABOVE
 Instant Market Value
 of \$13,522
 56 days on market

Price: \$14,950 \$271/mo
Mileage: 115,972 mi
Location: Boise, ID 389 mi
Dealer rating:

Color [\(clear\) \(javascript:void\(0\);\)](#)

- Black (4)
- Blue (8)
- Brown (0)
- Gold (0)
- Gray (3)
- Green (0)
- Orange (1)
- Red (3)
- Silver (4)
- White (7)
- Unknown (7)



2008 Ford Edge Limited AWD [♥ Save](#)

High Price
 \$977 ABOVE
 Instant Market Value
 of \$13,982
 21 days on market

Price: \$14,959 \$271/mo
Mileage: 94,549 mi
Location: Puyallup, WA 193 mi
Dealer rating:

Deal Ratings [\(clear\) \(javascript:void\(0\);\)](#)

- Great Deal (0)
- Good Deal (0)
- Fair Deal (5)
- High Price (2)
- Overpriced (0)
- No Price Analysis (0)



2009 Ford Edge Limited AWD [♥ Save](#)

High Price
 \$1,146 ABOVE
 Instant Market Value
 of \$18,104
 69 days on market

Price: \$19,250 \$349/mo
Mileage: 47,304 mi
Location: Arlington, WA 255 mi
Dealer rating:

Options [\(clear\) \(javascript:void\(0\);\)](#)

- Alloy Wheels (0)
- Aluminum Wheels (1)
- Backup Camera (0)
- Bluetooth (2)
- Chrome Wheels (1)
- Comfort Package (0)
- Leather Seats (2)
- Limited Package (0)
- Navigation System (0)
- Premium Package (0)
- Premium Wheels (0)
- Sound Package (0)
- Sunroof/Moonroof (2)
- Tow Package (0)

Drivetrain [\(clear\) \(javascript:void\(0\);\)](#)

- AWD (7)
- FWD (0)

Days on Market

0 days - 730 days

Accidents Reported

Unspecified

Photos

- Hide vehicles without photos
- Hide vehicles with frame damage reported

Text Search ⓘ

(eg. diesel sunroof) (#) (#)

Price Drops

- Only show recent price drops

After recording return to:

City of Newport
169 SW Coast Highway
Newport, OR 97365

**CITY OF NEWPORT, OREGON
PUBLIC UTILITY EASEMENT**

Port of Newport, hereinafter referred to as "Grantor", owns the real property described below and does hereby give and grant unto the City of Newport, an Oregon Municipal Corporation of Lincoln County, Oregon, hereinafter referred to as "Grantee", an exclusive, perpetual easement for public utilities, including the right to lay, construct, and maintain a **storm sewer**, and all related appurtenances, hereinafter referred to as "Public Utility", to be constructed and located on, across, under or over the surface of the following described real property:

See EXHIBIT A

This is intended to exclude all other below-surface installations, except as may be specifically approved by the City.

City and its contractors, subcontractors, agents or employees shall have the right to enter and occupy the easement for the purpose of constructing the Public Utility, to permanently operate and maintain the Public Utility, to inspect, repair, replace, remove or renovate the Public Utility.

Grantor shall be responsible for landscape and surface maintenance within the easement however, Grantee will be responsible for returning any land disturbed within the easement to the original or better condition upon completion of construction activities. In carrying out this responsibility, Grantor agrees not to plant any tree, shrub or plant within the Public Utility easement, nor build any structure or place any fence in the easement without first obtaining written permission from City. Balm, poplar, locust, cottonwood or willow trees should not be planted near the Public Utility easement. It is understood that City may remove any physical obstructions including buildings, fences, trees, or shrubbery, and abate any use of the easement if City finds that the physical obstruction or use will interfere with the Public Utility or City's easement rights granted above, without recompense to the Grantor.

Grantor and City intend that this easement bind Grantor, his or her heirs, successors and assigns. This easement will not be considered abandoned until City has declared the easement abandoned and no longer in use by City, and releases this easement in a duly executed and recorded Release of Easement.

In addition to all other remedies allowed by law, Grantee, its successors and assigns, shall have the right to seek injunctive relief for the enforcement of the terms and conditions of this

easement against Grantor. If Grantee is required to bring suit or action to enforce the terms of this easement, Grantee shall be entitled to recover from Grantor such sums that the court may adjudge reasonable as attorney fees and costs in such suit or action, or upon appeal.

The true and actual consideration for this easement is \$ 0.00.

DATED this _____ day of _____, 2016.

Owner

STATE OF OREGON)

County of Lincoln)

} ss

Personally appeared before me this _____ day of _____, 2016 the above

named _____.

Notary Public for Oregon

ACCEPTANCE OF EASEMENT

The City of Newport, Oregon, does hereby accept the above-described Public Utility

Easement this _____ day of _____, 2016.

Spencer Nebel, City Manager

STATE OF OREGON)

County of Lincoln)

) ss:
)

This instrument was acknowledged before me on the _____ day of _____,

2016 by Spencer Nebel as City Manager of the City of Newport.

Notary Public for Oregon

Exhibit Sketch Map

Located at:
Section 8, Township 11 South, Range 11 West, W.M.
City of Newport, Lincoln County, Oregon

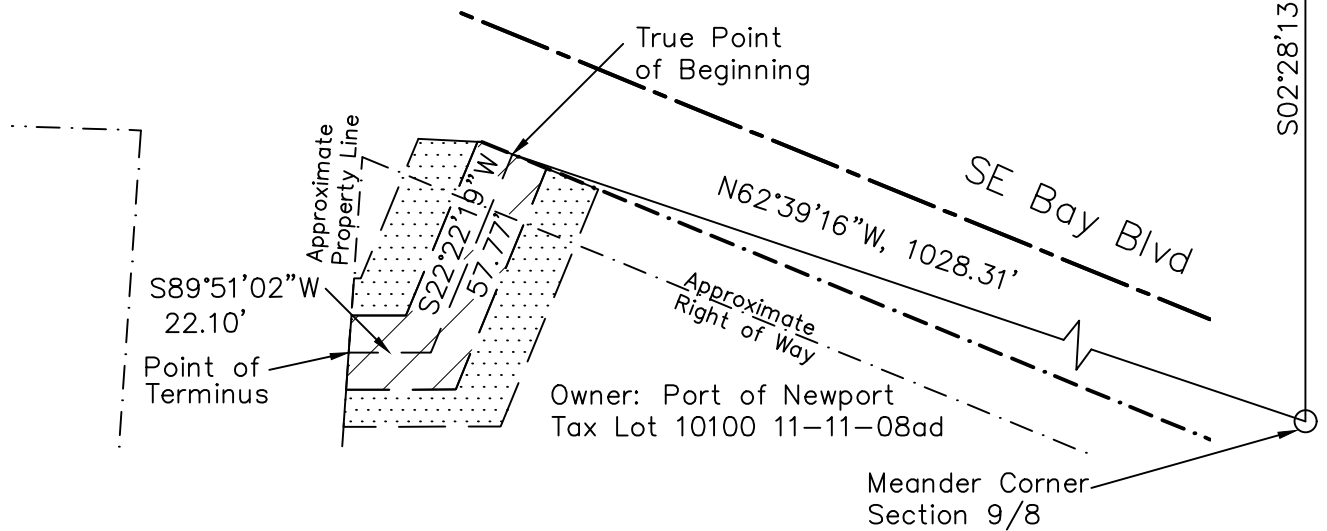
NW Corner
 Section 9

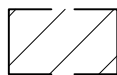
Parcel 1: Permanent Easement—

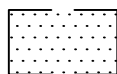
The following is a center line description of a 20 foot wide, 10 feet on each side, for a proposed storm drain facility:

Beginning at the northwest corner Section 9 Township 11 South, Range 11 West, W.M.; thence South 02°28'13" West, 2490.74' to the Meander Corner between Sections 9/8; thence North 62°39'16" West, 1028.31' to a point on the south line of SE Bay Blvd and the True Point of Beginning; thence South 22°22'19" West, 57.77'; thence South 89°51'02" West, 22.10' to the point of terminus of this center line description.

Extend or Truncate sidelines to terminate on the property lines.
 The area to which this description applies is 1597± Sq. Ft.



 Parcel 1:
 Permanent Storm
 Drainage Easement

 Parcel 2:
 Temporary Access Easement
 See Sketch 2 of 2

REGISTERED
**PROFESSIONAL
 LAND SURVEYOR**

John R. Pariani

OREGON
 July 13, 1999
 JOHN R. PARIANI
 #51382

Renews: December 31, 2016

This sketch map is based upon record information and found monuments, but is not the result of a boundary survey.



Basis of bearing is filed survey 19803

Permanent Storm Drainage Easement

Pariani Land Surveying

P.O. Box 551
 Shady Cove, OR 97539
 541-890-1131

Date: May 10, 2016	Scale: 1" = 50'	Job No.: 2012-095	Sheet: 1 of 2
-----------------------	--------------------	----------------------	------------------

AFTER RECORDING RETURN TO:
CITY OF NEWPORT
169 SW COAST HIGHWAY
NEWPORT, OR 97365

TEMPORARY CONSTRUCTION EASEMENT AGREEMENT

1. PARTIES:

Name: Port of Newport,
Address: 600 SE Bay Blvd Newport, Oregon 97365, hereinafter referred to as “Grantor”.

CITY OF NEWPORT, an Oregon Municipal Corporation, 169 SW Coast Highway, Newport, Oregon, 97365, hereinafter referred to as “Grantee”.

2. AFFECTED PROPERTY:

Grantor is currently the owner of the following described real property (property) located in Lincoln County, Oregon at:

See Exhibit A

3. GRANT OF EASEMENT:

Grantor does hereby grant unto the Grantee, its successors and assigns, and Grantee hereby accepts, a Temporary Construction Easement upon a portion of Grantor’s property as shown in the map attached as EXHIBIT “A” incorporated herein.

4. STATEMENT OF PURPOSE:

The easement described above shall be used to construct a storm sewer drain pipe supporting the adjacent storm sewer improvements and for unrestricted ingress and egress to Grantor’s property for the purpose of constructing the storm sewer and all related facilities. All land disturbed during construction activities within the temporary construction easement will be restored to original or better condition upon completion of construction, including landscaped areas.

5. TYPE OF EASEMENT:

The easement described above shall be non-exclusive except that Grantee shall have the exclusive right to construct the storm sewer and all related facilities within the easement. Grantor may use the surface of the easement provided such use does not interfere with Grantee’s rights contained in this easement. Grantor shall not permit any other use or utilities to be located in the easement without the written consent of Grantee. Approved uses within the easement area shall consist of, but are not limited to, paved driveway or parking areas, trails, paths, or other uses that will not affect the ability of the City to access the slope area. Prohibited uses shall consist of, but are not limited to, buildings, structures, or any excavation or alteration of the earth slope. Placement of additional fill abutting the slope is acceptable. The easement shall perpetually encumber the property.

6. MAINTENANCE:

Grantee shall be responsible for the maintenance of the storm sewer located within the easement. Grantor shall be responsible for landscape and surface maintenance within the easement. Grantee’s use of the easement shall not unreasonably interfere with Grantor’s use of its property.

7. INDEMNIFICATION:

The Grantee does hereby agree to defend, hold harmless, and indemnify Grantor, its successors and assigns, from any claim of liability or any other claim involving the slope, or arising out of the Grantee's use of the easement described above, unless caused by Grantor's negligent or willful conduct or Grantor's failure to fulfill its maintenance obligations as set forth in Paragraph 6 above.

8. REMEDIES:

In addition to all other remedies allowed by law, the parties, their successors and assigns, shall have the right to seek injunctive relief for the enforcement of the terms and conditions of this agreement.

9. BINDING EFFECT ON SUCCESSOR INTERESTS:

The terms, conditions and provisions of this agreement shall extend to, be binding upon and inure to the benefit of the heirs, personal representatives and assigns of the parties.

10. ATTORNEY FEE:

In case suit or action is instituted in connection with this agreement, the prevailing party shall be entitled to recover from the losing party such sums as the court may adjudge reasonable as attorney fees and costs in such suit or action, or upon appeal.

DATED this _____ day of _____, 2016.

GRANTOR:

GRANTEE:

By: _____

By: _____

Spencer Nebel, City Manager
CITY OF NEWPORT

STATE OF Oregon)
) ss.
County of Lincoln)

Personally appeared before me this _____ day of _____, 2016,
_____, _____ for _____, and
acknowledged the foregoing instrument to be his/her and _____'s voluntary
act and deed.

By:
Notary Public for:
My Commission expires:

STATE OF OREGON)
) ss.
County of Lincoln)

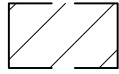
Personally appeared before me this _____ day of _____, 2016,
_____, _____, City Manager for the CITY OF NEWPORT and acknowledged the
foregoing instrument to be his/her and the CITY OF NEWPORT's voluntary act and deed, and accepted
the easement on behalf of the CITY OF NEWPORT.

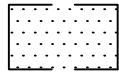
By:
Notary Public for Oregon
My Commission Expires:

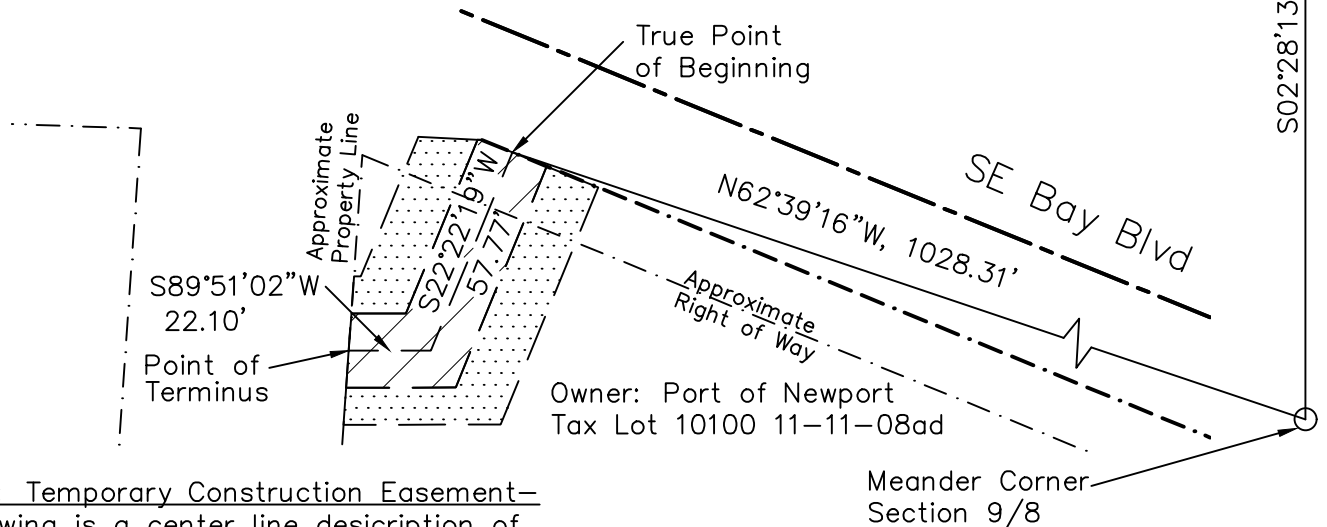
Exhibit Sketch Map

Located at:
Section 8, Township 11 South, Range 11 West, W.M.
City of Newport, Lincoln County, Oregon

NW Corner
 Section 9

 Parcel 1:
 Permanent Storm Drainage
 Easement—See Sketch 1 of 2

 Parcel 2:
 Temporary Access
 Easement



Parcel 2: Temporary Construction Easement—
 The following is a center line description of
 a 50 foot wide, 25 feet on each side, for
 a proposed storm drain facility:

Beginning at the northwest corner Section 9
 Township 11 South, Range 11 West, W.M.; thence
 South 02°28'13" West, 2490.74' to the Meander
 Corner between Sections 9/8; thence North 62°39'16"
 West, 1028.31' to a point on the south line of SE Bay
 Blvd and the True Point of Beginning; thence South
 22°22'19" West, 57.77'; thence South 89°51'02"
 West, 22.10' to the point of terminus of this center line
 description.
 Excepting therefrom that property described in Parcel 1.

Extend or Truncate sidelines to terminate on the property lines.
 The area to which this description applies is 2129± Sq. Ft.

REGISTERED
**PROFESSIONAL
 LAND SURVEYOR**

John R. Pariani

OREGON
 July 13, 1999
 JOHN R. PARIANI
 #51382

Renews: December 31, 2016

This sketch map is based upon
 record information and found
 monuments, but is not the
 result of a boundary survey.



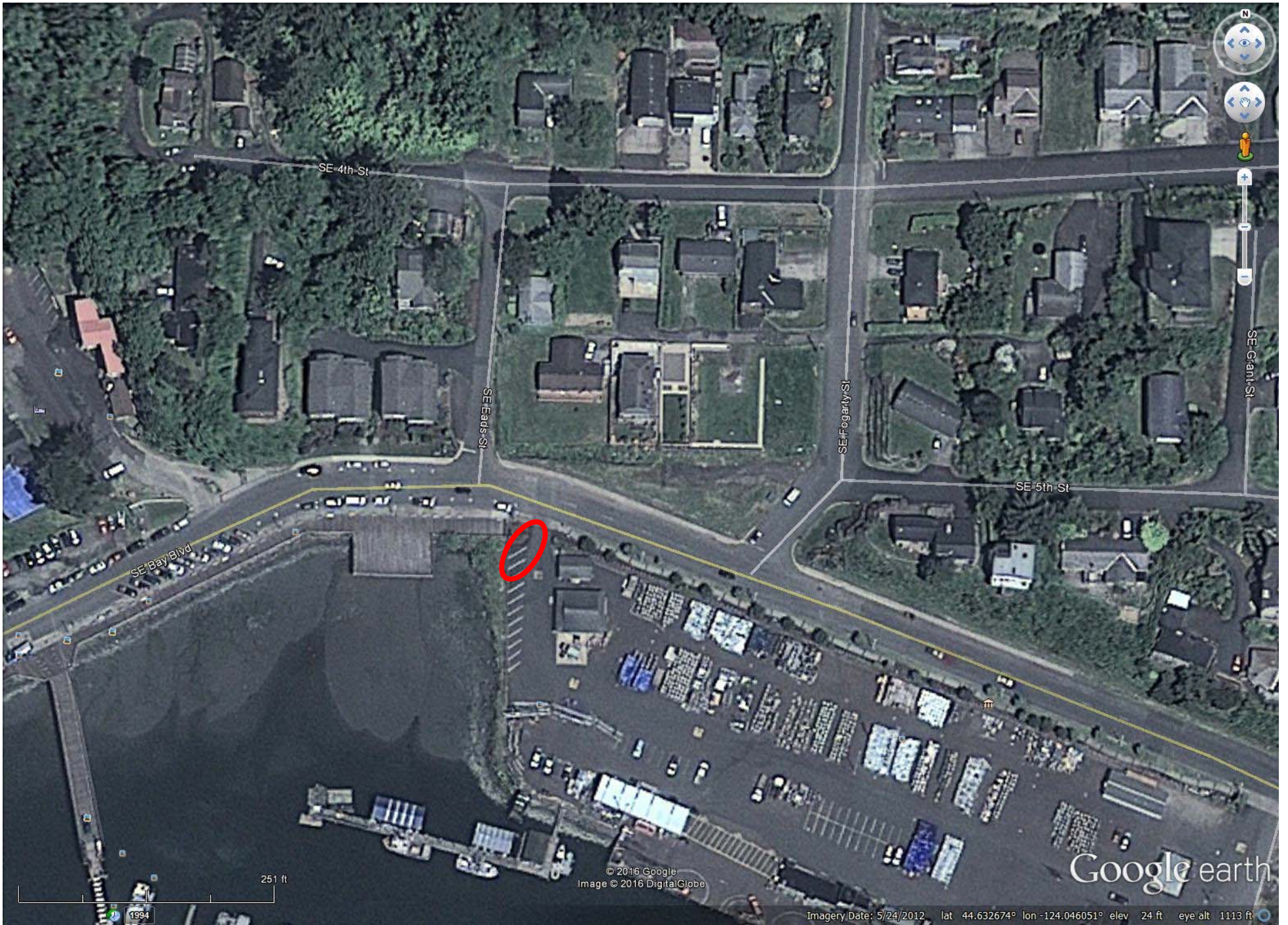
Basis of bearing is filed survey 19803

Temporary Construction Easement

Pariani Land Surveying

P.O. Box 551
 Shady Cove, OR 97539
 541-890-1131

Date: May 10, 2016	Scale: 1" = 50'	Job No.: 2012-095	Sheet: 2 of 2
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CONSENT CALENDAR AGENDA ITEM

DATE: June 15, 2016
RE: NOAA Oil Boom Supplemental Lease Agreement - SLA #15
TO: Kevin Greenwood / Port of Newport Board of Commissioners
ISSUED BY: Rick Fuller – Director of Operations

BACKGROUND

Starting in the fall of 2011, NOAA approached the Port of Newport requesting permission to attach a permanent boom system to the wharf that would surround each ship while in port. The permanent floating boom system would reduce the risk of a release of oil into the Yaquina Bay. The installation of a permanent boom system presents three main concerns to the Port of Newport as a lessor, 1) Physical damage to existing structures or systems, 2) liability of the installed boom system, 3) access to the wharf to perform required maintenance and inspections. Any change to the conditions of the lease require a signed and authorized Supplemental Lease Agreement (SLA) in order to proceed. A string of correspondence has been maintained and is included in part with this report.

PURPOSE, SCOPE AND DETAIL

NOAA has asked to install a permanent floating boom system which would attach to the existing camel and fender system of the Port owned wharf. Under instruction of the Port (see attached email 2/21/2013, NOAA contracted directly with the original facility structural engineering company, KPFF, to provide a structural analysis and opinion as to the feasibility of attaching the Kepner Plastics floating boom to the existing wharf system. KPFF's report was favorable and indicated that there would be no significant affects to the durability of the existing camel system (see attached). On June 1, 2016 staff received SLA #15 which addresses the Ports concerns about liability and accessibility to the wharf should a permanent boom be attached.

BUDGET IMPLICATIONS

None

RECOMMENDATION

Staff has been working with NOAA personnel for nearly five years regarding the installation of a permanent boom system for their survey and research vessels. The boom system is a logical solution in order to help provide protection from an unplanned release of oil or fuel into the Yaquina Bay. SLA #15 addresses the concerns of liability and accessibility while the boom is deployed. Staff recommends that the **Commission approve and authorize the General Manager to sign the Supplemental Lease Agreement - SLA #15 giving NOAA approval to proceed with the attachment of the boom system per the design of the Kepner Plastics.**

Rick Fuller

From: Molly M Kunze - NOAA Federal <molly.m.kunze@noaa.gov>
Sent: Wednesday, June 01, 2016 9:37 AM
To: Rick Fuller; CO.MOC Pacific - NOAA Service Account; Jim Durkee
Subject: Newport Oil Boom SLA
Attachments: SLA #15 Oil Boom New.pdf

Hi Rick,

Please see attached Oil Boom Supplemental Lease Agreement (SLA#15). If this SLA meets your needs, please return a signed copy to me.

Once the SLA is signed, we would like to work with you on the document that we discussed we can post on the Port's website, for public notice.

Thank you Rick!

Molly



NO: 15

DATE: June 1, 2016

SUPPLEMENTAL LEASE AGREEMENT

LEASE NO.: 09WSA0200C

ADDRESS OF PREMISES: 2002 SE Marine Science Drive, Newport, Oregon 97365

THIS AGREEMENT, made and entered into this date by and between Port of Newport, whose address is: 600 SE Bay Boulevard, Newport, Oregon 97365

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended at no additional lease cost, effective June 1, 2016, as follows:

1. NOAA may install an oil boom system for the purpose of booming ships at the Pier.
2. NOAA will maintain and repair the installed boom system and its attachments to the camel system.
3. NOAA will provide the Port of Newport with unimpeded water access to the underside of the pier, which may require detachment or removal of the boom system, for wharf system maintenance, inspections and repairs.
4. NOAA will be responsible for removal of debris caught in or caused to be caught by the boom system.
5. NOAA will be responsible for any damage to their permanent boom system.

All other terms and conditions of the lease shall remain in force and effect.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR

Signature _____

Title _____

UNITED STATES OF AMERICA

Signature _____

Real Property Contracting Officer

Draft Newport Boom Proposed Action

NOAA's Marine Operations Center – Pacific (MOC-P) facility in Newport, Oregon has a proposed action to boom ships during operations where there is a risk of a release of oil into Yaquina Bay. Booms are designed to prevent the migration of oil on the water. At present, it is anticipated that this proposed action will provide a level of protection for Yaquina Bay in the event of an unplanned release of oil from one of the berthed ships during fuel transfers. Booming during fuel transfers is an Office of Marine and Aviation Operations (OMAO) requirement. Since the boom will only be utilized during fuel transfer operations in the initial phase, only one ship at a time will have a boom around it, and for a period of less than 12 hours.

Tidal currents may gain tremendous velocity up to 4 knots in Yaquina Bay, particularly when ebb current is augmented by Yaquina River runoff. Because of the tidal current consideration, additional boom shall be installed in phases so that proof of concept, ease of operation, reliability and safety of personnel are addressed before the rest of the system is installed. During the initial phase, 520 feet of permanent boom will be installed under the pier (supporting two berths/berths 4 and 5).

In June 2011, NOAA moved into the new MOC-P facility in Newport, Oregon. Figure 1 contains a map from the July 2009 Environmental Assessment that shows the approximately location of the site on Yaquina Bay. MOC-P has a custom-designed pier, 1300 foot in length. The pier runs approximately west to east and can accommodate up to six NOAA ships. There are five berths on the north side of the pier and berth six is on the south side. NOAA ships ranging from 209, 224, and 231 to 274 feet in length, and a maximum of 43 feet in width (beam) berth on the north side presently. Figure 2 is an artist's rendering of the MOC-P pier with all the north side berths occupied by ships.

At present, the pier surface is supported by 34 tiers spaced on 40 foot intervals. Each tier consists of three pilings with a concrete cap connecting them together at the top which supports the deck. The pier is open underneath between the south, center and north pilings. The pier has a unique floating fender (camel) system which includes 1300 foot length of floating camel sections which have periodic gaps. Figures 3 and 4- photos show what the floating camel system looks like. The camel rises and falls with the tide and are attached to camel pilings which are driven into the bottom and also bolted onto the decking.

To successfully boom ships at this open pier, Kepner Plastics developed a system that has two main components. The first component is a seacurrent permanent boom that is orange in color that will be clamped to and positioned behind the floating camel structures so that it is located under the pier. Figure 5- this photo shows how the permanent boom connects to the camel system through use of a camel clamp. Figure 6 shows how the second component, a fast current boom that is yellow in color, attaches to the orange permanent seacurrent boom when it is required for fuel transfer operations.

Figure 7 presents a cross-section of the oil boom. According to Ben Cowart, Kepner Plastics, 36-ounce polyurethane fabric is used in the permanent boom (Model # PBVHD81608PT) with a skirt length of 16 inches, and a 23-ounce polyurethane fabric is used in the fast current boom (Model # BPHDN81508RFU) with a skirt length of 15 inches. According to Kepner Plastics' website, materials used in their booms are

"...resistant to abrasion, UV, weather, hydrocarbons, marine growth, and most chemicals." According to Mr. Cowart, the polyurethane fabric is much more resistant to marine growth than the poly vinyl fabric. The float section of both booms is filled with polyethylene foam and sealed from contact with the water.

A 5/16 inch galvanized chain sealed into the skirt and attached to the end connectors and serves as ballast by maintaining bottom tension and draft.

According to Mr. Cowart, longevity of the polyurethane booms are approximately 7 to 10 years, depending on use and location.

This fast current boom combination has a proven track record of effective performance in high current (according to the manufacturer). The yellow fast current boom is intended to envelope around the ship and attach to the orange permanent boom installed under the pier. Figure 8- the Kepner Plastics Installation Drawing illustrates a bird's eye view of the entire boom system when it is fully deployed for one ship.

It is important to note that the yellow fast current boom is a temporary structure, and will be deployed and recovered through the use of a small boat.

The fast current boom, if contaminated with oil will be decontaminated according to manufacturer's guidelines.

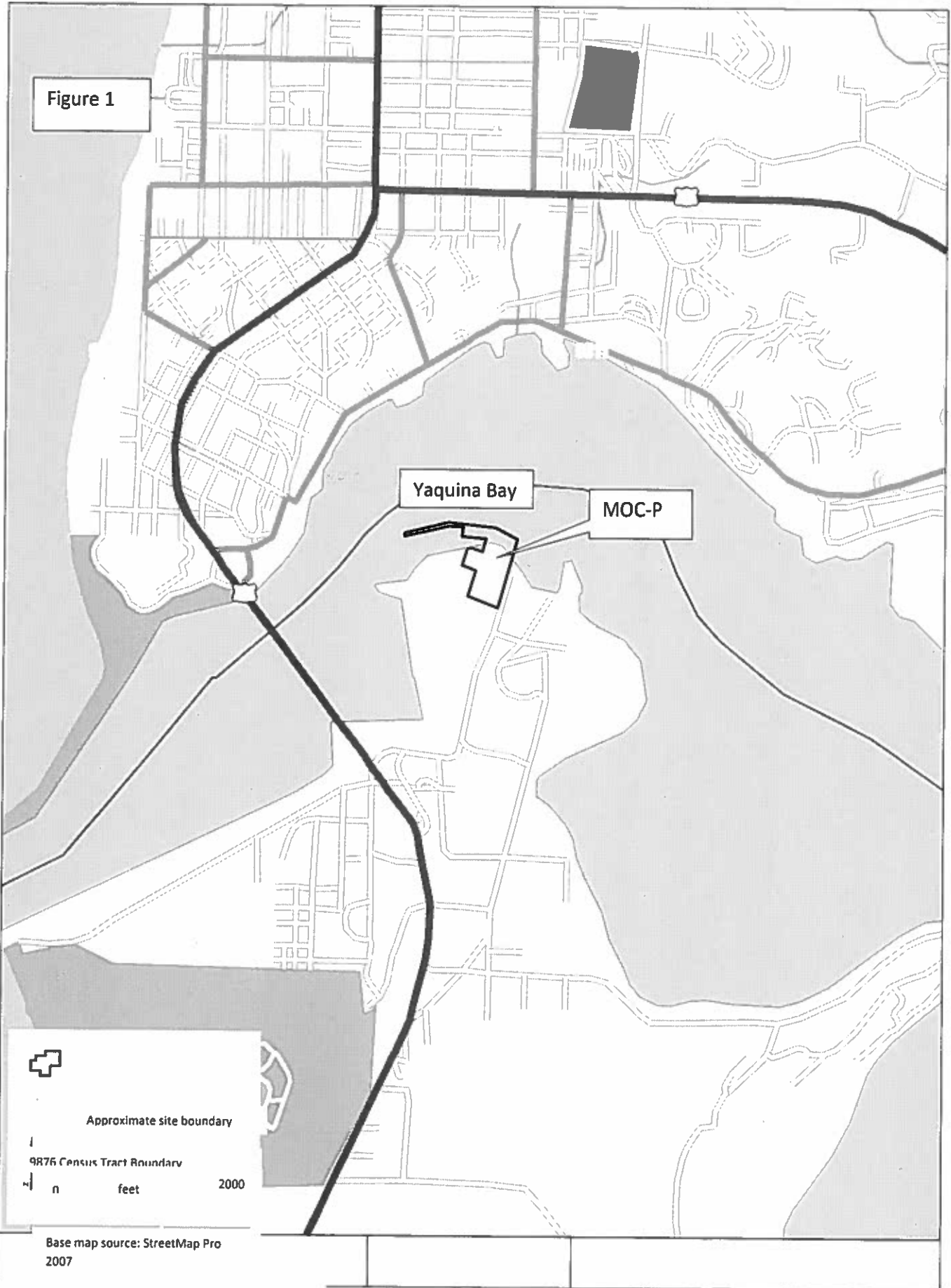
A storage method for the fast current boom when not in use has yet to be determined. Options are:

- On a hydraulically powered boom reel mounted on a trailer, stored in the laydown area of the warehouse
- On a floating barge, moored at the small boat pier, in a tidy manner to avoid tangling when deployed
- On a flatbed trailer in the laydown area.

In the future, booming may be considered when transferring oily waste, and any other operations where discharge of oil is evaluated as a risk, and also when ships are berthed for 4 weeks or longer. Although very unlikely, it is possible in the future that permanent boom will be installed under the entire pier, and the use of the boom expanded beyond fuel transfer operations and be fully deployed for every ship up to a total of six berthed ships. Figure 9- a concept sketch - provides a bird's eye view of the entire pier structure with all six ships berthed, and all booms fully deployed.

IE : COMPLETE by END OF MARCH

Figure 1



Base map source: StreetMap Pro
2007

Figure 2



Figure 3



Figure 4



Figure 5

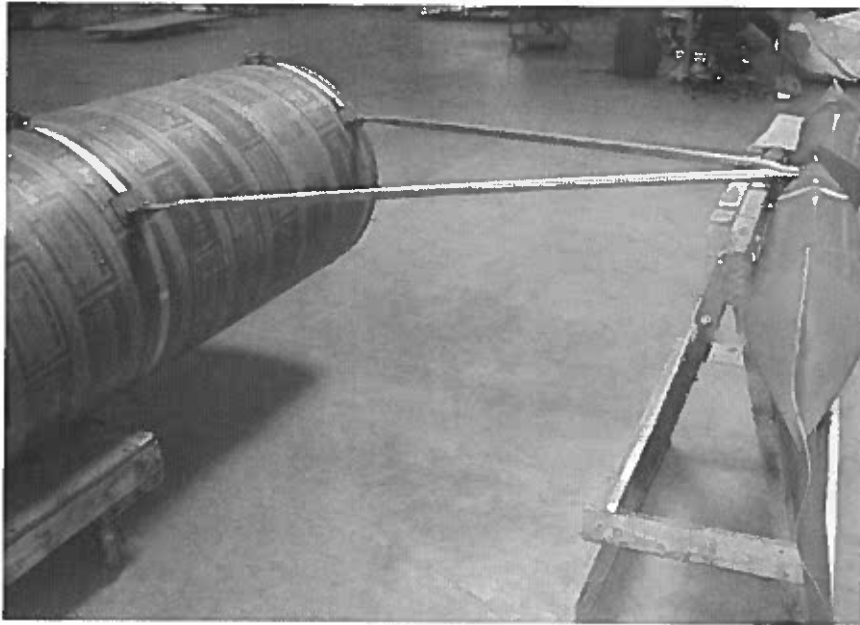


Figure 6

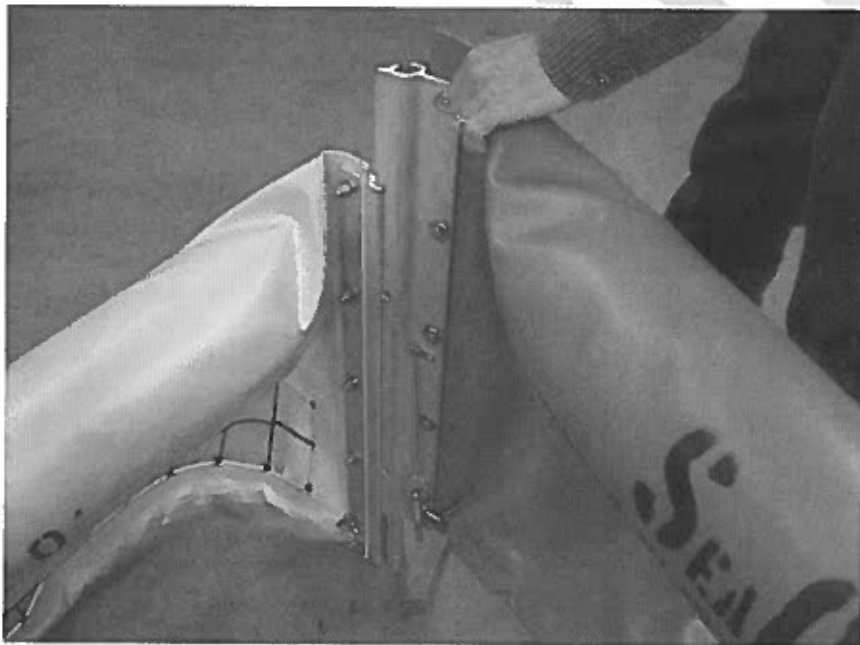
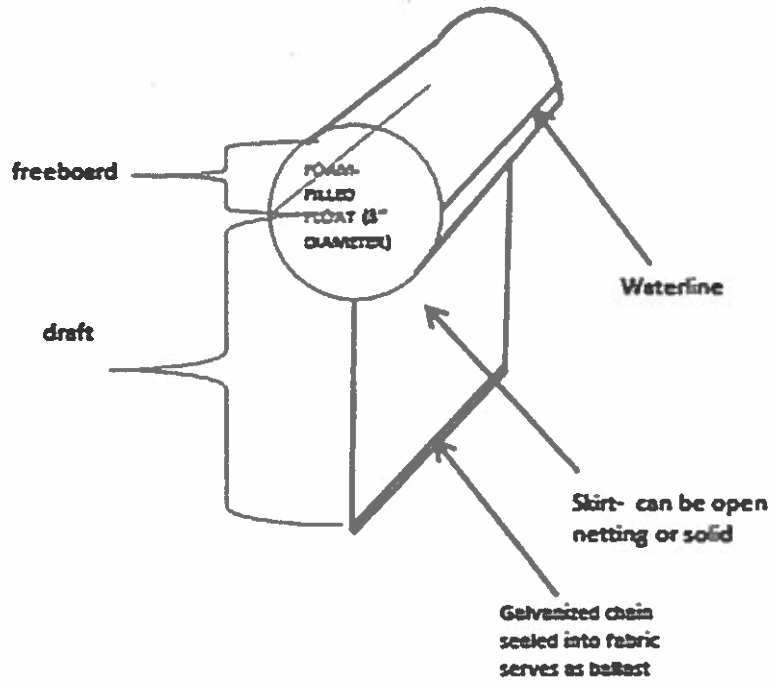
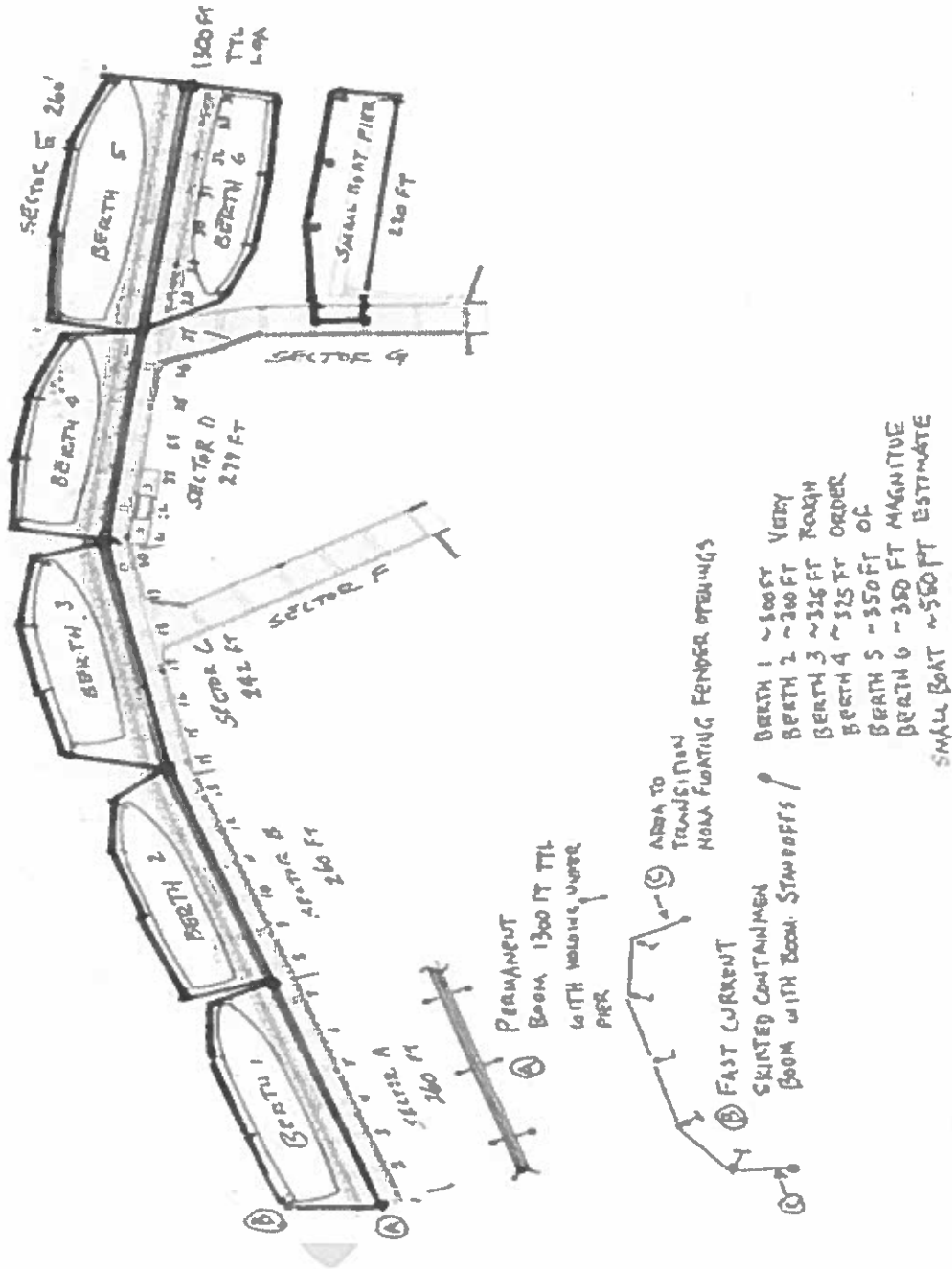


Figure 7: Schematic- Oil Boom



DRAFT

Figure 9



Rick Fuller

From: Rick Fuller
Sent: Wednesday, April 23, 2014 2:20 PM
To: 'John Vickers - NOAA Federal'
Cc: Kevin Greenwood (kgreenwood@portofnewport.com)
Subject: RE: FW: NOAA Oil Boom
Attachments: 2014.02.18 NOAA Oil Boom Evaluation Report.pdf; 9-4-13 Letter permanent boom conditions.pdf

John,
Resurrecting this email from both of our piles. Regarding the proposed permanent boom system and its attachment to the wharf camel system, please consider the following steps in finalizing an approved agreement with the Port of Newport. I have attached the supporting documentation referenced in the following list.

1. The letter to you dated September 4, 2013 (attached) outlines (3) three items required by NOAA prior to signed approval of the Port of Newport General Manager. Assuming KPFF Consulting Engineers has invoiced and been paid for their services, the resulting engineering report dated February 18, 2014 (attached) is an acceptable analysis confirming that stresses to the camel system caused by attaching a permanent boom system are within a tolerable range. The receipt of the KPFF report completes items #1 & #2.
2. Please have issued for the Port's review SLA #4 listing the following:
 - a. NOAA as responsible party and/or indemnification of the PON for damage liability in the case of the permanent boom failure or attachments to existing wharf systems.
 - b. NOAA as responsible party for maintenance and repair of the permanent boom system and its attachments to the camel system.
 - c. Unimpeded water access to the underside of the pier will be accommodated via detachment or removal of the boom system by NOAA for wharf systems maintenance, inspections and repairs.
 - d. Personnel and necessary equipment will be provided and supervised by NOAA for removal of debris caught in or caused to be caught by the boom system.

I think that's it for this portion of the process. Please forward as necessary and let me know if you have any questions or comments concerning this email.

Respectfully,

Rick Fuller
Facilities Manager NOAA MOC-P



600 SE Bay Blvd
Newport, Oregon 97365
541-961-3904

From: John Vickers - NOAA Federal [mailto:john.vickers@noaa.gov]
Sent: Tuesday, March 04, 2014 10:44 AM
To: Rick Fuller
Subject: Fwd: FW: NOAA Oil Boom

Rick,

As discussed, please see below. This is the report from KPFF on the impact of the proposed boom on the camel system. We take this as a good report that indicates minimal impact. Please chew on this and ponder how you may want to proceed regarding SLA, etc. and we can touch base on this when I get back; week of 3/17.

John Vickers
MOC-P Facility Manager
NOAA Marine Operations Center-Pacific
P: 541-867-8735
C: 206-445-8429

----- Forwarded message -----

From: Adam Bergman <abergman@kpffspd.com>
Date: Tue, Feb 18, 2014 at 11:41 AM
Subject: RE: FW: NOAA Oil Boom
To: John Vickers - NOAA Federal <john.vickers@noaa.gov>
Cc: Tripp Howard <thoward@kpffspd.com>

John,

The Evaluation Report is attached for your use. Please let us know if you have any comments or questions.

Thanks,

Adam Bergman, PE | Associate
KPFF Consulting Engineers

From: Adam Bergman [<mailto:abergman@kpffspd.com>]
Sent: Friday, February 14, 2014 5:58 PM
To: 'John Vickers - NOAA Federal'
Cc: 'Tripp Howard'
Subject: RE: FW: NOAA Oil Boom

John,

We are putting the finishing touches on the memo and will have that in your hands on Tuesday. We will attach CHE's memorandum to ours as well and provide it all as a single package. Did you have any comments on their portion of the work before we finalize everything?

The good news is that the loads are low and we see no problem with having the boom attached to the camel system. We want to make sure we are articulating that clearly in the memorandum so you can wrap this up and get the booms out and operating. I will send the memorandum to you and allow you to distribute as you see fit.

Thanks,

Adam Bergman, PE | Associate
KPFF Consulting Engineering

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Version: 2012.0.2247 / Virus Database: 3705/6646 - Release Date: 03/03/14



February 18, 2014

Mr. John Vickers
Facility Manager, NOAA
NOAA Facility Operations

RE: Evaluation Report
Newport, OR NOAA Facility Oil Boom Analysis
NOAA Facility, Newport, OR
KPFF Project No. 113097

Mr. Vickers,

This letter documents the results of KPFF's recent evaluation of the effects caused by attaching a floating oil boom to the floating camel system at the NOAA facility at the Port of Newport (Port).

Quantum Engineering Design (QED) and Kepner Plastics (Kepner) have developed an oil boom system that consists of a deployable standoff oil boom connected to a permanent oil boom located beneath the pier. The concept includes connecting the permanent boom to the existing floating camel system using seven "V"-shaped connectors.

The Port desires that these connectors be capable of maintaining the boom-to-camel connection under currents and wind waves for extreme weather events that may occur at the facility. The Port requested that KPFF evaluate the magnitude and nature of the loads that the camel system will have to resist under these extreme weather events and to determine the effects of this loading on the existing camel system. This evaluation is based on the proposed oil boom arrangement and connection as proposed by QED and Kepner which is included as Attachment 1.

KPFF retained Coast and Harbor Engineering (CHE) to determine the magnitude and nature of the current, wind, and wind wave forces that the proposed oil boom will apply to the camel system. The input data, methodology, and results of this analysis are contained in Coast and Harbor Engineering's Technical Memorandum which is included as Attachment 2.

Using the forces developed by CHE, KPFF evaluated the effects on the existing camel system and fender piles. KPFF's evaluation included force and resistance evaluation, and a subjective evaluation of the effects of the oil boom loading on the long-term durability of the camel system. The design of any portion of the oil boom system, including the connection to the existing camel or pier structure was not included in the scope of our evaluation. KPFF understands that this design has been performed by others.

The estimated forces on the oil boom from CHE's analysis were found to be relatively small compared to the original design forces on the fender system. The fender system was originally designed to resist berthing loads acting towards the pier of up to 50 kips on one pile. These

Mr. John Vickers
February 18, 2014
Page 2

berthing loads are only applied to the fender system while the ship is docking. Current, wind, and wind wave loads on the oil boom are not additive to berthing loads.

By comparison, the largest estimated total load on the permanent oil boom acting towards the pier is only 5.5 kips which would be distributed over 14 piles, resulting in max pile load of only 0.4 kips per pile, which is less than 1% of the design pile load. By inspection, the fender system is more than capable of resisting these loads. In addition, CHE was not scoped to evaluate the effects of large debris impact on the boom system, but indicated that the loads could be larger than what is presented in their report. Even if large debris impact caused a load increase 10 times larger than this, it would still be easily within the load capacity of the existing fender system.

Furthermore, since the loads are so small, attaching the oil boom to the floating camel should not significantly affect the durability of the camel and fender system, including the camel to fender pile connections. However, the connections of the oil boom to the camel system were not included in our evaluation. The Port may want to monitor the oil boom to camel connection points for increased local wear on the camels themselves. Such wear would be as a result of connection detailing and not a direct result of the loading applied to the structure.

KPFF appreciates this opportunity to work with the Port of Newport. Please contact me at (206) 382-0600 should you have any questions or require any additional information.

Sincerely,



Tommy A. "Tripp" Howard, P.E.
Structural Engineer

cc: Adam Bergman
Norm Faris
Craig Totten
Bob Riley

Attachments:

Attachment 1 – Oil Boom Arrangement from Kepner
Attachment 2 – Coast and Harbor Technical Memo

Rick Fuller

From: Rick Fuller
Sent: Thursday, February 21, 2013 1:27 PM
To: John Vickers; Mike Hopkins (XO.MOC.Pacific@noaa.gov)
Cc: Kevin Greenwood
Subject: RE: Oil containment boom installation and demonstration planning

John & Mike,

In preparation of this afternoons meeting I'd like to reiterate the PON requirements should NOAA decide to progress forward with the boom installation:

1. Final review and approval by KPFF and the PON required prior to proceeding with installation attached to the wharf. Note per earlier email KPFF request by engineer Norm Farris that the system be attached to the piles vs. camel logs; Norms comments: *"After review of the system we would actually prefer to have the boom supported off of the piles versus the camels. The reason being is the combined wind/wave action on both the camel and boom attached to the camel amplifies the impact on the fender piles, which increases the wear over time. Is there a possibility to consider an attachment to the pile rather than the camel?"*
2. KPFF engineering review with fees paid by NOAA or its representative (\$1500- \$1700)
3. SLA issued and agreed upon between NOAA and the Port prior to proceeding
4. SLA to address liability/damage issues and responsibility, maintenance responsibility, access to existing wharf systems, engineering review costs.

I'll see you at 2:00pm.

Respectfully,

Rick Fuller
Facilities Manager NOAA MOC-P



600 SE Bay Blvd
Newport, Oregon 97365
541-961-3904

From: Michael Plackett [mailto:plackmj@peak.org]
Sent: Tuesday, February 19, 2013 3:59 PM
To: John Vickers - NOAA Federal
Cc: Jack Brown; Mike Hopkins - NOAA Federal; Rick Fuller
Subject: Re: Oil containment boom installation and demonstration planning

John and Allcon

As suggested, we will meet with you at NOAA, Newport this Thursday 21st February @ 2:00 pm to discuss the permanent boom installation. If you have a boat available we can retrieve the sample permanent boom we installed back in mid October, 2012 to inspect its condition? We can be there at 1:00 pm to accomplish that task if convenient?

We will be bringing a 1/6th scale model of the deployable boom with us to the meeting to demonstrate the deployment operation. We look forward to meeting with you on Thursday. Please advise regarding the availability of a workboat to retrieve the sample boom segment?

Many thanks and

Best Regards,

Mike

Michael J. Plackett – CEO
Quantum Engineering Design, Inc.
(A Veteran Owned Corporation)
Tel: (541) 929 2676
Cell: (541) 740 3519
Fax: (541) 929 3376
e-mail <plackmj@peak.org>

From: John Vickers <John.Vickers@NOAA.gov>
Date: Friday, February 1, 2013 9:11 AM
To: Michael Plackett <plackmj@peak.org>
Cc: Jack Brown <jack@kepnerplastics.com>, Mike Hopkins - NOAA Federal <mike.hopkins@noaa.gov>, Rick Fuller <rfuller@portofnewport.com>
Subject: Re: Oil containment boom installation and demonstration planning

Mike,
Due to schedules, we would like to meet the week of Feb 19-22 (18 is Federal Holiday). Please let me know if this will work for you. We also want to involve the Port of Newport in the meeting as it is their property.
Let me know. Thanks,

--

John Vickers
MOC-P Facility Manager
NOAA Marine Operations Center-Pacific
P: 541-867-8735
C: 206-445-8429

On Wed, Jan 30, 2013 at 12:14 PM, Michael J. Plackett <plackmj@peak.org> wrote:
John

With reference to our telephone conversation last week - when would it be convenient for me to visit with you and your colleagues to discuss where we go from here on the permanent boom installation etc? I also have a scale model from Kepner of the deployable boom you have stored there that I would like to demonstrate. I am available for a meeting this Friday and most of next week. If you have a boat available we might also inspect the condition of the sample moored to the camel while I'm there?

Please advise at your convenience.

Best Regards,

Mike

Michael J. Plackett – CEO
Quantum Engineering Design, Inc.

(A Veteran Owned Corporation)

Tel: (541) 929 2676

Cell: (541) 740 3519

Fax: (541) 929 3376

e-mail <plackmj@peak.org>

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Version: 2012.0.2247 / Virus Database: 3705/6646 - Release Date: 03/03/14

Port of Newport

600 S. E. BAY BOULEVARD NEWPORT, OREGON 97365 PHONE (541) 265-7758 FAX (541) 265-4235 www.portofnewport.com

September 4, 2013

NOAA MOC-P
John Vickers – Facility Manager
2002 SE Marine Science Drive
Newport, OR 97365

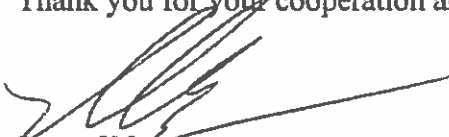
Re: Permanent boom installation

Mr. Vickers,

In response to your recent email, this letter is regarding the proposed NOAA installation of a permanent boom system that has been designed by others and is proposed to attach to the existing NOAA wharf camel system. Reiterating the email communication sent to you and Cdr. Mike Hopkins February 21, 2013, the Port of Newport will require the following items prior to proceeding with installation of the proposed boom system attached to the wharf structure or its systems:

1. Design analysis will be required and is restricted to the NOAA Facility engineer of record, KPFF Consulting Engineers, in order to assess boom attachment and additional stresses to the existing camel system. *Note per earlier 9/6/12 email request by KPFF engineer Norm Farris that the system be attached to the piles vs. camel logs; Mr. Farris's comments: "After review of the system we would actually prefer to have the boom supported off of the piles versus the camels. The reason being is the combined wind/wave action on both the camel and boom attached to the camel amplifies the impact on the fender piles, which increases the wear over time.*
2. KPFF Consulting Engineers design analysis fees to be paid by NOAA or its representative.
3. Issuance of a Supplemental Lease Agreement between NOAA and the Port of Newport prior to proceeding. The SLA will address at a minimum, responsibility of liability and damage issues, boom maintenance responsibility, PON maintenance access to under wharf systems, engineering analysis and review, debris removal.
4. Signed approval by the General Manager of the Port of Newport

Thank you for your cooperation and please contact me with any questions.



Port of Newport
Rick Fuller
Facility Manager

CC: Don Mann, Molly Kunze

PORT OF NEWPORT SPECIAL USE PERMIT

This permit, effective July 16, 2016, 7 am, from the Port of Newport, organized and existing under the laws of the State of Oregon, hereinafter referred to as "Port", to Community Services Consortium, hereinafter referred to as "Permittee."

The Port hereby grants permission to Permittee to use area surrounding the Rogue Barrel Room as shown in Exhibit A, attached. Use of designated area by Permittee is for Barrel to Keg Relay (Exhibit A details description of event.) Permittee is responsible for directing participants and attendees to park at the Oregon Coast Aquarium, not in the South Beach Marina or RV lot. Permittee will also maintain supervision and safety personnel at the entrance to the RV Park to ensure the safety of the runners and minimize traffic hazards at the RV Park entrance.

Permit is subject to the rules, regulations, and ordinances of the Port of Newport and subject to the following terms and conditions:

1. **Application Fee.** A nonrefundable deposit in the amount of \$100.00.
2. **Usage Fees.** Waived in consideration of in-kind Silver Sponsorship rights and the benefit to the Newport community.
3. **Reservation of Rights.** Port reserves the right to alter or amend the terms and conditions of this permit.
4. **Liability, indemnity of Port.** Permittee agrees to exercise due care in the activities described above and to abide by all Port rules, regulations and ordinances. Permittee shall indemnify and hold Port harmless from and against all claims, actions, proceedings, damages, and liabilities, including attorney fees, arising from or connected with Permittee's use of Port facilities. Permittee will carry a comprehensive general liability insurance policy with limits of \$2,000,000.00 per occurrence and \$2,000,000.00 in aggregate, and will provide the Port with a Certificate of Insurance naming the Port as an additional insured.
5. **Limitation of Port's Liability.** Permittee acknowledges that Permittee has inspected the grounds and related facilities and is satisfied that these facilities are adequate for safe use for the above-described purpose. This permit is not a contract. Port's liability is limited to its sole negligence. Port's employees will make reasonable efforts to contact Permittee and notify Permittee of conditions requiring Permittee's attention, but Port assumes no responsibility of Permittee's use of the Port's facilities. Permittee confirms and assures that there are not alcoholic beverages used or provided during this event and that certified and trained emergency response providers are on site.
6. **Nontransferability/Term.** This permit is nontransferable. This permit expires July 16, 2016.

IN WITNESS WHEREOF, the Port has caused this permit to be issued on the date indicated above.

Port of Newport:

Accepted By:

Kevin Greenwood, General Manager

Mark J. Barrett, Race Director

SPECIAL USE PERMIT APPLICATION

Submit to: Administrative Assistant
Port of Newport
600 SE Bay Blvd.
Newport, Oregon 97365

SUP CHECKLIST	
<input checked="" type="checkbox"/>	Application
<input type="checkbox"/>	\$100 Fee
<input type="checkbox"/>	Insurance Cert
<input type="checkbox"/>	Usage Fee
<input type="checkbox"/>	SUP Issued

This application must be completed, signed, and submitted with a nonrefundable \$100.00 application fee. Any usage fees required of the applicant must be submitted prior to the special use permit being issued by the Port. Any request for a full or partial waiver of the usage fees must be submitted with this application. The criteria used to evaluate a waiver request are listed below. Applications should be submitted far enough in advance of the event to allow the Port to determine the impact of the event on Port property and other Port guests and / or moorage holders. At least 45 days' notice is recommended.

Event Name: CSC Barrel to Key Relay
Event Date: 7-16-16 Time(s) 7am to 9pm
Location: Rogue Barrel Room & surrounding area (see map)
Facilities to Be Used: →

Set-up Dates and Start Times: 7-16-16 @ Noon

Take-down Dates and End Times: 7-16-16 @ 9:00 pm

Estimated Number of Participants: Contestants: 700

Vendors / Volunteers: 200

Attendees: _____

Applicant / Signer: Mark Barrett (Race Director) Mark Barrett

Mailing Address: P.O. Box 1035, Forest Grove OR 97116

Telephone: 503-821-9577 E-mail M.Barrett@s.com

Contact Person (if different than applicant): _____

Contact Person's address, phone number and e-mail: _____

Please provide a detailed description of the event, and attach a map of the location(s) if applicable:

The CSC Barrel to Keg Relay starts at Harris Bridge Vineyard in Wren and finishes at the Rogue Ales Barrel Room at the Port of Newport. Teams of 2 to 7 people run/walk the distance (divided into 14 legs) starting in waves from ~~7am~~ 7am to 9am and finishing in Newport between 3:30pm to 7:30pm. See attached maps & Course Description for details.

Please indicate if you are requesting a full or partial waiver of the usage fee, and explain the reasons for the request based upon the criteria described below:

Community Services Consortium (CSC), the sponsor of the relay, is a non-profit and 100% of the proceeds goes to CSC, whose mission is "Helping People. Changing Lives". The cost to the Port of Newport is zero. The event directly benefits the Port of Newport & the City of Newport. 700 participants, 100 volunteers & 100 spectators (90% of whom are visitors) experience the opportunities that the port and city have to offer - shopping, eating at local restaurants, ~~and~~ staying at hotels and seeing the sights. Marketing for the event reaches across the Pacific Northwest. For these reasons we are requesting a full ~~waiver~~ waiver of the usage fee.

Exhibit A p. 3

The following criteria may be used by the Port management to fully or partially waive the usage fee:

1. Is the applicant a non-profit or a for-profit entity?
2. Will proceeds from the event be donated to charitable causes? If so, what percentage of the proceeds will be donated and to which charitable causes?
3. What is the Port's cost to provide services for the event?
4. Does the event provide any direct benefit to the Port?

USAGE FEE SCHEDULE

PARTICIPANTS	NUMBER	FEE
Attendees, Contestants, Volunteers at Event	1-200	\$400.00
	201-500	\$650.00
	501-1000	\$900.00
	1,001- 5000	\$1400.00
	5,001-10,000	\$1,900.00
	More than 10,000	\$2,400.00
Vendors	N/A	\$40/ per vendor

Permittee will also need to carry comprehensive general liability insurance with limits of \$1,000,000.00 per occurrence and \$2,000,000.00 in aggregate, and will provide the Port with a Certificate of Insurance naming the Port as an additional insured.

Exhibit A p. 4

February 6, 2016

Kevin Greenwood
Port of Newport
600 SE Bay Blvd
Newport, OR 97365

Dear Kevin,

Attached is the basic information for the 6th annual CSC Barrel to Keg Relay, to be held on July 16, 2016. The course is the same as the course in 2011, but divided into 14 instead of 12 legs. The last leg, which finishes at the Rogue Brewery on the South Beach, is slightly changed, finishing at the Barrel Room instead of the warehouse. We expect about 800 participants. We will coordinate the details of the finish area with Jim Kline at the Rogue.

Note that the attached Certificate of Coverage expires on 7-1-15, but we will provide a new certificate ASAP.

If you have any questions, you can contact Dee Teem at CSC or me.

Sincerely,



Mark J. Barrett
Race Director
Barrel to Keg Relay
503-821-9577
Mbarretts@aol.com

Exhibit A p. 5

Barrel to Keg Relay

July 16, 2016

The Event:

This is an 111K (69 mile) running relay race from the Harris Bridge Vineyard (near Philomath) to the Rogue Brewery in Newport (South Bay), divided into 14 legs. We expect 150 teams (which have between two and seven members), totaling about 800 runners and walkers. Most teams will drive vans or SUVs. Team vehicles will have "Caution: Runners on Road" signs in their windows. In addition, 125 volunteers will be driving to the exchanges and locations on the course to serve as course marshals. We don't need to close any roads, although traffic will be delayed near the exchanges. Course marshals, wearing safety vests and using paddles, will minimize disruptions and insure the safety of runners at each exchange and at key turns. "Event Coming" signs will be posted two weeks in advance to warn local traffic. ODOT-approved "Runners on Road" signs will be placed before and after exchange area, and at key intersections. Runners will start in waves (slower teams first) from 7am to 9am. There will be a small number of solo runners (each with their own support vehicle) starting at 5am. Teams will finish between 3:30pm and 8pm.

The Course (permits needed in parentheses):

*To see online maps of the entire course and each leg, go to

<http://www.mapmyrun.com/routes/view/356862641> or www.barreltokeg.com

**Note that the course is the same as the original 2011 course (i.e. different from 2012 and 2013), but divided into 14 legs instead of 12.

- 1) Start at Harris Bridge Vineyard (Benton County, Starker Forests)
- 2) West on Harris Road (Benton County, Starker Forests, Thompson Timber)
- 3) South on TumTum Road (Benton County, Starker Forests, Thompson Timber, USFS)
- 4) West on Woods Creek Road (Lincoln County, Starker Forest, Thompson Timber, USFS)
- 5) Northwest on Shotpouch Road (Lincoln County, USFS)
- 6) West on Harlan-Burnt Woods Road (Lincoln County)
- 7) North and west on Harlan Road (Lincoln County, USFS)
- 8) Winding west on Elk City Road (Lincoln County)
- 9) North on SE Butler Bridge Road (City of Toledo)
- 10) North, entering parking lot at Catherine Street, past train museum (Toledo)
- 11) North on NW A Street (Toledo)
- 12) West on Business Highway 20 (Toledo, Lincoln County)
- 13) Winding west on Yaquina Bay Road (Lincoln County, City of Newport))
- 14) North on Bay Street (Newport)
- 15) West on SW Naterlin Drive (Newport)
- 16) Up stairs to Highway 101, then south over the bridge (Newport, ODOT)

Exhibit A p. 6

- 17) Down stairs, down path by the bridge, cross OSU Drive and finish at the Rogue Barrel Room (Newport, Port of Newport)

Exchange Zones: Location (municipality/owner):

- Leg 1 ends: Silver gate at Harris Road/TumTum Road (Benton County)
Leg 2 ends: Thompson Gate (Thompson Timber, Benton County)
Leg 3 ends: Shotpouch Road/Shotpouch Creek Road (Lincoln County)
Leg 4 ends: Shotpouch Road/Harlan-Burnt Woods Road (Lincoln County)
Leg 5 ends: Harlan-Burnt Woods Road/Harlan Road (Lincoln County)
Leg 6 ends: Mile Post 15 on Harlan Road (Lincoln County)
Leg 7 ends: Rusty Bridge near Mile Post 9 on Harlan Road (Lincoln County)
Leg 8 ends: Harlan Road and Updike Road (Lincoln County)
Leg 9 ends: Elk City County Park (Lincoln County)
Leg 10 ends: Cannon Quarry Boat Ramp (Lincoln County)
Leg 11 ends: Toledo Train Museum (City of Toledo)
Leg 12 ends: Mile Post 9 on Yaquina Bay Road (Lincoln County)
Leg 13 ends: Sawyer's Landing (Dion Blake)
Leg 14 ends: Rogue Brewery (Rogue, Port of Newport)

Leg	Leg ends at	Leg distance	Total Distance
1	TumTum Road	4.9	4.9
2	Thompson Gate	3.54	8.44
3	Shotpouch Creek Rd	3.81	12.25
4	Harlan-Burnt Woods Road	3.92	16.17
5	Old Mill	7.1	23.27
6	Mile Post 15	5.9	29.17
7	Rusty Bridge	5.9	35.07
8	Updike Road	4.33	39.4
9	Elk City County Park	4.65	44.05
10	Cannon Quarry Boat Ramp	5.9	49.95
11	Toledo Train Museum	4.05	54
12	Mile Post 9	4.1	58.1
13	Sawyer's Landing	4.86	62.96
14	Rogue Brewery	5.8	68.76

Aid Stations/Potties/Communication/Fire Danger


There will be three portapotties or permanent restrooms at each exchange. Runners will be instructed to NOT use private land or wooded areas to relieve themselves. Each team/solo runner is self-supporting, but basic first aid kits will be at each exchange. Cell phone coverage is spotty, so each exchange will be staffed with a ham radio operator who is in contact with the race director and EMS. Local police, sheriff, and EMS will be informed about the relay. There will be an EMS vehicle on standby for the relay. There

Exhibit A p. 7

will be a sweeper vehicle checking for injured runners and closing each exchange as the last runner passes. As the relay is during fire season, teams will be instructed to be cautious about sparks and fire dangers. The race director, sweeper vehicle, and exchanges in wooded areas will be provided with a fire extinguisher and a shovel.

*For questions, contact Mark Barrett, Race Director, at 503-821-9577 or Mbarretts@aol.com.

Updated 2-6-16

CERTIFICATE OF COVERAGE						
Agent Barker-Uerlings Insurance, Inc. PO Box 1378 Corvallis, OR 97339 541-388-3310 cindyp@barkeruerlings.com	This certificate is issued as a matter of information only and confers no rights upon the certificate holder other than those provided in the coverage document. This certificate does not amend, extend or alter the coverage afforded by the coverage documents listed herein.			 citycounty insurance services		
Named Member or Participant Community Services Consortium 250 SW Broadalbin, Suite 2A Albany, OR 97321	Companies Affording Coverage COMPANY A – City County Insurance Services COMPANY B - National Union Fire Insurance Company of Pitts, PA COMPANY C - RSUI Indemnity COMPANY D - Torus National Insurance Company COMPANY E - AIG					
LINES OF COVERAGE						
This is to certify that coverage documents listed herein have been issued to the Named Member herein for the Coverage period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which the certificate may be issued or may pertain, the coverage afforded by the coverage documents listed herein is subject to all the terms, conditions and exclusions of such coverage documents.						
Type of Coverage	Company Letter	Certificate Number	Effective Date	Termination Date	Coverage	Limit
<input checked="" type="checkbox"/> General Liability <input checked="" type="checkbox"/> Commercial General Liability <input checked="" type="checkbox"/> Public Officials Liability <input checked="" type="checkbox"/> Employment Practices <input checked="" type="checkbox"/> Occurrence	A	15LCSC	7/1/2015	7/1/2016	General Aggregate: Each Occurrence:	\$15,000,000 \$5,000,000
<input checked="" type="checkbox"/> Auto Liability <input checked="" type="checkbox"/> Scheduled Autos <input checked="" type="checkbox"/> Hired Autos <input checked="" type="checkbox"/> Non-Owned Autos	A	15LCSC	7/1/2015	7/1/2016	General Aggregate: Each Occurrence:	None \$5,000,000
<input checked="" type="checkbox"/> Auto Physical Damage <input checked="" type="checkbox"/> Scheduled Autos <input checked="" type="checkbox"/> Hired Autos <input checked="" type="checkbox"/> Non-Owned Autos	A	15APDCSC	7/1/2015	7/1/2016		
<input checked="" type="checkbox"/> Property	A / C	15PCSC	7/1/2015	7/1/2016		Per Filed Values
<input checked="" type="checkbox"/> Boiler and Machinery	A	15BCSC	7/1/2015	7/1/2016		Per Filed Values
<input type="checkbox"/> Excess Liability						
<input checked="" type="checkbox"/> Excess Crime	B	15ECCSC	7/1/2015	7/1/2016	Per Loss:	\$1,000,000
<input type="checkbox"/> Excess Earthquake						
<input type="checkbox"/> Excess Flood						
<input type="checkbox"/> Excess Cyber Liability						
<input type="checkbox"/> Workers' Compensation						
Description: Barrel to Keg Relay July 2015						
Certificate Holder: Port of Newport 600 SE Bay Blvd Newport OR 97365 Attn: Kevin Greenwood			CANCELLATION: Should any of the coverage documents herein be cancelled before the expiration date thereof, CIS will provide 30 days written notice to the certificate holder named herein, but failure to mail such notice shall impose no obligation or liability of any kind upon CIS, its agents or representatives, or the issuer of this certificate.			
			By: <i>Cindy Perdicaro, CPCU, ARM</i>		Date: June 12, 2015	

Barrel to Keg Relay Leg 14

6.0 Miles

Exchange: Rogue Brewery on the South Beach (68.96 total miles)

Parking: in the Oregon Coast Aquarium parking lot (see separate finish map)

Roads: paved, some hills

Notes: Runners go up and down the stairs on both ends of the bridge. Vehicles go south on Highway 101 to cross the bridge and take the first right after the bridge to get go the Rogue Brewery. Teams should gather in the corral to finish the last 100 yards with their runner.

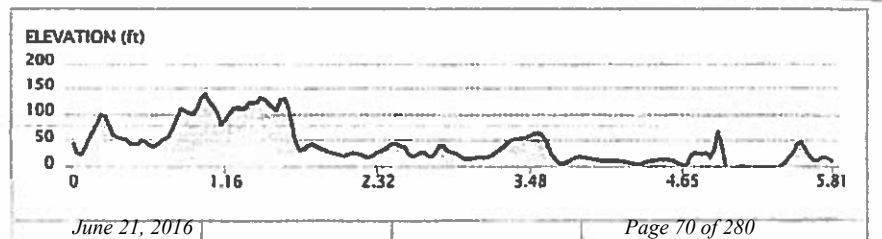
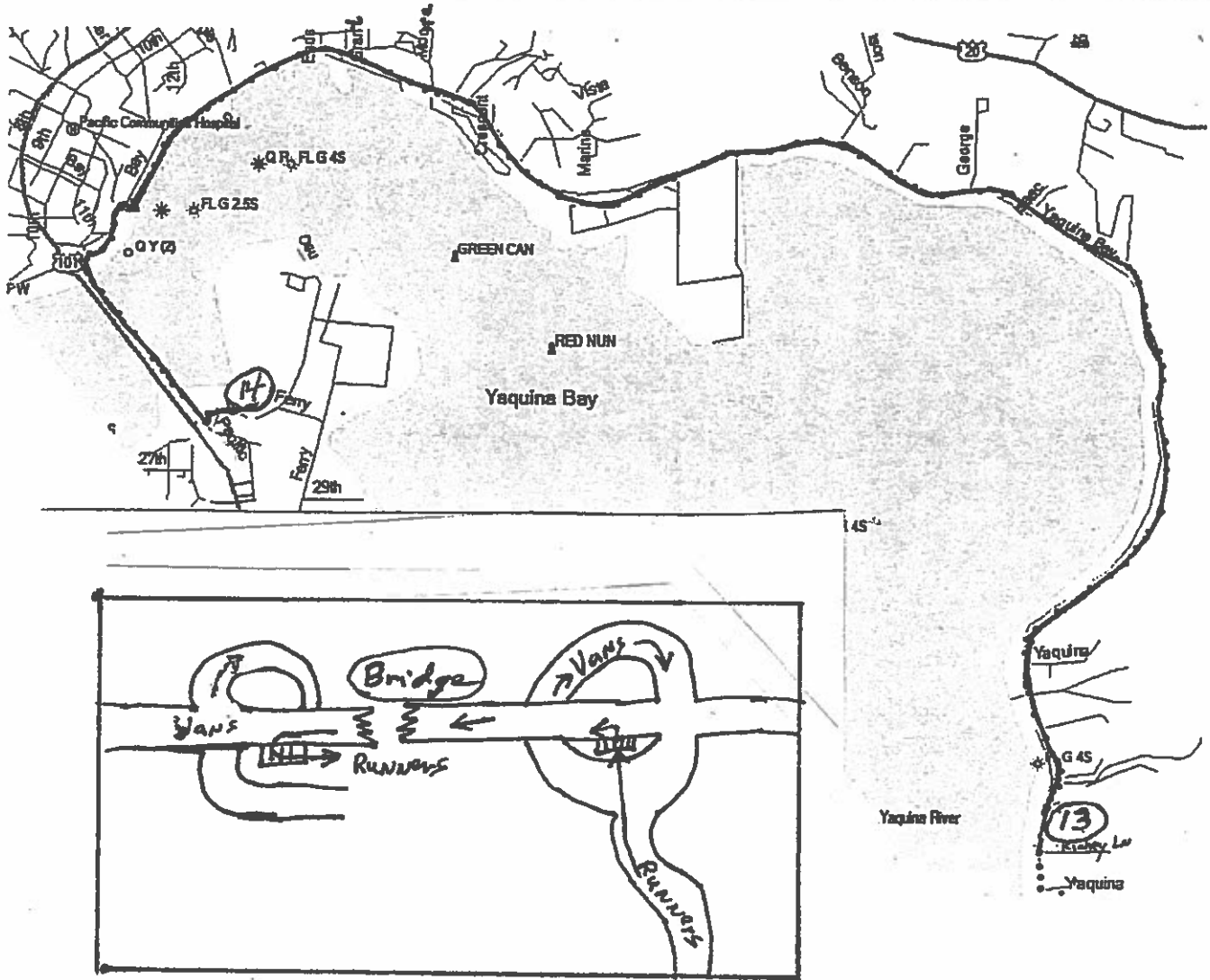
Landmarks: mile posts, Yaquina Bay Bridge

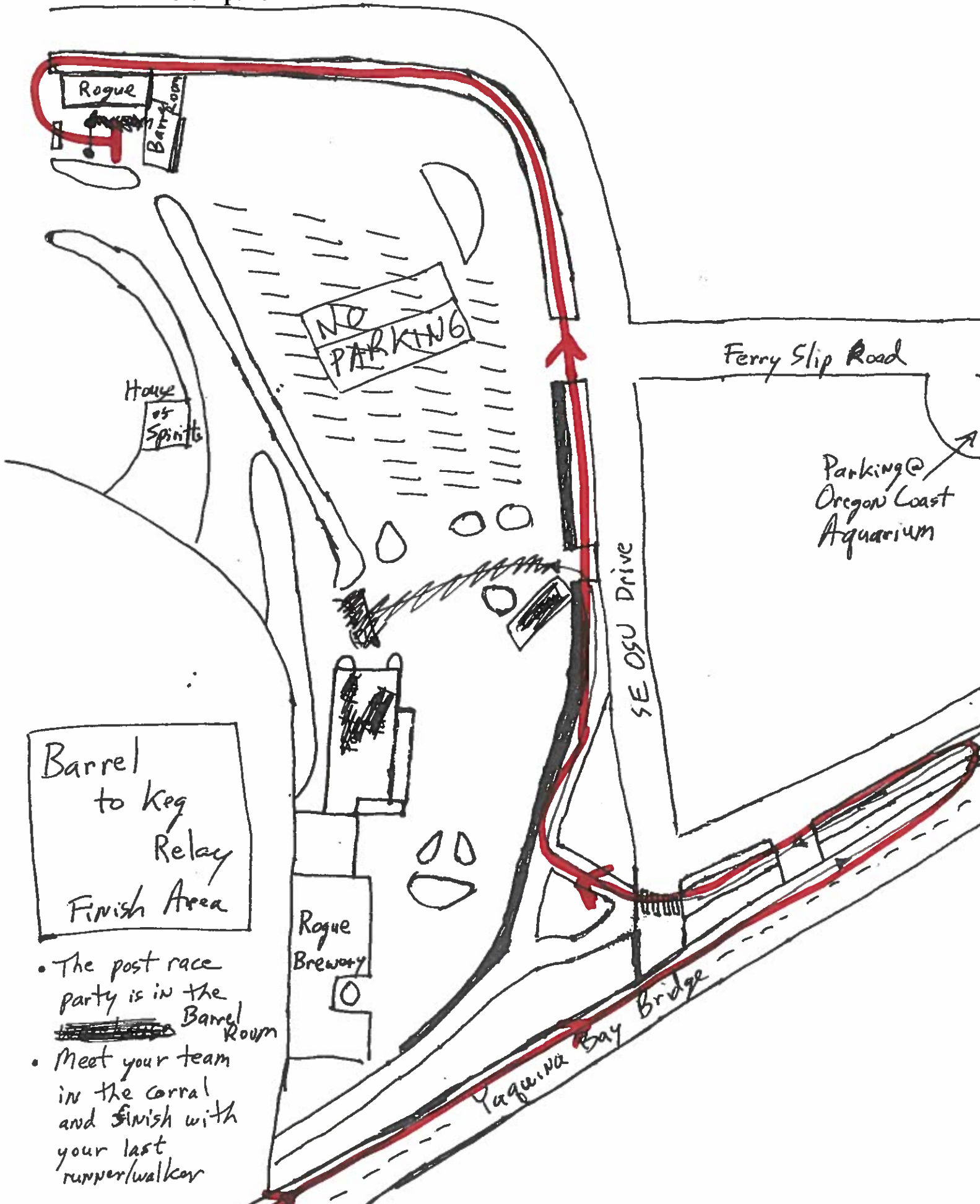
Where to Get Gas and Food: many locations along Highway 101

Location: Rogue Brewery (2320 SE OSU Drive, Newport OR 97365)

GPS: Latitude N 44° 37' 12.6" Longitude W 124° 3' 7.4"

2015 REVISION





Barrel
to Keg
Relay
Finish Area

- The post race party is in the ~~Barrel Room~~ Barrel Room
- Meet your team in the corral and finish with your last runner/walker



Sponsorship Agreement: In Kind Sponsorship Value \$ 900.00.

Event Name: Barrel to Keg Relay

Event Date: July 16, 2016

Applicant: Community Services Consortium

Applicant will provide:

Logo placement on website Link to the Port of Newport on website

Logo on event shirt Banner displayed at event

Booth space at event Goodie Bag insert

Mention in radio advertising

Other (please describe):

Mention on Facebook

5 sponsor logo table tents at Finish Line Party

Port of Newport will provide:

Waiver of \$900.00 in Special Use Permit Usage Fees.

X _____ Date: _____

Kevin Greenwood
Port of Newport

X _____ Date: _____

SPECIAL USE PERMIT APPLICATION

Submit to: Administrative Assistant
 Port of Newport
 600 SE Bay Blvd.
 Newport, Oregon 97365

SUP CHECKLIST	
<input checked="" type="checkbox"/>	Application
<input checked="" type="checkbox"/>	\$100 Fee
<input checked="" type="checkbox"/>	Facilities Supervisor Review
<input checked="" type="checkbox"/>	General Manager Review
<input type="checkbox"/>	Insurance Cert
<input type="checkbox"/>	Usage Fee
<input type="checkbox"/>	SUP Issued

This application must be completed, signed, and submitted with a nonrefundable \$100.00 application fee. Any usage fees required of the applicant must be submitted prior to the special use permit being issued by the Port. Any request for a full or partial waiver of the usage fees must be submitted with this application. The criteria used to evaluate a waiver request are listed below. Applications should be submitted far enough in advance of the event to allow the Port to determine the impact of the event on Port property and other Port guests and / or moorage holders. At least 45 days' notice is recommended.

Event Name: MDR CHARITY CAR SHOW

Event Date: TBD Time(s) 8AM -> 4PM *Memorial weekend*

Location: ROQUE'S PARKING LOT

Facilities to Be Used: RESTROOM

Set-up Dates and Start Times: _____

Take-down Dates and End Times: _____

Estimated Number of Participants: Contestants: 100

Vendors / Volunteers: 10 - VOLUNTEERS

Attendees: 200

Applicant / Signer: 

Mailing Address: 1973 NW ADMIRALTY CIR WALDPOR 97394

Telephone: 949 463 9088 E-mail MDRACING77@gmail.com

Contact Person (if different than applicant): _____

Contact Person's address, phone number and e-mail: _____

Please provide a detailed description of the event, and attach a map of the location(s) if applicable:

MDR is hosting a charity car show to help SB church on their new church building. As you know SB church will be out of the existing location in 2017. We are also donating to later-christian outreach for the homeless in Newport to provide shower and to give them 200 chances to better off their lives. Rogue will provide the food and drinks. We have live music and raffle drawing during the car show. The car show will be one day event.

Please indicate if you are requesting a full or partial waiver of the usage fee, and explain the reasons for the request based upon the criteria described below:

We are requesting a full waiver of the usage fee. Our expense in these car show are all supported by our friends with businesses both in Oregon and other states. These car show is all about helping and being part of the community that are in needs.

How will the Port of Newport be featured in your marketing/sponsorship promotions?:

We will put a banner of Port of Newport during the car show. We will add the logo of port of Newport in each badge of the car entries. We will add the logo of Port of Newport for the sponsors banner.

We would like a representative of Port of Newport to present the trophies to the winner and another representative as a judge on the car show.

The following criteria may be used by the Port management to fully or partially waive the usage fee:

1. Is the applicant a non-profit or a for-profit entity?
2. Will proceeds from the event be donated to charitable causes? If so, what percentage of the proceeds will be donated and to which charitable causes?
3. What is the Port's cost to provide services for the event?
4. Does the event provide any direct benefit to the Port?

USAGE FEE SCHEDULE

PARTICIPANTS	NUMBER	FEE
Attendees, Contestants, Volunteers at Event	1-200	\$400.00
	201-500	\$650.00
	501-1000	\$900.00
	1,001- 5000	\$1400.00
	5,001-10,000	\$1,900.00
	More than 10,000	\$2,400.00
Vendors	N/A	\$40/ per vendor

Permittee will also need to carry comprehensive general liability insurance with limits of \$1,000,000.00 per occurrence and \$2,000,000.00 in aggregate, and will provide the Port with a Certificate of Insurance naming the Port as an additional insured.

PORT OF NEWPORT SPECIAL USE PERMIT

This permit, effective September 10, 2016, 8 am, from the Port of Newport, organized and existing under the laws of the State of Oregon, hereinafter referred to as "Port", to MD Racing, hereinafter referred to as "Permittee."

The Port hereby grants permission to Permittee to use an assigned area located at the South Beach Marina & RV Park, details to be determined by Chris Urbach according to the construction status, as shown in Exhibit A, attached. Use of designated area by Permittee is for the MDR Charity Car Show (Exhibit B detailed description of event.)

Permit is subject to the rules, regulations, and ordinances of the Port of Newport and subject to the following terms and conditions:

1. **Application Fee.** A nonrefundable application fee in the amount of \$100.00.
2. **Usage Fees.** WAIVED in consideration of sponsorship rights and charitable contribution of event proceeds to benefit SB Church and homeless outreach.
3. **Reservation of Rights.** Port reserves the right to alter or amend the terms and conditions of this permit.
4. **Liability, indemnity of Port.** Permittee agrees to exercise due care in the activities described above and to abide by all Port rules, regulations and ordinances. Permittee shall indemnify and hold Port harmless from and against all claims, actions, proceedings, damages, and liabilities, including attorney fees, arising from or connected with Permittee's use of Port facilities. Permittee will carry a comprehensive general liability insurance policy with limits of \$2,000,000.00 per occurrence and \$2,000,000.00 in aggregate, and will provide the Port with a Certificate of Insurance naming the Port as an additional insured.
5. **Limitation of Port's Liability.** Permittee acknowledges that Permittee has inspected the grounds and related facilities and is satisfied that these facilities are adequate for safe use for the above-described purpose. This permit is not a contract. Port's liability is limited to its sole negligence. Port's employees will make reasonable efforts to contact Permittee and notify Permittee of conditions requiring Permittee's attention, but Port assumes no responsibility of Permittee's use of the Port's facilities. Permittee confirms and assures that there are not alcoholic beverages used or provided during this event and that certified and trained emergency response providers are on site.
6. **Nontransferability/Term.** This permit is nontransferable. This permit expires 9 pm, September 10, 2016.

IN WITNESS WHEREOF, the Port has caused this permit to be issued on the date indicated above.

Port of Newport:

Accepted By:

Kevin Greenwood, General Manager

Martin Dino, M D Racing

ATTACHMENTS: Exhibit A (Map) & Exhibit B (detailed description of event)



Sponsorship Agreement: In Kind Sponsorship Value \$ 650.00.

Event Name: MDR Charity Car Show

Event Date: September 10, 2016

Applicant: Martin Dino, M D Racing

Applicant will provide:

Logo placement on website

Link to the Port of Newport on website

Logo on event shirt

Banner displayed at event

Booth space at event

Goodie Bag insert

Mention in radio advertising

Other (please describe):

Logo on event flyer; logo on car entry badges; logo on sponsors' banner; proceeds to benefit SB Church and homeless outreach

Port of Newport will provide:

Waiver of \$650.00 Usage Fees.

X _____ Date: _____

Kevin Greenwood
Port of Newport

X _____ Date: _____

Martin Dino, MD Racing

SPECIAL USE PERMIT APPLICATION

Submit to: Administrative Assistant
Port of Newport
600 SE Bay Blvd.
Newport, Oregon 97365

SUP CHECKLIST	
<input checked="" type="checkbox"/>	Application
<input type="checkbox"/>	App Fee
	Facility Supervisor
<input checked="" type="checkbox"/>	Review
<input checked="" type="checkbox"/>	Security Review
	General Manager
<input checked="" type="checkbox"/>	Review
<input type="checkbox"/>	Usage Fee
<input type="checkbox"/>	SUP Issued

X Insurance Certificate

This application must be completed, signed, and submitted with a nonrefundable \$100.00 application fee. Any usage fees required of the applicant must be submitted prior to the special use permit being issued by the Port. Any request for a full or partial waiver of the usage fees must be submitted with this application. The criteria used to evaluate a waiver request are listed below. Applications should be submitted far enough in advance of the event to allow the Port to determine the impact of the event on Port property and other Port guests and / or moorage holders. At least 45 days' notice is recommended.

Event Name: Shop at the Dock

Event Date: 7/15, 7/22, 7/29, 8/5, 8/12, 8/26 Time(s) 9am-12pm

Location: Port Docks 3, 5, 7 depending on where vessels are selling

Facilities to Be Used: Shop at the Dock participants will be lead to Port Docks 3, 5 and/or 7 to be educated on how to buy seafood.

Set-up Dates and Start Times: No set up time required. Events will start at 9am, 9:30, 10, and 10:30. Each event will last an hour. We plan to be done by 12pm

Take-down Dates and End Times: no take down required. See above for end times

Estimated Number of Participants: Contestants: _____

Vendors / Volunteers: 5 (Oregon Sea Grant staff and volunteers)

Attendees: We had 150 last year

Applicant / Signer: Kaety Jacobson, Oregon Sea Grant, Lincoln County Extension

Mailing Address: 1211 SE Bay Blvd. Newport, OR 97365

Heather Wyland, C.P.M., A.P.P.
Procurement Manager 6/1/16

Telephone: 541-574-6534 E-mail Kaety.Jacobson@oregonstate.edu

Contact Person (if different than applicant): _____

Contact Person's address, phone number and e-mail: _____

Please provide a detailed description of the event, and attach a map of the location(s) if applicable:

"Shop at the Dock" is a free educational opportunity for the public to learn how to buy quality seafood directly from fishermen. Participants will be lead by Oregon Sea Grant staff and volunteers to Port Dock 3, 5, and 7 (depending on where vessels are). Each Shop at the dock event will start on the sidewalk in front of Port Dock 5.

Shop at the Dock event dates are 7/15, 7/22, 7/29, 8/5, 8/12, and 8/26. Each tour lasts between 60-80 minutes depending on group size and lines to buy fish. On each event day, we will have tours starting at 9am, 9:30am, 10am, and 10:30am. We are offering multiple tours a day to hopefully reduce group size. We will also limit the number of people in each group to about 15. In between times, we will have someone stationed near Port Dock 5 to welcome participants that arrive early.

Each participant will also be given a bag with educational materials on Oregon's seafood, proper storage of seafood, advertising for canning classes, and other materials as appropriate. If the Port of Newport can provide a brochure or other information, we would be happy to include these in the bag.

Please indicate if you are requesting a full or partial waiver of the usage fee, and explain the reasons for the request based upon the criteria described below:

We are requesting a full waiver of the usage fee. This is a free educational event and is done to promote our local fishing industry and Newport as a destination. The events cost Oregon Sea Grant a considerable amount in seasonal staff time, promotion, and marketing. Paying for space will make us unable to have these events.

However, we are able to offer a lot of opportunities for the Port of Newport to profit in other ways from the event. The Port of Newport logo can be on all materials related to the event (flyer, bags, sandwich boards). If the Port is willing, we can market this as a joint Oregon Sea Grant and Port of Newport event. Press releases for the event can include quotes from Port employees (again if the Port is willing). As media inquiries come during or after the events (as they have in the past) we will include in those interactions that the Port of Newport is a partner. These events are very popular with the public and the Port could recieve a lot of positive attention for being a partner in these events.

How will the Port of Newport be featured in your marketing/sponsorship promotions?

See above, under fee usage waiver.

The following criteria may be used by the Port management to fully or partially waive the usage fee:

1. Is the applicant a non-profit or a for-profit entity? non profit

2. Will proceeds from the event be donated to charitable causes? If so, what percentage of the proceeds will be donated and to which charitable causes? These are free events, there will be no profit.

3. What is the Port's cost to provide services for the event? There is no anticipated cost to the port.

4. Does the event provide any direct benefit to the Port? _____
Yes, these are very popular and beloved events and it would provide the Port and opportunity for some positive media attention.

USAGE FEE SCHEDULE

PARTICIPANTS	NUMBER	FEE
Attendees, Contestants, Volunteers at Event	1-200	\$400.00
	201-500	\$650.00
	501-1000	\$900.00
	1,001- 5000	\$1400.00
	5,001-10,000	\$1,900.00
	More than 10,000	\$2,400.00
Vendors	N/A	\$40/ per vendor

Permittee will also need to carry comprehensive general liability insurance with limits of \$2,000,000.00 per occurrence and \$2,000,000.00 in aggregate, and will provide the Port with a Certificate of Insurance naming the Port as an additional insured.



Sponsorship Agreement: In Kind Sponsorship Value \$ 650.00.

Event Name: Shop at the Dock

Event Date: 7/15, 7/22, 7/29, 8/5, 8/12 and 8/26 2016

Applicant: Kaety Jacobson, Oregon Sea Grant/Lincoln County Extension

Applicant will provide:

Logo placement on website Link to the Port of Newport on website

Logo on event shirt Banner displayed at event

Booth space at event Goodie Bag insert

Mention in radio advertising

Other (please describe):

Event marketed as a joint Oregon Sea Grant and Port of Newport event

Port of Newport will provide:

Flyers for inserts, waiver of \$650.00 usage fee.

_____ Date: _____

Kevin Greenwood
Port of Newport

_____ Date: _____

PORT OF NEWPORT SPECIAL USE PERMIT

This permit, effective 7/15/16, 7/22/16, 7/29/16, 8/5/16, 8/12/16 and 8/26/16, from 9 am to 12 noon, from the Port of Newport, organized and existing under the laws of the State of Oregon, hereinafter referred to as "Port", to Oregon Sea Grant, Lincoln County Extension, hereinafter referred to as "Permittee."

The Port hereby grants permission to Permittee to use Commercial Port Docks 3, 5 and/or 7 on Bay Blvd. Use of designated area by Permittee is for Shop at the Dock (Exhibit A detailed description of event.)

Permit is subject to the rules, regulations, and ordinances of the Port of Newport and subject to the following terms and conditions:

1. **Application Fee.** A nonrefundable application fee in the amount of \$100.00.
2. **Usage Fees.** WAIVED in consideration of educational benefit, benefit to Newport fishing community, benefit to Newport tourism, and sponsorship rights
3. **Reservation of Rights.** Port reserves the right to alter or amend the terms and conditions of this permit.
4. **Liability, indemnity of Port.** Permittee agrees to exercise due care in the activities described above and to abide by all Port rules, regulations and ordinances. Permittee shall indemnify and hold Port harmless from and against all claims, actions, proceedings, damages, and liabilities, including attorney fees, arising from or connected with Permittee's use of Port facilities. Permittee will carry a comprehensive general liability insurance policy with limits of \$2,000,000.00 per occurrence and \$2,000,000.00 in aggregate, and will provide the Port with a Certificate of Insurance naming the Port as an additional insured.
5. **Limitation of Port's Liability.** Permittee acknowledges that Permittee has inspected the grounds and related facilities and is satisfied that these facilities are adequate for safe use for the above-described purpose. This permit is not a contract. Port's liability is limited to its sole negligence. Port's employees will make reasonable efforts to contact Permittee and notify Permittee of conditions requiring Permittee's attention, but Port assumes no responsibility of Permittee's use of the Port's facilities. Permittee confirms and assures that there are not alcoholic beverages used or provided during this event and that certified and trained emergency response providers are on site.
6. **Nontransferability/Term.** This permit is nontransferable. This permit expires 8/26/16 at 12 noon.

IN WITNESS WHEREOF, the Port has caused this permit to be issued on the date indicated above.

Port of Newport:

Accepted By:

Kevin Greenwood, General Manager

Kaety Jacobson
Oregon Sea Grant/Lincoln County Extension

ATTACHMENT: Exhibit B (detailed description of event)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/15/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher Risk Management Services, Inc. 6399 S. Fiddler's Green Cir., #200 Greenwood Village CO 80111-4949	CONTACT NAME: Anita Bruner PHONE (A/C, No, Ext): 303-889-2574 E-MAIL ADDRESS: anita_bruner@ajg.com	FAX (A/C, No): 303-889-2575
	INSURER(S) AFFORDING COVERAGE	
INSURED PUBLUNI-01 Oregon State University 3015 SW Western Blvd. Corvallis, OR 97333	INSURER A: PURMIT INSURER B: United Educators Ins INSURER C: INSURER D: INSURER E: INSURER F:	NAIC # 10020

COVERAGES

CERTIFICATE NUMBER: 342442624

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.


INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input checked="" type="checkbox"/> OTHER: Per Institution			PURMIT2015GL	7/1/2015	7/1/2016	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$Excluded PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$1,000,000 PRODUCTS - COMP/OP AGG \$1,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			PURMIT2015BA	7/1/2015	7/1/2016	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 1,000,000			GLX201500468800	7/1/2015	7/1/2016	EACH OCCURRENCE \$3,000,000 AGGREGATE \$3,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate Holder is an Additional Insured as respects General Liability policy, pursuant to and subject to the policy's terms, definitions, conditions and exclusions.
RE: "Shop at the Dock" educational program; teaches the public how to buy seafood directly from fishing vessels that are selling to the public. The activity takes place on Port of Newport property (Port Docks 3, 5, & 7) located off of Bay Blvd in Newport (near the docks is the Port of Newport's office which is located at 600 SE Bay Blvd). Event dates are 7/15, 7/22, 7/29, 8/5, 8/12, 8/26, from 9am to noon each day.

CERTIFICATE HOLDER

CANCELLATION

Port of Newport 600 SE Bay Blvd. Newport OR 97365	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
---	---

SPECIAL USE PERMIT APPLICATION

SUP CHECKLIST	
<input checked="" type="checkbox"/>	Application
<input checked="" type="checkbox"/>	\$100 Fee
<input checked="" type="checkbox"/>	Insurance Cert
<input type="checkbox"/>	Usage Fee
<input type="checkbox"/>	SUP Issued

Submit to: Administrative Assistant
Port of Newport
600 SE Bay Blvd.
Newport, Oregon 97365

This application must be completed, signed, and submitted with a nonrefundable \$100.00 application fee. Any usage fees required of the applicant must be submitted prior to the special use permit being issued by the Port. Any request for a full or partial waiver of the usage fees must be submitted with this application. The criteria used to evaluate a waiver request are listed below. Applications should be submitted far enough in advance of the event to allow the Port to determine the impact of the event on Port property and other Port guests and / or moorage holders. At least 45 days' notice is recommended.

Event Name: 4th of July Celebration Run
Event Date: July 4, 2016 Time(s) 8:30 am – 11:00 am

Location: Rogue Spirits Distillery & Parking Lot

Facilities to Be Used: Parking Lot in front of Rogue's Spirits Distillery and Port of Newport South Beach Activities Room

Set-up Dates and Start Times: July 4, 2016 – 7:00 am

Take-down Dates and End Times: July 4, 2016 – 1:00 pm

Estimated Number of Participants: Contestants: 150

Vendors / Volunteers: Volunteer 12 - 16

Attendees: 10 - 20

Applicant / Signer: Ed Cortes

Mailing Address: 2002 NW Oceanview Dr, Newport, OR 97365

Telephone: (541) 351-8265 E-mail ed@ardoradventures.com

Contact Person (if different than applicant): _____

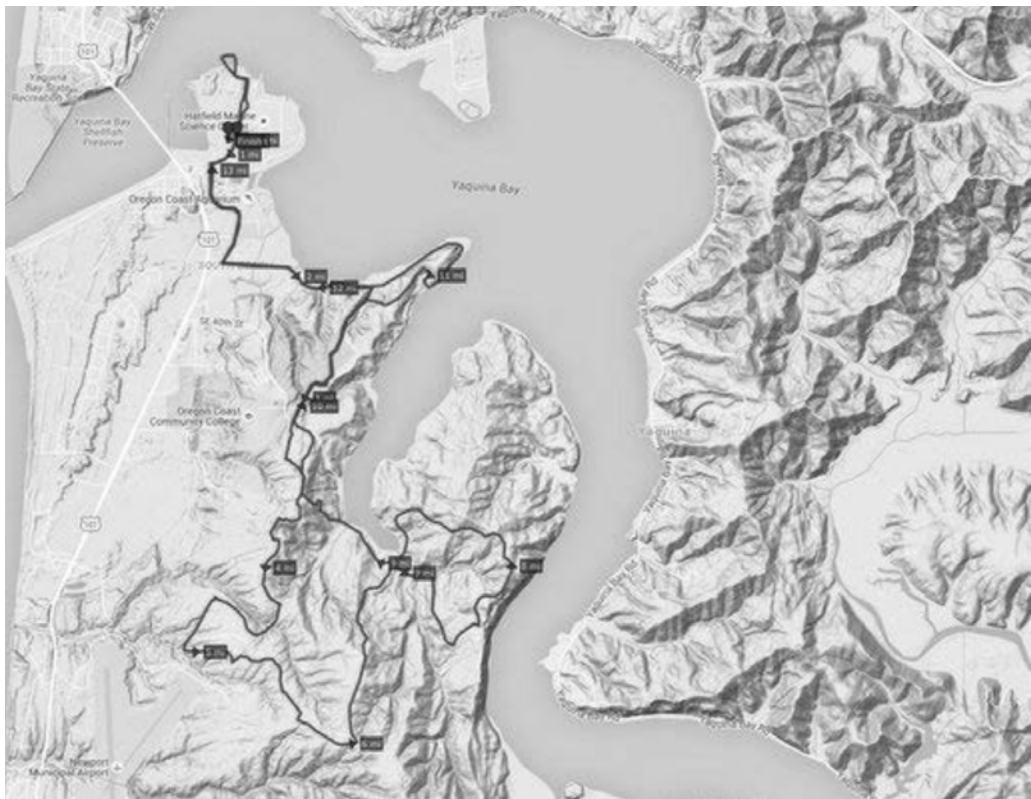
Contact Person's address, phone number and e-mail: _____

Please provide a detailed description of the event, and attach a map of the location(s) if applicable:

USAGE FEE SCHEDULE

PARTICIPANTS	NUMBER	FEE
Attendees, Contestants, Volunteers at Event	1-200	\$400.00
	201-500	\$650.00
	501-1000	\$900.00
	1,001- 5000	\$1400.00
	5,001-10,000	\$1,900.00
	More than 10,000	\$2,400.00
Vendors	N/A	\$40/ per vendor

Permittee will also need to carry comprehensive general liability insurance with limits of \$1,000,000.00 per occurrence and \$2,000,000.00 in aggregate, and will provide the Port with a Certificate of Insurance naming the Port as an additional insured.







CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/17/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER STAR Insurance - Fort Wayne Office 2130 East Dupont Road Fort Wayne IN 46825	CONTACT NAME: Margaret M. Mayers PHONE (A/C. No. Ext): (260)467-5689 E-MAIL ADDRESS: margaret.mayers@starfinancial.com		FAX (A/C. No.): (260)467-5691
	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED Road Runners Club of America/2016 and Its Member Clubs 1501 Lee Highway, Suite 140 Arlington VA 22209	INSURER A National Casualty Company		11991
	INSURER B Nationwide Life Insurance Co.		66869
	INSURER C:		
	INSURER D:		
	INSURER E:		

COVERAGES **CERTIFICATE NUMBER: 2016 \$1M A.I.** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Legal Liability to Participant \$1,000,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:			KRO0000005887400	12/31/2015 12:01 AM	12/31/2016 12:01 AM	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ Unlimited PRODUCTS - COMP/OP AGG \$ 1,000,000 Abuse & Molestation \$ 500,000 Abuse & Molestation Aggregate \$5,000,000
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			KRO0000005887400	12/31/2015 12:01 AM	12/31/2016 12:01 AM	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	<input type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B	<input type="checkbox"/> Excess Medical & Accident (\$250 Deductible/Claim)			SPX0000027201500	12/31/2015 12:01 AM	12/31/2016 12:01 AM	Excess Medical \$10,000 AD & Specific Loss \$2,500

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
CERTIFICATE HOLDER IS NAMED AS AN ADDITIONAL INSURED AS RESPECTS THEIR INTEREST IN THE OPERATIONS OF THE NAMED INSURED. DATE OF EVENT(S): 07/04/16 4th of July Celebration Run INSURED RRCA
CLUB/EVENT MEMBER: Coast Hills Events LLC, Att'n: Ed Cortes; 2002 NW Oceanview Dr., Newport, OR 97365

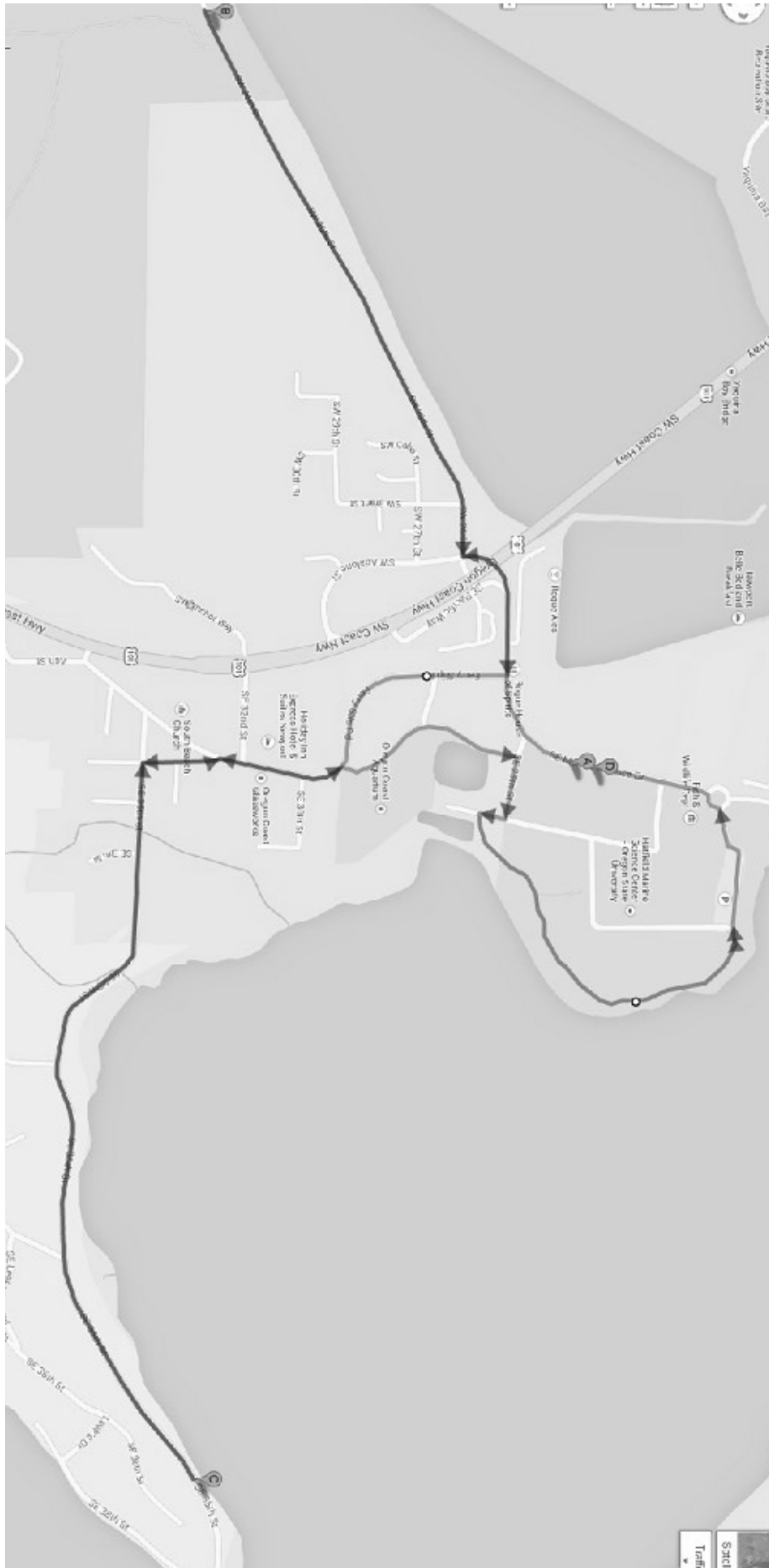
CERTIFICATE HOLDER

CANCELLATION

07/04/16 Port Newport 600 SE Bay Blvd. Newport, OR 97365	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Terry Diller/MMA <i>Terry R. Diller, CPCU</i>
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PORT OF NEWPORT SPECIAL USE PERMIT

This permit, effective July 1, 2016 from the Port of Newport, organized and existing under the laws of the State of Oregon, hereinafter referred to as "Port", to Ardor Adventures, hereinafter referred to as "Permittee."

The Port hereby grants permission to Permittee to use Port property as shown in Exhibit A maps, attached. Use of designated area by Permittee is for the events listed in Exhibit A, schedule of events.

Permit is subject to the rules, regulations, and ordinances of the Port of Newport and subject to the following terms and conditions:

1. **Application Fee.** A nonrefundable application fee in the amount of \$100.00.
2. **Usage Fees.** WAIVED in consideration of sponsorship rights and contribution of approximately 30% of event proceeds to local organizations.
3. **Reservation of Rights.** Port reserves the right to alter or amend the terms and conditions of this permit.
4. **Liability, indemnity of Port.** Permittee agrees to exercise due care in the activities described above and to abide by all Port rules, regulations and ordinances. Permittee shall indemnify and hold Port harmless from and against all claims, actions, proceedings, damages, and liabilities, including attorney fees, arising from or connected with Permittee's use of Port facilities. Permittee will carry a comprehensive general liability insurance policy with limits of \$1,000,000.00 per occurrence and \$2,000,000.00 in aggregate, and will provide the Port with a Certificate of Insurance naming the Port as an additional insured prior to each event.
5. **Limitation of Port's Liability.** Permittee acknowledges that Permittee has inspected the grounds and related facilities and is satisfied that these facilities are adequate for safe use for the above-described purpose. This permit is not a contract. Port's liability is limited to its sole negligence. Port's employees will make reasonable efforts to contact Permittee and notify Permittee of conditions requiring Permittee's attention, but Port assumes no responsibility of Permittee's use of the Port's facilities. Permittee confirms and assures that there are not alcoholic beverages used or provided during this event and that certified and trained emergency response providers are on site.
6. **Nontransferability/Term.** This permit is nontransferable. This permit expires March 12, 2017.

IN WITNESS WHEREOF, the Port has caused this permit to be issued on the date indicated above.

Port of Newport:

Accepted By:

Kevin Greenwood, General Manager

Ed Cortes, Ardor Adventures

ATTACHMENTS: Exhibit A Ardor Adventures Events Summary and Maps

ARDOR ADVENTURES EVENTS SUMMARY

Date	Event Name	# People	Location	≈Donation
7/4/2016	July 4th Celebration Run 4th Annual	200	SB RV Marina & Rogue Lot	\$600
8/20/2016	Chakra Blast	50	SB RV Marina & Rogue Lot	\$50
10/29/2016	Dia De Los Muertos	100	HMSC	\$100
11/23/2016	Turkey Trot 5th Annual	325	SB RV Marina & Rogue Lot	\$2,000
12/31/2016 or 1/7/2017	Resolution Run & Polar Bear Plunge 5th Annual	250	SB RV Marina & Rogue Lot	\$1,500
2/26/2017	Seafood & Wine 1/2 Marathon	150	SB RV Marina & Rogue Lot	\$500
3/11/2017	Shamrock Run 4th Annual	200	SB RV Marina & Rogue Lot	\$750
	TOTAL ANTICIPATED:	1,275		\$5,500

Donation Recipients Include:

Newport Food Pantry
 Lincoln County Children's Advocacy Center
 Same Case Elementary School
 Yaquina View Elementary School
 Newport HS Swim Team
 Waldport High School



Sponsorship Agreement: In Kind Sponsorship Value \$ 3600.

Event Names: See Attached Events Summary

Event Dates: See Attached Events Summary

Applicant: Ed Cortes for Ardor Adventures

Applicant will provide:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Logo placement on website | <input checked="" type="checkbox"/> Link to the Port of Newport on website |
| <input checked="" type="checkbox"/> Logo on event shirt (starting in Nov. 2016) | <input checked="" type="checkbox"/> Banner displayed at event |
| <input type="checkbox"/> Booth space at event | <input checked="" type="checkbox"/> Goodie Bag insert |
| <input type="checkbox"/> Mention in radio advertising | |

Other (please describe):

Identify Port of Newport as events' sponsor in communications.

Port of Newport will provide:

Waiver of \$3600 in Special Use Permit Usage Fees, banner for display, goodie bag insert materials.

X _____ Date: _____
Kevin Greenwood
Port of Newport

X _____ Date: _____
Ed Cortes
Ardor Adventures



Port of Newport
(Lincoln County, Oregon)

Summary of Refunding Bonds
June 16, 2016

Illustration at March 22, 2016 Board Meeting

\$8,505,000 - Port of Newport

General Obligation Refunding Bonds (Refunds Callable Portion of 2007/2008)

Dated: May 1, 2016 (S&P A+.BQ)

Debt Service Comparison

Part 1 of 2

Date	2016 REF Total P+I	Noncallable Portion of 2007/2008	Net New D/S	Old Callable Portion of 2007/2008	Savings	Total
05/01/2016	-	-	-	-	-	-
07/01/2016	36,280.83	7,400.00	43,680.83	172,108.75	128,427.92	128,427.92
01/01/2017	198,842.50	252,400.00	451,242.50	417,108.75	(34,133.75)	-
07/01/2017	108,460.00	2,500.00	110,960.00	167,208.75	56,248.75	22,115.00
01/01/2018	328,460.00	127,500.00	455,960.00	422,208.75	(33,751.25)	-
07/01/2018	107,360.00	-	107,360.00	162,108.75	54,748.75	20,997.50
01/01/2019	457,360.00	-	457,360.00	427,108.75	(30,251.25)	-
07/01/2019	105,347.50	-	105,347.50	156,890.00	51,542.50	21,291.25
01/01/2020	460,347.50	-	460,347.50	436,890.00	(23,457.50)	-
07/01/2020	102,951.25	-	102,951.25	151,283.76	48,332.51	24,875.01
01/01/2021	467,951.25	-	467,951.25	441,283.76	(26,667.49)	-
07/01/2021	100,213.75	-	100,213.75	145,477.51	45,263.76	18,596.27
01/01/2022	465,213.75	-	465,213.75	445,477.51	(19,736.24)	-
07/01/2022	97,111.25	-	97,111.25	139,471.25	42,360.00	22,623.76
01/01/2023	467,111.25	-	467,111.25	454,471.25	(12,640.00)	-
07/01/2023	93,688.75	-	93,688.75	132,993.75	39,305.00	26,665.00
01/01/2024	473,688.75	-	473,688.75	457,993.75	(15,695.00)	-
07/01/2024	89,793.75	-	89,793.75	126,310.63	36,516.88	20,821.88
01/01/2025	474,793.75	-	474,793.75	466,310.63	(8,483.12)	-
07/01/2025	85,558.75	-	85,558.75	119,318.75	33,760.00	25,276.88
01/01/2026	480,558.75	-	480,558.75	474,318.75	(6,240.00)	-
07/01/2026	79,732.50	-	79,732.50	112,018.75	32,286.25	26,046.25
01/01/2027	489,732.50	-	489,732.50	482,018.75	(7,713.75)	-
07/01/2027	73,685.00	-	73,685.00	104,410.00	30,725.00	23,011.25
01/01/2028	493,685.00	-	493,685.00	484,410.00	(9,275.00)	-
07/01/2028	67,490.00	-	67,490.00	96,522.50	29,032.50	19,757.50
01/01/2029	497,490.00	-	497,490.00	496,522.50	(967.50)	-
07/01/2029	61,147.50	-	61,147.50	88,122.50	26,975.00	26,007.50
01/01/2030	511,147.50	-	511,147.50	508,122.50	(3,025.00)	-
07/01/2030	54,510.00	-	54,510.00	79,302.50	24,792.50	21,767.50
01/01/2031	514,510.00	-	514,510.00	514,302.50	(207.50)	-
07/01/2031	47,725.00	-	47,725.00	70,167.50	22,442.50	22,235.00
01/01/2032	517,725.00	-	517,725.00	520,167.50	2,442.50	-
07/01/2032	40,792.50	-	40,792.50	60,717.50	19,925.00	22,367.50
01/01/2033	525,792.50	-	525,792.50	530,717.50	4,925.00	-
07/01/2033	33,153.75	-	33,153.75	50,787.50	17,633.75	22,558.75
01/01/2034	528,153.75	-	528,153.75	540,787.50	12,633.75	-
07/01/2034	25,357.50	-	25,357.50	40,375.00	15,017.50	27,651.25
01/01/2035	545,357.50	-	545,357.50	555,375.00	10,017.50	-
07/01/2035	17,167.50	-	17,167.50	29,431.25	12,263.75	22,281.25
01/01/2036	557,167.50	-	557,167.50	569,431.25	12,263.75	-
07/01/2036	8,662.50	-	8,662.50	17,956.25	9,293.75	21,557.50
01/01/2037	558,662.50	-	558,662.50	577,956.25	19,293.75	-
07/01/2037	-	-	-	6,056.25	6,056.25	25,350.00
01/01/2038	-	-	-	291,056.25	291,056.25	-
07/01/2038	-	-	-	-	-	291,056.25
Total	\$11,449,940.83	\$389,800.00	\$11,839,740.83	\$12,743,078.80	\$903,337.97	-

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	639,801.74
Net PV Cashflow Savings @ 2.847%(Bond Yield)	639,801.74
Contingency or Rounding Amount	966.91
Net Present Value Benefit	\$640,768.65
Net PV Benefit / \$7,915,000 Refunded Principal	8.096%
Net PV Benefit / \$8,505,000 Refunding Principal	7.534%

Refunding Bond Information

Refunding Dated Date	5/01/2016
Refunding Delivery Date	5/01/2016

Final Summary as of June 2, 2016

Purpose of Issue

To achieve debt service savings.

Bonds to be Advance Refunded

The Port is refunding the callable portion only its outstanding General Obligation Bonds, Series 2007 (the "Series 2007 Bonds") and General Obligation Bonds, Series 2008 (the "Series 2008 Bonds") (collectively the "Refunded Bonds").

The Port issued the Series 2007 Bonds, in the original aggregate principal amount of \$5,000,000 on April 5, 2007. The Series 2007 Bonds were issued to finance the costs of capital construction and capital improvements for the Port and to pay costs of issuance of the Series 2007 Bonds. The Series 2007 Bonds are subject to optional redemption on January 1, 2017 at a price of par and will be escrowed to the call date. The Port issued its Series 2008 Bonds, in the original aggregate principal amount of \$5,000,000 on June 10, 2008. The Series 2008 Bonds were issued to finance the costs of capital construction and capital improvements for the Port and to pay costs of issuance of the Series 2008 Bonds. The Series 2008 Bonds are subject to optional redemption on January 1, 2018 at a price of par and will be escrowed to the call date.

Refunding Bonds

The Refunding Bonds were priced on June 2, 2016 and were sold as a single series. The Refunding Bonds mature January 1, 2017 through and including January 1, 2035 with a Term Bond due January 1, 2037. The Refunding Bonds are subject to optional redemption prior to maturity is on January 1, 2026, and on any date thereafter, at a price of par. Closing for the Refunding Bonds is expected to occur on June 16, 2016.

\$7,610,000 - Port of Newport - Final Pricing June 2, 2016

General Obligation Refunding Bonds (Refunds Callable Portion of 2007/2008)

Dated: June 16, 2016 (S&P A+.BQ)

Refunding Summary

Dated 06/16/2016 Delivered 06/16/2016		General Obligation Refunding Bonds, Series 2016		
	Series 2007 Portion	Series 2008 Portion	Issue Summary	
Sources Of Funds				
Par Amount of Bonds	\$3,765,000.00	\$3,845,000.00	\$7,610,000.00	
Reoffering Premium	431,258.10	449,487.60	880,745.70	
Total Sources	\$4,196,258.10	\$4,294,487.60	\$8,490,745.70	
Uses Of Funds				
Total Underwriter's Discount (0.372%)	13,946.46	14,359.79	28,306.25	
Costs of Issuance	54,669.18	59,080.82	113,750.00	
Deposit to Net Cash Escrow Fund	4,125,518.53	4,222,615.02	8,348,133.55	
Rounding Amount	2,123.93	(1,568.03)	555.90	
Total Uses	\$4,196,258.10	\$4,294,487.60	\$8,490,745.70	
Flow of Funds Detail				
State and Local Government Series (SLGS) rates for Date of OMP Candidates	6/02/2016	6/02/2016	6/02/2016	
Primary Purpose Fund Solution Method	Net Funded	Net Funded	Net Funded	
Total Cost of Investments	\$4,125,518.53	\$4,222,615.02	\$8,348,133.55	
Interest Earnings @ 0.705%	10,358.97	49,464.98	59,823.95	
Total Draws	\$4,135,877.50	\$4,272,080.00	\$8,407,957.50	
PV Analysis Summary (Net to Net)				
Net PV Cashflow Savings @ 2.302%(Bond Yield)	517,313.13	427,094.11	944,407.24	
Contingency or Rounding Amount	2,123.93	(1,568.03)	555.90	
Net Present Value Benefit	\$519,437.06	\$425,526.08	\$944,963.14	
Net PV Benefit / \$7,915,000 Refunded Principal	13.084%	10.786%	11.939%	
Net PV Benefit / \$7,610,000 Refunding Principal	13.796%	11.067%	12.417%	
Net PV Benefit / \$8,490,745.50 Refunding Proceeds	12.379%	9.909%	11.129%	
Bond Statistics				
Average Life	12.073 Years	12.436 Years	12.257 Years	
Average Coupon	3.7368286%	3.7378063%	3.7373298%	
Net Interest Cost (NIC)	2.8187395%	2.8278342%	2.8234021%	
Bond Yield for Arbitrage Purposes	2.3024608%	2.3024608%	2.3024608%	
True Interest Cost (TIC)	2.6312837%	2.6409888%	2.6362557%	
All Inclusive Cost (AIC)	2.7682569%	2.7820418%	2.7753177%	

\$7,610,000 - Port of Newport - Final Pricing June 2, 2016

General Obligation Refunding Bonds (Refunds Callable Portion of 2007/2008)

Dated: June 16, 2016 (S&P A+.BQ)

Detail Costs Of Issuance

Dated 06/16/2016 Delivered 06/16/2016		General Obligation Refunding Bonds, Series 2016		
	Series 2007 Portion	Series 2008 Portion	Issue Summary	
COSTS OF ISSUANCE DETAIL				
SDAOAS - FA Fee	\$12,368.59	\$12,631.41	\$25,000.00	
Hawkins Delafield & Wood LLP - Bond Counsel	\$16,079.17	\$16,420.83	\$32,500.00	
Quarles & Brady LLP - Disclosure Counsel	\$9,894.88	\$10,105.12	\$20,000.00	
US Bank - Paying Agent (One-Time Fee)	\$5,689.55	\$5,810.45	\$11,500.00	
S&P Rating Agency Fee (Quote)	\$6,926.41	\$7,073.59	\$14,000.00	
US Bank Escrow Agent Fee (Quote)	\$593.69	\$606.31	\$1,200.00	
Oregon State Treasurer AR Fee	-	\$3,250.00	\$3,250.00	
Oregon State Treasurer MDAC Fee	\$395.80	\$404.20	\$800.00	
TKW LLP - Escrow Verification Agent	\$1,484.23	\$1,515.77	\$3,000.00	
Miscellaneous	\$1,236.86	\$1,263.14	\$2,500.00	
TOTAL	\$54,669.18	\$59,080.82	\$113,750.00	

\$7,610,000 - Port of Newport - Final Pricing June 2, 2016

General Obligation Refunding Bonds (Refunds Callable Portion of 2007/2008)
Dated: June 16, 2016 (S&P A+.BQ)

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings	Fiscal Total
06/16/2016	-	-	-	-	-	-
07/01/2016	-	7,400.00	7,400.00	172,108.75	164,708.75	164,708.75
01/01/2017	307,235.41	252,400.00	559,635.41	417,108.75	(142,526.66)	-
07/01/2017	138,975.00	2,500.00	141,475.00	167,208.75	25,733.75	(116,792.91)
01/01/2018	273,975.00	127,500.00	401,475.00	422,208.75	20,733.75	-
07/01/2018	136,950.00	-	136,950.00	162,108.75	25,158.75	45,892.50
01/01/2019	406,950.00	-	406,950.00	427,108.75	20,158.75	-
07/01/2019	132,900.00	-	132,900.00	156,890.00	23,990.00	44,148.75
01/01/2020	412,900.00	-	412,900.00	436,890.00	23,990.00	-
07/01/2020	128,700.00	-	128,700.00	151,283.76	22,583.76	46,573.76
01/01/2021	413,700.00	-	413,700.00	441,283.76	27,583.76	-
07/01/2021	124,425.00	-	124,425.00	145,477.51	21,052.51	48,636.27
01/01/2022	419,425.00	-	419,425.00	445,477.51	26,052.51	-
07/01/2022	118,525.00	-	118,525.00	139,471.25	20,946.25	46,998.76
01/01/2023	428,525.00	-	428,525.00	454,471.25	25,946.25	-
07/01/2023	112,325.00	-	112,325.00	132,993.75	20,668.75	46,615.00
01/01/2024	432,325.00	-	432,325.00	457,993.75	25,668.75	-
07/01/2024	105,925.00	-	105,925.00	126,310.63	20,385.63	46,054.38
01/01/2025	440,925.00	-	440,925.00	466,310.63	25,385.63	-
07/01/2025	99,225.00	-	99,225.00	119,318.75	20,093.75	45,479.38
01/01/2026	449,225.00	-	449,225.00	474,318.75	25,093.75	-
07/01/2026	92,225.00	-	92,225.00	112,018.75	19,793.75	44,887.50
01/01/2027	452,225.00	-	452,225.00	482,018.75	29,793.75	-
07/01/2027	85,025.00	-	85,025.00	104,410.00	19,385.00	49,178.75
01/01/2028	455,025.00	-	455,025.00	484,410.00	29,385.00	-
07/01/2028	77,625.00	-	77,625.00	96,522.50	18,897.50	48,282.50
01/01/2029	467,625.00	-	467,625.00	496,522.50	28,897.50	-
07/01/2029	69,825.00	-	69,825.00	88,122.50	18,297.50	47,195.00
01/01/2030	479,825.00	-	479,825.00	508,122.50	28,297.50	-
07/01/2030	61,625.00	-	61,625.00	79,302.50	17,677.50	45,975.00
01/01/2031	486,625.00	-	486,625.00	514,302.50	27,677.50	-
07/01/2031	53,125.00	-	53,125.00	70,167.50	17,042.50	44,720.00
01/01/2032	488,125.00	-	488,125.00	520,167.50	32,042.50	-
07/01/2032	44,425.00	-	44,425.00	60,717.50	16,292.50	48,335.00
01/01/2033	499,425.00	-	499,425.00	530,717.50	31,292.50	-
07/01/2033	35,325.00	-	35,325.00	50,787.50	15,462.50	46,755.00
01/01/2034	510,325.00	-	510,325.00	540,787.50	30,462.50	-
07/01/2034	25,825.00	-	25,825.00	40,375.00	14,550.00	45,012.50
01/01/2035	525,825.00	-	525,825.00	555,375.00	29,550.00	-
07/01/2035	15,825.00	-	15,825.00	29,431.25	13,606.25	43,156.25
01/01/2036	535,825.00	-	535,825.00	569,431.25	33,606.25	-
07/01/2036	8,025.00	-	8,025.00	17,956.25	9,931.25	43,537.50
01/01/2037	543,025.00	-	543,025.00	577,956.25	34,931.25	-
07/01/2037	-	-	-	6,056.25	6,056.25	40,987.50
01/01/2038	-	-	-	291,056.25	291,056.25	-
07/01/2038	-	-	-	-	-	291,056.25
Total	\$11,095,885.41	\$389,800.00	\$11,485,685.41	\$12,743,078.80	\$1,257,393.39	-

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	944,407.24
Net PV Cashflow Savings @ 2.302%(Bond Yield)	944,407.24
Contingency or Rounding Amount	555.90
Net Present Value Benefit	\$944,963.14
Net PV Benefit / \$7,915,000 Refunded Principal	11.939%
Net PV Benefit / \$7,610,000 Refunding Principal	12.417%
Net PV Benefit / \$8,490,745.50 Refunding Proceeds	11.129%

Refunding Bond Information

Refunding Dated Date	6/16/2016
Refunding Delivery Date	6/16/2016

\$7,610,000 - Port of Newport - Final Pricing June 2, 2016

General Obligation Refunding Bonds (Refunds Callable Portion of 2007/2008)
Dated: June 16, 2016 (S&P A+.BQ)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
01/01/2017	Serial Coupon	2.000%	0.680%	155,000.00	100.712%	-	-	-	156,103.60
01/01/2018	Serial Coupon	3.000%	0.860%	135,000.00	103.270%	-	-	-	139,414.50
01/01/2019	Serial Coupon	3.000%	1.020%	270,000.00	104.955%	-	-	-	283,378.50
01/01/2020	Serial Coupon	3.000%	1.170%	280,000.00	106.330%	-	-	-	297,724.00
01/01/2021	Serial Coupon	3.000%	1.300%	285,000.00	107.473%	-	-	-	306,298.05
01/01/2022	Serial Coupon	4.000%	1.440%	295,000.00	113.587%	-	-	-	335,081.65
01/01/2023	Serial Coupon	4.000%	1.580%	310,000.00	114.983%	-	-	-	356,447.30
01/01/2024	Serial Coupon	4.000%	1.690%	320,000.00	116.291%	-	-	-	372,131.20
01/01/2025	Serial Coupon	4.000%	1.770%	335,000.00	117.605%	-	-	-	393,976.75
01/01/2026	Serial Coupon	4.000%	1.880%	350,000.00	118.438%	-	-	-	414,533.00
01/01/2027	Serial Coupon	4.000%	1.990%	360,000.00	117.388%	c 2.148%	01/01/2026	100.000%	422,596.80
01/01/2028	Serial Coupon	4.000%	2.060%	370,000.00	116.726%	c 2.338%	01/01/2026	100.000%	431,886.20
01/01/2029	Serial Coupon	4.000%	2.110%	390,000.00	116.256%	c 2.483%	01/01/2026	100.000%	453,398.40
01/01/2030	Serial Coupon	4.000%	2.180%	410,000.00	115.601%	c 2.624%	01/01/2026	100.000%	473,964.10
01/01/2031	Serial Coupon	4.000%	2.230%	425,000.00	115.136%	c 2.732%	01/01/2026	100.000%	489,328.00
01/01/2032	Serial Coupon	4.000%	2.280%	435,000.00	114.673%	c 2.827%	01/01/2026	100.000%	498,827.55
01/01/2033	Serial Coupon	4.000%	2.330%	455,000.00	114.212%	c 2.911%	01/01/2026	100.000%	519,664.60
01/01/2034	Serial Coupon	4.000%	2.380%	475,000.00	113.754%	c 2.987%	01/01/2026	100.000%	540,331.50
01/01/2035	Serial Coupon	4.000%	2.430%	500,000.00	113.297%	c 3.055%	01/01/2026	100.000%	566,485.00
01/01/2037	Term 1 Coupon	3.000%	3.099%	1,055,000.00	98.500%	-	-	-	1,039,175.00
Total	-	-	-	\$7,610,000.00	-	-	-	-	\$8,490,745.70

Bid Information

Par Amount of Bonds	\$7,610,000.00
Reoffering Premium or (Discount)	880,745.70
Gross Production	\$8,490,745.70
Total Underwriter's Discount (0.372%)	\$(28,306.25)
Bid (111.202%)	8,462,439.45
Total Purchase Price	\$8,462,439.45
Bond Year Dollars	\$93,272.08
Average Life	12.257 Years
Average Coupon	3.7373298%
Net Interest Cost (NIC)	2.8234021%
True Interest Cost (TIC)	2.6362557%

\$7,610,000 - Port of Newport - Final Pricing June 2, 2016

General Obligation Refunding Bonds (Refunds Callable Portion of 2007/2008)

Dated: June 16, 2016 (S&P A+.BQ)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Total
06/16/2016	-	-	-	-	-
01/01/2017	155,000.00	2.000%	152,235.41	307,235.41	-
07/01/2017	-	-	138,975.00	138,975.00	446,210.41
01/01/2018	135,000.00	3.000%	138,975.00	273,975.00	-
07/01/2018	-	-	136,950.00	136,950.00	410,925.00
01/01/2019	270,000.00	3.000%	136,950.00	406,950.00	-
07/01/2019	-	-	132,900.00	132,900.00	539,850.00
01/01/2020	280,000.00	3.000%	132,900.00	412,900.00	-
07/01/2020	-	-	128,700.00	128,700.00	541,600.00
01/01/2021	285,000.00	3.000%	128,700.00	413,700.00	-
07/01/2021	-	-	124,425.00	124,425.00	538,125.00
01/01/2022	295,000.00	4.000%	124,425.00	419,425.00	-
07/01/2022	-	-	118,525.00	118,525.00	537,950.00
01/01/2023	310,000.00	4.000%	118,525.00	428,525.00	-
07/01/2023	-	-	112,325.00	112,325.00	540,850.00
01/01/2024	320,000.00	4.000%	112,325.00	432,325.00	-
07/01/2024	-	-	105,925.00	105,925.00	538,250.00
01/01/2025	335,000.00	4.000%	105,925.00	440,925.00	-
07/01/2025	-	-	99,225.00	99,225.00	540,150.00
01/01/2026	350,000.00	4.000%	99,225.00	449,225.00	-
07/01/2026	-	-	92,225.00	92,225.00	541,450.00
01/01/2027	360,000.00	4.000%	92,225.00	452,225.00	-
07/01/2027	-	-	85,025.00	85,025.00	537,250.00
01/01/2028	370,000.00	4.000%	85,025.00	455,025.00	-
07/01/2028	-	-	77,625.00	77,625.00	532,650.00
01/01/2029	390,000.00	4.000%	77,625.00	467,625.00	-
07/01/2029	-	-	69,825.00	69,825.00	537,450.00
01/01/2030	410,000.00	4.000%	69,825.00	479,825.00	-
07/01/2030	-	-	61,625.00	61,625.00	541,450.00
01/01/2031	425,000.00	4.000%	61,625.00	486,625.00	-
07/01/2031	-	-	53,125.00	53,125.00	539,750.00
01/01/2032	435,000.00	4.000%	53,125.00	488,125.00	-
07/01/2032	-	-	44,425.00	44,425.00	532,550.00
01/01/2033	455,000.00	4.000%	44,425.00	499,425.00	-
07/01/2033	-	-	35,325.00	35,325.00	534,750.00
01/01/2034	475,000.00	4.000%	35,325.00	510,325.00	-
07/01/2034	-	-	25,825.00	25,825.00	536,150.00
01/01/2035	500,000.00	4.000%	25,825.00	525,825.00	-
07/01/2035	-	-	15,825.00	15,825.00	541,650.00
01/01/2036	520,000.00	3.000%	15,825.00	535,825.00	-
07/01/2036	-	-	8,025.00	8,025.00	543,850.00
01/01/2037	535,000.00	3.000%	8,025.00	543,025.00	-
07/01/2037	-	-	-	-	543,025.00
Total	\$7,610,000.00	-	\$3,485,885.41	\$11,095,885.41	-

Escrow Reports

- Escrow Requirement (Debt Service to Call)
- Escrow Cash Flow
- Escrow Summary Cost
- Proof of Escrow Yield
- Proof of Bond Yield

\$7,610,000 - Port of Newport - Final Pricing June 2, 2016			
General Obligation Refunding Bonds (Refunds Callable Portion of 2007/2008)			
Dated: June 16, 2016 (S&P A+.BQ)			
Debt Service To Maturity And To Call			
Date	Refunded Bonds	Interest to Call	D/S To Call
07/01/2016	-	164,708.75	164,708.75
01/01/2017	3,970,000.00	164,708.75	4,134,708.75
07/01/2017	-	81,770.00	81,770.00
01/01/2018	3,945,000.00	81,770.00	4,026,770.00
07/01/2018	-	-	-

\$7,610,000 - Port of Newport - Final Pricing June 2, 2016
General Obligation Refunding Bonds (Refunds Callable Portion of 2007/2008)
Dated: June 16, 2016 (S&P A+.BQ)

Escrow Fund Cashflow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
06/16/2016	-	-	-	0.55	-	0.55
07/01/2016	164,709.00	-	-	164,709.00	164,708.75	0.80
01/01/2017	4,106,794.00	0.470%	27,914.24	4,134,708.24	4,134,708.75	0.29
07/01/2017	65,704.00	0.680%	16,066.55	81,770.55	81,770.00	0.84
01/01/2018	4,010,926.00	0.790%	15,843.16	4,026,769.16	4,026,770.00	-
Total	\$8,348,133.00	-	\$59,823.95	\$8,407,957.50	\$8,407,957.50	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	0.55
Cost of Investments Purchased with Bond Proceeds	8,348,133.00
Total Cost of Investments	\$8,348,133.55
Target Cost of Investments at bond yield	\$8,215,277.89
Actual positive or (negative) arbitrage	(132,855.63)
Yield to Receipt	0.7049278%
Yield for Arbitrage Purposes	2.3024608%
State and Local Government Series (SLGS) rates for	6/02/2016

\$7,610,000 - Port of Newport - Final Pricing June 2, 2016

General Obligation Refunding Bonds (Refunds Callable Portion of 2007/2008)
Dated: June 16, 2016 (S&P A+.BQ)

Escrow Summary Cost

Maturity	Type	Coupon	Yield	\$ Price	Par Amount	Principal Cost	+Accrued Interest	= Total Cost
Escrow								
07/01/2016	SLGS-CI	-	-	100.000000%	164,709	164,709.00	-	164,709.00
01/01/2017	SLGS-CI	0.470%	0.470%	100.000000%	4,106,794	4,106,794.00	-	4,106,794.00
07/01/2017	SLGS-NT	0.680%	0.680%	100.000000%	65,704	65,704.00	-	65,704.00
01/01/2018	SLGS-NT	0.790%	0.790%	100.000000%	4,010,926	4,010,926.00	-	4,010,926.00
Subtotal		-	-	-	\$8,348,133	\$8,348,133.00	-	\$8,348,133.00
Total		-	-	-	\$8,348,133	\$8,348,133.00	-	\$8,348,133.00

Escrow

Cash Deposit	0.55
Cost of Investments Purchased with Bond Proceeds	8,348,133.00
Total Cost of Investments	\$8,348,133.55

Delivery Date 6/16/2016

\$7,610,000 - Port of Newport - Final Pricing June 2, 2016

General Obligation Refunding Bonds (Refunds Callable Portion of 2007/2008)
Dated: June 16, 2016 (S&P A+.BQ)

Primary Purpose Fund Proof Of Yield @ 0.7049278376%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
06/16/2016	-	1.000000x	-	-
07/01/2016	164,709.00	0.9997068x	164,660.71	164,660.71
01/01/2017	4,134,708.24	0.9961956x	4,118,978.19	4,283,638.90
07/01/2017	81,770.55	0.9926967x	81,173.36	4,364,812.26
01/01/2018	4,026,769.16	0.9892101x	3,983,320.74	8,348,133.00
Total	\$8,407,956.95	-	\$8,348,133.00	-

Composition Of Initial Deposit

Cost of Investments Purchased with Bond Proceeds	8,348,133.00
Adjusted Cost of Investments	8,348,133.00

Refunded Bonds

- Summary of Bonds Refunded

\$7,610,000 - Port of Newport - Final Pricing June 2, 2016

General Obligation Refunding Bonds (Refunds Callable Portion of 2007/2008)

Dated: June 16, 2016 (S&P A+.BQ)

Summary Of Bonds Refunded

Issue	Maturity	Type	of Bond	Coupon	Maturity Value	Call Date	Call Price
Dated 4/05/2007 Delivered 4/05/2007							
2007 G.O. Bonds	01/01/2018	Serial	Coupon	4.000%	130,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2019	Serial	Coupon	4.000%	135,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2020	Term 1	Coupon	4.125%	145,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2021	Term 1	Coupon	4.125%	150,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2022	Term 1	Coupon	4.125%	155,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2023	Term 1	Coupon	4.125%	160,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2024	Term 1	Coupon	4.125%	165,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2025	Term 1	Coupon	4.125%	175,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2026	Term 1	Coupon	4.125%	180,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2027	Term 1	Coupon	4.125%	190,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2028	Term 2	Coupon	4.200%	195,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2029	Term 2	Coupon	4.200%	205,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2030	Term 2	Coupon	4.200%	215,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2031	Term 2	Coupon	4.200%	225,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2032	Term 2	Coupon	4.200%	230,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2033	Term 3	Coupon	4.250%	240,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2034	Term 3	Coupon	4.250%	250,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2035	Term 3	Coupon	4.250%	265,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2036	Term 3	Coupon	4.250%	275,000	01/01/2017	100.000%
2007 G.O. Bonds	01/01/2037	Term 3	Coupon	4.250%	285,000	01/01/2017	100.000%
Subtotal	-	-	-	-	\$3,970,000	-	-
Dated 6/10/2008 Delivered 6/10/2008							
2008 G.O. Bonds	01/01/2019	Term 1	Coupon	3.875%	130,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2020	Term 1	Coupon	3.875%	135,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2021	Term 1	Coupon	3.875%	140,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2022	Term 1	Coupon	3.875%	145,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2023	Term 2	Coupon	4.100%	155,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2024	Term 2	Coupon	4.100%	160,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2025	Term 2	Coupon	4.100%	165,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2026	Term 2	Coupon	4.100%	175,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2027	Term 2	Coupon	4.100%	180,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2028	Term 2	Coupon	4.100%	185,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2029	Term 3	Coupon	4.200%	195,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2030	Term 3	Coupon	4.200%	205,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2031	Term 3	Coupon	4.200%	210,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2032	Term 3	Coupon	4.200%	220,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2033	Term 3	Coupon	4.200%	230,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2034	Term 4	Coupon	4.250%	240,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2035	Term 4	Coupon	4.250%	250,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2036	Term 4	Coupon	4.250%	265,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2037	Term 4	Coupon	4.250%	275,000	01/01/2018	100.000%
2008 G.O. Bonds	01/01/2038	Term 4	Coupon	4.250%	285,000	01/01/2018	100.000%
Subtotal	-	-	-	-	\$3,945,000	-	-
Total	-	-	-	-	\$7,915,000	-	-

Bond Sale Summary

Deal Information @ 7:30 am					
Deal Description:	Port of Newport Lincoln County General Obligation Refunding Bonds, Series 2016				
Deal Size:	\$7,620,000	Deal Type:	Negotiated		
Sr. Manager:	Piper Jaffray & Co	Book Manager:	Piper Jaffray & Co	Bank Qualified:	Yes
Sr. Manager Location:	Minneapolis, MN	Book Manager Location:	Minneapolis, MN		
Order Period until 7:30 AM Pacific, Wednesday, June 02, 2016					

Series Size:	\$7,620,000				
Dated:	6/16/2016	First Coupon:	1/1/2017	Interest Accrues:	
Dated for Zeros:		Award Date:		Initial Trade Date:	
Delivery Date:	6/15/2016	Firm Delivery:		State of Issuance:	Oregon

Moody's	S&P	Fitch	Insured By
	A+		

Book Entry Series is clearing through DTC

Bonds

Maturity	Amount	Coupon	Price/Yield	Computed Price/Yield	Credit (\$)	Notes
1/1/2017	155	2.00%	0.680	100.712		
1/1/2018	135	3.00%	0.860	103.270		
1/1/2019	270	3.00%	1.020	104.955		
1/1/2020	285	3.00%	1.170	106.330		
1/1/2021	285	3.00%	1.320	107.381		
1/1/2022	295	4.00%	1.440	113.587		
1/1/2023	310	4.00%	1.580	114.983		
1/1/2024	320	4.00%	1.690	116.291		
1/1/2025	335	4.00%	1.770	117.605		
1/1/2026	350	4.00%	1.880	118.438		
1/1/2027	360	4.00%	1.990	PTC 117.388 (YTM 2.148)		
1/1/2028	370	4.00%	2.080	PTC 116.538 (YTM 2.355)		
1/1/2029	390	4.00%	2.130	PTC 116.068 (YTM 2.500)		
1/1/2030	410	4.00%	2.200	PTC 115.415 (YTM 2.639)		
1/1/2031	425	4.00%	2.250	PTC 114.951 (YTM 2.746)		
1/1/2032	440	4.00%	2.300	PTC 114.489 (YTM 2.840)		
1/1/2033	455	4.00%	2.350	PTC 114.029 (YTM 2.924)		
1/1/2034	475	4.00%	2.400	PTC 113.571 (YTM 2.999)		
1/1/2035	500	4.00%	2.450	PTC 113.115 (YTM 3.067)		
1/1/2037	1055	3.00%	3.110	98.338		
Call Feature	Optional Call in 01/01/2026 @ 100.00					

Deal Information @ 9:00 am					
Deal Description:	Port of Newport Lincoln County General Obligation Refunding Bonds, Series 2016				
Deal Size:	\$7,610,000	Deal Type:	Negotiated		
Sr. Manager:	Piper Jaffray & Co	Book Manager:	Piper Jaffray & Co	Bank Qualified:	Yes
Sr. Manager Location:	Minneapolis, MN	Book Manager Location:	Minneapolis, MN		
Order Period until 7:30 AM Pacific, Wednesday, June 02, 2016					

Series Size:	\$7,610,000				
Dated:	6/16/2016	First Coupon:	1/1/2017	Interest Accrues:	
Dated for Zeros:		Award Date:		Initial Trade Date:	
Delivery Date:	6/15/2016	Firm Delivery:		State of Issuance:	Oregon

Moody's	S&P	Fitch	Insured By
	A+		

Book Entry Series is clearing through DTC

Bonds

Maturity	Amount	Coupon	Price/Yield	Computed Price/Yield	Credit (\$)	Notes
1/1/2017	155	2.00%	0.680	100.712		
1/1/2018	135	3.00%	0.860	103.270		
1/1/2019	270	3.00%	1.020	104.955		
1/1/2020	280	3.00%	1.170	106.330		
1/1/2021	285	3.00%	1.300	107.473		
1/1/2022	295	4.00%	1.440	113.587		
1/1/2023	310	4.00%	1.580	114.983		
1/1/2024	320	4.00%	1.690	116.291		
1/1/2025	335	4.00%	1.770	117.605		
1/1/2026	350	4.00%	1.880	118.438		
1/1/2027	360	4.00%	1.990	PTC 117.388 (YTM 2.148)		
1/1/2028	370	4.00%	2.060	PTC 116.726 (YTM 2.338)		
1/1/2029	390	4.00%	2.110	PTC 116.256 (YTM 2.483)		
1/1/2030	410	4.00%	2.180	PTC 115.601 (YTM 2.624)		
1/1/2031	425	4.00%	2.230	PTC 115.136 (YTM 2.732)		
1/1/2032	435	4.00%	2.280	PTC 114.673 (YTM 2.827)		
1/1/2033	455	4.00%	2.330	PTC 114.212 (YTM 2.911)		
1/1/2034	475	4.00%	2.380	PTC 113.754 (YTM 2.987)		
1/1/2035	500	4.00%	2.430	PTC 113.297 (YTM 3.055)		
1/1/2037	1055	3.00%	3.099	98.500		
Call Feature	Optional Call in 01/01/2026 @ 100.00					

Port of Newport - GO Refunding Bonds, Series 2016 Open @ 7:30 am										
Maturity	Amount	Total Priority Retail (\$000's)	Total Priority Non-Retail (\$000's)	Total Priority (\$000's)	Total Member Retail (\$000's)	Total Member Non-Retail (\$000's)	Total Member (\$000's)	Total (\$000's)	Balance (\$000's)	Over / (Under)
01/01/2017	155	0	0	0	0	0	0	0	155	-
01/01/2018	135	0	0	0	0	0	0	0	135	-
01/01/2019	270	0	0	0	0	30	30	30	240	0.1
01/01/2020	285	0	0	0	0	285	285	285	0	1.0
01/01/2021	285	0	0	0	0	oversold	oversold	oversold	#VALUE!	#VALUE!
01/01/2022	295	0	0	0	0	295	295	295	0	1.0
01/01/2023	310	0	0	0	0	310	310	310	0	1.0
01/01/2024	320	0	0	0	0	320	320	320	0	1.0
01/01/2025	335	0	0	0	0	0	0	0	335	-
01/01/2026	350	0	0	0	0	0	0	0	350	-
01/01/2027	360	0	0	0	0	0	0	0	360	-
01/01/2028	370	0	0	0	0	370	370	370	0	1.0
01/01/2029	390	0	0	0	0	390	390	390	0	1.0
01/01/2030	410	0	0	0	0	0	0	0	410	-
01/01/2031	425	0	0	0	0	425	425	425	0	1.0
01/01/2032	440	0	0	0	0	0	0	0	440	-
01/01/2033	455	0	0	0	0	0	0	0	455	-
01/01/2034	475	0	0	0	0	475	475	475	0	1.0
01/01/2035	500	0	0	0	0	500	500	500	0	1.0
01/01/2037	1,055	0	0	0	0	1,055	1,055	1,055	0	1.0
TOTAL:	7,620	0	0	0	0	4,455	4,455	4,455	2,880	

Port of Newport - GO Refunding Bonds, Series 2016 @ 8:00 am										
Maturity	Amount	Total Priority Retail (\$000's)	Total Priority Non-Retail (\$000's)	Total Priority (\$000's)	Total Member Retail (\$000's)	Total Member Non-Retail (\$000's)	Total Member (\$000's)	Total (\$000's)	Balance (\$000's)	Over / (Under)
01/01/2017	155	0	0	0	0	0	0	0	155	-
01/01/2018	135	0	0	0	0	0	0	0	135	-
01/01/2019	270	0	0	0	0	30	30	30	240	0.1
01/01/2020	285	0	0	0	0	285	285	285	0	1.0
01/01/2021	285	0	0	0	0	oversold	oversold	oversold	#VALUE!	#VALUE!
01/01/2022	295	0	0	0	0	295	295	295	0	1.0
01/01/2023	310	0	0	0	0	310	310	310	0	1.0
01/01/2024	320	0	0	0	0	320	320	320	0	1.0
01/01/2025	335	0	0	0	0	0	0	0	335	-
01/01/2026	350	0	0	0	0	0	0	0	350	-
01/01/2027	360	0	0	0	0	0	0	0	360	-
01/01/2028	370	0	0	0	0	oversold	oversold	oversold	#VALUE!	#VALUE!
01/01/2029	390	0	0	0	0	390	390	390	0	1.0
01/01/2030	410	0	0	0	0	0	0	0	410	-
01/01/2031	425	0	0	0	0	oversold	oversold	oversold	#VALUE!	#VALUE!
01/01/2032	440	0	0	0	0	0	0	0	440	-
01/01/2033	455	0	0	0	0	0	0	0	455	-
01/01/2034	475	0	0	0	0	oversold	oversold	oversold	#VALUE!	#VALUE!
01/01/2035	500	0	0	0	0	oversold	oversold	oversold	#VALUE!	#VALUE!
01/01/2037	1,055	0	0	0	100	oversold	oversold	oversold	#VALUE!	#VALUE!
TOTAL:	7,620	0	0	0	100	2,525	2,525	2,525	1,985	

Port of Newport - GO Refunding Bonds, Series 2016 @ 8:15 am										
Maturity	Amount	Total Priority Retail (\$000's)	Total Priority Non-Retail (\$000's)	Total Priority (\$000's)	Total Member Retail (\$000's)	Total Member Non-Retail (\$000's)	Total Member (\$000's)	Total (\$000's)	Balance (\$000's)	Over / (Under)
01/01/2017	155	0	0	0	0	0	0	0	155	-
01/01/2018	135	0	0	0	0	0	0	0	135	-
01/01/2019	270	0	0	0	0	30	30	30	240	0.1
01/01/2020	285	0	0	0	0	285	285	285	0	1.0
01/01/2021	285	0	0	0	0	500	500	500	(215)	1.8
01/01/2022	295	0	0	0	0	295	295	295	0	1.0
01/01/2023	310	0	0	0	0	310	310	310	0	1.0
01/01/2024	320	0	0	0	0	320	320	320	0	1.0
01/01/2025	335	0	0	0	0	0	0	0	335	-
01/01/2026	350	0	0	0	0	0	0	0	350	-
01/01/2027	360	0	0	0	0	0	0	0	360	-
01/01/2028	370	0	0	0	0	740	740	740	(370)	2.0
01/01/2029	390	0	0	0	0	780	780	780	(390)	2.0
01/01/2030	410	0	0	0	0	820	820	820	(410)	2.0
01/01/2031	425	0	0	0	0	1,275	1,275	1,275	(850)	3.0
01/01/2032	440	0	0	0	40	880	920	920	(480)	2.1
01/01/2033	455	0	0	0	0	910	910	910	(455)	2.0
01/01/2034	475	0	0	0	0	950	950	950	(475)	2.0
01/01/2035	500	0	0	0	0	1,000	1,000	1,000	(500)	2.0
01/01/2037	1,055	0	0	0	100	2,110	2,210	2,210	(1,155)	2.1
TOTAL:	7,620	0	0	0	140	11,205	11,345	11,345	1,575	

Port of Newport - GO Refunding Bonds, Series 2016 @ 8:45 am										
Maturity	Amount	Total Priority Retail (\$000's)	Total Priority Non-Retail (\$000's)	Total Priority (\$000's)	Total Member Retail (\$000's)	Total Member Non-Retail (\$000's)	Total Member (\$000's)	Total (\$000's)	Balance (\$000's)	Over / (Under)
01/01/2017	155	0	0	0	0	0	0	0	155	-
01/01/2018	135	0	0	0	0	0	0	0	135	-
01/01/2019	270	0	0	0	0	300	300	300	(30)	1.1
01/01/2020	285	0	0	0	0	570	570	570	(285)	2.0
01/01/2021	285	0	0	0	0	885	885	885	(600)	3.1
01/01/2022	295	0	0	0	0	590	590	590	(295)	2.0
01/01/2023	310	0	0	0	0	620	620	620	(310)	2.0
01/01/2024	320	0	0	0	0	640	640	640	(320)	2.0
01/01/2025	335	0	0	0	0	250	250	250	85	0.7
01/01/2026	350	0	0	0	0	180	180	180	170	0.5
01/01/2027	360	0	0	0	0	360	360	360	0	1.0
01/01/2028	370	0	0	0	0	1,110	1,110	1,110	(740)	3.0
01/01/2029	390	0	0	0	0	780	780	780	(390)	2.0
01/01/2030	410	0	0	0	0	820	820	820	(410)	2.0
01/01/2031	425	0	0	0	0	1,275	1,275	1,275	(850)	3.0
01/01/2032	440	0	0	0	40	880	920	920	(480)	2.1
01/01/2033	455	0	0	0	0	910	910	910	(455)	2.0
01/01/2034	475	0	0	0	0	950	950	950	(475)	2.0
01/01/2035	500	0	0	0	0	1,000	1,000	1,000	(500)	2.0
01/01/2037	1,055	0	0	0	100	2,110	2,210	2,210	(1,155)	2.1
TOTAL:	7,620	0	0	0	140	14,230	14,370	14,370	545	

Port of Newport - GO Refunding Bonds, Series 2016 @ 9:00 am										
Maturity	Amount	Total Priority Retail (\$000's)	Total Priority Non-Retail (\$000's)	Total Priority (\$000's)	Total Member Retail (\$000's)	Total Member Non-Retail (\$000's)	Total Member (\$000's)	Total (\$000's)	Balance (\$000's)	Over / (Under)
01/01/2017	155	0	0	0	0	0	0	0	155	-
01/01/2018	135	0	0	0	0	0	0	0	135	-
01/01/2019	270	0	0	0	0	300	300	300	(30)	1.1
01/01/2020	285	0	0	0	0	570	570	570	(285)	2.0
01/01/2021	285	0	0	0	0	885	885	885	(600)	3.1
01/01/2022	295	0	0	0	0	590	590	590	(295)	2.0
01/01/2023	310	0	0	0	0	620	620	620	(310)	2.0
01/01/2024	320	0	0	0	0	640	640	640	(320)	2.0
01/01/2025	335	0	0	0	0	250	250	250	85	0.7
01/01/2026	350	0	0	0	0	180	180	180	170	0.5
01/01/2027	360	0	0	0	0	360	360	360	0	1.0
01/01/2028	370	0	0	0	0	1,110	1,110	1,110	(740)	3.0
01/01/2029	390	0	0	0	0	780	780	780	(390)	2.0
01/01/2030	410	0	0	0	0	1,230	1,230	1,230	(820)	3.0
01/01/2031	425	0	0	0	0	1,275	1,275	1,275	(850)	3.0
01/01/2032	440	0	0	0	40	880	920	920	(480)	2.1
01/01/2033	455	0	0	0	0	910	910	910	(455)	2.0
01/01/2034	475	0	0	0	0	950	950	950	(475)	2.0
01/01/2035	500	0	0	0	0	1,000	1,000	1,000	(500)	2.0
01/01/2037	1,055	0	0	0	100	2,110	2,210	2,210	(1,155)	2.1
TOTAL:	7,620	0	0	0	140	14,640	14,780	14,780	545	

Port of Newport - GO Refunding Bonds, Series 2016 @ 12:00 pm										
Maturity	Amount	Total Priority Retail (\$000's)	Total Priority Non-Retail (\$000's)	Total Priority (\$000's)	Total Member Retail (\$000's)	Total Member Non-Retail (\$000's)	Total Member (\$000's)	Total (\$000's)	Balance (\$000's)	Over / (Under)
01/01/2017	155	0	0	0	0	0	0	0	155	-
01/01/2018	135	0	0	0	0	0	0	0	135	-
01/01/2019	270	0	0	0	0	670	670	670	(400)	2.5
01/01/2020	280	0	0	0	0	615	615	615	(335)	2.2
01/01/2021	285	0	0	0	0	985	985	985	(700)	3.5
01/01/2022	295	0	0	0	0	590	590	590	(295)	2.0
01/01/2023	310	0	0	0	0	620	620	620	(310)	2.0
01/01/2024	320	0	0	0	0	640	640	640	(320)	2.0
01/01/2025	335	0	0	0	0	250	250	250	85	0.7
01/01/2026	350	0	0	0	0	140	140	140	210	0.4
01/01/2027	360	0	0	0	0	360	360	360	0	1.0
01/01/2028	370	0	0	0	0	1,110	1,110	1,110	(740)	3.0
01/01/2029	390	0	0	0	0	780	780	780	(390)	2.0
01/01/2030	410	0	0	0	0	1,230	1,230	1,230	(820)	3.0
01/01/2031	425	0	0	0	0	1,275	1,275	1,275	(850)	3.0
01/01/2032	435	0	0	0	40	1,305	1,345	1,345	(910)	3.1
01/01/2033	455	0	0	0	0	910	910	910	(455)	2.0
01/01/2034	475	0	0	0	0	950	950	950	(475)	2.0
01/01/2035	500	0	0	0	0	1,000	1,000	1,000	(500)	2.0
01/01/2037	1,055	0	0	0	100	2,610	2,710	2,710	(1,655)	2.6
TOTAL:	7,610	0	0	0	140	16,040	16,180	16,180	585	2.1
Buyers:										
West Coast Trust										
C-Capital										
Wells Fargo Trust										
Seattle Capital										
Performance Trust (Bank Portfolio Manager)										
Baker Boyer (Manages Bank Portfolios)										
Washington Trust										
Pioneer Trust										
Columbia Bank										
Ferguson Wellman										
South Side Trust & Savings - Chicago										

Port of Newport - GO Refunding Bonds, Series 2016 @ 2:30 pm										
Maturity	Amount	Total Priority Retail (\$000's)	Total Priority Non-Retail (\$000's)	Total Priority (\$000's)	Total Member Retail (\$000's)	Total Member Non-Retail (\$000's)	Total Member (\$000's)	Total (\$000's)	Balance (\$000's)	Over / (Under)
01/01/2017	155	0	0	0	0	155	155	155	0	1.0
01/01/2018	135	0	0	0	0	135	135	135	0	1.0
01/01/2019	270	0	0	0	0	670	670	670	(400)	2.5
01/01/2020	280	0	0	0	0	615	615	615	(335)	2.2
01/01/2021	285	0	0	0	0	985	985	985	(700)	3.5
01/01/2022	295	0	0	0	0	590	590	590	(295)	2.0
01/01/2023	310	0	0	0	0	620	620	620	(310)	2.0
01/01/2024	320	0	0	0	0	640	640	640	(320)	2.0
01/01/2025	335	0	0	0	0	250	250	250	85	0.7
01/01/2026	350	0	0	0	0	350	350	350	0	1.0
01/01/2027	360	0	0	0	0	360	360	360	0	1.0
01/01/2028	370	0	0	0	0	1,110	1,110	1,110	(740)	3.0
01/01/2029	390	0	0	0	0	780	780	780	(390)	2.0
01/01/2030	410	0	0	0	0	1,230	1,230	1,230	(820)	3.0
01/01/2031	425	0	0	0	0	1,275	1,275	1,275	(850)	3.0
01/01/2032	435	0	0	0	40	1,305	1,345	1,345	(910)	3.1
01/01/2033	455	0	0	0	0	910	910	910	(455)	2.0
01/01/2034	475	0	0	0	0	950	950	950	(475)	2.0
01/01/2035	500	0	0	0	0	1,000	1,000	1,000	(500)	2.0
01/01/2037	1,055	0	0	0	100	2,610	2,710	2,710	(1,655)	2.6
TOTAL:	7,610	0	0	0	140	16,540	16,680	16,680	85	2.2

June 14, 2016

Kevin Greenwood, General Manager
Port of Newport
600 SE Bay Boulevard
Newport, OR 97365

Dear Mr. Greenwood

I am pleased to transmit a DRAFT copy of the Shipping Facility Feasibility Study for your review and presentation to the Board of Commissioners on June 21. In this report, you will find the preliminary findings and observations resulting from this effort. Overall, I am very optimistic about the Port's current plan to develop the Shipping Facility and to garner additional use of your facilities over the long term. The International Terminal and Shipping Facility represent significant public investments and this feasibility study validates many of the initiatives that you have set in motion.

I welcome your input on this report as we proceed towards completion of this work effort at the end of the month.

Sincerely



Matt Ransom
President

Draft Report



Port of Newport Shipping Facility Feasibility Study

June 2016

prepared by:
MARKET ADVISORY GROUP, LLC

June 14, 2016

Kevin Greenwood, Manager
Port of Newport

Subject: Market Feasibility Study

Dear Kevin,

The attached feasibility study identifies the market feasibility findings for a proposed shipping facility at McLean Point in Newport, Oregon. This study addresses the following work elements:

- ◆ Initial findings regarding the economic viability of the shipping facility;
- ◆ A review of broad market factors related to use of the shipping facility;
- ◆ A review of the overall site development needs / staging plans for the shipping facility;
- ◆ A review of potential users of the shipping facility and International Terminal;
- ◆ An assessment of broad opportunities and threats to business development growth at the shipping facility and International Terminal facility; and,
- ◆ Study findings and strategic observations.

We hope that you and other port managers and potential investors/suppliers find this document useful. Please give me a call with any questions or comments regarding the study.

Yours very truly,

Matt Ransom
President
Market Advisory Group, LLC

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SECTION I: EXECUTIVE SUMMARY

A. BACKGROUND & BUSINESS CONCEPT

Background

The Port of Newport has invested in the development of an international shipping gateway at the recently improved International Terminal, and is in pursuit of site development at a 9 acre parcel within McLean Point. Those investments have manifest in a fully functional International Terminal dock facility, with imminent opportunity for business expansion on Port owned and adjacent private properties.

The purpose of this Feasibility Study is to assess the market readiness of the McLean Point property development; and, to prospectively survey other traded sector industries within the Newport market region to gauge whether the International Terminal and McLean Point industrial development opportunities might support other import/export shipment needs within the regional economy.

Business Concept

The Port of Newport Board of Commissioners has entered into a lease option agreement with a prospective tenant to build a shipping facility (log processing and laydown yard) upon the 9 acres of Port landholdings within McLean Point.

The initial business concept for the shipping facility relies upon the availability of supply/harvest of private timber stands to service future export demand for raw log exports to Asian economies. Building an export market pipeline is based on efficient trans-pacific shipping routes and an economic model that makes harvesting and exporting of raw logs cost competitive.

As International Terminal operations mature with implementation of the log processing and export operations, support services will scale-up to support initial shipping activity. As operations stabilize, the business plan is to expand the cargo mix at the Terminal. Medium term expansion opportunities exist in the short-sea shipping market of wood and recycled products, and can be matured with the Port being a partner to implementation. Further, the initial shipping facility operator may be able to assist in the business development by providing equipment and expertise in terminal operations, logistics and shipper relationships, which can accelerate cargo expansion opportunities.

B. KEY SUCCESS FACTORS

Numerous variables need to be properly addressed in order to provide an initial opportunity to achieve success of the shipping facility. While this study cannot account for all factors of success, several key factors stand out and include the following:

Timely Site Development

The Port of Newport and the City of Newport are aligned in the interest that development occur at McLean Point, and increased activity at the recently upgraded International Terminal is in the economic interest of the region and state of Oregon.

This alignment is manifest in multiple forms. On the Port's behalf, this commitment is manifest in: investment in the terminal, entering into a lease option agreement with a prospective tenant for the shipping facility, and, securing of federal grant (TIGER) funds (and continued pursuit thereof) for site development. On the City's behalf, this commitment is manifest in: comprehensive land use planning that identifies the McLean Point properties as a strategic economic opportunity area; adoption of the McLean Point Urban Renewal Area Plan and related tax increment financing ordinances; and, a demonstrated commitment to planned and ongoing upgrades to public facilities (namely roadways, sewer and water systems) that will facilitate safe access and provide adequate public facilities to the shipping facility and McLean Point.

Currently, funding of the phase-one site development funding plan remains unfilled. The Port has been able to secure an initial federal grant award (\$2 Million) for site development. The funding gap remains at roughly \$4 Million. The Port has also received a \$2 Million loan from the Oregon Infrastructure Finance Authority (IFA) that is being considered as placeholder financing as other funding is pursued.

Committed and Proven Tenant

The Port of Newport has entered into a lease option agreement with Teevin Bros. Land and Timber Co. LLC (Teevin Bros) to occupy the Port's 9 acre parcel with the intent to operate a shipping facility terminal. Teevin Bros., in operation since 1978, has a proven business model and successful track record for operating a diverse portfolio of business (logging operations, trucking/intermodal operations, and quarry operations) in the pacific northwest.

Teevin Bros. operates peer facilities and has industry contacts and know-how to successfully operate a log export handling and processing facility like that which is proposed at the shipping facility. Teevin Bros. commitment to the Newport project is manifest in self-funded site planning, engineering, and permitting for site development. The use of these plans and permits was transferred to the Port of Newport as part of lease option agreement, and can be used to reduce the Port's costs and expedite final permitting and bidding of the construction work managed by the Port.

Sustainable Timber Supply

Availability of private timber stands within the Newport market region is a critical input component to the viability of a log export facility. Based on current land holding data, private timber stand volume within a 20-40 mile radii of Newport is proven and could supply a sustainable volume of harvest to support the proposed Newport facility. As planned, the current export volume out of the Port of Newport is to be near 55 million-board-feet (MBF) per year, or roughly 10 "Handy" size vessel calls per year. Further, a roughly 20 miles radii, the 55 MBF need forecast represents less than 5 percent of the private timber stand inventory (assumes a harvest on a 45 year rotation). The log supply generated by the timber stands within 20 miles would fully support the projected export quantities as proposed by the tenant.

In order to supply the tenant with a supply of logs to handle, the tenant intends to secure "material handling contracts" with timber landowners/managers, to ensure a log flow into the shipping facility. The tenant has a long and proved track record of establishing these agreements at other facilities. As of this report, no contracts have been signed. However, agreements of this type would be signed once the site development schedule has been established.

Terminal Support Service Providers

Operation of the shipping facility will require a series of support service providers. Those include (not limited to): support tug operators, dock labor (ILWU, or other per contract), heavy equipment to stage materials, customs processing, and vessel crew support. Current gaps may exist with some support services, or the service is provided but not at a level that would support proposed operations. Because most of these support services are private vendors, and act in a market responsive manner, the start-up and growth of the terminal operations will present business growth or new venture opportunities for respective support service businesses.

The timing of investment by support service operators will be scaled by the private market to size service levels as exports and short-sea shipping increase over time to the terminal support needs. For those services that would require Port coordination (ex. customs, security) the Port will put in place a plan and schedule to fully operationalize needed components to support on-dock terminal operations.

Ancillary Terminal and Industrial Tenant Growth

An increase and diversification of overall activity at the International Terminal is both good for Port operations (revenues) and would help facilitate future development of the McLean Point and create new business opportunities for other adjacent service type businesses (ex. fleet services, ship maintenance). Currently the International Terminal is used for intermittent periods by the distant water commercial fishing fleet and support services to the marine services cluster and specialty shipping (one time or limited term contracts).

Initial site development phasing of the McLean Point assumes a phase-one plan for development of the Port's 9 acre lot for the shipping facility and proposals exist for concurrent development of a speculative 40,000 sq.ft. general warehouse/storage building in the Yaquina Industrial Park. Increased terminal activity may induce space demand and accelerate absorption at the Yaquina Industrial Park. Prospective tenants may benefit from proximate access to the International Terminal and this would in turn bolster expansion of terminal users from the industrial park's tenant pool. Further, it is expected that as vessel calls into the Port become more prominent other major producers / importers / exporters within the greater region would explore access through the International Terminal. Development expanded International Terminal users is a future business development opportunity for the Port.

Stable Macro-Economic and Regulatory Environment

Demand for export products from the US west-coast, and specifically log exports from the Newport region is reliant upon a logistic model and macro-economic demand that make the cost of extraction and shipment of logs from west-coast forests cost competitive on the international market.

Driving the incentive to harvest is the economic return price paid to landowners, and the prices paid by foreign entities. Demand for logs exported from US west-coast forests to Asia (specifically China) are forecast to be positive and steady (cyclically factored) to the foreseeable future. While China's demand has tempered in recent years (due to the slowdown in the construction sector) the long term trend of growth in Chinese and other Asian markets is forecast to expand at 6% annually, albeit at a more moderate pace (compared to the peak of export demand).

The transportation cost advantage of proximate timber stands to the Newport terminal should minimize that input component and provide a competitive cost advantage to induce log harvests out of those private timber stands. Contract loggers will continue to seek stable supply of labor at reasonable costs, and increased demand for harvests within this region is a

business opportunity for both landowners and contract loggers to find equilibrium among those factors.

In addition to macro-economic factors, the regulatory market should not preclude harvests or drive up the costs of harvest. Considering the progressive regulatory environment for logging within Oregon, the near to mid-term forecast does not indicate major reforms of regulation or policy that would cut-off supply or materially drive up the cost of harvest on private timber stands.

C. STRATEGIC OBSERVATIONS

Based on market conditions, site development potential, public support and interview feedback from industry experts, we have identified a number of factors that serve as the basis of our findings.

- ◆ **Unified Vision for Site Development.** Site development at the shipping facility is supported by the City of Newport zoning codes and public infrastructure is either available adjacent to McLean Point (water, franchise utilities), or is planned to be brought to (sewer) or developed on site (stormwater systems, roadways) and these improvements are eligible for funding with proceeds from the McLean Point Urban Renewal Area proceeds.
- ◆ **Freight Transportation Access.** No major transportation access impediment exists into the shipping facility or the International Terminal. Transportation access to McLean Point and the International Terminal is provided by highways (US 101 and OR 20) and SE Moore Dr, SE Bay Blvd (arterials) with no major impediments to access known. Future plans for access improvements (turn lanes) to and from McLean Point will be staged with site development. As McLean Point builds out, designation of internal circulation roadways as public streets would solidify site circulation rights.
- ◆ **Tenant Commitments are In-Motion.** Development at the shipping facility site is market ready. The Port has a committed lease option with a future tenant for the entirety of the 9 acre port parcel. Concurrent with the Port's site development, the developer of Yaquina Industrial Park intends to break ground on a 40,000 sq.ft. industrial warehouse building. Tenants at this building are prospective, with no leases (or options) signed at this point.
- ◆ **Tenant is Proven Operator.** The prospective shipping facility tenant (Teevin Bros.) has a longstanding business presence in the Pacific Northwest (since 1978), with a proven business plan and industry relationships to ensure continuity of operations. Teevin Bros. operates a similar log processing facility in Rainier Oregon, and has a clear understanding of the operational needs to be a successful tenant and operator at the Newport site.
- ◆ **Log Export Business Model is Valid.** Development of a log export business and trans-pacific export shipment via Handy size vessels loaded from the International Terminal is a probable and validated business model. This business model relies on access to private timber stand harvest volumes and deep water access at the Port's Terminal. The prospective tenant has a proven track record of managing this type of facility and over the long term handling this cargo (verified at the Teevin Bros Rainier OR facility).
- ◆ **Market Factors Indicate Sustained Demand.** Current market conditions (1-5 years) suggest the macro-economic cost model will support log exports to Asian counties from west coast ports, and the Newport proposal provides a competitive cost advantage by reducing the transportation cost input, given the proximity of available and harvestable private timber stands in direct proximity to the Newport terminal.

- ◆ **Private Timber Stands are Available.** As projected, the volume of log exports handled by the Port of Newport in the future would equate to roughly 55 Million-Board-Feet, and this volume represents approximately 5 percent of the total annual private harvest capacity of the proximate private timber stands. Meaning that the supply of logs for export within the Newport market timber stands is expected to be sustainable over the long term. The incentive to harvest and re-plant these stands would likely be induced by a cost model that is created by development of export shipping operations out of Newport. While the addition of foreign timber buyer(s) may increase the competition for raw log purchases and result in some upward pressure on prices received by Oregon's private timber land owners. Improved timber prices may overtime lead to greater optimization of timber land resources as private land owners plant new trees given improved returns from their investment in timber stocks. We estimate that current annual private timber harvests in Oregon are about 10% below sustainable harvest volumes.
- ◆ **Wood Products are a Competitive Advantage.** Log and wood related products are the most imminent and verifiable traded sector industry to utilize the International Terminal for west-coast or trans-pacific shipments. This sector represents the commodity group that is capable of shipment by bulk loaded vessels (barge or "Handy" size) and have limited specialty handling requirements (generally) nor are the commodities perishable or time sensitive.
- ◆ **Risks are at a Minimum.** Few external threats (market or regulatory) exist in the immediate to short term which would delay site development or limit the functioning of the terminal operator's business plan.
- ◆ **Mid-Long Term Expanded Shipping Opportunities.** Investment in the shipping facility is expected to facilitate the movement of other goods through Newport as vessel calls increase awareness of the utility and function of the Terminal and enhance the private sector support apparatus. As shipping patterns and viability of the handling capacity of the Port is established (initially by log exports), other goods (such as wood byproducts, specialty cargo, and potentially other bulk agricultural products) may explore shipping arrangements in bulk or containers on either "Handy" size or barge vessels that can call into the Port of Newport. Examples of cargo could include: wood products, paper products, recycled materials, and agricultural products that can be bulk loaded and transferred to the Port via truck.

SECTION II: DEVELOPMENT CONCEPT

A. PORT OVERVIEW

The Port of Newport was formed in 1910 to promote water-related commerce in Lincoln County. The Port is located on the central Oregon coast at the junction of US 20 and US 101. The Port District encompasses Yaquina Bay, with boundaries that extend north to Otter Rock, east up to six miles inland, south to Seal Rock and west to the Pacific Ocean. The Port of Toledo is located approximately 10 nautical miles upriver (on the Yaquina River) from the Port of Newport's eastern boundary.

The Port of Newport is one of three deep-draft public ports along the Oregon coast, along with Astoria and Coos Bay. The natural harbor of Yaquina Bay provides a protected haven for commercial fishing vessels, and the Port of Newport and Port of Toledo provide a number of support facilities for the local fleet and the locally-based distant water fleet, including moorage, space for suppliers and services, fuel, and other essentials. The Port also leases space to a number of business reliant on marine commerce.

The port is adjacent to U.S. Congress designated Pacific Marine Highway Corridor (M-5), as shown in **Exhibit 2.1**. The Port is centrally located along the Pacific coast: making it a potential location for short sea barge shipping.

Access to fishing waters off the coasts of northern California, Oregon, Washington and Alaska help make Newport Oregon's top commercial fishing port with over 120 million in pounds landed with value over \$60 million for fisherman, in 2014.

One of the largest sectors in the local economy is government/research, and the Port of Newport has been instrumental in expanding this sector. The National Oceanic and Atmospheric Administration (NOAA) Marine Operations Center, located on Port property since 2011, now employs more than 200 workers. NOAA's Marine Operations Center-Pacific serves as a homeport for NOAA ships and provides administrative, engineering, maintenance and logistical support to NOAA's Pacific fleet. The National Marine Operations Headquarters moved to Newport in 2015. Adjacent Oregon State

University (OSU) Hatfield Marine Science Center is home to approximately 300 state and federal workers.

According to a report sponsored by Business Oregon Infrastructure Finance Authority: *Economic Benefits of Oregon Public Ports, 2014*, the Port of Newport's facilities and operations are responsible for supporting over 24 separate entities that employ nearly 1,980 direct employees and a total annual economic benefit amounting to \$389M in output and \$207M in State of Oregon GDP benefits.

B. MCLEAN POINT SHIPPING FACILITY

As shown in **Exhibit 2.2**, McLean Point encompasses the shipping terminal and the majority of vacant waterfront industrial land in the area with proximate access to the International Terminal. The full utilization of the shipping facility at McLean Point is the primary focus of this market feasibility report.

The Port along constructed a fully functional deep water shipping terminal wharf, docks and piles at McLean Point, with support financing provided by the State of Oregon and regulatory approvals by the City of Newport. The majority of the \$28 million funding (\$15 M) was through a local voter-approved general obligation bond, and the balance of funding was through a mix of loans, grants and port general funds. The terminal is about 13 acres in size with a 3-acre surge area for prepping loads. The Port has a 30 ton mobile hydraulic crane and two forklifts with 9,000 and 25,000 pound capacities on site. The wharf facility is rated for 750psf loading capacity with shoreside water and 3 phase 50 amp electrical service. The shipping terminal primarily serves the local commercial fishing fleet (see **Exhibit 2.3**).

Now that the international terminal wharf construction is complete, the Port and city of Newport have been proactively planning for additional marine-dependent industrial uses and other types of light and heavy industrial uses to build out McLean Point.

Exhibit 2.2 McLean Point

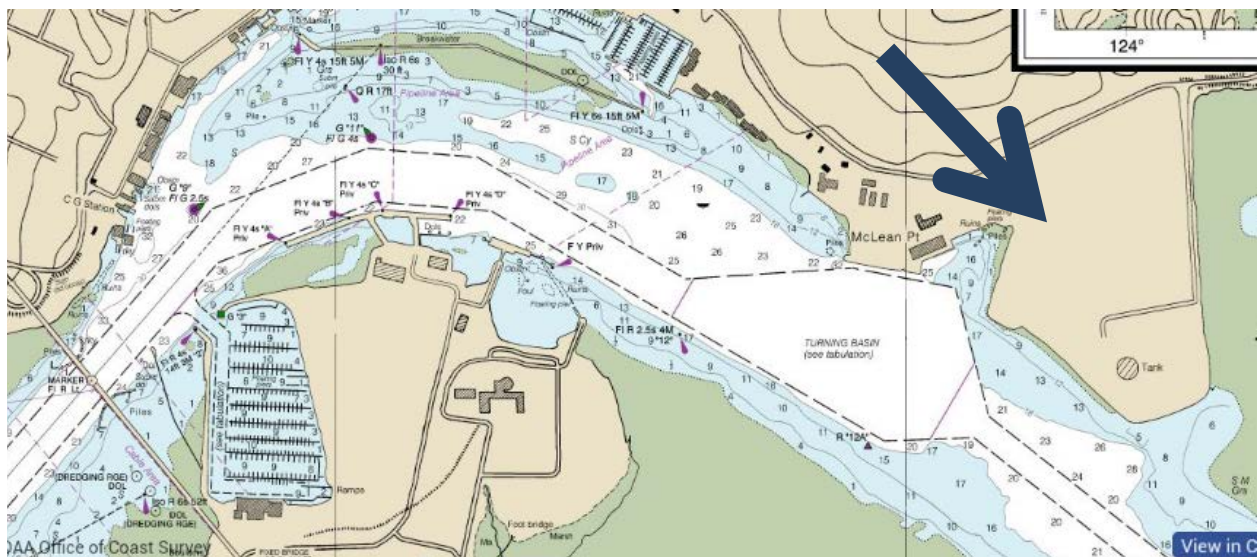


Exhibit 2.3 Shipping Terminal Wharf Construction Completion



As shown below in **Exhibit 2.4**, McLean Point includes a 9-acre site owned by the Port of Newport, and a 35-acre privately-owned site owned by Rondys. The Port also owns a 3.1 acre parcel with a 2,160 square foot building adjacent to the international shipping terminal.

Exhibit 2.4a McLean Point Parcels



Exhibit 2.4b McLean Point Parcels

The majority of McLean Point is vacant and planned for future industrial development. The City of Newport's Economic Opportunity Analysis (adopted as part of the City's Comprehensive Land Use Plan in 2013), and the Port of Newport's Strategic Business Plan both place a high priority on fostering development and job creation on McLean Point. In effort to create a new dedicated funding source for public facilities to serve future development (such as sewer lines, pump stations, and roadway facilities), the City of Newport adopted the McLean Point Urban Renewal Plan in 2015. However, given the early status of the urban renewal plan, the City cannot dedicate any tax increment funds that can be used for public facilities at McLean Point for several years.

There are two primary development proposals being considered for McLean Point at this time. The first includes a shipping facility proposed by the Port of Newport (and Teevin Bros.) on the 9-acre site shown above. The second proposal includes several privately-developed for-lease industrial warehouse, manufacturing and research & development buildings by Rondys (site owner/developer) on the majority of the 30+ acre parcel shown above.

Both of these development concepts are discussed and shown below in **Exhibit 2.5**, with the shipping facility being the primary subject to the market analysis contained in this report.

1. Shipping Facility

Teevin Bros. Timber and Land Company, LLC (Teevin Bros.) and the Port of Newport have entered into a lease option for use of the 9-acre site (Exhibit 2.5). This agreement would allow Teevin Bros to make improvements to the port-owned 9-acre parcel that would enable the site to be used for a secured outdoor laydown facility for cargo shipped though the International Terminal. Teevin Bros. would serve as the operator and manager of the laydown facility. The facility would also have access to the International Terminal so that cargo (such as lumber, logs, small containers, etc.) can be moved on trailers using small off-highway transport tractors called "hosslers" to barges or ships docked at the Terminal.

Teevin Bros. currently anticipates the demand for approximately 10 vessel calls per year. A mix of barge and “Handy” size vessels would be expected. Barge shipments could call on the Port, providing access between west coast ports (such as the port of Oakland or Tacoma), with the ability to move cargo at a lower cost than by trucks using I-5. (See Case Study in Appendix D) “Handy” size vessels are typically 28,000 – 32,000 ton deadweight vessels that have self-loading capabilities with draft less than 35 feet (or less) when fully loaded.

Teevin Bros. expects to handle about fifty-five million board feet of logs per year, which would be delivered to the site primarily overland by truck (requires about 1,200 truck deliveries per year), according to information furnished by Teevin.

Exhibit 2.5 McLean Point Development Concept



Source: Image provided by courtesy of the Port of Newport

The shipping facility project includes the creation of a wetlands mitigation site (on adjacent property), grading, development of 9-acre area with asphalt, fencing, small work shack, stormwater collection system, transportation improvements off SE Bay Blvd. (a minor arterial), extension of water and sewer lines. The site is currently zoned for industrial use but has limited utility infrastructure. With property utility investment, property owners would be able to move forward with developing parcels benefitting marine industries, adding both economic value to the region.

The total project cost estimate for constructing the secured laydown area is estimated at \$6.7 million, as shown in **Exhibit 2.6**.

Exhibit 2.6 Laydown Facility Construction Cost

EXPENSES (Uses of Funds)		
Site Preparation Work	\$ 1,545,982	23.0%
Underground Utilities & Conduit	\$ 229,645	3.4%
Drainage	\$ 329,782	4.9%
Water Improvements	\$ 137,636	2.0%
Sanitary Sewer Improvements	\$ 236,826	3.5%
Sub Base and Paving	\$ 3,103,429	46.4%
Fixtures	\$ 95,585	1.4%
Soft Costs and Contingencies	\$ 1,036,603	15.4%
Construction Total	\$ 6,715,489	

Source: Teevin Bros., Project Engineer’s estimate, 2016.

2. Yaquina Industrial Park

The 30+ acre Rondys parcel at McLean Point is being planned for private development with up to 13 buildings between 4,000 – 50,000 sf of support for warehousing, commercial fishing, cold storage, marine research, marine power, agricultural product producers and other utilizing the terminal to move products and equipment.

The employment center is expected to help diversify the regional economy by serving regional agricultural activities (such as seafood and beverage processing) in addition to supporting future warehousing and open storage space needs of the emerging marine science, wave energy R&D, and other marine industrial uses.

As noted above, as part of the planned laydown facility construction, on-shore wetland habitat will be improved with new designed wetlands and bioswales, and new surface water management areas while upgrading storm drainage facilities to meet FHWA and NEPA standards.

C. PUBLIC TRANSPORTATION AND INFRASTRUCTURE REQUIREMENTS

It is expected that trucks bring commodities to the shipping terminal would utilize the newly improved US-20 (\$400 M ODOT investment) and the \$27M terminal wharf facility. Trucks would access McLean Point by SE Moore Drive to SE Bay Boulevard, a minor arterial roadway. According to city public works staff, the intersection at SE Moore Drive is being reconfigured to help facilitate the safe movement of trucks, cars and pedestrians (construction slated for summer/fall 2016). The City is also undertaking in the midst of updating its sewer master plan, which is being sized to handle significant job growth being forecasted on McLean Point. No water or sewer supply issues are anticipated to serve phase-one development proposals at McLean Point.

The City of Newport's Urban Renewal Plan for McLean Point does identify important public facility requirements to provide adequate infrastructure to accommodate full development build-out, as envisioned by the plans expressed by the Port, Teevin and Rondys. This includes approximately \$2 million in improvements as shown in **Exhibit 2.7**.

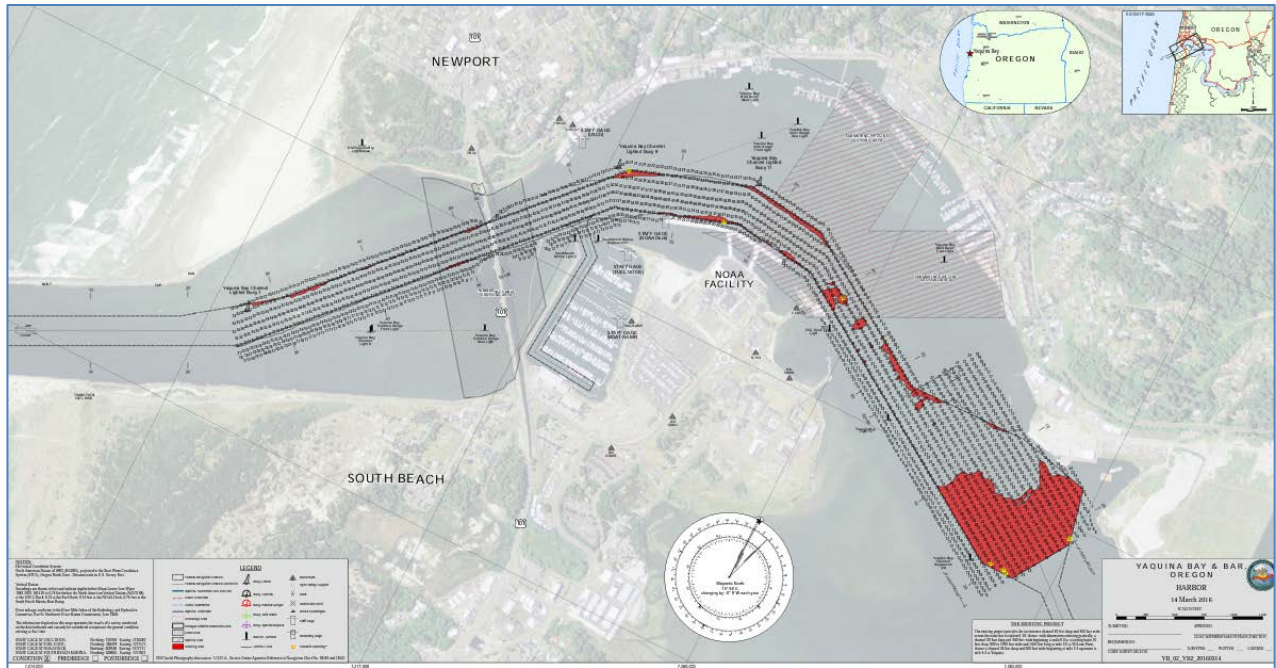
Exhibit 2.7 Public Facility Improvements for McLean Point

Facility Element	Planned Cost
Sewer pump station and mains	\$1,000,000
Storm drainage	\$500,000
Other utility extensions/upgrades	\$250,000
Street improvements	\$250,000
Total	\$2,000,000

Source: McLean Point Urban Renewal Plan, 2015. City of Newport

In addition, to the investment in the \$28M state and local investment in the international terminal at McLean Point, the U.S. Army Corps of Engineers is undertaking major dredging maintenance of the Yaquina inlet, Yaquina Bay channels and harbor areas. This may increase depths to 35 feet in the bay channels and 40 feet at the inlet **Exhibit 2.8**.

Exhibit 2.8 Dredging Target Areas



SECTION III: MARKET ANALYSIS

This section provides an overview of the market conditions including an assessment of the demand, supply and competition for the planned shipping facility and the employment center at McLean Point.

A. SHIPPING FACILITY

The Items covered in this section include:

- Log export market demand trends
- Oregon timber harvest supply and prices
- Analysis of potential commodity/goods for “export” and “import”
- Potential Ancillary Uses

1. Log Export Market Demand

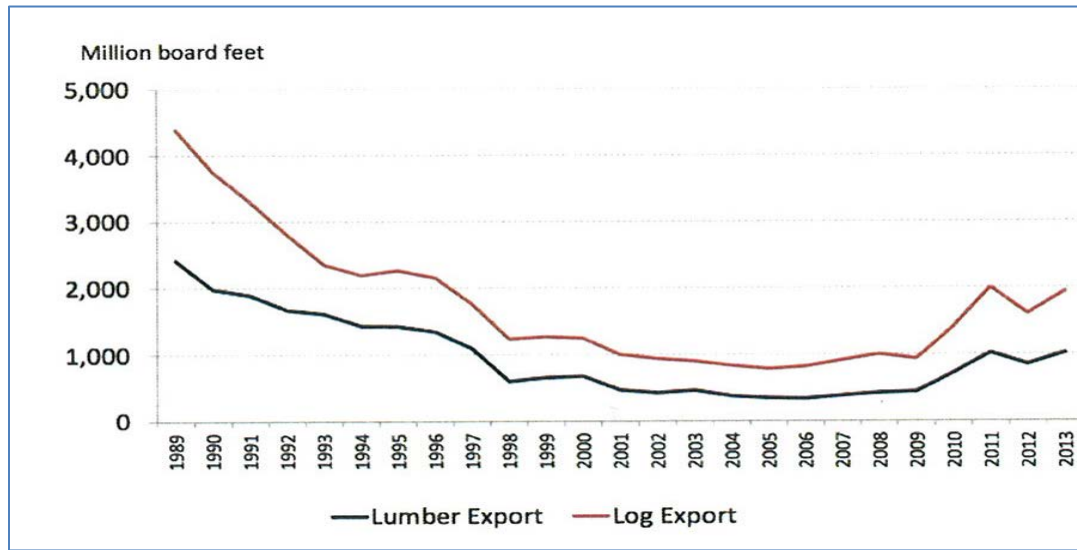
The demand for log exports from the United States fluctuates by month and year depending on numerous factors, including timber harvest volumes, prices, exchange rates, domestic demand and environmental issues, such as wild fires or storms.

According to the Northwest Wood Products Association, west coast log exports continue to be dominated by changes in demand from China; with west coast log exports varying between 1.7 billion board feet (bbf) and 1.9 bbf over the past two years. The total value of these exports dropped—by 7 percent (between 2013 and 2014; latest data available) for logs to a value of \$1.31 billion, and by 11 percent for lumber to a value of \$657 million (**Exhibit 3.1**).

U.S. and west coast trends include:

- Total U.S. log exports in 2014 decreased by more than 5 percent in volume compared to 2013, and the value increased by more than 3 percent;
- Total U.S. lumber exports in 2014 increased by more than 4 percent in volume compared to 2013, and the value increased by 13 percent.
- West coast log exports in 2014 represented 55 percent of the total U.S. log export in volume, compared to 59 percent in 2013;
- West coast lumber exports in 2014 represented 26 percent of the total U.S. lumber export in volume, compared to 31 percent in 2013;
- At west coast ports, 64 percent of outgoing logs and 36 percent of outgoing lumber were destined for China in 2014, compared to 63 percent of logs and 40 percent of lumber in 2013.

Exhibit 3.1 West Coast Log and Lumber Exports (1989-2013)



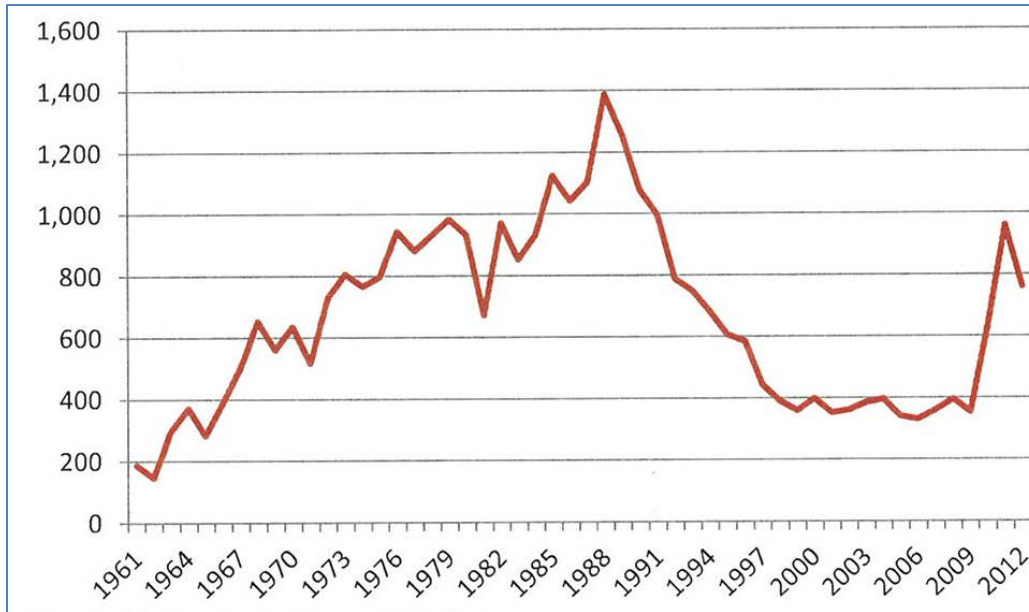
Source: U.S. Forest Service, Pacific Northwest Research Station.

Oregon's log exports primarily originated back in 1962, after the Columbus Day windstorm. Winds from this major storm event leveled billions of board feet of timber in Oregon and Washington. Because domestic demand was inadequate, foreign markets were pursued to make full utilization of downed wood. Major increases in log exports occurred in the 1960s and 1970s as Japanese buyers valued the large, high quality softwoods, like Douglas fir, western hemlock, and cedar. Buyers from Korea and China entered the market in the early 1980 and continue to remain major markets for log exporters. bbf about 11 percent of Oregon's timber harvest was exported. According to the Oregon Department of Forestry, this share declined to about one percent of Oregon's timber harvest by the late 1990s.

A surge in log exports from Oregon began in 2009, following the "Great Recession" which resulted in a collapse in domestic demand and decline in activity at Oregon lumber mills. Lower log prices, combined with reduction in Russia exports attributed to stiff export duties, and expanding Chinese housing market led to a spike in log exports to China. Since 2011, slower economic growth in China combined with the increased value of dollar (and other factors) resulted in a decline in Oregon log exports compared with the 2011 demand levels. Over the past few years, Oregon's log exports have varied between 0.7 and 1.0 bbf, which equates to 20% to 22% of annual timber harvests (**Exhibit 3.2**).

Exhibit 3.2 Log Exports from Oregon Ports and Longview (1961 – 2012)

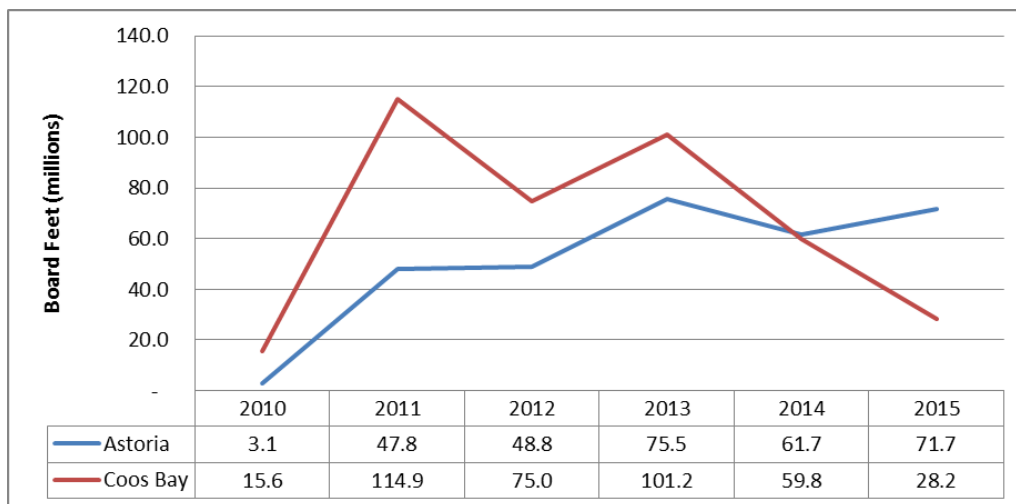
In millions of board feet



Source: U.S. Forest Service, Pacific Northwest Research Station.

Over the past several years, log exports (as reported by Jones Stevedoring Company) from Oregon’s public ports, including Astoria and Coos Bay peaked at 162.7 million board feet in 2011 before falling to 99.9 million in 2015, a decrease of 39 percent. During this time frame, log exports from the Port of Astoria increased measurably while exports from Coos Bay declined (Exhibit 3.3).

Exhibit 3.3 Log Exports from Astoria and Coos Bay



Source: Jones Stevedoring Company "2015 Annual Breakbulk Log Export Report Highlights"

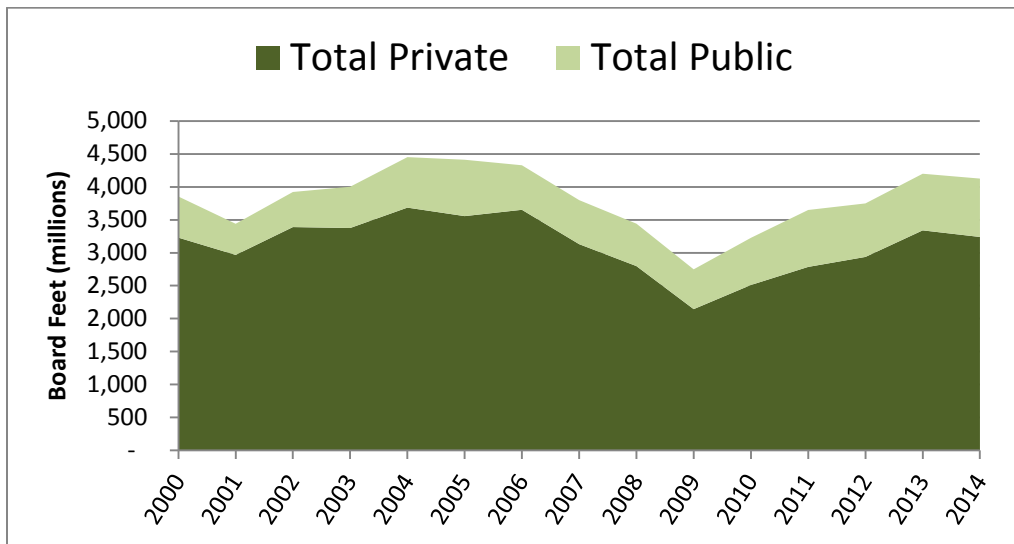
Oregon Timber Supply and Log Prices

As indicated in Exhibit 3.4, during the depth of the Great Recession in 2009, Oregon timber harvests fell to below 3 bbf, which was the lowest ever recorded since this database was compiled back in 1942. Since that time, harvests have rebounded to 4.2 bbf in 2013 and 4.1 bbf in 2014, due

primarily to increased utilization of private lands, rising export pressure from Asia (primarily China) and a moderate improvement in the domestic market for new home construction.

Oregon timber harvests are between 4.3 and 4.5 billion board feet per year over the past several years (**Exhibit 3.4**). According to the Oregon Department of Forestry, “this is well below the 5 billion board feet considered to be sustainable under current policies and regulations.”

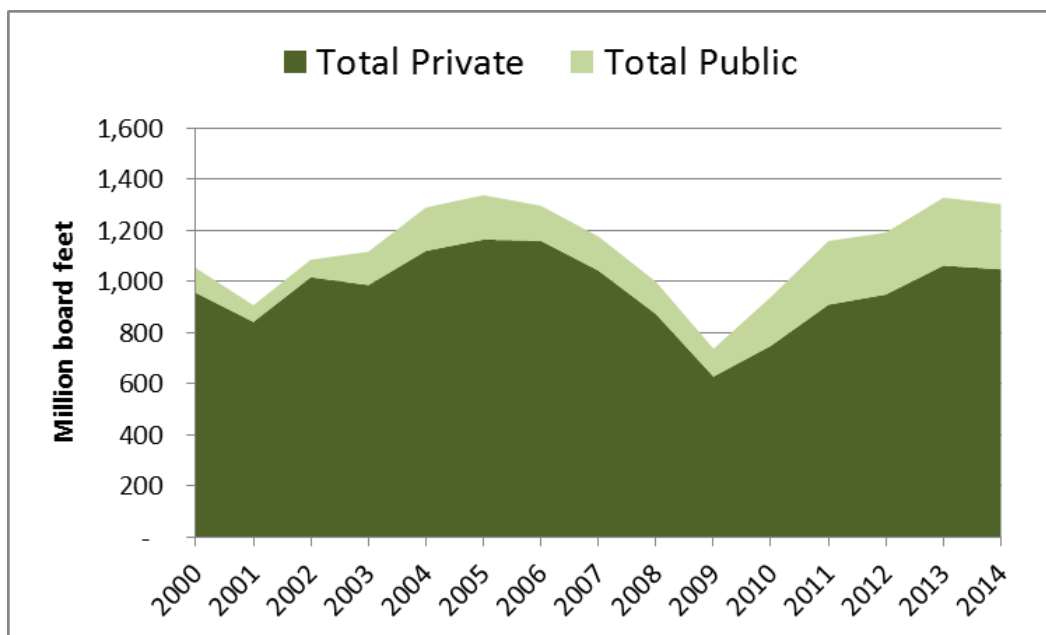
Exhibit 3.4 Oregon Timber Harvests on Public and Private Lands (2000-2014)



Source: Oregon Department of Forestry

Western region timber harvests in Oregon have also increased over the past five years, as shown in **Exhibit 3.5**.

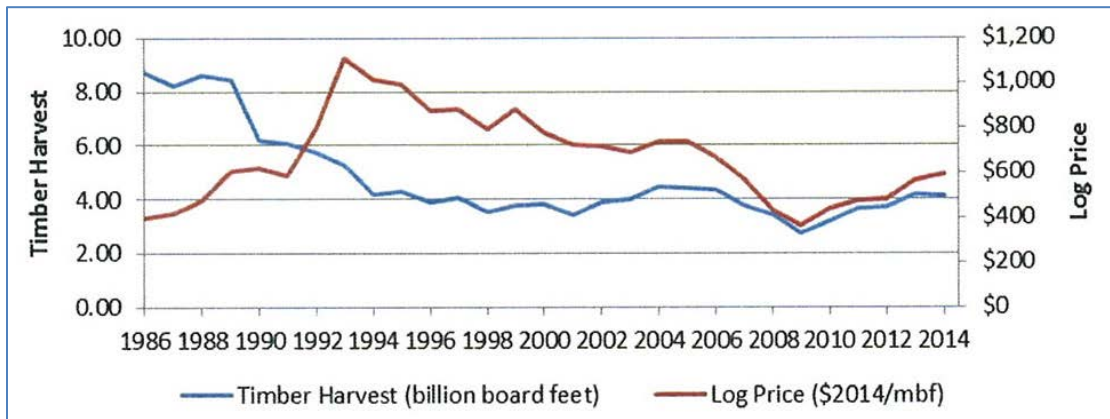
Exhibit 3.5 Oregon Western Region Timber Harvests (2000-2014)



Source: Oregon Department of Forestry

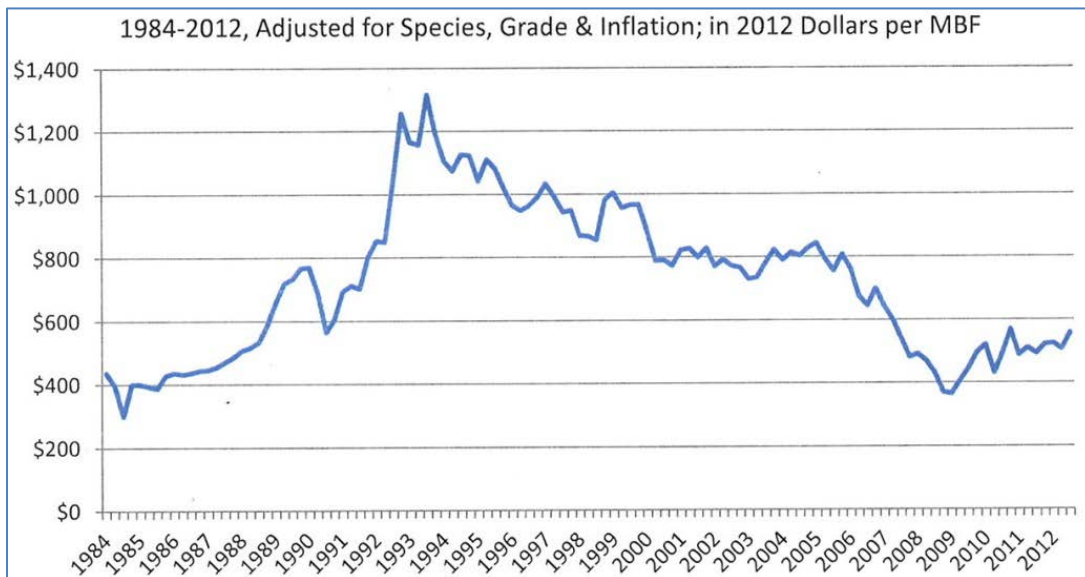
Log prices have also increased in recent years along with timber harvests. As indicated in **Exhibits 3.6 and 3.7**, log prices per mbf (thousand board feet) increased approximately \$600 in 2014 up from \$390 in 2009 (measured in 2012 dollars).

Exhibit 3.6 Oregon Timber Harvests and Log Prices (1986-2014)



Source: Oregon Department of Forestry

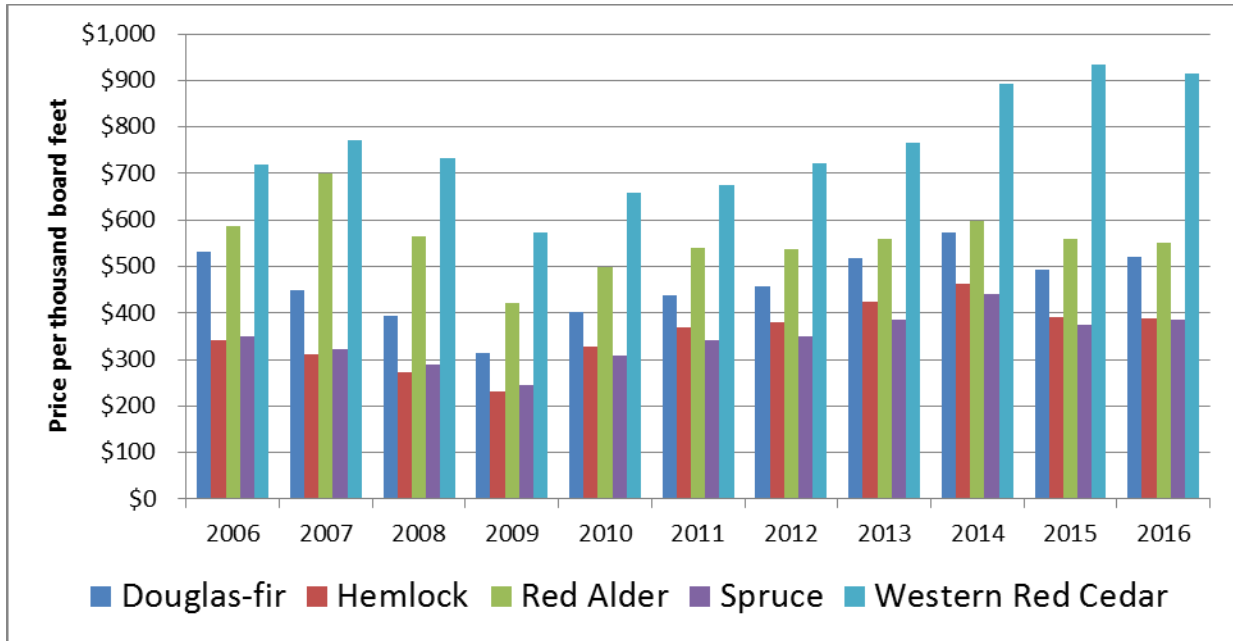
Exhibit 3.7 Average Western Oregon Log Price Index



Source: Oregon Department of Forestry

Log prices vary widely by species, grade, size and other factors. As indicated in **Exhibit 3.8**, during the first quarter of 2016, Oregon log prices were highest for western red cedar, followed by red alder, and Douglas fir. The lower quality soft woods, such as hemlock and spruce generated the lowest price. Industry experts have indicated that the domestic demand is weakest for these lower quality species (hemlock and spruce) which are priced about 30% below Douglas fir species. However, foreign demand, particularly from China remains high for the lower quality softwoods.

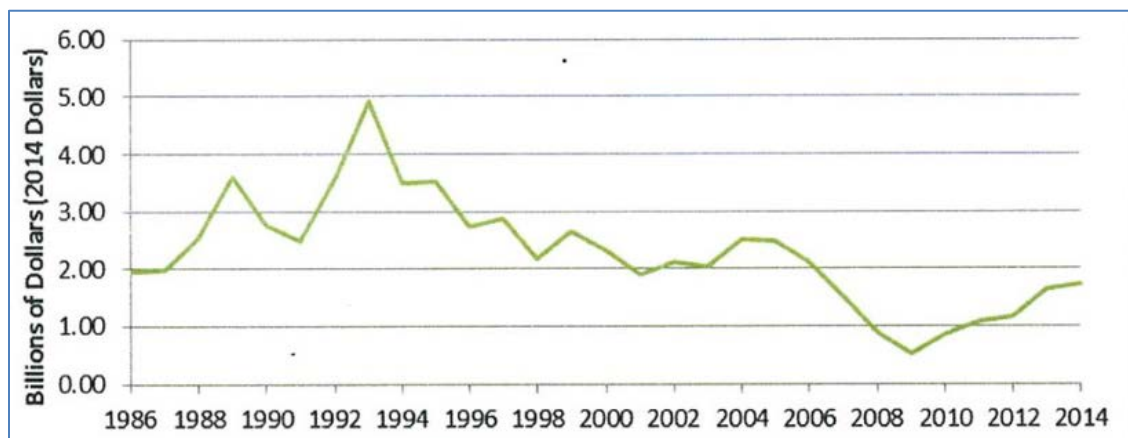
Exhibit 3.8 Average Oregon Log Prices (2006 – 2016 prelim.)



Source: Oregon Department of Forestry, reported pond values adjusted.

As log prices have increased with an expansion in exports and improvement in the home construction industry, there has been an increase in returns to landowners. As shown in **Exhibit 3.8**, total revenue to timber landowners was nearly \$2 billion in 2014 up from approximately \$600 million in 2009. While revenues are far below the record levels recorded in 1993, they are starting to show improvement. As timber landowner profits rise, industry experts anticipate private timber harvests will increase.

Exhibit 3.8 Timber Returns to Forest Landowners (1986-2014)



Source: Oregon Department of Forestry

2. Commodity Shipping Terminal Activity in the Northwest

As envisioned the Port of Newport shipping facility and International Terminal would create a niche deep-water port for commodities and bulk goods. As such, Newport would become one of

three deep water ports along the Oregon Coast (includes Coos Bay and Astoria). Larger ports, such as the Port of Tacoma would maintain their competitive advantage in containerized trade. The Port of Portland and private users of the Portland Harbor now primarily focus on automotive trade, grain, and other bulk commodities after the departure of major trans-pacific shippers from Terminal 6. (see profile article in Appendix F)

It should be noted that in response to a decline in container shipping activity, the Port of Portland has been proactive in creating new partnerships to restart container barge service from Lewiston, Idaho and in increasing container train frequency from Boardman, Idaho. Port of Portland officials have also brokered a deal to utilize empty containers coming out of Lowes’s distribution center in Lebanon, Oregon with agricultural exports from Valley Hay.¹

In 2015, the revenue tonnage loaded and discharged by Oregon and SW Washington ports, declined 18.8 percent for lumber and logs, and remained virtually unchanged for bulk cargo (excludes autos and containers). Lumber and log revenues were up 16.1 percent at the Port of Astoria and up 7.5 percent at the Rainer shipping facility (operated by Teevin Brothers). Bulk Cargo revenue tonnage recorded significant increases in Kalama and Longview, but decreases at Portland and Vancouver (**Exhibit 3.9**).

Exhibit 3.9
Revenue Tonnage Loaded and Discharged by Selected Ports,
2015

	Lumber & Logs		Bulk Cargo	
	<i>Tonnage</i>	<i>Change from 2014</i>	<i>Tonnage</i>	<i>Change from 2014</i>
Astoria	121,807	16.1%		
Coos Bay	43,805	-55.8%	1,513,207	0.1%
Kalama			11,638,409	25.3%
Longview	935,415	-19.5% ¹	1,662,648	10.8%
Portland			6,192,789	-27.0%
Rainer	30,867	7.5%		
Vancouver			893,585	-16.1%
Total	1,131,894	-18.8%	21,900,638	0.2%

Source: Pacific Maritime Association.

Teevin Bros. in conjunction with Sause Bros. Towing have established a successful intermodal (rail, highway, barge) waterborne commercial trade facility in Rainier, Oregon. At the Rainer facility, Teevin Bros. serves as the property owner/terminal operator. Teevin Bros. prepares and process logs for shipment to Asia; and handles, stores and transports miscellaneous commodities, such as manufactured lumber and machinery by truck to the Port of Longview for export on large "Handy" size vessels.

Sause Brothers also depends on the Teevin Bros. laydown area in Rainier for the storage and containerization of products for bi-weekly Hawaii service, as well as lumber orders for deliveries to the Port of Los Angeles. (see Case Study in Appendix D)

¹ "Container Exodus Not the End," Portland Business Journal, May 27, 2016.

The Port of Astoria also provides a laydown facility for log exports, which is now operated by Murphy International. Also along the Columbia River, log exports occur at the Port of Longview and a private Weyerhaeuser log facility in Longview.

Coos Bay has granted an exclusive right to Merrill & Ring, a major West Coast log exporter to operate their laydown terminal and log export facility.

3. Port of Newport Timber Market Export Potential

Planned entry into the export market, with an annual target of 35 to 55 million board feet of timber exports per year, from the Port of Newport is likely to find global customers at current timber prices and this demand is likely to continue even if prices increase moderately. Future demand for log exports from the Port of Newport will depend in large part on Asia market demand, commodity prices and the availability of timber supply from Oregon as well as from other countries, including Canada, Russia, and New Zealand.

Industry experts indicate that to be successful over the long term, log export facilities must be located within a reasonable haul distance of private timber land (i.e., within a 3 hour drive). Hence, a log export facility in Newport can only be competitive if there is an adequate long-term supply of timber within a short distance; and if that is the case, would not be directly competitive with facilities located in Coos Bay or Astoria or in Washington which also depend on regional timber harvests on private lands.²

Newport's location is centrally located in relation to thousands of acres of private timber land. It is estimated that there are over 2,000 square miles (1.2 million acres) of timber land are within a 50-mile radius of Newport (see **Appendix A**). Given the relatively high cost of transporting heavy logs (\$1.00 to \$1.50 per mile per mbf (thousand board feet)), it is likely that logs destined for export will flow to the nearest port.

It is estimated that the Newport shipping facility would need to capture about 5% of the existing private Western Oregon timber harvest to maintain a competitive and sustainable supply of export product (assumes 55 million board feet exported annually). As competition for timber land increases, with more foreign exports, we would expect there to be an upward pressure on price; which in turn is expected to induce additional timber planting and harvests over the long run.

4. Other Commodities and Bulk Goods

The processing of logs at the shipping facility in Newport will generate byproducts, including bark mulch which can be sold and turned into compost. This would create potential for local firms to provide value-added products that could be sold to wholesale or retail customers. Industrial land and future buildings that are planned at the Yaquina Industrial Park (Rondys site) could be used for this purpose. If ample compost supplies are generated, they could be sent via barge to major markets California or Washington.

As indicated in **Exhibit 3.10**, there are several major agricultural commodities that are produced within a 4-hour drive of Newport. Nursery and Greenhouse is the leading sector, which would benefit from the mulch production mentioned above.

² The export of timber harvested on federal and state lands is prohibited; and rules enacted prevent the export of timber from a company's own land if that company also processes timber purchased from public lands into wood products.

Other major agricultural commodities, such as hay, hazelnuts and aquaculture may benefit from the shipping terminal location; as well as the planned industrial warehousing and processing facilities Yaquina Industrial Park.

Overtime as primary commodities begin to flow into and from Newport, and trucking and shipping routes are established, we would expect additional value-added manufacturing and processing industries to emerge. This could include expanded opportunities in the wood products sector, including potential for the processing, storage and shipment of cross laminated timber products, which is an emerging product that provides an alternative to steel frame construction.

The potential for the storage and processing of environmentally certified timber, including Forest Stewardship County (FSC Certified timber) is another possible use of the adjacent industrial lands and shipping facility.

It is also possible that Georgia Pacific’s (GP) Toledo mill may also benefit from the import of paper waste products to be used in the production of cardboard. Waste streams from Seattle/Tacoma or San Francisco Bay could be shipped by barge and stored in Newport for eventual use by the GP mill. However, development of this logistics model and support infrastructure would be a mid-term proposition (assuming the cost model works for all parties involved). Port of Toledo officials have indicated that G.P. has invested \$50 million into the Toledo facility over the past few years and intends to maintain four shifts with nearly 400 permanent workers.

Exhibit 3.10 Agriculture Commodity Values within 4-hour Drive of Newport, 2012

Item	Sales in 000	Newport Shipping Potential	Rhondys Parcel Potential
Nursery and Greenhouse	\$ 1,867,907	mulch only	storage & processing
Other Crops and Hay	\$ 434,824	hay	storage & processing
Milk From Cows	\$ 301,421		
Fruits and Tree Nuts	\$ 262,350	hazelnuts	storage & processing
Berries	\$ 174,753		
Vegetables, Melons, Potatoes, and Sweet Potatoes	\$ 171,805		
Cattle and Calves	\$ 170,686		
Dry Peas	\$ 126,651		
Wheat	\$ 107,361		
Poultry and Eggs	\$ 90,897		
Cut Christmas Trees	\$ 35,446		
Sheep, Goats, Wool, Mohair and Milk	\$ 20,571		
Aquaculture	\$ 11,256		storage & processing
Horses, Ponies, Mules, Burros, Donkeys	\$ 8,698		
Corn	\$ 8,330		
Other Animals and Other Animal Products	\$ 7,968		
Other Grains, Oilseeds, Dry Beans and Dry	\$ 7,014		
Hogs and Pigs	\$ 1,387		
Barley	\$ 979		

Source: U.S. Department of Commerce, Census of Agriculture

With a softening of demand from China and Europe, there has been a decline in commodity prices particularly between 2014 and the first quarter of 2016, as non-fuel commodity index fell from 162.3 to 122.7. Certain commodities such as agriculture, food, fish/crab and logs are now seeing a modest uptick in prices in comparison to 2015 (**Exhibit 3.11**).

Exhibit 3.11 International Commodity Indices for Selected Commodities (2013 to 2016)

Commodities	Indices of Market Prices for Non-Fuel and Fuel Commodities						2015-16 % Change
	Weights	2013	2014	2015	2016 Q1	Apr-16	
Non-Fuel Commodities	36.9	169	162.3	133.9	122.7	128.6	-8.4%
Agriculture	26.2	163.3	161.5	137.1	128.1	132.9	-6.6%
Food	16.7	177.5	170.2	141	136.3	143.6	-3.3%
Fish/Crab	2.5	166.4	162.5	130.6	160	176.3	22.5%
Softwood	2.2	91.6	94	93.2	72.7	61.1	-22.0%
Logs 2/	0.4	90.6	96	89.2	89.6	86	0.4%
Sawnwood 2/	1.8	91.8	93.6	94	69.2	55.9	-26.4%

Source: International Monetary Fund, May 2016. 2/indicates provisional numbers.

B. YAQUINA INDUSTRIAL PARK MARKET POTENTIAL

The planned industrial employment center is expected to become one of the largest contiguous employment center on the central and north Oregon coast. Given recent growth in several regional industry sectors, particularly public administration (including NOAA and OSU marine science facilities) and other industries shown in **Exhibit 3.12**, it is anticipated that there will be a near-term demand for industrial area storage, warehousing, R&D and eventually seafood processing operations.

A mix of warehousing, transportation, storage and support activities for beverage processing and health care are expected in the near-term. This uses would require covered, heated or cooled warehousing and flex industrial buildings ranging from 40,000 to 50,000 square feet.

Exhibit 3.12 Lincoln County Employment Growth and Market Opportunities

Lincoln County Jobs by NAICS Industry Sector	2005 - 2014 Job Growth	2005 jobs	2014 Jobs	Change	Findings	
					Employment Center Potential	Time frame
GROWING						
Health Care and Social Assistance		1,590	1,931	341		
Public Administration		1,094	1,329	235	yes	mid-term
Transportation and Warehousing		264	308	44	yes	near-term
Agriculture, Forestry, Fishing and Hunting		264	309	45	yes	near-term
Professional, Scientific, and Technical Service		336	375	39	yes	near-term
Accommodation and Food Services		3,864	3,903	39	support	long-term
Information		150	179	29		
Real Estate and Rental and Leasing		269	293	24		
Utilities		132	149	17	R&D	mid-term
DECLINING						
Admin. Waste Mgmt. and Remediation		757	638	(119)		
Manufacturing		1,095	977	(118)	seafood	mid-term
Retail Trade		2,513	2,395	(118)		
Other Services (excluding Public Administration)		631	543	(88)		
Arts, Entertainment, and Recreation		957	877	(80)		
Educational Services		948	874	(74)		
Construction		699	644	(55)	storage	near-term
Finance and Insurance		280	226	(54)		
Wholesale Trade		171	149	(22)	yes	mid-term
Mining, Quarrying, and Oil and Gas Extraction		32	28	(4)		
Management of Companies and Enterprises		20	16	(4)		
Total		16,066	16,143	77		

Source: Oregon Employment Department.

Additional data analysis provided in **Appendix B** reveals several industry sectors that are highly concentrated in Lincoln County. Existing industry clusters often provide the best opportunity for future job growth and development. Potential industries that, based on their market location, may utilize the employment center and shipping terminal include:

- Paperboard mill (Georgia Pacific recycled-paper mill in Toledo)
- Commercial fishing operations
- Seafood product processing
- Distilleries and breweries
- Food or vegetable (i.e., seaweed, hazelnut) processing
- Log processing
- Concrete manufacturing
- Ship repair
- Construction materials, supplies and equipment

A more thorough review of target industries and potential cargo shipped through the International Terminal is documented in Chapter IV.

SECTION IV: TRADED SECTOR ASSESSMENT

The project team conducted a series of interviews with twenty stakeholders to the Newport International Terminal, including a cross section of highly concentrated target “traded sector” industry and producer constituencies. The purpose of the assessment was to generally gauge the following: awareness of the Newport International Terminal; perceptions and observations related to market viability / readiness; shipping (import / export) needs; opportunities and limitations for shipping through the International Terminal.

The findings of the traded sector assessment both support the current natural market opportunities of the proposed shipping facility, and also expand the potential user group that can be nurtured to be either end users of the International Terminal and/or future tenants of the Yaquina Industrial Park and take advantage of the Terminal proximity and ocean access.

A. GENERAL STAKEHOLDER INTERVIEW FINDINGS

Interview Topic / Theme	Summary Findings
Awareness of International Terminal	<ul style="list-style-type: none"> - Within the interview group, roughly half of the respondents were aware of the International Terminal. And among the same group roughly half were aware that sea shipping (short-sea and trans-pacific) was being planned from the International Terminal. - Nearly all respondents were aware of the commercial fishing cluster at Yaquina Bay. - Among those familiar with the International Terminal (sea shipping from Yaquina Bay) there were limited specific thoughts about industry clusters that may benefit from direct shipping access through the International Terminal. Notably, producers are most familiar with their particular logistics model but do consider “shipping options” as positive. - Of those with specific thoughts about target industries for shipping through the International Terminal, the forest / wood products industry and commercial fishing industry were consistently noted a probably targets. Limited observations were made in regards to agricultural products exports from western Oregon.
Market Readiness / Viability	<p>Among those familiar with the International Terminal:</p> <ul style="list-style-type: none"> - Respondents believed that shipping opportunities were imminent. - Generally, there was both strong support and sense that the International Terminal was needed within the international export market. (Often, these impressions seemed related to the

	<p>contemporary reports or industry anecdotes related to shipping turmoil in the Portland market and the Port of Portland Terminal 6.)</p> <ul style="list-style-type: none"> - Select stakeholders noted current study / proposals regarding direct source shipments to/from the Newport market region, indicating both a high awareness of the International Terminal dock facilities and shipping opportunities which might be near to mid-term. - A few stakeholders made observations in regards to the McLean Point industrial land development opportunities. Impressions were that the land was ready for development and would serve pent-up demand for heaving / flex industrial and marine related development and end users. <p>Among those not-familiar with the International Terminal:</p> <ul style="list-style-type: none"> - Generally, there was both strong support and sense that the International Terminal was needed within the international export market. (Often, these impressions seemed related to the contemporary reports or industry anecdotes related to shipping turmoil in the Portland market and the Port of Portland Terminal 6.) - Respondents in this category seemed generally interested in what options might be available for exporting their industry product. - A limited number of respondents indicated that they saw no or limited opportunity to ship their product through the International Terminal.
<p>Shipping Needs</p>	<ul style="list-style-type: none"> - Over half of the interview respondents were either a producer / shipper of product from western OR, and in a position to make observations related to shipping needs based on actual market knowledge. The statements of shipment needs is based on either current or prospective needs (or gaps) as viewed by the respondent. - Within the Newport (direct) and western Oregon (generally) these shipping needs were noted: <ul style="list-style-type: none"> o Raw logs to Asian markets o Raw logs, imports to regional sawmills (specific wood species dependent) o Wood byproducts (finished lumber, wood pulp/scrap, wood fiber finished products), sourced to or from west coast major users / facilities o Hay / forage products to Asian and Pacific Rim markets o Grass Seed products to Asian and Pacific Rim markets o Hazelnut products to Asian markets o Specialty products / limited quantities. Within this category, respondents periodically mentioned “what-if” types of scenarios, where a respondent was familiar with a producer with import / export product needs. The respondent most often was not aware of the producer’s specifics needs or whether they could be met by the

	International Terminal.
Opportunities / Limitations	<p>Among the respondents, these observations were recurring and comprise either known or anecdotal impressions.</p> <p>Opportunities:</p> <ul style="list-style-type: none"> - Log and wood products exports were consistently noted as the most obvious / imminent opportunity (<i>Not all respondents were aware of the current proposal for log exports</i>). Respondents were generally aware of or had impressions that a natural market exists in the coast range and the natural advantage for this product. - Raw log import using a short-sea shipping logistics model, with product being sources from Washington and Canadian forests. - Wood byproducts (pulp, fiber products). The presence of major producers / users of wood byproducts materials creates a unique opportunity for sources and transport of materials / finished products using the short-sea barge shipping model. - Increasingly stringent truck emissions standards in California is curtailing some interstate truck shipping logistics models. However, current diesel prices make truck shipping very cheap and convenient/flexible. Should the cost model break down and short-sea shipping of major bulk products (finished lumber, wood byproducts) be more attractive (cost wise) then opportunities might open up at the International Terminal. Working with producers (specifically wood products) that are dealing with this issue is an identified opportunity. - Hay / Forage products that can be bulk-loaded on large cargo ships. The presence of large farms in western Oregon, and anecdotes related to large ownerships (including foreign owned) that need a direct export gateway is a prospective opportunity. - Bulk cargo that can be shipped via barge or deep hull cargo vessels, on a direct / single route (point to point service). - Commercial Fishing fleet support and related specialty manufacturers will have a need for continued access to the International Terminal for vessel service. Specialty suppliers and manufacturers of products in the marine services / technology cluster are target users for the McLean Point industrial park and proximity to the Terminal is value added. - Government research related users. Newport has a growing cluster of government related marine research and support services (ex. NOAA, wave energy) and this industry cluster will likely grow in the coming decade. Businesses within this cluster may have a need for future industrial space and access to marine / dock facilities and the International Terminal is ideally situated and can accommodate this type of research fleet as a service dock. <p>Limitations:</p> <ul style="list-style-type: none"> - Lack of Intermodal freight access, specifically lack of rail service. - Lack of adjacency to the major truck freight route along Interstate 5 (I-5). - Inadequate vessel clearance into Yaquina Bay, under the Yaquina

	<p>Bay bridge, which limits vessel size and shipping options.</p> <ul style="list-style-type: none"> - Newport market is too small to attract large sea shippers and therefore would not provide the frequency of service or access to specific destination ports of call to support general and large volumes of container service. - OR 20 and US 101 have some restrictions (current) on truck size (load and length) and the roadways still have tight curvature which limits some product transfer via longer truck trailer units (ex. 53' trailers without special permit) The long-load special permit limits are to be removed upon completion of the capital improvement project work on OR 20. Regardless, the distance from I-5 and convenience is a barrier to access. These current factors limit some transfer of products, specifically it was noted that the trailer length limitation is a factor for some operators. - Major agricultural products grown within the greater Willamette Valley / western Oregon markets (ex. grass seed, hazelnuts, nursery products) need to be shipped in containerized units (cannot be bulk-loaded) due to packaging or specialty handling requirements. These specific products are also either seasonal and/or need to be shipped in a time dependent manner. Receipt at the destination market is also time sensitive. The implication is that it is faster to truck or rail via intermodal containerized units to major sea ports in Washington (Tacoma/Seattle) to ensure transit via timely vessel call schedules and to have access to more numerous destination ports. - Many western Oregon agricultural products are not conducive for bulk-loading / transport and rely on an export model that is time sensitive and container loaded. - Lack of population in the greater Newport / coastal marketplace, and distance to major population centers in the Willamette valley and Portland region limit the potential producers that need import materials or produce export products.
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B. TARGET INDUSTRY SHIPPING ASSESSMENT

The consultant team interviewed stakeholders that comprise a cross section of target / traded sector industries that have a prominent market presence within the direct Newport region and Willamette Valley / western Oregon. The purpose of the interviews was to assess the nature of the import / export needs and transportation logistics preferences and needs of these target industries. Summary viability observations have been compiled by the consultant team as an interpretation of viability of the International Terminal to support ocean bound shipment of the target sector products.

Opportunity Key

High / Strong Opportunity = highly probable / imminent

Medium / Emergent Opportunity = probable, with business development

Low / Emergent Opportunity = speculative, with business development

Low Opportunity = limited probability due to shipping needs

Target Industry	Import/Export Product(s)	Shipping Platform	Opportunity Observations
Raw Logs	-Export raw log products Destinations: -West coast markets -International Market to Asia	-Truck -Barge -"Handy" size class ocean vessel for trans-pacific shipments	High / Strong Opportunity , given verifiable and proximate supply of private forest holdings. -Port facilities (current, planned) can support imminent use for log exports -transportation access to McLean Point is available -ocean vessel class (assumed barge and "Handy" size) can access Yaquina Bay and dock facility -support tug services may need to be improved for additional vessel calls / large vessels (new/expanded business opportunity)
Finished Paper / Cardboard / Recycled Materials	-Import raw materials (wood & recycled byproducts) -Export finished products Destinations: -West coast markets	-Container via: truck, rail, and ocean vessel -Rail via: bulk rack cars	Medium / Emergent Opportunity , given proximity of major production centers within the broader Newport market. -opportunity is dependent upon the transportation/labor cost model of inland truck/rail shipping compared to short-sea shipping via barge. Development of this opportunity can be nurtured by the Port, and is largely dependent upon the cost and business model of the end users.
General Lumber	-West coast markets -Import raw materials (logs or wood byproducts) -Export finished	-Container via: truck, rail, barge or ocean vessel -Rail via: bulk rack cars.	Medium / Emergent Opportunity , given proximity of major production centers within the broader Newport market. Specifically, regional sawmills need raw log inputs, and these inputs can be sourced along

	<p>products -Export production byproducts</p> <p>Destinations: -West coast markets</p>		<p>the west coast and dependent upon the availability of specific species within the proximate Newport region, an economic case may be present for ocean transfer of raw log inputs via barge to serve these sawmills.</p> <p>-opportunity is dependent upon the availability of timber supply and the transportation/labor cost model of inland truck/rail shipping compared to short-sea shipping via barge. Development of this opportunity could be nurtured by the Port, and is largely dependent upon the cost and business model of the end users.</p>
Grass Seed	<p>Export Products</p> <p>Destinations: Asia/Pacific Rim</p>	-Container via: truck, rail, ocean vessel	Low Opportunity. Due to the weight and diverse export market destinations, this agricultural product is shipped via packaged bags into intermodal container units and transferred north to the Puget Sound ports (primarily) via truck or rail.
Nursery	<p>Export Products</p> <p>Destinations: Asia/Pacific Rim</p>	-Container via: truck, rail, ocean vessel	Low Opportunity. Due to the handling requirements this agricultural product is shipped via packaged units into intermodal container and transferred to major ports via truck or rail.
Fruits and Nuts (hazelnut)	<p>Export Products</p> <p>Destinations: Asia</p>	-Container via: truck, rail, ocean vessel	Low Opportunity. Due to the handling requirements this agricultural product is shipped via packaged units into intermodal container and transferred north to Puget Sound ports via truck or rail.
Hay / Forage	<p>Export Products</p> <p>Destinations: Asia/Pacific Rim</p>	-Container via: truck, rail and vessel -Bulk vessel (<i>emerging oppty</i>)	<p>Low / Emergent Opportunity. Currently, the majority of export hay/forage products are transferred via compressed packages in containerized cargo units, and transferred via truck or rail to a large general cargo port.</p> <p>-Anecdotal observations were shared during the interview process that select large growers were exploring the opportunity to ship the compressed packages into “Handy” size bulk vessels for export destinations.</p> <p>This is a business opportunity that the Port could pursue and nurture with affected parties over the mid-long term.</p>
Grains (other)	Export Products	-Container via: truck, rail, vessel	Low Opportunity. Multiple grain and vegetable products are

	<p>Destinations: Asia/Pacific Rim</p>	<p>-Rail via bulk-unit car -Barge via bulk hull unit -"Handy" size class ocean vessel</p>	<p>produced in the western Oregon and exported via both container and bulk loaded vessels. A substantial portion of the grain products are conveyed to export terminals via rail, barge and some truck. Many of the export facilities are arrayed along the lower Columbia River, in order to take advantage of access to the intercontinental rail and river barge networks. Some value added and refrigerated export products are shipped via container units with current destination to Puget Sound ports. The lack of rail and river access are major barriers to entry for the International Terminal to serve this commodity sector.</p>
<p>Specialty Producers</p>	<p>-Import & Export Products</p> <p>Destinations: -West coast markets -Asia/Pacific Rim</p>	<p>-Container via: truck, rail, ocean vessel -Single bulk load via barge or "Handy" size vessel (ex. oversize product/equipment)</p>	<p>Medium / Emergent Opportunities. During the interview process, anecdotes were made in regards to import product needs and export products produced within the broader Newport / Willamette Valley region. Comments also were made in relation to the needs of the Distant Water fleet and generally the marine industry cluster within Newport.</p> <p>-These references were considered "what-if" observations, with different degrees of validity or proof of concept via the logistics needs and export market destination of the product in question.</p> <p>-Overall, select opportunities may manifest over time for direct point-to-point shipment (ex. west coast short-sea, import/export) based on whether the cost / access benefits of the Newport shipment gateway meet the user's needs. Large volume containerized cargo services are unlikely due to the location of Newport off the main shipping lanes (I-5) and due to vessel size limits. However, specialized container cargo (short-sea, or supplemental to a "Handy" size bulk load, could be an option.</p> <p>These opportunities should be considered a business development opportunity for the Port.</p>

SECTION V. OVERALL STRATEGY

A. BUSINESS CONCEPT

The Port of Newport Commission has entered into a lease option agreement with a prospective tenant (Teevin Brothers) to build a shipping facility (log processing and laydown yard) upon the 9 acres of Port landholdings within McLean Point.

The initial business concept for the shipping facility relies upon the availability of supply/harvest of private timber stands to service future export demand for raw log exports to Asian economies. Building an export market pipeline is based on efficient trans-pacific shipping routes and an economic model that makes harvesting and exporting of raw logs cost competitive.

As International Terminal operations mature with implementation of the log processing and export operations, support services will scale-up to support initial shipping activity. As operations stabilize, the business plan is to expand the cargo mix at the Terminal. Medium term expansion opportunities exist in the short-sea shipping market of wood and recycled products, and can be matured with the Port being a partner to implementation. Further, the initial shipping facility operator may be able to assist in the business development by providing equipment and expertise in terminal operations, logistics and shipper relationships, which can accelerate cargo expansion opportunities.

B. THREATS AND RISKS

Considering the current proposal for a laydown and cargo shipping facility at McLean Point that is focused on processed logs, and based on the observations compiled in the stakeholder interview process, the following Strengths/Weaknesses/Opportunities/Threats (SWOT) analysis summarizes major observations regarding imminent site development opportunities for the shipping facility and International Terminal.

1. Strengths:

- ◆ Substantial private forest lands are in direct proximity to Newport. Available timber volume could support wood products industry activity, and specifically log exports.
- ◆ An executed lease option agreement with a terminal operator (Teevin Bros.) to operate a raw log processing/sorting yard and equipment on site to convey to the International Terminal to serve as an export facility. Teevin Bros. is a regional company with a strong pacific northwest presence and has successful per facilities in the northwest. This proven operator has the relationships and industry knowledge to secure long-term material handling contracts with private landowners/managers to ensure a continuous flow of logs for this export function (assuming the market pricing supports exports).
- ◆ The transportation cost advantage of short distance transfer movements (reduced cost) from timber harvest site to export processing facility creates a natural cost advantage for the Newport site, which can work to shield the terminal operator from competition from neighboring export facilities. Proximity of substantial private timber stands to

Newport creates this competitive cost advantage. The nearest such facilities to Newport are at the Port of Coos Bay (over 100 miles south) and Astoria (over 130 miles north). In both cases, these ports are served by US 101.

- ◆ The International Terminal dock facility is fully operational, and capable of handling marine cargo movement (specifically bulk materials and containerized cargo), with little to no improvements or modifications required for Port dock facilities (with the exception of a need for heavy lift cranes/apparatus for certain load types).
- ◆ No major off-site infrastructure impediments or access restrictions are present which would preclude the Terminal and McLean Point from development as a raw log handling/export facility or other bulk storage or processing functions.
- ◆ Select environmental permits have been granted to facilitate site preparation and development upon the vacant McLean Point industrial land.
- ◆ The Port and Rondys have a longstanding and strong mutual partnership in relation to industrial site development at McLean Point. The Port of Newport and Rondys have a lease agreement in place to facilitate on the Port's storage of dredge spoils on the Rondys site. Master plans of both the Port and Rondys anticipate movement of these materials as part of site preparation in advance of the Port's 9 acre site improvements and the Yaquina Industrial Park development. Additional access and utility easements would need to be site in place to ensure continuity in access upon site development.
- ◆ The City of Newport has an adopted Urban Renewal Area (URA) Plan for McLean Point which provides both an expectation and plan to extend urban services (water, sewer, stormwater), and planned roadway / access improvements to finance and facilitate site development.
- ◆ In the short term, site development of the Port's 9 acre parcel and a presumed phase-one, 40K square-foot general warehouse building at the Yaquina Industrial Park, can likely be permitted without major upgrades to public facilities. It is assumed that access improvements from SE Bay Blvd will be completed and necessary easements set in place for access from the Port's 9 acre parcel west to the International Terminal. Other major upgrades to public services (ex. sewer) is not required / needed for the initial phase of site development.
- ◆ Shipping channel depths at the International Terminal are certified at 35 feet, and capable of accommodating both ocean barges and "Handy" size bulk hull vessels. The shipping channel requires minimal dredging to sustain the certified depth.
- ◆ The International Terminal is adjacent to the M-5 Pacific Marine Highway Corridor and open-water international shipping lane, and this direct proximity reduces transit time and increases cost efficiencies of calling into the International Terminal. Specifically, proximity to the M-5 corridor supports a short-sea shipping logistics model where point-point agreements could be put in place to convey input/output production materials from suppliers in the Newport market (saw mills, pulp mills, wood-based value added products manufacturers) to other coastal markets.

2. Weaknesses:

- ◆ The International Terminal is distant (65 miles) from the major freight (truck and rail) corridor along Interstate 5 and truck access via OR 20 or US 101 is less conducive to large /oversize truck movements for movements of some commodities, specifically those requiring a truck trailer length in excess of 40 feet.

- ◆ The Yaquina Bay Bridge vertical clearance of 133-feet limits the vessel size capable of calling on the International Terminal.
- ◆ The International Terminal is not served by the PNWR railroad, and no plans are in place to make that connection from Toledo into Newport.
- ◆ Major agricultural products produced for export within the primary market region are not conducive to shipping in bulk loading vessels. Many of these products are shipped via containers and are transferred to major container shipping ports to ensure timely export to a diverse group of foreign markets.
- ◆ Consolidation of the general container cargo shipping ports of call, to major centers along the west coast (ex. Long Beach (CA), Tacoma/Seattle (WA), Vancouver/Prince Rupert (CN)) will preclude the Port of Newport from handling large volumes of general container cargo, largely because changes in the international logistics cost model does not support container shipping from small ports. (see profile article in Appendix F)

3. Opportunities:

- ◆ New market opportunities do exist for bulk commodity shipping through the International Terminal, and these opportunities will need to be nurtured and developed over the short/long-term in a sustained business plan to attract users at the Port. Examples of new market opportunities include: wood products, paper products, recycled products, limited general cargo, and limited agricultural products. (see opportunity assessment in Section IV).
- ◆ Apparent or expressed opportunities evaluated in the prospecting interview process include: logs and wood products, hay and forage related, recycled materials, short sea direct vendor service and limited general cargo shipping of a niche quantity.
- ◆ Ancillary use of the Terminal and potential tenants of McLean Point industrial park include: existing and expanded use by support businesses to the distant water fleet; government or private ventures related to the marine R&D cluster; and, specialty manufacturers related to the marine services and fisheries cluster.
- ◆ Development of a short-sea shipping operation out of the International Terminal could be a business opportunity for the Port. This opportunity would need to be cultivated with both barge operators and producers (importers and exporters) within the region. Target industries would be oriented towards larger producers in order to establish a primary cargo. Supplemental cargos (general) could be added over time once the shipping service and up/down coast markets are established. Potential target industries for business development are noted in Section IV. (a Case Study of a short-sea shipping operation is presented in Appendix D.)

4. Threats:

In the short term:

- ◆ Expiration of the existing environmental permits related to site preparation and development at the McLean Point industrial properties (permits begin to lapse in March 2017).
- ◆ Expiration of the Port's existing Lease Option agreement with Teevin Bros. and risk of non-renewal (*considered to be limited risk*).

- ◆ Channel depth needs to be maintained to a certified 35 feet, to enable “Handy” size vessels to call into the International Terminal.
- ◆ Macro-economic market volatility in the raw log market. Specifically, weakening of foreign demand for raw log exports from the US west coast could alter the economic return to private forest landowners which could delay or limit log harvests and the overall supply of logs for both export and domestic markets. A lack of log harvests in the Newport market may diminish the demand for a log handling and export operation.
- ◆ Internal site circulation agreements (easements) need to be secured between the Port and Rondys to facilitate cross property circulation within McLean Point. Lack of access agreements would create uncertainties for ingress/egress to the Port’s 9 acre parcel.
- ◆ Lack of funding for site development at McLean Point will delay indefinitely site development on the whole of the nearly 40 acre (9 Port and 30+/- Rondys) industrial land. Select environmental permits anticipate joint site development improvements (ex. wetland mitigation, NPDES) and the stormwater improvements will need to be coordinated among the entirety of the site (current permits begin to expire in March 2017). Further, the Port has been storing dredge spoils on the proposed Rondys site per the terms of a lease agreement, and movement of the materials (both on and off-site) will need to be coordinated to properly prepare Port’s and Rondys site grades for final development. All this indicates that unless both parties are come to mutual agreement on a multitude of site and phasing agreements, then this poses risk to the Port’s 9-acre site development.
- ◆ Inability of Teevin Bros. (current proposed operator) to secure material handling contracts with major timber landowners/managers to secure an immediate and consistent flow of harvest logs through the export processing terminal.
- ◆ Community sentiment and support of log exports from OR forests could pose risk to support of the proposed operation. This risk is mitigated in part due to the consistent support of the policy bodies (City of Newport and Port of Newport). The risk can be mitigated in part by the tenant implementing good neighbor business practices. Public debate regarding exports has a longstanding history in the pacific northwest, but current public policy and law supports such private market endeavors.

In the long term:

- ◆ Unanticipated future changes to regulations relating to factors such as: private land logging, channel dredging, and land use permitting conditions could affect site development and the type and scale of terminal operations.
- ◆ Evolution of the global shipping and logistics markets which alters the economic cost model of raw log exports from US west coast markets. (this is a low probability scenario). The most apparent risk to Newport is the potential to consolidate raw log exports to key export gateways and or the use of larger vessel class. The risk to Newport of consolidation of export gateways is likely low, due to the transportation cost input effects of long-distance log hauling and the known shortage of qualified labor and other handling costs associated with long distance travel. However, should the vessel class increase in size (overall), the Newport operation is at risk due to the limited air draft clearances entering Yaquina Bay under the Yaquina Bay Bridge.
- ◆ Sustained economic decline of the Asian economies and stunted growth (demand) for foreign wood products. (this is a low probability scenario).

C. KEY SUCCESS FACTORS

Numerous variables need to be properly addressed in order to provide an initial opportunity to achieve success of the shipping facility. While this study cannot account for all factors of success, several key factors stand out and include the following:

Timely Site Development.

The Port of Newport and the City of Newport are aligned in the interest that development occur at McLean Point, and increased activity at the recently upgraded International Terminal is in the economic interest of the region and state of Oregon.

This alignment is manifest in multiple forms. On the Port's behalf, this commitment is manifest in: investment in the terminal, entering into a lease option agreement with a prospective tenant for the shipping facility, and, securing of federal grant (TIGER) funds (and continued pursuit thereof) for site development. On the City's behalf, this commitment is manifest in: comprehensive land use planning that identifies the McLean Point properties as a strategic economic opportunity area; adoption of the McLean Point Urban Renewal Area Plan and related tax increment financing ordinances; and, a demonstrated commitment to planned and ongoing upgrades to public facilities (namely roadways, sewer and water systems) that will facilitate safe access and provide adequate public facilities to the shipping facility and McLean Point.

Currently, funding of the phase-one site development funding plan remains unfilled. The Port has been able to secure an initial federal grant award (\$2 Million) for site development. The funding gap remains at roughly \$4 Million. The Port continues to solicit other funding grants through various sources.

Committed and Proven Tenant.

The Port of Newport has entered into a lease option agreement with Teevin Bros. Land and Timber Co. LLC (Teevin Bros) to occupy the Port's 9 acre parcel with the intent to operate a shipping facility terminal. Teevin Bros., in operation since 1978, has a proven business model and successful track record for operating a diverse portfolio of business (logging operations, trucking/intermodal operations, and quarry operations) in the Pacific Northwest.

Teevin Bros. operates peer facilities and has industry contacts and know-how to successfully operate a log export handling and processing facility like that which is proposed at the shipping facility. Teevin Bros. commitment to the Newport project is manifest in self-funded site planning, engineering, and permitting for site development. The use of these plans and permits was transferred to the Port of Newport as part of the fully executed lease option agreement, and can be used to reduce the Port's costs and expedite final permitting and bidding of the construction work managed by the Port.

Sustainable Timber Supply.

Availability of private timber stands within the Newport market region is a critical input component to the viability of a log export facility. Based on current land holding data, private timber stand volume within a 20-40 mile radii of Newport is proven and could supply a sustainable volume of harvest to support the proposed Newport facility. As planned, the current export volume out of the Port of Newport is to be near 55 million-board-feet (MBF) per year, or roughly 10 "Handy" size vessel calls per year. Further, a roughly 20 miles radii, the 55 MBF need forecast represents less than 5 percent of the private timber stand inventory (assumes a harvest on a 45 year rotation). The log supply generated by the timber stands within 20 miles would fully support the projected export quantities as proposed by the tenant.

In order to supply the tenant with a supply of logs to handle, the tenant intends to secure “material handling contracts” with timber landowners/managers, to ensure a log flow into the shipping facility. The tenant has a long and proved track record of establishing these agreements at other facilities. As of this report, no contracts have been signed. However, agreements of this type would be signed once the site development schedule has been developed.

Terminal Support Service Providers.

Operation of the International Terminal Shipping Facility will require a series of support service providers. Those include (not limited to): support tug operators, dock labor (ILWU, or other per contract), heavy equipment to stage materials, customs processing, and vessel crew support. Current gaps may exist with some support services, or the service is provided but not at a level that would support proposed operations. Because most of these support services are private vendors, and act in a market responsive manner, the start-up and growth of the terminal operations will present business growth or new venture opportunities for respective support service businesses.

The timing of investment by support service operators will be scaled by the private market to size service levels as exports and short-sea shipping increase over time to the terminal support needs. For those services that would require Port coordination (ex. customs, security) the Port will put in place a plan and schedule to fully operationalize needed components to support on-dock terminal operations.

Ancillary Terminal and Industrial Tenant Growth.

An increase and diversification of overall activity at the International Terminal is both good for Port operations (revenues) and would help facilitate future development of the McLean Point and create new business opportunities for other adjacent service type businesses (ex. fleet services, ship maintenance). Currently the International Terminal is used for intermittent periods by the commercial fishing fleet and support services to the marine services cluster and specialty shipping (one time or limited term contracts).

Initial site development phasing of the McLean Point assumes a phase-one plan for development of the Port’s 9 acre lot for the shipping facility and proposals exist for concurrent development of a speculative 40,000 sq.ft. general warehouse/storage building in the Yaquina Industrial Park. Increased terminal activity may induce space demand and accelerate absorption at the Yaquina Industrial Park. Prospective tenants may benefit from proximate access to the International Terminal and this would in turn bolster expansion of terminal users from the industrial park’s tenant pool. Further, it is expected that as vessel calls into the Port become more prominent other major producers / importers / exporters within the greater region would explore access through the International Terminal. Development expanded International Terminal users is a future business development opportunity for the Port.

Stable Macro-Economic and Regulatory Environment.

Demand for export products from the US west-coast, and specifically log exports from the Newport region is reliant upon a logistic model and macro-economic demand that make the cost of extraction and shipment of logs from west-coast forests cost competitive on the international market.

Driving the incentive to harvest is the economic return price paid to landowners, and the prices paid by foreign entities. Demand for logs exported from US west-coast forests to Asia (specifically China) are forecast to be positive and steady (cyclically factored) to the foreseeable future. While China’s demand has tempered in recent years (due to the slowdown in the construction sector) the long term trend of growth in Chinese and other Asian markets is

forecast to expand at 6% annually, albeit at a more moderate pace (compared to the peak of export demand).

The transportation cost advantage of proximate timber stands to the Newport terminal should minimize that input component and provide a competitive cost advantage to induce log harvests out of those private timber stands. Contract loggers will continue to seek stable supply of labor at reasonable costs, and increased demand for harvests within this region is a business opportunity for both landowners and contract loggers to find equilibrium among those factors.

In addition to macro-economic factors, the regulatory market should not preclude harvests or drive up the costs of harvest. Considering the progressive regulatory environment for logging within Oregon, the near to mid-term forecast does not indicate major reforms of regulation or policy that would cut-off supply or materially drive up the cost of harvest on private timber stands.

SECTION VI: FINDINGS AND STRATEGIC RECOMMENDATIONS

A. PRIMARY FINDINGS

Site Plan Development Overview

- ◆ Current terminal plans and future development of McLean Point are consistent with the Port Capital Facilities Plan and the City of Newport Comprehensive Plan. Industrial development of McLean Point is identified as a strategic economic opportunity area by the City of Newport and endorsed by numerous regional economic and civic associations.
- ◆ Preliminary site planning of the Yaquina Industrial Park is complimentary/compatible with and can be staged in a manner consistent with development of the Port's property.
- ◆ Development phasing of the Port's property is co-joined with development of the Yaquina Industrial Park. Combined, the 40+ acres will jointly share site mitigations such as: wetland mitigation sites and likely shared storm-water facilities.
- ◆ The Port has a current lease agreement with Rondys for storage of dredge and materials stockpiling on site, and this material is proposed to be both redistributed on-site and removed off-site as part of the master grading plan for both properties site development grading. Further, the Port has an agreement to place the surplus dredge material at the municipal airport.
- ◆ In conjunction with the Port's 9 acre site development, there exists expressed intent to concurrently construct a roughly 40,000 sq.ft. industrial/warehouse building within the Yaquina Industrial Park. Construction of phase one improvements is contingent upon funding. Service utilities (excluding sewer) are expected to be extended on-site with phase-one development.

Market Overview

- ◆ Logs and related wood products processing/manufacturing is a highly concentrated traded sector industry within the Newport region.
- ◆ Log exports from the Pacific Northwest are expected to remain stable over the long term, due to forecast steady growth of the Pacific Rim nations, specifically within China, Japan and South Korea.
- ◆ The transportation cost advantage of harvesting logs from the private timber stands proximate to Newport creates a natural cost advantage for potential export from the International Terminal.

- ◆ As projected, the volume of log exports handled by the Port of Newport in the future would equate to roughly 55 MBF, and this volume represents roughly 5 percent of the total harvest capacity of the proximate private timber stands. Meaning that the supply of logs for export within the Newport market timber stands is sustainable over the long term.

Terminal Operations

- ◆ The Port of Newport has entered into a lease option agreement with Teevin Bros Timber and Land Co. LLC (Teevin Bros) to operate a log yard and support general cargo at the Port's shipping facility. Teevin Bros. intends to enter into a lease agreement with the Port for the 9 acre site, where Teevin would receive/process/stage logs for export.
- ◆ Teevin Bros intends to transfer logs and other cargo from the 9 acre laydown site to the International Terminal dock using trailers and hossler equipment and would utilize their own heavy lift apparatus at the Terminal to stage logs and general cargo for handling by the shipper's contract labor. Loading of the "Handy" size or barge vessels would be handled by contract labor procured by the vessel operator.
- ◆ Teevin Bros projects log export activity of roughly 55 MBF per anum, at project start-up.
- ◆ Teevin Bros will likely enter into material handling contracts with private landowners/managers to ensure a consistent supply of logs are to be handled/processed for export through the terminal facility.
- ◆ Teevin Bros is an established terminal operator, having been in business since 1978. Teevin Bros. operates a similar log processing facility in Rainier OR, and has a strong track record of financial performance and continuity of operations.

Traded Sector Assessment

- ◆ Log and wood related products are the most imminent and verifiable traded sector industry to utilize the International Terminal for west-coast or trans-pacific shipments. This sector represents the commodity group that is capable of shipment by bulk loaded vessels (barge or "Handy" size) and do not have specialty handling requirements (generally) nor are the commodities perishable or time sensitive.
- ◆ Medium term opportunity for wood products, paper products, recycled products can be a business development opportunity for the Port in partnership with the phase-one shipping facility operator, and shippers and Newport market producers. The Port will likely need to be an active partner in developing this expanded portfolio of cargo/shipping services.
- ◆ Among the agricultural sectors with a strong market presence in the broader region and western Oregon, the Hay/Forage commodity shows the most promise, in terms of potential long-term development of a bulk-loaded shipping model. Verification of this finding was not absolute, and is noted as "potential" and should be explored further with target growers and trade groups.
- ◆ Other highly concentrated agricultural sectors with a strong market presence (ex. Grass seed, Fruits/nuts, Nursery) have specialized shipment requirements and are exported via containerized cargo vessels at northern regional ports (Portland and Puget Sound), where vessel call schedules and destination port access is more diverse.

- ◆ The distance of the Newport terminal from the main freight corridors (Interstate 5 for trucks, and, Union Pacific / BNSF for rail) limits convenience and major flows of general cargo within the primary trade logistics networks. Lack of intermodal rail access will limit the commodity sectors that have efficient access and therefore this will limit the economies of scale needed to operate a successful general cargo (containerized) terminal.

Near Term Market Feasibility

- ◆ Development of the 9 acre site as a log export processing facility and trans-pacific export shipment via “Handy” size vessel loaded at the International Terminal is a probable and imminently verifiable business model.
- ◆ Current market conditions (1-5 years) suggest the macro-economic cost model will support log exports to Asian countries from west coast ports, and the Newport proposal provides a competitive cost advantage by reducing the transportation cost input, given the proximity of available and harvestable private timber stands in direct proximity to the Newport terminal.

Risks and Threats

- ◆ Access to McLean Point and the International Terminal is distant from the major west-coast freight corridors (truck and rail) and access via OR 20, while improved from past conditions, still retains some transport inconvenience for a high volume of truck shipments due to tight curvature in some sections. Lack of rail access into McLean Point limits intermodal freight shipment options and utilization of the terminal by agricultural and general cargo producers that are concentrated in the western OR markets.
- ◆ Evolution of the global shipping and logistics markets which alters the economic cost model of raw log exports from US west coast markets. (this is a low probability scenario). The most apparent risk to Newport is the potential to consolidate raw log exports to key export gateways and or the use of larger vessel class. The risk to Newport of consolidation of export gateways is likely low, due to the transportation cost input effects of long-distance log hauling and the known shortage of qualified labor and other handling costs associated with long distance travel. However, the vertical constraints imposed by the Yaquina Bay Bridge could portend threats to trans-pacific cargo shipping opportunities should the “Handy” size vessel class change in favor of larger vessels (*considered a low risk outcome given diversity of trans-ocean bulk commodity fleet*). In addition, the channel depth at the Terminal will support a vessel draft of 35 feet, and additional channel dredging would be needed if deeper draft vessels were to call port at the Terminal.
- ◆ Macro-economic market volatility in the raw log market or a sustained downturn in upward growth in the Asian economies would affect the demand for logs (and associated wood products). Specifically, weakening of foreign demand for raw log exports from the US west coast (due to either dampened growth prospects, or cost pressures from other foreign suppliers) could alter the economic return (prices paid) to private forest landowners which could delay or limit log harvests and supply of logs for both export and domestic markets. A lack of log harvests, due to a tightening of the

economic return to timber owners/managers in the Newport market could diminish the demand for a log handling and export operation.

- ◆ Inability of Teevin Bros. (current proposed operator) to secure material handling contracts with major timber landowners/managers to secure a long-term and consistent flow of harvest logs through the export processing terminal.
- ◆ Unanticipated future changes to regulations relating to factors such as: private land logging, channel dredging, and, land use permitting conditions could affect site development and the type and scale of terminal operations. Further, foreign import prohibitions related to pests or other byproducts associated with US west coast timber could also affect overall demand.

B. STRATEGIC OBSERVATIONS

- ◆ **Unified Vision for Site Development** Site development at the shipping facility is supported by the City of Newport zoning codes and public infrastructure is either available adjacent to McLean Point (water, franchise utilities), or is planned to be brought to (sewer) or developed on site (stormwater systems, roadways) and these improvements are eligible for funding with proceeds from the McLean Point Urban Renewal Area proceeds.
- ◆ **Freight Transportation Access** No major transportation access impediment exists into the shipping facility or the International Terminal. Transportation access to McLean Point and the International Terminal is provided by highways (US 101 and OR 20) and SE Moore Dr, SE Bay Blvd (arterials) with no major impediments to access known. Future plans for access improvements (turn lanes) to and from McLean Point will be staged with site development. As McLean Point builds out, designation of internal circulation roadways as public streets would solidify site circulation rights.
- ◆ **Tenant Commitments are In-Motion** Development at the shipping facility site is market ready. The Port has a committed lease option with a future tenant for the entirety of the 9 acre port parcel. Concurrent with the Port's site development, the developer of Yaquina Industrial Park intends to break ground on a 40,000 sq.ft. industrial warehouse building. Tenants at this building are prospective, with no leases (or options) signed at this point.
- ◆ **Tenant is Proven Operator** The prospective shipping facility tenant (Teevin Bros.) has a longstanding business presence in the Pacific Northwest (since 1978), with a proven business plan and industry relationships to ensure continuity of operations. Teevin Bros. operates a similar log processing facility in Rainier Oregon, and has a clear understanding of the operational needs to be a successful tenant and operator at the Newport site.
- ◆ **Log Export Business Model is Valid** Development of a log export business and trans-pacific export shipment via Handy size vessels loaded from the International Terminal is a probable and validated business model. This business model relies on access to private timber stand harvest volumes and deep water access at the Port's Terminal. The prospective tenant has a proven track record of managing this type of facility and over the long term handling this cargo (verified at the Teevin Bros Rainier OR facility).

- ◆ **Market Factors Indicate Sustained Demand** Current market conditions (1-5 years) suggest the macro-economic cost model will support log exports to Asian countries from west coast ports, and the Newport proposal provides a competitive cost advantage by reducing the transportation cost input, given the proximity of available and harvestable private timber stands in direct proximity to the Newport terminal.
- ◆ **Private Timber Stands are Available** As projected, the volume of log exports handled by the Port of Newport in the future would equate to roughly 55 Million-Board-Feet, and this volume represents approximately 5 percent of the total annual private harvest capacity of the proximate private timber stands. Meaning that the supply of logs for export within the Newport market timber stands is expected to be sustainable over the long term. The incentive to harvest and re-plant these stands would likely be induced by a cost model that is created by development of export shipping operations out of Newport. While the addition of foreign timber buyer(s) may increase the competition for raw log purchases and result in some upward pressure on prices received by Oregon's private timber land owners. Improved timber prices may overtime lead to greater optimization of timber land resources as private land owners plant new trees given improved returns from their investment in timber stocks. We estimate that current annual private timber harvests in Oregon are about 10% below sustainable harvest volumes.
- ◆ **Wood Products are a Competitive Advantage** Log and wood related products are the most imminent and verifiable traded sector industry to utilize the International Terminal for west-coast or trans-pacific shipments. This sector represents the commodity group that is capable of shipment by bulk loaded vessels (barge or "Handy" size) and have limited specialty handling requirements (generally) nor are the commodities perishable or time sensitive.
- ◆ **Risks are at a Minimum** Few external threats (market or regulatory) exist in the immediate to short term which would delay site development or limit the functioning of the terminal operator's business plan.
- ◆ **Mid-Long Term Expanded Shipping Opportunities** Investment in the shipping facility is expected to facilitate the movement of other goods through Newport as vessel calls increase awareness of the utility and function of the Terminal and enhance the private sector support apparatus. As shipping patterns and viability of the handling capacity of the Port is established (initially by log exports), other goods (such as wood byproducts, specialty cargo, and potentially other bulk agricultural products) may explore shipping arrangements in bulk or containers on either "Handy" size or barge vessels that can call into the Port of Newport. Examples of cargo could include: wood products, paper products, recycled materials, and agricultural products that can be bulk loaded and transferred to the Port via truck.

C. STRATEGIC RECOMMENDATIONS

The following strategic recommendations are provided to the Port of consideration of refinement of expansion of the proposed development plan and furtherance of the International Terminal operations.

Value Engineering of Site Plan Improvements

As currently planned/engineered, the site improvements to the 9-acre Port parcel and site grading / mitigation site development per the terms of the Port's lease agreement with Rondys and the existing environmental permits stands at over \$6 Million. Given public funding (in part of whole) of portions of the site improvement costs, the Port will need to procure and manage the site development contracts. The consultant team recommends that the Port complete a Value Engineering study of the planned site improvements to assess whether cost savings can be derived while still supporting the Port's and tenants needs / expectations. Considering that a significant gap in funding site development exists, a study at this time will either verify the current funding target, or may yield potential savings which can narrow the funding gap and ideally expedite site improvements.

Business Development Staffing

During the course of the target sector assessment / interview process, the consultant team was provided with multiple perspectives and anecdotes related to potential businesses in Newport region that may be able to use the Newport terminal for import/export shipping activity. The consultant team recommends that the Port consider hiring an independent project construction manager in the short-term; and prior to project completion hiring one full-time staff member experienced in port-related marketing, or entering into agreements with regional associations to create a business development function at the Port. The purpose of the business development function would be to nurture business opportunities (users) of the Port's terminal facility. This staff would interact directly with producers of traded sector products, industry associations, and shipping lines to pursue and develop business at the Port. Most Ports staff a similar function and charged with maintaining and expanding a Port's user relationships.

Short Sea Shipping Business Development

Development of a short-sea shipping operation out of the International Terminal is a likely business venture. During the stakeholder interview process, the consultant team had numerous discussions in relation to the near to mid-term opportunities that might exist to develop such a shipping business. Specific target industries that surfaced in the Study are the wood / paper products industries. Prominent Newport region industries such as the GP plant and regional saw-mills provide opportunities to explore. This business development opportunity will need to be nurtured, with the Port participating in both the prospecting and marketing, as well as being open to taking an active role in a partnership. That could include taking an active in role in providing providing laydown (short and long term) space at (or near) the International Terminal and also considering taking a financial role in a given venture. This type of business development is typical of Port activities, and should be considered within the context of the Port's long-term business development plan.

Short Sea Shipping Strategy

The following actions are presented as options for the Port of Newport to consider:

- 1) Set aside and market terminal space for cargo handling and interim storage. In the case of the Rainier terminal, the 80+ acre site is able to accommodate the storage and handling of cargo as it stages the cargo for shipment out of the International Terminal. Having this space available and committed at the Port facility provides a strong and positive signal to the other partners (barge operator, producers) that the Port is committed to this service, and allows the partners to build a business concept around that certainty.
- 2) Take advantage of an experienced terminal operator, to assist in set-up and operations, which could defer the Port's need to acquire additional equipment and manage related cargo handling affairs. Having Teevin Bros. on site (prospectively) allows the Port to focus on business development with potential partners, and allows an experienced terminal operator with needed equipment, set up and operate the terminal.
- 3) Develop a specific marketing plan for cargo handling and storage, and market this prospectively to barge companies and major producers that could be engaged for direct short-sea shipment routes. A producer may not have enough on-site storage to handle an entire bulk load of material from a barge, and if the Port were to offer short-term handling/storage of the bulk material, that material could be transferred to the end user on an as-needed basis per the producer's production schedule. This may be an inducement to consider bulk transfer via barge as opposed to just-in-time shipments via truck, which may allow the producer to take advantage of the cost savings associated with bulk shipments via barge transit, and would reduce their need to store product on-site, yet still have access to material inputs based on their production schedule.
- 4) Develop a business development function to market and participate in partnership discussions between barge operators and Newport region producers. Starting and nurturing a short-sea shipping business through the International Terminal will require direct Port involvement in some element of partnership. The dimensions of partnership could be diverse, including: establishing service specific tariff and other cost agreements, developing cargo handling capacity (cranes, forklifts, etc); developing a handling facility for interim or long-term storage; and, developing/implementing multi-party marketing plans to prospect and build the business.

The Case Study (Appendix D) provides an overview of how a short-sea shipping service was developed.

APPENDICES

- A. OREGON TIMBER LAND OWNERS MAP
- B. LOCATION QUOTIENT ANALYSIS OF LINCOLN COUNTY
INDUSTRY SECTORS
- C. STAKEHOLDER INTERVIEW LIST
- D. SHORT-SEA SHIPPING CASE STUDY
- E. INFRASTRUCTURE STATUS
- F. PROFILE ARTICLE – PORTLAND T-6
- G. CERTIFICATION AND LIMITATIONS

A. OREGON TIMBER LANDS OWNERSHIP MAP



B. LOCATION QUOTIENT ANALYSIS OF LINCOLN COUNTY INDUSTRY SECTORS

Industry Code	Description	Employment	Output	Employee Compensation	GDP	Lincoln County LQ (vs Oregon)	Potential Terminal User
148	Paperboard mills	390	\$344,466,431	\$42,964,199	\$83,667,760	65.2	Yes
276	Heating equipment manufacturing	54	\$12,805,086	\$2,641,686	\$3,345,505	51.7	
180	Polish and other sanitation good manufacturing	11	\$7,033,226	\$1,113,153	\$2,403,870	37.2	
17	Commercial fishing	766	\$76,452,415	\$12,519,251	\$63,412,972	33.5	Yes
93	Seafood product preparation and packaging	235	\$70,710,602	\$8,292,310	\$11,421,570	25.0	Yes
110	Distilleries	31	\$30,864,946	\$1,316,769	\$12,413,649	20.5	Yes
199	Pottery, ceramics, and plumbing fixture manufacturing	23	\$3,504,720	\$1,246,937	\$1,625,061	16.1	
76	Nonchocolate confectionery manufacturing	34	\$10,868,559	\$762,663	\$1,226,663	6.6	
81	Canned fruits and vegetables manufacturing	73	\$35,757,710	\$3,544,092	\$4,628,228	5.8	Yes
526	Other local government enterprises	669	\$170,162,430	\$40,539,845	\$40,803,609	5.3	
30	Stone mining and quarrying	35	\$7,027,015	\$624,227	\$3,409,051	5.0	
121	Textile bag and canvas mills	14	\$1,582,087	\$388,973	\$438,937	4.6	
78	Confectionery manufacturing from purchased chocolate	23	\$5,920,317	\$316,030	\$512,398	4.4	
108	Breweries	73	\$56,781,105	\$2,512,739	\$11,376,998	4.4	Yes
340	Wiring device manufacturing	14	\$4,826,935	\$817,526	\$1,574,726	4.1	
16	Commercial logging	182	\$27,432,028	\$8,606,717	\$19,733,984	3.4	Yes
206	Ready-mix concrete manufacturing	20	\$6,463,282	\$1,329,773	\$1,678,217	3.3	Yes
463	Facilities support services	13	\$2,166,871	\$592,227	\$1,237,062	3.0	
14	Animal production, except cattle and poultry and eggs	52	\$1,703,105	\$151,445	\$1,617,950	3.0	
363	Ship building and repairing	41	\$9,034,060	\$2,481,346	\$2,553,895	2.7	Yes
482	Hospitals	840	\$133,761,002	\$70,206,001	\$81,542,516	2.3	
471	Waste management and remediation services	107	\$20,709,551	\$5,424,488	\$8,752,109	2.2	Yes
50	Natural gas distribution	19	\$14,400,550	\$2,365,556	\$6,317,762	2.1	
412	Transit and ground passenger transportation	126	\$8,934,122	\$2,576,212	\$4,899,015	2.0	
15	Forestry, forest products, and timber tract production	11	\$1,786,409	\$766,958	\$1,232,961	2.0	Yes
427	Wired telecommunications carriers	94	\$37,121,452	\$6,037,778	\$14,429,749	1.8	
134	Sawmills	82	\$24,427,776	\$5,002,879	\$6,826,020	1.6	Yes
61	Construction of other new residential structures	155	\$45,335,106	\$384,640	\$7,471,849	1.5	
101	Coffee and tea manufacturing	14	\$7,239,676	\$467,431	\$793,284	1.2	
445	Commercial and industrial machinery and equipment rental and leasing	27	\$5,142,391	\$181,568	\$3,285,128	1.2	
62	Maintenance and repair construction of nonresidential structures	185	\$26,730,728	\$4,346,363	\$9,029,940	1.1	Yes
64	Maintenance and repair construction of highways, streets, bridges, and tunnels	51	\$7,442,674	\$1,210,094	\$2,514,498	1.1	Yes
56	Construction of new highways and streets	75	\$12,036,077	\$1,980,915	\$3,614,204	1.0	Yes
57	Construction of new commercial structures, including farm structures	78	\$9,031,979	\$2,396,744	\$3,708,264	1.0	Yes

Source: IMPLAN model for Lincoln County, 2014. Location Quotient (LQ) represents the relative propensity of an industry to locate in Lincoln County. An LQ of greater than 1.0 represents higher than average propensity; hence an LQ of 5.0 indicates the industry is five times more concentrated in Lincoln County than the state average.

C. STAKEHOLDER INTERVIEW LIST

Company	Target Sector
Georgia Pacific (Toledo, OR)	Wood / Paper Products
Cascade Pacific Pulp, LLC (Halsey, OR)	Wood / Paper Products
Dinsdale Farms (Silverlake, OR)	Hay / Forage
Anderson Hay (Aurora, OR)	Hay / Forage
Oregon Hay and Forage Assn (OR)	Hay / Forage Industry Group
Willamette Hazelnut (Newburg, OR)	Fruits / Nuts
NW Hazelnut Co (Hubbard, OR)	Fruits / Nuts
Oregon Hazelnut Assn (Aurora, OR)	Fruits / Nuts Industry Group
Smith Seed (Halsey, OR)	Grass Seed
Grassland Oregon (Salem, OR)	Grass Seed
Oregon Seed Association (Wilsonville, OR)	Grass Seed Industry Group
Association of Oregon Loggers (Salem, OR)	Timber Industry Group
Oregon Small Woodlands Assn (Salem, OR)	Timber Industry Group
Brusco Tuggs (Longview, WA)	Marine Shipping Company
Sause Brothers Towing (Portland, OR)	Marine Shipping Company
Teevin Brothers Land & Timber (Rainier, OR)	Terminal Operator
SEDCOR (Salem, OR)	Regional Economic Dev.
Economic Development Alliance (Lincoln County, OR)	Regional Economic Dev
Regional Solutions – State of OR (Salem, OR)	Regional Economic Dev
Rondys (Newport, OR)	Yaquina Industrial Park

D. SHORT-SEA SHIPPING CASE STUDY

The following Case Study documents a brief description of a “short-sea” shipping service operated out of a private shipping terminal in Rainier OR. The purpose of the Case Study is to highlight the circumstances and lessons learned from the Rainier service with an emphasis on defining the programmatic issues and future prospects of a short-sea (barge based) west coast shipping operations out of Newport OR.

CASE STUDY: Sause Bros. Towing – Hawaii Service

Operator: Sause Bros. Towing

Terminal: Teevin Bros. terminal in Rainier OR.

Description of Service:

Sause Bros. Towing operates a tug/barge short-sea shipping service to Hawaii. The service is point-to-point with no stops at an interval of a vessel-call roughly every 2-weeks to Hawaii. The logistics model has one barge en-route to Hawaii and one returning at any given time (in rotation).

Typical commodities shipped in this service include: finished lumber, heavy equipment, specialized cargo needed for import, and one-time shipments. Sause Bros. procures space at the Teevin Bros. private shipping terminal in Rainier OR to store cargo leading up to vessel loading. Sause Bros. handles all on-site logistics including truck/rail unloading (& loading) and preps and stages / stores the cargo for handling by Sause Bros. Sause Bros. arranges loading of the barge using contract labor (per ILWU or other agreements).

Terminal Description:

Teevin Bros. operates roughly 80 + acre bulk storage terminal facility with a roll-on/roll-off dock accommodating barge access. The terminal is improved to a paved deck condition and is able to accommodate storage of large quantities of materials (bulk, containerized, over-size). Equipment on-site is able to lift materials from bulk logs, container boxes, and specialized shipping containers for liquid materials.

Transportation Access:

- Truck access via OR Hwy 30 (Adjacent); I-5 access at Longview WA (<10 miles off I-5)
- Rail access via a spur from Portland and Western Railroad (PNWR) which directly serves the Teevin Bros. terminal and provides Teevin Bros. loading access.
- Upriver barge access via Columbia River

Why Rainier?

The Sause Bros. Hawaii service operates out of Rainier OR for a couple reasons (in general). Those include: primary product sent to Hawaii is finished lumber and other bulk cargo materials and Rainier is located near major centers of finished lumber production. In addition, Rainier is strategically located near Interstate 5 and not too far upriver from the Pacific Ocean. Further, the Teevin Bros. terminal is served with a PNWR rail spur which provides a convenient platform for bulk, container and oversized equipment transfer. In brief, the terminal at Rainier is optimally located to hold goods for shipment from Portland and Seattle due to proximate I-5 and rail access. Additionally, Sause Bros. takes advantage of Teevin Bros. storage yard and expertise in terminal operations. Because Teevin Bros. has a lot of bulk

storage space and efficiency in operations, this allows Sause Bros. to turn-key cargo prep and handling on the dock (pre loading/un-loading) to an experienced operator with necessary on-site handling equipment.

Lessons Learned which can be applicable to the Port of Newport:

- 1) Proximity and convenience to major markets and transportation corridors is a critical factor to success. In the case of Rainier, the Teevin Bros. terminal is between the two major markets (Portland and Seattle) and has convenient access off I-5 and is served by a short-line railway spur track.

In the case of Newport, the International Terminal is going to be disadvantaged to grow a robust general cargo short-sea shipping operation because the terminal is distant from I-5 (main freight corridor); is not served by rail access; and is not near major population centers.

- 2) A primary product is “typically” the platform for developing the short-sea service, and supplemental cargo is added once a shipping service becomes established. In the case of Sause Bros.’ Hawaii service, one of the core products shipped is finished lumber. This is in part due to the fact that the NW produces a lot of lumber and Hawaii needs imports to support construction activities. That created a natural market demand for this shipping service from the get-go. With that core service intact, then the frequency of vessel service and adding additional cargo onto the barge became a business marketing pursuit for Sause Bros.

In the case of Newport, the core products/shipments needs in-out of Newport will (most likely) initially be related to either the log/wood products/paper products, and fisheries industries. In addition, opportunities related to the government research sector may be present.

- 3) Short sea shipping is most often related to “direct” point-to-point shipment routes, not “collection” routing. Sause Bros. established a direct route service to Hawaii & Los Angeles from Rainier and it has developed a marketing plan and schedule to create predictability and opportunity for users within the marketplace. The service is not (necessarily) designed to be all things to all users. The service allows aggregation of different cargos at the Rainier OR terminal, and calls the same port in Hawaii & Los Angeles. Once that service and schedule have been established, then it can be marketed for current and future users. Comparatively, Sause does not “aggregate” cargo by stopping and multiple Ports along the coast. This is primarily due to the transport inefficiency and labor cost burden that it would place on service. Sause has elected to establish a direct route with predictable schedules and markets the service between Portland and Seattle as well as up the Columbia River.

In the case of the Port of Newport, given the transportation access and large metro area proximity disadvantages, the most likely scenario for development of a short-sea shipping service out of the International Terminal is to partner with a barge company to explore the natural markets and needs that exist for inbound/outbound shipping from the Newport region. The Feasibility Study has recommended High and Medium opportunity target industries, those being related to: logs, wood products, paper products and fisheries.

Newport’s Target Industries?

As an example, GP is a major producer of finished wood products (cardboard) proximate to Newport. This producer needs volumes of input materials (ex. recycled paper and wood by products) to service the production process. Could a direct short-sea shipping route be established, with sufficient schedules and storage of bulk materials that aligns with the production needs and schedules of the GP plant?

Considering that material handling is only one component of an industry’s supply chain, there is considerable coordination and design of a shipping model that would need to be developed to align all party’s interests (producers, shippers, Ports). Much of these logistics arrangements would need to be

designed on a case-case basis, but this provides an example of a type of direct service that could be established.

In another example, there is a history of short-sea shipping along the west coast related to raw log movement and related wood products. Over time, logs were harvested in one region and barged up/down coast to serve as inputs to sawmills or other producers. Given timber harvest policies (primarily for state / federal owned lands) and species diversity, there are instances where sufficient supply of target wood species are not available proximate to sawmills. In that case, assuming the transportation cost model works, then it could be possible to develop a direct short-sea service route between the input and output producers.

And once a direct service is established, then adding other general or one-time cargo shipments onto the vessel may be a marketing opportunity for the shipping company. These are opportunities for the Port to explore in partnership with all parties.

Actions for the Port of Newport to Consider:

The case study review provides an example of how a short-sea shipping operation was developed, and the following actions are presented as options for the Port of Newport to consider:

- 5) Set aside and market terminal space for cargo handling and interim storage. In the case of the Rainier terminal, the 80+ acre site is able to accommodate the storage and handling of cargo as is stages the cargo for shipment out of the International Terminal. Having this space available and committed at the Port facility provides a strong and positive signal to the other partners (barge operator, producers) that the Port is committed to this service, and allows the partners to build a business concept around that certainty.
- 6) Take advantage of an experienced terminal operator, to assist in set-up and operations, which could defer the Port's need to acquire additional equipment and manage related cargo handling affairs. Having Teevin Bros. on site (prospectively) allows the Port to focus on business development with potential partners, and allows an experienced terminal operator with needed equipment, set up and operate the terminal.
- 7) Develop a specific marketing plan for cargo handling and storage, and market this prospectively to barge companies and major producers that could be engaged for direct short-sea shipment routes. A producer may not have enough on-site storage to handle an entire bulk load of material from a barge, and if the Port were to offer short-term handling/storage of the bulk material, that material could be transferred to the end user on an as-needed basis per the producer's production schedule. This may be an inducement to consider bulk transfer via barge as opposed to just-in-time shipments via truck, which may allow the producer to take advantage of the cost savings associated with bulk shipments via barge transit, and would reduce their need to store product on-site, yet still have access to material inputs based on their production schedule.
- 8) Develop a business development function to market and participate in partnership discussions between barge operators and Newport region producers. Starting and nurturing a short-sea shipping business through the International Terminal will require direct Port involvement in some element of partnership. The dimensions of partnership could be diverse, including: establishing service specific tariff and other cost agreements, developing cargo handling capacity (cranes, forklifts, etc); developing a handling facility for interim or long-term storage; and, developing/implementing multi-party marketing plans to prospect and build the business.

Definition: The modern term **short sea shipping** refers to the terms **coastal trade, coastal shipping, coasting trade** and **coastwise trade**, which encompass the movement of cargo and passengers mainly by sea along a coast, without crossing an ocean.

E. INFRASTRUCTURE STATUS

International Terminal

Support services are available as follows:

Service	Available	Capacity	Needs / Details
Support Tug	Yes	Limited, on a Per Contract basis	According to discussion with several vessel companies, support tug services will need to be expanded to support large vessels calls (ship size and frequency) to the International Terminal. This is a business opportunity for a current or future vendor.
Labor	Yes	Per Contract	Labor contracts for ILWU will be negotiated on a per contract basis with party of interest, based on labor terms.
Crane	Yes	Operated by Port of Newport	Mobile crane: 30 ton Forklifts: 9,000 and 25,000 pound
Security / Customs		Per Contract	
Dredge	Yes	Per Contract	Dredge support provided by the US Corps of Engineers
Vessel / Crew Support Services		Per Contract	Vessel dependent, and varies per origin/destination
Water / Electricity	Yes	Operated by Port of Newport	Available onsite for dock terminal use

Public Infrastructure is available as follows:

Services	Available	Needs / Details
Water	Yes	City of Newport municipal service.
Sewer	No	City of Newport municipal service. Planned extension of sewer to consistent with the adopted Urban Renewal Area Plan. Timeline uncertain.

Stormwater	No	No regional stormwater facility or district. Stormwater handled on-site or according to permit terms with the City of Newport
Private Franchise - Gas - Telecom / Cable - Other	Available	Available on dock, and availability to be extended to industrial parcel per agreement with the franchisee.

McLean Point

Transportation Infrastructure is available as follows:

Services	Status / Proximity	Needs / Details
Navigable Waterway	Yes	The Yaquina Bay harbor, navigable to 35' in proximity to the McLean Point industrial land holdings. Access to the harbor is provided by the Newport International Terminal. The Navigable channel at the Yaquina Bay bridge is approximately 400 feet wide and 133 high. The vessel air draft is limited to 130' (+/-) high. The Marine Hwy and related international shipping lanes are within direct proximity by open sea to the Port's International Terminal.
Shipping Terminal	Yes	The Port's International Terminal dock and temporary laydown areas and related support services are directly adjacent to the McLean Point industrial land holdings. The total size of the Terminal is approximately 13 acres.
Interstate Freeways	None	Intra and Interstate truck shipments generally occur in Interstate 5. I-5 is roughly 65 miles east of Newport. The most direct route to I-5 is via OR 20.
State Highways / Public Arterials	Yes	Highways: Access to the Newport region is provided by OR 20 and US 101. Recent upgrades to OR 20 improve access to Newport from Interstate 5, and the Willamette Valley markets. Roadway curvature

		<p>on both OR 20 and US 101 does limit oversize load capacity. OR 20 distance to I-5 from the Terminal is approximately 65 miles. US 101 distance to Lincoln City is 24 miles and to Coos Bay is 98 miles (approximate)</p> <p>Arterials (Minor): Primary access to both the International Terminal and McLean Point is provided by SE Bay Dr and Yaquina Bay Rd. Connecting access from OR 20 is provided by SE Moore Dr.</p> <p>Planned Capital Improvements (2012 TSP):</p> <ul style="list-style-type: none"> - Intersection improvement (capacity) at SE Moore Dr. / Bay Blvd. - Intersection improvement (capacity) at OR 20 / SE Moore Dr. - Intersection improvement (capacity) at US 101 / OR 20 <p>Planned Study:</p> <ul style="list-style-type: none"> - Port access study / alignment alternatives of SE Moore Dr. / SE Benson Rd. <p>Urban Renewal Planned Improvements:</p> <ul style="list-style-type: none"> - Street upgrades into and within the URA, including turn lanes access to/from SE Bay Blvd. are eligible projects. Planned projects are site plan dependent.
<p>Railroad</p>	<p>No Service. Nearest rail access / intermodal yard is in Toledo OR, approximately 6.3 miles eastward</p>	<p>Rail service to the Toledo OR is provided by the short-line railroad operator Portland and Western Railroad (PNWR). PNWR service intersects the main I-5 corridor service lines for Union Pacific in Albany OR.</p> <p>Service limitations:</p> <ul style="list-style-type: none"> - Rail service from Albany to Toledo is limited and track conditions and tight curvature limit operating speeds and load

		<p>sizes.</p> <ul style="list-style-type: none"> - Tunnel vertical clearances limit rail car height, and do not accommodate traditional “double-stack” container loads. <p>Planned Capital Improvements:</p> <ul style="list-style-type: none"> - Service to Newport. No plans are on the books or in development to extend rail access to the McLean Point or the Port’s International Terminal. - Misc track upgrades and maintenance projects are planned to ensure service continuity.
Navigable Inland Waterways	Limited Service	<p>The Yaquina Bay provides inland waterway service eastward to roughly Toledo OR and the Port of Toledo. The Bay access to the International Terminal dock is navigable to a certified depth of 35 feet.</p>

Public Infrastructure Service are available as follows:

Services	Available	Needs / Details
Water	Yes	<p>City of Newport municipal service. Water service line is present at the International Terminal. Water service lines will need to be extended on-site at McLean Point to service the intended industrial users. A 14 water line is present in SE Bay Dr / Yaquina Bay Rd. A 12 water line is present at the roadway easement on the east boundary of McLean Point, serving the NW Natural site.</p> <p>Urban Renewal Planned Improvements:</p> <ul style="list-style-type: none"> - Service line extensions into the McLean Point URA are eligible projects. Line upsizing may be required for a main service extension from SE Bay Blvd to accommodate a proposed Yaquina Bay undercrossing.
Sewer	No	Nearest sewer service line is at the

		<p>intersection of SE Bay Blvd / SE Vista Dr.</p> <p>Urban Renewal Planned Improvements:</p> <ul style="list-style-type: none"> - New pump station on site to provide service to the Terminal and McLean Point. - Service lateral extensions on-site to the Pump Station. Sewer extension are end user / site plan dependent. - New service line from Pump Station to existing service line at intersection of SE Bay Blvd / SE Vista Dr.
Stormwater	No	<p>No stormwater or regional service facilities are located on site.</p> <p>Urban Renewal Planned Improvements:</p> <ul style="list-style-type: none"> - Stormwater service lines and detention facilities for the Terminal and McLean Point. System improvements are site plan / master planned dependent.
<p>Private Franchise</p> <ul style="list-style-type: none"> - Electricity - Gas - Telecom / Cable - Other 	Limited	<p>International Terminal:</p> <ul style="list-style-type: none"> - Various franchise utilities are available at the International Terminal dock (electricity, telecom, natural gas) <p>McLean Point:</p> <ul style="list-style-type: none"> - No services available. Will be extended upon end user agreement with the franchise operator. <p>Urban Renewal Planned Improvements:</p> <ul style="list-style-type: none"> - Private / franchise utility services are planned projects in order to facilitate site development.

F. PROFILE ARTICLE – PORTLAND T-6



The plague at the port's Terminal 6

The priority now must be to help rural Northwest producers in the wake of Westwood Shipping's pullout

You could say container shipping collapsed at the Port of Portland's Terminal 6 because of a union problem over who can and cannot plug and unplug refrigerated containers — a preposterous but unresolved labor spat that, owing to work slowdowns on the docks, made major shippers leave.

You could, alternatively, say the union's jurisdictional protest is overblown in its business-crushing influence and argue that the Port of Portland, situated 84 nautical miles up the Columbia River from the ocean, is a comparatively remote facility serving small, mostly agricultural, exporters at a time the trans-Pacific shipping industry shifts to megaships docking at accessible, deep-water ports such as Long Beach and Seattle.

The truth lies somewhere in-between. But the present reality is undebatable: Container shipping is dead at Terminal 6, following the pullout in recent weeks of Westwood Shipping Lines. Westwood was the last to tough it out in Portland, as mighty blows to port commerce were dealt last year, when the giants Hanjin and Hapag-Lloyd decided to seek efficiencies elsewhere. This year, Westwood was landing at Terminal 6 but once a month to pick up goods from

Northwest producers eager to sell to Asian markets.

It's a vexing situation for the port. Its Terminal 6 operator, ICTSI, faces years more on its lease, and Terminal 6, with its hulking Erector set structures, represents hundreds of millions of dollars of sunken capital costs. More troublingly, the idling of Terminal 6's container operations poses a costly situation for Oregon's growers and producers whose goods had been shipped simply and efficiently from the port.

Those mostly rural enterprises — a core strength of Oregon's agricultural sector — now face a choice matrix: to increase transit times, and adjust harvests or storage times accordingly, by shipping goods via truck or rail to ports in, likely, Tacoma or Seattle. Fuel costs, modality shifts, loading and unloading — all exert financial pressure on goods whose demand prices, for the most part, are set by markets elsewhere. Put another way: An Oregon producer operating on a thin margin could find him or herself in a world of hurt. Meanwhile, port officials and ICTSI scour the territory for a shipper willing to cross the Columbia bar, chug upriver and restore commerce in a regional economy that in some measure depends upon Terminal 6.

Tacoma is home port for Westwood following the shipper's defection, in 2014, from Seattle, though both ports characterized the move as signifying collaboration between the ports to secure market share in trans-Pacific shipping. Collaboration and consolidation at all levels is increasingly the trend. Hapag-Lloyd in recent months joined forces with large Asian and European shippers to reportedly claim a whopping 18 percent of container fleet capacity globally. Such actions, aligned with the rise of megaships, only drive worldwide shipping prices down further — a pinch that stings all the way upriver in Portland. Westwood, with a comparatively small fleet of midsize ships, said in a statement that making

Westwood Shipping Lines pulled out of the Port of Portland recently.

JAMIE FRANCIS/2012

its monthly call in Portland just wasn't penciling out anymore.

Whither Terminal 6? Port officials describe the region's export market to be a "niche" enterprise serving many small to midsize shippers. To that end, they have been meeting in Pendleton and elsewhere to discuss with growers and producers how to get their goods to Asian markets in a price-effective manner. That's good, as the first outreach must be to help rural producers stay alive in the wake of Westwood's pullout.

But the port continues to be hobbled by its labor situation, a West Coast-wide union complication in need more than ever of resolution. Mediation sessions are "ongoing and positive," reports Bill Wyatt, the port's executive director. That, too, is good. But a peculiar threading of the needle must occur if Terminal 6 is to restore activity and build vitality: labor peace and a shipper with vessels that can navigate a river environment that in places requires dredging to ensure passage. The Legislature, meanwhile, could explore in its 2017 session whether the business models of some of the port's operations, among them container shipping, need reimagining.

Niche operations are good, particularly alongside the large and profitable import operations of automobiles at the port. But the niche shipping operation to be served by Terminal 6 requires deft and immediate choreography: in labor negotiation; in marketing to Oregon's rural producers; in ready transit solutions that not only meet the needs of producers but, by way of ease and efficiency, help grow their businesses.

— The Oregonian/OregonLive editorial board

G. CERTIFICATION AND LIMITATIONS

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

- The statements of fact contained in this report are true and correct based on information that has been provided.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are the Contractor's personal, unbiased professional analyses, opinions and conclusions.
- The Contractors have no present or prospective interest in the property that is the subject of this report, and have no person interest of bias with respect to the parties involved.
- The Contractors compensation is not contingent upon the reporting of predetermined conclusions that favor the cause of the client, the attainment of a stipulated result, the occurrence of a subsequent event, the appraisal of a loan or the awarding of funding.

Matt Ransom

Date:

Market Advisory Group, LLC



Operating Fund

May 20, 2016 through June 15, 2016

Date	Num	Name	Memo	Amount
5/23/16	37901	Appliance Service Station	Service Call - Dryer #4	65.00
5/23/16	37902	Cardinal Services Inc	Wages for Temp Services	428.80
5/23/16	37903	Carson Oil Company	Misc Filters and Lube Oil - NIT	1,095.48
5/23/16	37904	Century Link	Telephone	419.74
5/23/16	37905	CoastCom Inc	Internet and E-mail	832.00
5/23/16	37906	Creative Landscape & Maintenance	Landscape Maintenance	1,200.00
5/23/16	37907	Dahl & Dahl Inc	Wood Debris Disposal	339.15
5/23/16	37908	Design Space	Permanent Structure Remodel	4,281.00
5/23/16	37909	FarWest Steel Corporation	Materials for Gate at PD5	514.14
5/23/16	37910	G & K Floors	Janitorial Services at SB and Customs Trailer	4,080.00
5/23/16	37911	Harvey's Lock & Key	25 Commercial Marina Restroom Keys	216.25
5/23/16	37912	Leisure Interactive	Support Service Fee	75.00
5/23/16	37913	Lincoln County Public Works	Fuel for Trucks	198.05
5/23/16	37914	Neopost USA Inc	Postage Machine Rental	149.85
5/23/16	37915	News-Times	Public Notices and Advertising	569.87
5/23/16	37916	Northwest Parking Equipment	Pay Station Printer Paper	299.15
5/23/16	37917	Oregon Department of Agriculture	Fuel Meter Annual Lease - SB	448.00
5/23/16	37918	Petty Cash	Miscellaneous Office Expenses - North Office	60.19
5/23/16	37919	Runions Construction LLC	Lot Striping	2,789.00
5/23/16	37920	T & L Septic & Chemical Toilet Service	Chemical Toilets - Bayfront	450.00
5/23/16	37921	Tina McCann	Temporary Work at North Office	360.00
5/23/16	37922	Toyota Financial Services	Forklift Leases	1,044.20
5/23/16	37923	Toyota Lift NW	Wiper Arm and Blade for Large Forklift	271.90
5/23/16	37924	Troyer's Marine Supply	Nuts and Bolts	17.70
5/23/16	37925	United Grocers - Cash & Carry	Supplies	318.15
5/23/16	37926	Chase - Visa	Travel and Conference Expenses in BC, Food for Meetings, Miscellaneous Supplies	1,577.96
5/26/16	37927	Washington State University	Void	0.00
5/26/16	37928	Washington State University	Pacific NW Clerks Institute Conference Reg	25.00
6/3/16	37929	Alsea Bay Power Products	Weed Trimmer, Trimmer Head, Oil Mix	382.70
6/3/16	37930	Business Oregon-OBDD	Loan Payment	4,463.00
6/3/16	37931	Card Sales International	2000 SB Marina Key Cards	1,597.00
6/3/16	37932	Cardinal Services Inc	Wages for Temp Services	1,028.45
6/3/16	37933	Central Lincoln PUD	Electricity	104.91



Operating Fund

May 20, 2016 through June 15, 2016

Date	Num	Name	Memo	Amount
6/3/16	37934	Century Link	Audio Conferencing Service	12.83
6/3/16	37935	City of Newport	Water and Sewer	225.68
6/3/16	37936	Coast Crane Co	Thrust Washers for Grove Mobile Crane	49.50
6/3/16	37937	Coastal Paper & Supply Inc	Cleaning and Paper Supplies	1,371.96
6/3/16	37938	Creative Landscape & Maintenance	Landscape Maintenance	1,200.00
6/3/16	37939	Department of State Lands	April 2016 Sand Royalties	364.00
6/3/16	37940	Design Space	Customs Office	217.00
6/3/16	37941	Direct TV	Cable - SB RV Park	661.77
6/3/16	37942	Economic Development Alliance of LC	Annual Membership Dues	100.00
6/3/16	37943	Fastenal Company	Miscellaneous Hardware and Supplies	48.12
6/3/16	37944	Fred Meyer Customer Charges	Miscellaneous Supplies, Food for Meetings	218.99
6/3/16	37945	HC Etc Inc	IT Hours	400.00
6/3/16	37946	IconiPro Security and Alarms	Security System Monitoring Service	125.97
6/3/16	37947	Industrial Welding Supply Inc	Gas	37.50
6/3/16	37948	Keller Supply Company	Hardware	677.15
6/3/16	37949	Newport Signs	Stickers for Dry Camp Sign	32.00
6/3/16	37950	NW Natural	Natural Gas	135.91
6/3/16	37951	Pioneer Printing Inc	Printed Purchase Orders	219.10
6/3/16	37952	Pioneer Telephone Cooperative	Telephone	226.62
6/3/16	37953	Platt	Miscellaneous Supplies	345.77
6/3/16	37954	Road & Driveway Co Inc	Hoist Dock Fill and Asphalt Repair	9,784.92
6/3/16	37955	Rotary of Newport	Dues and Fees	201.34
6/3/16	37956	Special Districts Insurance Service	Monthly Health-Life-Dental Insurance	11,592.83
6/3/16	37957	State of Oregon - Prop Distribution Ctr	Fire-proof File Cabinet	200.00
6/3/16	37958	Suburban Propane	Propane	300.81
6/3/16	37959	T & L Septic & Chemical Toilet Service	Chemical Toilets - Bayfront	632.00
6/3/16	37960	TCB Security Services Inc	Monthly Security Contract	6,516.00
6/3/16	37961	Verizon Wireless	Port Cell Phones	268.96
6/3/16	37962	Wolseley Industrial Group	Pipes and Fittings - Tug Boat	534.61
6/3/16	37963	Yaquina Boat Equipment Inc	Sandblast and Zinc Frame for Interpretive Sign - Nor	263.34
6/13/16	37964	Tran Hoang	Refund - SB Marina	290.00
6/13/16	37965	Petty Cash	Miscellaneous Office Expenses - SB Office	117.82
6/13/16	37966	Chase - Visa	Outdoor Message Center, Lapel Pins, Cigarette Butt Containers, Food for Meetings,	2,149.47



Operating Fund

May 20, 2016 through June 15, 2016

Date	Num	Name	Memo	Amount
			Miscellaneous Supplies	
6/13/16	37967	Agate Beach Supply	Paint and Supplies	216.20
6/13/16	37968	Alan Brown Tire Center	2 Drive Tires for Forklift	332.12
6/13/16	37969	ALSCO	Floor Mats and Towel Rental	289.53
6/13/16	37970	Associated Supply Company	Toner Cartridges for Printer	94.00
6/13/16	37971	Barrelhead	Miscellaneous Supplies	168.09
6/13/16	37972	Employee	Mid-month Draw	450.00
6/13/16	37973	Business Oregon-OBDD	Loan Payment	7,800.00
6/13/16	37974	Carson Oil Company	Misc Filters and Lube Oil - NIT	83.16
6/13/16	37975	Employee	Mid-month Draw	500.00
6/13/16	37976	City of Newport	Transient Room Tax - May 2016	4,616.85
6/13/16	37977	Coastal Paper & Supply Inc	Cleaning and Paper Supplies	1,126.88
6/13/16	37978	Coastal Refrigeration	HVAC Maintenance and Repair - SB	180.00
6/13/16	37979	Dahl & Dahl Inc	Wood Debris Disposal	153.51
6/13/16	37980	Employee	Mid-month Draw	500.00
6/13/16	37981	Employee	Mid-month Draw	300.00
6/13/16	37982	Direct TV	Cable - SB Annex	412.52
6/13/16	37983	Englund Marine Supply Co	Cables for Hoist Dock, Tuna Cord, Air Horns	392.68
6/13/16	37984	Fastenal Company	Miscellaneous Supplies	53.43
6/13/16	37985	Ferguson Enterprises	Water Valve, Repair Kits	211.00
6/13/16	37986	Employee	Mid-month Draw	475.00
6/13/16	37987	Halco Welding Inc	Sandblast and Spray Zinc Gate at PD5	300.00
6/13/16	37988	Industrial Welding Supply Inc	Aluminum Angle Iron	83.59
6/13/16	37989	Lincoln County Public Works	Fuel for Trucks	259.34
6/13/16	37990	MacPherson, Gintner & Diaz	Professional Services	3,597.50
6/13/16	37991	Employee	Void	0.00
6/13/16	37992	Newport Auto Parts Inc	Oil Filter, Spark Plug, Gear Oil	47.21
6/13/16	37993	News-Times	Vacancy on Board of Commissioners	31.49
6/13/16	37994	Employee	Expense Reimbursement for Flower Baskets	49.98
6/13/16	37995	Employee	Mileage Reimbursement	362.96
6/13/16	37996	Pioneer Printing Inc	Envelopes, Business Cards	362.32
6/13/16	37997	Employee	Mid-month Draw	650.00
6/13/16	37998	Road & Driveway Co Inc	Sink Hole Repair - SB	593.63
6/13/16	37999	Sherwin Williams	Paint and Supplies	127.65



Operating Fund

May 20, 2016 through June 15, 2016

Date	Num	Name	Memo	Amount
6/13/16	38000	Siuslaw Broadband	Network Re-architecture, VLAN Segregation	225.00
6/13/16	38001	Employee	Mid-month Draw, Expense Reimbursement	1,568.04
6/13/16	38002	Suburban Propane	Propane	300.81
6/13/16	38003	Thompson's Sanitary Service Inc	Trash Disposal	6,390.05
6/13/16	38004	Toyota Lift NW	Forklift Door Handle Assembly, Maintenance	280.66
6/13/16	38005	United Grocers - Cash & Carry	Cleaning Supplies	104.67
6/13/16	38006	US Bank	Void	0.00
6/13/16	38007	Voya (State of Oregon Plan)	Monthly Employee Contribution	200.00
6/13/16	38008	Xerox Corporation	Copier Lease	447.90
6/13/16	38009	Yaquina Bay Communications	Banner Ad	100.00
6/13/16	38010	US Bank	GO Bonds 2011 Administration Fees	450.00
6/13/16	38011	US Bank	GO Bonds 2007 Administration Fees	475.00
6/14/16	38012	Beaverton Infiniti	Down Payment on Operations Vehicle	500.00
Total				105,086.38



NOAA Fund

May 20, 2016 through June 15, 2016

Date	Num	Name	Memo	Amount
5/23/16	12909	Williams Scotsman Inc	Mobile Office Rent	346.30
5/23/16	12910	Standard & Poor's	Annual Surveillance Fee - Revenue Bond Ratings	10,000.00
5/23/16	12911	Road & Driveway	Street Sweeping at Warf	432.25
5/23/16	12912	Petty Cash	Miscellaneous Supplies	13.68
5/23/16	12913	Lincoln County Public Works	Gas for Truck	38.31
5/23/16	12914	G & K Floors	Janitorial Services	450.00
5/23/16	12915	All-Ways Painting	Prep and Paint 3 Awnings	1,050.00
6/3/16	12916	IconiPro Security & Alarms	Fire Alarm Monitoring Service	78.00
6/3/16	12917	MC Dean Inc	Defender Plus - Equipment	8,282.09
6/3/16	12918	Pacific Habitat Services Inc	Environmental Consulting for Proposed Dredging Eelgrass Monitoring	2,355.75
6/3/16	12919	Pioneer Telephone Cooperative	Telephone	243.22
6/3/16	12920	Platt	Ballasts	87.49
6/3/16	12921	Special Districts Insurance Services	Monthly Health-Dental-Life Insurance	614.36
6/3/16	12922	T & L Septic & Chemical Toilet Service	Holding Tank Rental and Pump	135.00
6/3/16	12923	TCB Security Services Inc	Elevator Phone Monitoring NOAA	20.00
6/3/16	12924	Ultimate Pest Control LLC	Pest Control	125.00
6/3/16	12925	Verizon Wireless	Telephone	51.68
6/13/16	12926	Chase - Visa	Flag Pole Truck	75.79
6/13/16	12927	Englund Marine & Industrial Supply	Neoprene Waders	95.87
6/13/16	12928	Newport News-Times	Ad for Volunteers for Eelgrass	365.36
6/13/16	12929	Newport Rental Service	45' Boom Lift Rental	448.15
6/13/16	12930	Thompsons Sanitary Service	Disposal & 20YD Dumpster	337.70
6/4/16	12931	Employee	Expense Reimbursement for Wet Weather Gear	265.93
			Total	25,911.93



Construction Fund
May 20, 2016 through June 15, 2016

Date	Num	Name	Memo	Amount
6/13/16	11824	Market Advisory Group LLC	Void	0.00
6/13/16	11825	Market Advisory Group LLC	Market Feasibility Study - Newport Shipping Facility	10,915.00
			Total	10,915.00

OLD BUSINESS AGENDA ITEM

DATE: 6/21/2016
RE: International Terminal Shipping Facility Update
TO: Port of Newport Board of Commissioners
ISSUED BY: Kevin Greenwood, General Manager

LEASE OPTION AGREEMENT WITH TEEVIN BROS.

Summary:

- On April 28, 2015, the Port and Teevin Bros. entered into a Lease Option Agreement for the Port's 9-acre property located at McLain Point. The parties agreed that the option would be available through December 31, 2016, a short six months from now.
- In conversations with Eric Oien, General Manager of Teevin, there is interest to extend the option another 12-months through December 31, 2017.
- This would be beneficial for the Port in having an extension as the Lease Option has proved beneficial in making the case that the Port has an interested tenant in the project.

Recommendation:

MOTION TO AUTHORIZE THE GENERAL MANAGER TO EXTEND THE LEASE OPTION AGREEMENT WITH TEEVIN BROTHERS THROUGH DECEMBER 31, 2017.

MEMO OF UNDERSTANDING WITH CITY OF NEWPORT FOR PLACEMENT OF CLEAN UNBUILDABLE MATERIALS AT MUNICIPAL AIRPORT

Summary:

- Agreement was executed by both parties on June 15, 2016.
- In order to keep the building permit open, the Port will need to show that progress is being made and the removal of some clean unbuildable material will suffice. The Director of Operation will address this process in his report, but it will be important to communicate to the public that observing excavators and dump trucks in the near term does not mean that construction of the shipping facility is imminent.
- Though there are several documents ensuring that material on the Port's 9-acres are clean (including a No Further Action report from DEQ dated December 2012), the Port would be wise to obtain a more detailed soil sampling report (called a Level II Environmental Site Assessment). In addition, most federal funders will require an ESA as part of a grant award and this survey would meet that requirement.
- GRI Inc., as an environmental consultant, can receive a direct source contract (if under \$150,000) and has extensive knowledge of the McLain Point site and the Teevin Bros. project.
- The GRI proposal has been reviewed by PP&M and can reimburse up to 75% of the contract.
- Funding for this will come out of the Construction Fund and does not jeopardize the transfer for the terminal maintenance reserve discussed during the budget committee meeting.

Recommendation:

MOTION TO AWARD A GEOTECHINCAL SERVICES CONTRACT WITH G-R-I FOR A PHASE ONE AND TWO ENVIRONMENTAL SITE ASSESSMENT IN AN AMOUNT NOT TO EXCEED \$26,500

ROADWAY AND UTILITY EASEMENTS WITH NORTHWEST NATURAL GAS

Summary:

- Commission approved easements.
- Documents signed by Port, forwarded to Rondys for signature and then on to Northwest Natural.

PURSUIT OF ADDITIONAL GRANTS

Summary:

- The Connect Oregon state-wide committee process has prioritized project and the Port of Newport Shipping Facility finished in the lower half of the rankings. The final step will be at the Oregon Transportation Commission in July where the projects will be finalized.
- TIGER Grant – Need to show financing in place by end of October 2016, though the final grant agreement doesn't need to be signed until September 2017. Loans can serve as proof of financing. Subsequent qualifying grants can replace loans. Will need to keep USDOT apprised of our progress of other financing, including the receipt of the IFA Loan.
- We have started to incur reimbursable expenses for the Port Planning & Marketing (PP&M) grant from IFA. Our cash flow is good, so we'll wait until expenses are complete before submitting a single reimbursement request. The grant reimburses the Port for 75% of eligible expenses up to a max of \$50,000.

No Action Needed:

OTHER

- Rondys MOU – Evan Hall should have engineering completed for the Rondys industrial park, specifically the storm water collection system required for the wetland fill/removal permit within two weeks. It will take Pacific Habitat Services about three weeks to complete the application. Once the application is submitted, the USACE has 6 months to review and issue the permit. Also need to sit down with an engineer to make sure we've fully assessed the costs associated with the removal of all material from the Rondys property.
- Will be working with Director of Operations to begin drafting RFP/RFQ documents for engineering services and construction bids.
- Road Improvements internally are not part of the project, but once the project moves forward the Port can work with Rondys and the City urban renewal to come up with a plan for the re-construction of internal roads and the possible dedication to the City.
- Having discussions with the Cascades West Council of Governments, Economic Development District about providing grant administration services. Local EDDs have statutory links with federal funding agencies and can provide grant administration services. Phil Warnock at the COG and I have exchanged emails about developing the scope of work.

ANTICIPATED FUTURE BOARD ACTIONS:

- Rondys MOU (for easements, lease removal) August 2016
- Grant Administration Contract Oct. 2016
- Project Management Contract Oct. 2016
- General Contractor Contract Jan. 2017

AGREEMENT FOR OPTION TO LEASE

This AGREEMENT FOR OPTION TO LEASE (the “**Option to Lease**”) is made and entered into on this 28 day of April, 2015, (the “**Commencement Date**”) by and between **PORT OF NEWPORT**, an Oregon corporation (“**Landlord**”), with its principal office at 600 SE Bay Boulevard, Newport, OR 97365, and **TEEVIN BROS. LAND & TIMBER CO., LLC**, an Oregon limited liability company (“**Optionee**”) with its principal office at 29191 Dike Road, Rainier, OR 97048 (individually Landlord and Optionee are referred to herein as a “**Party**” and collectively as “**Parties**”).

RECITALS:

WHEREAS, Landlord is the legal and rightful owner of the real property consisting of Tax Lot 11-11-09-D0-00101-00, (collectively, the “**Property**”) as generally depicted on the attached **Exhibit A**, attached hereto and made a part hereof.

WHEREAS, the Parties desire that Optionee shall have the option to lease the Property pursuant to the terms and conditions hereinafter set forth;

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto do hereby agree as follows:

1. Grant of Option to Lease: Landlord hereby grants to Optionee an exclusive option (the “**Option**”) to lease the Property in material accordance with the terms of this Option to Lease and the lease outline attached hereto as **Exhibit B** and hereby incorporated by reference (the “**Lease Outline**”). In the event Tenant exercises the Option, as provided in Paragraph 2, the Parties will negotiate a definitive lease agreement (the “**Lease Agreement**”) that incorporates the terms of the Lease Outline and other customary, commercially reasonable lease provisions necessary to affect the intent and purpose of the provisions of this Option to Lease and the Lease Outline.

2. Option Period, Option Cost and Exercise of Option. The Option shall be exercisable by Optionee, at its sole discretion, by executing and delivering to Landlord written notice of exercise (the “**Exercise Notice**”) during the period commencing with the Commencement Date and terminating on December 31, 2016. As consideration for the option to lease, Optionee agrees to assist the Port of Newport in preparation and submittal of a Connect Oregon 6 application and use of Optionee’s existing construction, wetland, and storm water permits for the construction of a laydown yard on Port owned property as outlined in Exhibit A.

3. Landlord’s Obligation to Lease. Subject to the condition that Landlord is successful in addressing wetlands mitigation issues on the Property through a cooperative agreement with neighboring landowner Rondys & Associates or other wetland mitigation measures, upon Optionee’s exercise of the Option, Landlord shall lease the Property to Optionee based upon the

terms and conditions set forth in the Lease Agreement. As expeditiously as possible, but in any event prior to Optionee's possession of the Property and commencement of Initial Improvements, as defined in the Lease Outline, the Parties will execute the Lease Agreement, which shall include the terms contained in the Lease Outline, along with such other provisions as are customary, commercially reasonable and mutually agreed to by the Parties.

4. Grant of Right of Entry. Landlord hereby grants to Optionee and its employees, agents, contractors, consultants, representatives and assigns, the temporary right to enter upon the Property during the term of this Option to Lease for the purposes of (i) conducting physical inspections, environmental audits and inspections, (ii) conducting such other observations as may be required by Optionee to determine if the Property is suitable for Optionee's intended use, and (iii) applying for use permits in its status as Optionee (with disclaimers that provide for no binding effect on Landlord). Optionee shall indemnify, defend and hold harmless Landlord from any damage to persons or property caused by such entry. Optionee shall promptly provide Landlord, free of charge, and for Landlord's use, copies of all such reports and assessments. Optionee's entry and work on the Property shall be in full compliance with all applicable laws, regulations, requirements and permits. If Optionee does not exercise the Option, Optionee shall return the Property to the same condition it was in prior to Optionee's entry, subject to reasonable wear and tear. Provided that Optionee's entry onto and work at the Property do not materially exacerbate an existing condition, Optionee shall not, by virtue of its entry onto and work at the Property, be responsible for any condition existing as of the Commencement Date or occurring after the Commencement Date if not caused by Optionee or any person or entity under the control and direction of Optionee. If Optionee finds such an existing condition, Optionee shall immediately notify Landlord and cease all activities until both Parties agree upon any applicable conditions or requirements and Landlord consents in writing with respect to the resumption of Optionee's activities upon the Property. Optionee shall maintain in effect commercial general liability and property damage liability insurance policies naming Landlord as an additional insured in connection with the use and condition of the Property in amounts of not less than \$2,500,000 for injury to or death of one person and of not less than \$5,000,000 for injury or death in any one accident or occurrence, and against liability for property damage of not less than \$1,000,000; certificates confirming these coverages shall be delivered to Landlord on the Commencement Date.

5. Third Party Use. Landlord shall not use for its own purposes or permit any other party to use the property during the Option to Lease.

6. Landlord's Obligation to Provide Information to Optionee. Landlord shall provide Optionee with all information relevant to the environmental condition of the Property, including but not limited to permits, monitoring, data, reports, audits, compliance, discharges, releases, and release or discharge-generating activities associated with the Property. Landlord shall make the most knowledgeable person(s) available to Optionee for interviews as necessary to understand the condition of the Property as it relates to ability of Optionee to understand the environmental condition of the Property, including but not limited to the ability of Optionee to obtain an Industrial General Stormwater Permit from the Oregon Department of Environmental Quality for the Property and to understand potential future environmental liabilities associated with the Property,

and to confirm the Property is suitable for its operations and proposed Use (defined in the Lease Outline).

7. Notices. Except as otherwise provided, all Notices required or permitted to be given hereunder shall be in writing and shall be deemed properly given when sent by overnight courier (e.g., Federal Express), properly addressed to the Party entitled to receive such notice at the address indicated below, or such address and shall be deemed given one business day after being sent:

For Landlord: Port of Newport
Attention: Kevin Greenwood, General Manager
600 SE Bay Boulevard
Newport, OR 97365

For Optionee: Teevin Bros. Land & Timber Co., LLC
Attention: Shawn Teevin
29191 Dike Road
Rainier, OR 97048

8. Condition Precedent. Pursuant to Paragraph 5, during the term of this Option to Lease, Optionee may perform certain inspections, due diligence, applications for permits and the like to determine the suitability of the Property for its operations. As part of the requirement for the Property to be suitable for Optionee's proposed Use, Landlord must be approved for CO6 funding and have obtained "match money" in a combined sum that is sufficient to construct the lay down yard according to the budget and specifications supplied by Optionee (**Exhibit C**) (the "**Condition Precedent**").

In the event that (a) Optionee has exercised the Option; (b) the Parties have not fully executed a Lease Agreement; and (c) the Condition Precedent has not been satisfied as prescribed above, Optionee shall have the option to withdraw the exercised Option by delivering to Landlord written notice of Optionee's withdrawal of the same (the "**Withdrawal Notice**"). In the event that the Condition Precedent cannot be met within thirty (30) days after Landlord's receipt of the Withdrawal Notice, then this Option to Lease shall be null and void.

9. Integrated Agreement. This Option to Lease constitutes the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersedes all prior negotiations and representations regarding the same.

10. Time is of the Essence. Time is of the essence with respect to all the duties and obligations of the Landlord and Optionee set forth herein.

11. Amendment. This Option to Lease may not be modified or amended, nor may the provisions of this Agreement be waived, except in a writing signed by both of the Parties.

12. No Waiver. Any waiver by any Party hereto of any of its rights hereunder shall be without prejudice to its future assertion of any such right or of any other right hereunder, and any delay in exercising any right shall not operate as a waiver thereof or any other right.

13. Partial Invalidity. The unenforceability or invalidity of any term or provision contained in this Option to Lease, or of any portion thereof, shall not affect the validity or enforceability of any other term or provision, or portion thereof, contained in this Option to Lease.

14. No Third Parties. Except as otherwise provided hereunder or in a separate writing signed by both Parties hereto, this Option to Lease is made only for the benefit of Landlord and Optionee and no third parties are intended to be benefited hereby.

15. Signatures. This Option to Lease may be signed in counterparts. A fax transmission or electronic transmission of a signature page will be considered an original signature page. At the request of a Party, the other Party will confirm a fax-transmitted or electronic signature page by delivering an original signature page to the requesting Party.

16. Further Assurances. The Parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Option to Lease.

17. Governing Law. This Option to Lease is entered into and will be governed by and construed in accordance with the laws of the State of Oregon.

18. Authority. Each individual executing this Option to Lease on behalf of a Party represents and warrants to the other Party that their execution and delivery of this Option to Lease and all related documents on behalf of the Party for whom they are signing has been duly authorized.

19. Professional Fees. In the event of the bringing of any action, arbitration or suit by a Party hereto against another Party by reason of any breach of any of the covenants, agreements or provisions of this Option to Lease, then the prevailing Party will be entitled to recover from the other Party all reasonable costs and expenses of the action, arbitration or suit, attorneys' fees, accounting, engineering or expert fees, and any other professional fees resulting therefrom, including (without limitation) any attorneys' fees incurred in connection with any appeal or bankruptcy proceeding.

[SIGNATURES CONTAINED ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have caused this Option to Lease to be executed under proper authority, all as of the day and year first above written.

OPTIONEE:
TEEVIN BROS. LAND & TIMBER CO., LLC,
an Oregon limited liability company

LANDLORD:
PORT OF NEWPORT ,
an Oregon municipal corporation

By: 
Eric Oien, General Manager

By: 
Kevin M. Greenwood, General Manager

Exhibits

- A – Property
- B – Lease Outline
- C – Construction Budget and Lay Down Yard Specifications

EXHIBIT A PROPERTY



McLean Point Newport, Oregon

8.95 Acres

Taxlot:

11-11-09-D0-00101-00

Legend	
	McLean Point Site
	City Limits
	U.S. Route
	Road
	Urban Growth Boundary

Prepared by OCWCOG, April 2015
Data Sources: City of Newport, Lincoln County, State of Oregon

This product is for informational purposes only and may not be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

**EXHIBIT B
LEASE OUTLINE**

This Lease Outline (the “**Lease Outline**”) is incorporated into that certain Agreement for Option to Lease made and entered into on this ____ day of _____, 2015 (the “**Option to Lease**”), by and between **PORT OF NEWPORT**, an Oregon corporation (“**Landlord**”), with its principal office at 600 SE Bay Blvd., Newport, OR 97365 and **TEEVIN BROS. LAND & TIMBER CO., LLC**, an Oregon limited liability company (“**Tenant**”) with its principal office at 29191 Dike Road, Rainier, OR 97048 (individually Landlord and Optionee are referred to herein as a “**Party**” and collectively as “**Parties**”).

RECITALS:

WHEREAS, Landlord is the legal and rightful owner of the real property located adjacent to 1430 SE Bay Blvd., City of Newport, Lincoln County, Oregon consisting of Tax Lot Number 11-11-09-D0-00101-00, (collectively, the “**Property**”) as generally depicted on the attached **Exhibit A**, attached hereto and made a part hereof.

WHEREAS, Tenant desires to lease the Premises (defined below) from Landlord, and Landlord agrees to lease the Premises to Tenant pursuant to a written lease agreement to be negotiated by Landlord and Tenant, incorporating the terms set forth in the Option to Lease and the terms set forth in this Lease Outline, together with other customary, commercially reasonable lease provisions necessary to affect the intent and purpose of the provisions of the Option to Lease and this Lease Outline (the “**Lease**”).

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto do hereby agree as follows:

1. **PREMISES.** The final definitive “Premises” shall be mutually agreed upon by the Parties, but in principle shall generally incorporate the Property as defined herein. A final calculation of the acreage shall be completed by a survey of the Property prior to execution of the Lease. Landlord shall pay for the cost of a survey of the Property upon Optionee’s exercise of the Option (as defined in the Option to Lease).

2. **TERM, RENEWAL OPTIONS AND TERMINATION RIGHTS.**

a. **Initial Term and Renewal Options.** The initial term of the Lease shall be five (5) years (the “**Initial Term**”). Subject to final negotiated terms to be set forth in the Lease, the Initial Term shall commence upon the completion of construction of the Initial Improvements (defined below). Tenant shall have the right to extend the term of the Lease for three (3)

consecutive renewal options of five (5) years each (collectively, the “**Option Period(s)**”), commencing upon the expiration of the Initial Term.

b. **Termination Rights.** In the event Tenant ceases to perform substantial business activities consistent with the authorized use of the Property for a period in excess of six months, Landlord shall have the right to terminate the lease upon 60 days' notice.

3. **RENT.**

a. The “**Base Rent**” for the first two (5) years of the Initial Term shall be \$500 per acre per month. On each year anniversary of the Initial Term and any Option Period(s), the Base Rent shall be subject to increases based upon the Consumer Price Index (CPI). The CPI increase shall be determined by a percentage equal to the percentage change in the Consumer Price Index published by the United States Bureau of Labor Statistics of the United States Department of Labor, specifically the index entitled U.S. City Average (Portland Index) – All items and Major Group Figures for all Urban Consumers for the latest available month preceding the month in which the lease year commenced, or the nearest comparable data on changes in the cost of living if such index is no longer published. Base Rent for the Option Period(s) shall include all accumulated CPI increases and shall then be increased by \$100 per acre for each of the option periods.

b. **Early Occupancy.** There shall be no Base Rent during the period when the lay down site is being constructed per Exhibit C, which period is estimated to be six (6) months in duration. However, Tenant shall be responsible for all operating costs incurred with respect to the Premises, with the exception of real estate taxes due to any governmental authority.

4. **INITIAL IMPROVEMENTS.** To the extent required and requested by Tenant, and based upon reasonable design and specifications, which shall be mutually agreed upon in writing by the Parties, Tenant shall be allowed to install a a) debarking system and supporting accoutrements (b) portable office facilities, buildings, and employee parking c) such additional improvements on the Property required to facilitate Tenant’s Use of the Property at the commencement of the Initial Term, and d) all improvements outlined in the lay down yard specifications outlined in Exhibit C (collectively the “Initial Improvements”).

5. **USE.** The Premises shall be used and occupied for the storage, processing, and distribution of wood products and other operations related to the use of a deep-water dock facility, as such activities are legally permitted for operation on the Property (collectively, the “Use”). Landlord shall cooperate, as needed, with the Tenant in seeking any requisite permits required for the operation of the Property. Landlord agrees not to obstruct operations or impose any unnecessary restrictions outside of the current or future City, County, State and Federal laws governing the lay down facility.

6. **CONDITION OF PROPERTY.**

a. Tenant shall accept the Premises in its “as-is, where-is” condition as of the execution of the Lease, subject to all recorded matters, laws, ordinances, and governmental regulations and orders. Except as provided herein, Tenant acknowledges that neither Landlord nor any agent of Landlord, has made any representation as to the condition of the Premises or the suitability of the Premises for Tenant’s intended use and is not relying on any representations of Landlord, except as may be set forth elsewhere herein, in the Option to Lease or the Lease.

b. Notwithstanding the above, in advance of the execution of the Lease Tenant will have completed certain inspections, due diligence, applications for permits and the like to determine the suitability of the Premises for its operations (“**Pre-Lease Due Diligence**”) and further as part of the requirement for the Premises to be suitable for Tenant’s proposed Use.

7. **MAINTENANCE AND REPAIRS.** Subject to casualty or other damage as shall be further defined in the Lease, Tenant shall be responsible for the maintenance and repair of the Premises during the Initial Term and Option Periods, reasonable wear and tear excepted.

8. **ALTERATIONS AND ADDITIONS.** In addition to the Initial Improvements, Tenant shall have the right to make other commercially reasonable additions, alterations or other improvements to the Premises, subject to commercially reasonable limitations as may be agreed upon by the Parties in the Lease.

9. **SURRENDER OF PREMISES.** Upon expiration or sooner termination of the Lease, Tenant shall vacate the Premises in broom clean condition and otherwise in the same condition as existed on the commencement of the Initial Term, ordinary wear and tear and fire and casualty loss excepted, except that any improvements made within and on the Premises by Tenant shall remain (except the debarker system and other portable structures), in the same condition and repair as when construction or installed, reasonable wear and tear excepted. In addition, Tenant shall remove from the Premises, upon the expiration or sooner termination of the Lease, all of Tenant’s personal property and trade fixtures. Any removal of Tenant’s improvements, Tenant’s property and/or trade fixtures by Tenant shall be accomplished in a manner which will minimize any damage or injury to the Premises, and any material damage or injury shall be repaired by Tenant at its sole cost and expense within thirty (30) days after the expiration of the Lease.

10. **SUBLETTING AND ASSIGNMENT.**

a. **Landlord’s Rights.** Landlord may transfer the Property, and assign its rights under the Lease at any time, so long as the transferee or assignee (as applicable) agrees in writing to be bound by the terms of the Lease.

b. **Landlord’s Consent Required.** Tenant shall not voluntarily or by operation of law assign, sublet, or otherwise transfer or encumber any part of Tenant’s interest in the Lease or in the Premises without Landlord’s prior written consent, which consent shall not be

unreasonably conditioned, withheld or delayed. Without limiting the generality of the foregoing, it shall be deemed reasonable for Landlord to withhold such consent if (a) the proposed transferee does not have a tangible net worth and credit standing, calculated in accordance with generally accepted accounting principles consistently applied, that in Landlord's commercially reasonable opinion are sufficient to meet the obligations under this Lease, (b) there is then in existence an uncured event of default, beyond a notice or cure period, with respect to any obligation of Tenant under the Lease, or (c) the proposed transferee proposes to change the use of the Premises to a use that is inconsistent with the character of the property and/or would interfere with any existing agreements that encumber the Property. Any attempted assignment, transfer, encumbrance or subletting without the consent of Landlord required hereunder shall be void. Regardless of Landlord's consent, no subletting or assignment shall release Tenant from any of its obligations under the Lease, unless the Parties agree otherwise in writing. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

11. **ENVIRONMENTAL.** Landlord shall pay, save, protect, defend, indemnify and hold Tenant harmless from, for and against any conditions existing at the time Tenant takes possession of the Premises to commence the Initial Improvements and for and against any conditions caused by others. Tenant shall pay, save, protect, defend, indemnify and hold Landlord harmless from, for and against any contamination or liability related to the Premises, including the reasonable, actual cost of any required remediation where such contamination or liability arises solely during the Lease term or Tenant's occupancy of the Premises and solely as a result of Tenant's use of the Premises. To the extent remediation requires a covenant or use restriction consistent with the industrial nature of the Premises, Landlord shall reasonably cooperate with Tenant to provide such covenant. Further, Landlord shall pay, save, protect, defend, indemnify and hold Tenant harmless from, for and against any contamination or liability related to the Premises, including without limitation the reasonable, actual costs of required remediation, that arise from the acts or omissions of third parties other than Tenant, including (without limitation) Landlord. Further, should federal or state law require the investigation or remediation of any existing condition or a condition caused by Landlord or others, Landlord will conduct such activities in compliance with all applicable laws. In doing so, Landlord will coordinate directly with Tenant to minimize disruption to Tenant's operations and Use of the Premises.

12. **INDEMNITY.** Except for any liability or expense caused by Landlord or its employees, agents, contractors or invitees, Tenant shall pay, save, protect, defend, indemnify and hold Landlord harmless from, for and against any and all liability, cost or expense with regard to or arising during the Term or Tenant's use and occupancy of the Premises. Landlord shall pay, save, protect, defend, indemnify and hold Tenant harmless from, for and against any liability, cost or expense caused by Landlord or its employees, agents, contractors or invitees or which exists at the time Tenant takes possession of the Property.

13. **COMPLIANCE WITH APPLICABLE LAW.** Tenant shall comply with all applicable laws, including statutes, regulations, permits, ordinances or zoning with respect to its Use of the Premises.

14. **TAXES.** Tenant shall reimburse Landlord for its proportionate share of real property taxes applicable to the Premises and all assessments levied on the Premises, to the extent

the same apply during the term of the Lease. Landlord shall submit copies of real property tax statements when they become due and Tenant shall reimburse Landlord for its proportionate share due thereunder. Tenant shall pay prior to delinquency all taxes assessed against or levied on trade fixtures, furnishings, equipment and all other personal property in, on or about the Premises. When possible, Tenant shall cause trade fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property.

15. **INSPECTIONS.** Landlord and its agents and representatives shall have the right to enter and inspect the Premises upon 24 hours advance written notice to Tenant.

16. **UTILITIES.** Tenant shall be responsible for the payment of all utilities that serve the Premises, including, water, sewer, electrical, and telephone, and for the cost of establishment of any such service that currently does not exist at the Property.

17. **INSURANCE.**

a. **Liability Insurance.** Tenant shall maintain in effect commercial general liability insurance covering bodily injury liability and property damage naming Landlord as an additional insured in connection with the use and condition of the Premises in amounts of not less than \$5,000,000 each occurrence, \$5,000,000 general aggregate, \$5,000,000 products-completed operations aggregate. The aforementioned limits can be provided by any combination of primary and excess insurance.

b. **Insurance Policies and Certificates of Insurance.** Tenant shall deliver to landlord a certificate(s) of insurance evidencing the required insurance. Insurance purchased by Tenant shall be with companies rated B+ or better in "Best's Insurance Guide", and shall not be cancelled without thirty (30) days advance notice to Landlord. It is the obligation of Tenant to purchase and to fully maintain at all times required insurance. Lapse of or cancellation of insurance, however caused, shall be deemed an event of default under this Lease. In the event of lapse or cancellation of any required insurance it is hereafter the specific responsibility of Tenant to notify Landlord immediately and to immediately reinstate the lapsed or cancelled insurance or to purchase replacement insurance that meets the requirements of this Lease. If replacement insurance is purchased, Tenant is to deliver immediately to Landlord a replacement certificate and additional insured endorsement.

c. **Exemption of Landlord from Liability.** Except for any damage or casualty caused by Landlord or its employees, agents, contractors or invitees, Landlord shall not be liable for injury or damage to the person or goods, wares, merchandise or other property of Tenant, Tenant's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, or from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is accessible or not. Except in the event of Landlord's gross negligence or its breach of this Lease, Landlord shall under no circumstances be liable for injury to Tenant's business or for any loss of income or profit therefrom.

d. **Mutual Waiver of Subrogation and Recovery.** To the extent not prohibited by any property insurance policy issued to Landlord or to Tenant, Landlord and Tenant hereby mutually waive their respective rights of direct recovery and their insurers' rights of direct action by way of subrogation against the other for damages arising out of such other's negligence or otherwise tortious acts or omissions for loss or damage to the Premises, building(s), property or any personal property of such party. In the event a party is unable to obtain such waivers of subrogation from insurers, it shall immediately notify the other of this inability. In the absence of such notification, each party shall be deemed to have obtained such waiver of subrogation from its insurers and also agreed to waive its rights of direct recovery.

18. **LIENS.** Tenant shall promptly pay all sums legally due and payable by it on account of any labor performed or materials furnished in connection with work performed on the Property on which any lien is or can be validly and legally asserted against the leasehold interest in the Property.

19. **SUBORDINATION.** This Lease, at Landlord's option, shall be subordinate to any ground lease, mortgage, deed of trust or other security arrangement now or later placed upon the real property of which the Premises are a part and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default under the terms of the Lease, and Landlord agrees to obtain a written nondisturbance agreement in form and substance acceptable to Tenant in its sole discretion from any third party that holds the lien under any instrument to which the Lease is subordinated. Tenant agrees to execute such documents required to effectuate such subordination, subject to the immediately preceding sentence.

20. **RECOVERY OF PROPERTY.** In the event Tenant fails, within two (2) years of the possession of the Premises to complete the Initial Improvements and proceed with reasonable diligence to make use of the Property as an industrial user, Landlord shall be entitled to terminate the Lease and retain any Base Rent previously paid to Landlord under the Lease.

END OF EXHIBIT B



9750 SW Nimbus Avenue
Beaverton, OR 97008-7172
p | 503-641-3478 f | 503-644-8034

June 17, 2016

PRO PORT OF NEWPORT ITSF & RONDYS

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

DRAFT

Attention: Kevin M. Greenwood, General Manager

SUBJECT: Proposal to Provide Phase I and II Environmental Site Assessment Services and Construction Observation Services for International Terminal and Shipping Facility (ITSF) and Environmental Testing for Rondys Dredge Material Storage Area Port of Newport, Oregon

GRI is pleased to submit this proposal to provide environmental and construction observation services for the International Terminal and Shipping Facility (ITSF) and environmental testing for the parcel identified as Rondys Dredge Material Storage Area. A photograph you supplied is attached that shows the ITSF and Rondys sites. The ITSF site is rectangular in footprint and approximately 9 acres in area. It is located in the northeast portion of the photograph. The Rondys site is approximately 20 acres and is located in the western portion of the photograph.

Our work for the ITSF project site will consist of Phase I and II Environmental Site Assessment (ESA) services, which will include a detailed sampling and testing program of existing stockpiled soils at the ITSF site.

Our work on the Rondys site will include a detailed sampling and testing program of near-surface soil across the site.

GRI previously completed a geotechnical investigation for the ITSF site. The results of GRI's previous geotechnical investigation for the site are summarized in our August 27, 2012, report titled, "Geotechnical Investigation, Log Export Yard, Newport, Oregon." Pavement design recommendations for the log yard are summarized in our March 16, 2014, letter titled, "Pavement Evaluation, Log Export Yard, Newport, Oregon." In addition, GRI observed the excavation of numerous test pits across the site to help evaluate the depth of overexcavation to remove near-surface stockpiled heavily organic material or soft silt soil based on geotechnical soil support considerations. The results of our investigation are summarized in our April 19, 2013, letter titled, "Exploration Summary and Consultation, Log Export Yard, Newport, Oregon."

It is our current understanding that the Port of Newport (Port) will develop the ITSF site, which may include several industrial buildings and a log export facility. Based on a conversation with Rick Fuller, the Director of Operations for the Port, a portion of the stockpiled fill located in the northeast quadrant of the site will be removed and transported to a third party landowner. It is our understanding a portion of the stockpiled material consists of dredged spoils from channel deepening and ballast material removed from within the USS Francois Hennebique (Hennebique) during the renovation of Berth 2 at the Port. The Port is currently

reviewing their records for environmental testing results completed on the ballast material removed from the Hennebique. It is the Port's present understanding that no environmental testing was completed on the dredged spoils removed during channel deepening.

It has been our experience with similar projects that fill material that may contain potential contaminated media requires environmental screening prior to transferring to a third party landowner. The Oregon Department of Environmental Quality (DEQ) Clean Fill Screening Levels (CFSLs) provides threshold levels for contaminants that cannot be exceeded for fill that will be transferred to a third party landowner. Materials that do not meet DEQ CFSL, if removed from the site, will require disposal at a facility permitted to accept the material. Prior to accepting the material, the facility will require environmental testing to determine the type of contamination and contamination levels.

We have provided a brief summary of the environmental and geotechnical scope of work we anticipate will be necessary for this project based on our understanding of the project and our experience with similar projects. The scope of work includes several additional environmental tasks that will be dependent on the results of the environmental testing. The first task will be to complete a Phase I Environmental Site Assessment for the ITSF site. We anticipate the Phase I ESA will conclude with a recommendation for Phase II work, including soil sampling. A scope for the soil sampling is included in this proposal.

ITSF SITE

Phase I ESA Scope of Work

The primary purpose of the Phase I ESA will be to evaluate whether the potential exists for soil and/or groundwater contamination on the subject property and whether additional assessment would be warranted to evaluate this risk. Our Phase I ESA will include a review of current and historical uses of the site and adjacent areas, review of government agency files for records of contaminant sources in the vicinity, and evaluation of the hydrogeologic setting of the site. Our scope of work does not address non-standard conditions, such as potential mold, noise, lead, asbestos, or air quality issues associated with the property.

Information gathered will be compiled in a Phase I ESA report that will include our conclusions regarding the risk of contamination at the site and recommendations for additional due diligence-type environmental work that might be warranted.

Our Phase I ESA scope of work was developed to meet the American Society for Testing and Materials' standard for Phase I ESAs (ASTM E 1527-13) and will be conducted in compliance with the Federal All Appropriate Inquiries rule, set forth in Title 40, Part 312 of the Code of Federal Regulation. Our overall scope of work for this project is based on our preliminary understanding of environmental conditions at the site, our experience with similar projects, and review of the project information you provided. If any portion of this scope of work does not meet your needs, we request the opportunity to modify this letter to our mutual satisfaction. The proposed Phase I ESA investigation will include the following items of work:

- 1) GRI personnel will obtain and review available information regarding geologic, groundwater, and environmental conditions for the vicinity of the site.
- 2) The nature of historical and current uses of the site and adjacent properties will be assessed by GRI using available historical documentation. Historical sources may

include historical aerial photographs, historical city directories, and Sanborn Fire Insurance maps as available. The historical documents will be reviewed for indications of past occupants or businesses that may have had the potential to affect the soil or groundwater beneath the site.

- 3) A GRI subcontractor will compile listings of government agency file records for potential contaminant sources in the vicinity. Specifically, hazardous material environmental records from the US Environmental Protection Agency and Oregon Department of Environmental Quality will be compiled and reviewed by GRI for indications of recognized environmental conditions for search area distances as outlined in ASTM E 1527-13. GRI will also evaluate available local agency hazardous material records that are available within the project timeframe for information regarding the site.

To the extent practical within project schedule and budget constraints, GRI will conduct follow-up inquiries regarding the nature and documented extent of recognized environmental conditions listed as having occurred on or having affected the site and the adjacent properties.

- 4) A physical reconnaissance of the site will be conducted by an experienced GRI environmental specialist. During the visit, the presence or absence of conspicuous recognized environmental conditions will be noted. Indications that the property was used in a manner that may have resulted in contamination will be noted and reported. A visual survey of neighboring properties will also be conducted to note businesses or features that have the obvious potential to affect the site.
- 5) The results of our work will be summarized in a report. The compiled information will be evaluated to assess the likelihood that recognized environmental conditions may exist on the site or close enough to the site to induce measurable effects. A Phase I ESA report will be prepared to document our findings and conclusions and, if warranted, provide recommendations for additional assessment. We anticipate the Phase I ESA will conclude with a recommendation for Phase II work including soil sampling. Project findings, conclusions, and recommendations will be summarized in an Executive Summary. The report will be signed and stamped by an Oregon-licensed certified engineering geologist. An electronic copy of the project report will be provided for your use. Paper copies of the report will be provided upon request.

Assumptions

The following assumptions were used to prepare this Phase I ESA scope and cost estimate.

- 1) The property will be accessible to GRI for physical reconnaissance, and a contact person knowledgeable about site history will be available for an interview.
- 2) If available, records regarding hazardous material use, hazardous material permits, title records, and records of environmental liens for the site will be provided to GRI. If no such records are provided to GRI within three days of authorization to proceed, we will assume they do not exist or are not available to GRI.

Fee – ITSF Site Phase I ESA \$ 3,500



Phase II Summary of Scope of Work

Phase II Environmental Observation and Testing. GRI will complete initial environmental screening of the ITSF stockpile that includes excavating up to 20 test pits to collect composite samples for environmental testing. The collected composite samples from the 20 test pits will then be combined into five composite samples to limit the number of tests during this initial scope of work. We recommend you budget \$11,500 for this initial environmental scope of work. Our initial environmental scope of work and budget is discussed in greater detail in the Environmental section below.

Environmental Option 1: The material that exceeds the DEQ CFSLs from the initial environmental observation and testing task are not acceptable for removal to a third-party landowner and would require disposal at a permitted disposal facility if removed from the site. If the results from our initial environmental testing indicate composite samples exceed DEQ CFSLs, we recommend additional chemical testing on the individual test pit samples that made up the composite sample that exceeded the DEQ CFSLs. This additional testing would help to constrain the potential volume of contaminated material requiring landfill disposal and thereby reduce the cost of disposal. We assume the material will not be classified as hazardous waste. We recommend you budget \$22,000 for this contingency task. This environmental contingency task is discussed in further detail in the Environmental Contingency - Optional Task 1 section below.

Environmental Option 2: If results from the environmental testing completed in the environmental tasks discussed above indicate portions of the stockpile exceed the DEQ CFSLs, special soil management will be necessary during removal of this material from the site. GRI will prepare a Contaminated Media Management Plan (CMMP) and would be on site during excavation of the material to provide guidance regarding the material that is suitable to be transferred to the third party landowner and the material that will require off-site disposal at a permitted facility or continued storage at the Port and potential DEQ permit. We recommend you budget \$26,500 for this contingency task. This environmental contingency task is discussed in further detail in the Environmental Contingency - Optional Task 2 section below.

Geotechnical Construction Observation

GRI would be onsite on an intermittent basis during construction to observe earthwork and evaluate footing and pavement subgrade during construction. We recommend you budget \$29,500 for this task. Our geotechnical scope of work and budget is discussed in further detail in the Construction Observation: Geotechnical section below.

Environmental Scope of Work

We understand the Port is planning to remove the near-surface soil stockpile located in the northeast quadrant of the site and provide the stockpile to a third-party landowner. As previously mentioned, the stockpile consists of dredged spoils from channel deepening and ballast material removed from within the Hennebique during the renovation of Berth 2 at the Port. Based on the sources of material that make up the stockpile, there is a potential for contamination to be present in the stockpile. Based on our experience

with similar projects, the material will require environmental testing to evaluate whether the material meets DEQ CFSLs prior to removal to a third party landowner.

Our anticipated scope of work will include the following items:

- 1) GRI personnel will review available environmental testing information provided by the Port for the ballast material removed from the USS Francois Hannebique if made available.
- 2) GRI will review listings of government agency file records for potential contaminant sources in the area of dredging. Specifically, hazardous material environmental records from the US Environmental Protection Agency and the Oregon Department of Environmental Quality will be reviewed by GRI for indications of potential sources of contamination in the dredged material.
- 3) An environmental representative from our office will visit the site to collect samples of the stockpiles by excavating about 20 test pits with a machine excavator. The samples will be field scanned for the presence of volatile organic compounds using a portable photo-ionization detector (PID) and screened for the presence of chemical odor, staining, or sheen.
- 4) One grab sample will be obtained from each identifiable soil layer within each of the test pits. Soil will be collected from each sample depth and combined in equal amounts into one clean stainless steel bowl using stainless steel sample spoons for a composite sample. Composite soil samples will be created from each test pit. Test pits will be laid out for systematic grid sampling and soil samples from the 20 test pits will be composited into five soil samples for analytical chemistry testing. The material in the sample composite bowl will be mixed with a clean stainless steel spoon until homogenized to a uniform color and consistency. All grab and composite soil samples will be collected using stainless steel tools and placed in laboratory-supplied clean glass containers.
- 5) Up to five composite soil samples will be submitted for laboratory chemical testing and depending on background information obtained for the material, may include total petroleum hydrocarbon identification and quantification, polychlorinated byphenols (PCBs), tributyltin, polyaromatic hydrocarbons (PAHs), volatile organic compounds (VOCs), and RCRA 8 metals under chain-of-custody protocol.
- 6) Our observations on site and the results of the laboratory testing will be summarized in a memorandum. The laboratory results will be compared to the Oregon Department of Environmental Quality Clean Fill screening levels. The memorandum will provide the chemical test results and include figures showing the sample locations. The memorandum will also include an estimated volume of contaminated soil that can be used to obtain quotes from remedial contractors.

We recommend that you budget approximately \$11,500 for our environmental services for the ITSF site. A summary of our fee for these services is outlined below.

Fee – ITSF Environmental

GRI Personnel:

Field Staff Engineer/Geologist:	
Layout Test Pits and Utility Locate: 8 hrs @ \$100/hr	\$ 800
Test Pit Excavation and Sampling: 15 hrs @ \$100/hr.....	1,500
Per Diem and Mileage	450
Associate: 4 hrs @ \$180/hr	720
Project Engineer/Geologist: 8 hrs @ \$130/hr.....	1,040
Drafter: 4 hrs @ \$95/hr	380
Private Utility Locator:	550
Test Pit Excavation Subcontractor: 8 hrs @ \$200/hr	1,600
<i>Lab Testing</i>	
Environmental Testing: 5 composite sample @ \$858/sample.....	<u>4,290</u>
	Total: \$ 11,330

Recommended Budget ITSF: \$ 11,500

Environmental Contingency - Optional Task 1

Based on the results of the environmental testing, portions of the stockpiled material may have contamination levels that exceed the DEQ CFSLs and would be unacceptable for transfer to a third party landowner. If the Port decides to keep this contaminated fill onsite no additional testing would be required. However, if the Port decides to dispose of the material that exceeds the DEQ CFSLs offsite, the Port may elect to complete additional environmental testing on individual composite samples from individual test pits to potentially reduce the amount of material that would require removal to a permitted disposal facility.

Positive identification of compounds detected in the 5 composite samples would guide the selection of analysis for the individual test pit samples and may include testing for total petroleum hydrocarbon quantification, PCBs, tributyltin, PAHs, VOCs, metals, and RCRA 8 metals with toxicity characteristic leaching procedure (TCLP), as needed. The budget number provided below assumes that all 5 composite samples exceed the DEQ CFSLs and additional chemical testing would be completed on all 20 test pits. However actual testing needs will likely be less than this amount.

Fee – ITSF Environmental Optional Task 1

GRI Personnel

Associate: 4 hrs @ \$180/hr.....	\$ 720
Project Engineer/Geologist: 6 hrs @ \$130/hr	780
<i>Lab Testing (assuming all 20 test pits are tested)</i>	
Environmental Testing: 20 test pits (1 sample/test pit @ \$1,020/sample) ...	<u>20,400</u>
	Total: \$ 21,900

Recommended Budget: \$ 22,000



Environmental - Optional Task 2

If the environmental testing completed in the initial environmental task indicates that all samples meet the requirements of the DEQ CFSLs, then this optional task is not necessary. However, if environmental testing indicates stockpiled materials exceed DEQ CFSLs, special soil management will be necessary during removal of the stockpile from the site. GRI would complete a CMMP for removal of the stockpiled material from the property. GRI would be on site during excavation of the stockpiled material to provide guidance on the material that is suitable to be transferred to the third party landowner and the material that will require disposal or continued storage at the Port. After the general contractor and earthwork contractor are selected for the project, The Port of Newport, GRI, the general and earthwork contractor, and the third-party landowner will have up to three phone meetings to discuss the CMMP. We have assumed that the removal of stockpiled soils will be completed within about 6 months of completion of the environmental testing from the previous task. If removal of stockpiled material will be greater than 6 months from completion of environmental testing, additional soil sampling and permitting may be required to gain pre-acceptance into disposal facilities.

The following scope of work will be used during mass excavation:

- 1) A GRI representative will be present at all times during excavation activities. The GRI representative will report suspected contaminated media to the general contractor's superintendent and owner's representative immediately following discovery.
- 2) GRI will provide direction/input to establish limits of excavation required to remove contaminated media. The limits of contaminated media will be defined by visual observation and use of a PID.
- 3) GRI will document and keep separate daily tallies on the following excavation quantities:
 - Contaminated media above design grade;
 - Contaminated media below or laterally beyond design grade (this material will not be removed); and
 - Unsuitable material (from foundation standpoint) below design subgrade.

Quantities will be reviewed with the earthwork contractor on a daily basis. GRI will document quantities in daily Site Visit Reports.

- 4) It is anticipated the contaminated media will be transported and disposed of at a proper disposal facility. GRI will complete the pre-acceptance paperwork and soil chemical testing prior to disposal. We assume the project excavation subcontractor will have an account on file with disposal facility.
- 5) After project completion, GRI will prepare a closure report that documents the cleanup and management of contaminated media.
- 6) Prior to site work, GRI will prepare a Health and Safety Plan for our employees.

Fee – ITSF Environmental Optional Task 2

Our staffing requirements and level of effort during construction are directly dependent on construction phasing and sequence and the contractor's schedule and rate of progress. Based on recent discussions with the design team, we anticipate excavation work will require about three weeks to complete, and work will proceed in a more or less continuous manner. Our estimated charges are summarized below.

Contaminated Media Management Plan.....	\$ 3,000
Health and Safety Plan.....	1,500
Up to three Phone Meetings	
Associate: 9 hrs @ \$180/hr.....	1,620
Environmental Site Observation	
Staff Engineer: 50 hrs/wk @ 3 wks @ \$100/hr.....	15,000
Per Diem and Mileage	2,900
Principal Review and Consultation	
Principal: 1 hrs/week @ 3 weeks @ \$210/hr.....	630
Summary Report.....	<u>1,500</u>
Environmental Construction-Phase Total:	\$ 26,150
Recommended Budget:	\$ 26,500

Construction Observation: Geotechnical

The primary focus of our geotechnical services will be to periodically observe the work in progress and provide consultation regarding the project design with respect to the conditions revealed during the earthwork. Each site visit will be summarized on a Site Visit Report that will be distributed as you request. At the conclusion of the project, GRI will submit a brief letter report that summarizes our observations and the general suitability of the work performed with respect to the plans and specifications.

The primary purpose of our services will be to provide you with a source of advice and opinion regarding the suitability of the fill materials and compaction procedures with respect to the intent of the project plans and specifications. Our personnel will not assume the day-to-day physical direction of the work, nor will they assume responsibility for the safety of the contractor’s personnel. Our firm does not guarantee the contractor’s performance, but rather looks for general conformance to the intent of the design and the plans and specifications.

Our anticipated scope of work will include the following items:

- a. observe and evaluate stripping and subgrade preparation, proof rolling, and identification and removal of soft soils and other unsuitable material;
- b. review field reports by others for field density testing of structural fill, trench backfill and asphaltic concrete pavement;
- c. observe and evaluate footing, pavement, and floor slab subgrades;
- d. evaluate placement and compaction of floor slab and pavement granular base course;
- e. evaluate placement and compaction methods for floor slab and pavement granular base course by visual observation and/or proof rolling;



- f. document each GRI site visit in a daily site visit report and provide a copy of each report to the contractor at the site at the time of the visit;
- g. distribute daily Site Visit Reports on a weekly basis to the owner, civil engineer, contractor, structural engineer, and architect throughout the course of construction, and prepare a summary letter of compliance at the conclusion of the work;
- h. provide consultation and review contractor submittals as requested by the project team;
- i. attend meetings as requested by the project team; and
- j. respond to Requests for Information (RFI) submitted by the contractor.

ITSF Construction Phase Schedule and Fee

Our charges for the majority of the construction-phase services will be primarily dependent on the contractor’s schedule, rate of progress, and acceptability of work accomplished. GRI will work closely with the contractor to coordinate our site visits and minimize our time on site. Based on our discussion with you, we understand construction is scheduled for this fall and will take approximately 11 weeks to complete. Our recommend budget for construction-phase services is summarized below.

Upland Structure Foundation Observations

Observe Subgrade and Fill Placement for Upland Structures	
Staff Engineer: 24 hrs/wk for 5 wks @ \$100/hr	\$ 12,000
Staff Engineer: 12 hrs/wk for 6 wks @ \$100/hr	7,200
Per Diem and Mileage 16 site visits over 11 wks	4,500
Project Management, Meetings and RFI Response	
Senior Engineer: 2 hrs/wk for 11 wks @ \$150/hr.....	3,300
Periodic Principal Review: 1 hr/wk for 11 wks @ \$210/hr	<u>2,310</u>
	Subtotal: \$ 29,310

Recommended Construction Observation Budget: \$ 29,500

Our estimated budget for geotechnical construction observation services can be reduced by \$7,200 if GRI is tasked with completing Environmental Optional Task 2. Our estimated budget assumes Stuntzner will complete density testing during construction. If GRI is tasked with completing Environmental Optional Task 2 listed above, it may be beneficial to the construction team to have GRI complete density testing during the three weeks GRI will be onsite for the Environmental work.

RHONDYS SITE

Environmental Scope of Work

GRI will complete initial environmental screening of the Rhondys site that includes excavating up to 20 test pits to collect composite samples for environmental testing. The collected composite samples from the 20 test pits will then be combined into five composite samples to limit the number of tests during this initial scope of work. We recommend you budget \$11,500 for this initial environmental scope of work. A summary of our fee for these services is outlined below.



Fee – Rhondys Environmental

GRI Personnel

Field Staff Engineer/Geologist:	
Layout Test Pits and Utility Locate: 8 hrs @ \$100/hr	\$ 800
Test Pit Excavation and Sampling: 15 hrs @ \$100/hr	1,500
Per Diem and Mileage	450
Associate: 4 hrs @ \$180/hr.....	720
Project Engineer/Geologist: 8 hrs @ \$130/hr.....	1,040
Drafter: 4 hrs @ \$95/hr.....	380
Private Utility Locator:	550
Test Pit Excavation Subcontractor: 8 hrs @ \$200/hr	1,600

Lab Testing

Environmental Testing: 5 composite samples @ \$858/sample	<u>4,290</u>
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Total: \$ 11,330

Recommended Budget: \$ 11,500

We request that formal authorization for our services be provided by signing and returning one copy of the attached General Conditions of the Proposal. We appreciate the opportunity to submit this proposal and look forward to being of service to you on this project.

Submitted for GRI,

Michael W. Reed, PE, GE
Principal

George A. Freitag, RG, CEG
Associate

Enclosures: General Conditions of the Proposal
 Fee Schedule





SE Marine Ct

SE Running Springs Ct

Miami Ct

Pier
Dock

Image © 2016 DigitalGlobe
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June 21, 2016

Google earth
Page 221 of 230

Port of Newport Regular Commission Meeting

1994

Imagery Date: 9/3/2012 44°37'31.46" N 124°01'39.87" W elev 14 ft eye alt 2414 ft

GENERAL CONDITIONS OF THE PROPOSAL

GRI
9750 SW Nimbus Avenue
Beaverton, Oregon 97008
(503) 641-3478

Attachment to Proposal Dated: June 17, 2016

To: Port of Newport / Newport, Oregon

For: Phase I and II Environmental Site Assessment Services and
Construction Observation Services for International
Terminal and Shipping Facility (ITSF) and Environmental
Testing for Rondys Dredge Material Storage Area

PROFESSIONAL SERVICES

Fees for services by GRI's professional, technical, and clerical personnel will be charged according to time expended on the project at rates shown on the attached schedule.

SERVICES, SUPPLIES PROVIDED BY OTHERS, AND REIMBURSABLE EXPENSES

Charges for services, equipment, and supplies not provided directly by GRI will be computed at cost plus 10%. This includes surveying services, land subsurface explorations, construction equipment, testing laboratories, contract labor, shipping charges, living expenses, printing and reproduction, communication and miscellaneous supplies and rentals.

EQUIPMENT CHARGES

Charges for equipment furnished by GRI will be computed in accordance with the unit rates shown on the attached Fee Schedule.

RIGHT-OF-ENTRY

Unless otherwise agreed, you will furnish right-of-entry to the land or structures for us to make planned borings, surveys, and other explorations. We will take reasonable precautions to minimize damage to the land or structures from use of equipment, but have not included in our fee the cost for restoration of damage, which may result from our operation. If you desire us to restore the land or the structures to their former condition, we will accomplish this and add the cost to our fee.

UTILITIES

In the performance of our work, we will take all reasonable precautions to avoid damage or injury to subsurface structures or utilities. The Client/Owner agrees to hold us harmless for any damages to subsurface structures or utilities, which are not called to our attention and correctly shown on the plans furnished.

SAMPLES

All samples will be discarded thirty (30) days after submission of our report, unless you advise us otherwise. Further storage or transfer of samples can be made at your expense upon written request.

INVOICING OF PAYMENT

Invoices will be submitted once a month for services performed during the prior month. Payment will be due within thirty (30) days of receipt of invoice. Interest will be added to overdue accounts at the rate of 1.5% for each month of delinquency.

INSURANCE AND INDEMNITY

Our firm represents and warrants that it and its agents, staff, and consultants employed by it, is and are protected by worker's compensation insurance and that we have such coverage under public liability and property damage insurance policies which we deem to be adequate. Certificates for all such policies of insurance shall be provided to the Client/Owner upon request in writing. Within the limits and conditions of such insurance, and subject to the Limitation of Remedies clause below, we agree to indemnify and save Client/Owner harmless from and against any loss, damage, or liability to the extent caused by any negligent acts by us, our agents, staff, and any consultants employed by us. We shall not be responsible for any loss, damage, or liability beyond the amounts, limits, and conditions of such insurance. We shall not be responsible for any loss, damage, or liability arising from any acts by Client/Owner, its agents, staff, and other consultants or contractors employed by it. Our defense obligation under this indemnity paragraph includes only the reimbursement of reasonable defense costs to the extent of our actual indemnity obligation hereunder.

GENERAL CONDITIONS OF THE PROPOSAL (continued)

GRI
9750 SW Nimbus Avenue
Beaverton, Oregon 97008
(503) 641-3478

Attachment to Proposal Dated: June 17, 2016

To: Port of Newport / Newport, Oregon

For: Phase I and II Environmental Site Assessment Services and
Construction Observation Services for International
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CONSEQUENTIAL DAMAGES

Neither Client/Owner nor Engineer will be liable to the other for any special, consequential, incidental or penal losses or damages including but not limited to losses, damages or claims related to the unavailability of property or facilities, shutdowns or service interruptions, loss of use, profits, revenue, or inventory, or for use charges, cost of capital, or claims of the other party or its customers.

OWNERSHIP AND USE OF DOCUMENTS

Client Documents. All documents provided by Client will remain the property of Client. Engineer will return all such documents to Client upon request, but may retain file copies of such documents.

Engineer's Documents. Unless otherwise agreed in writing, all documents and information prepared by Engineer or obtained by Engineer from any third party in connection with the performance of Services, including, but not limited to, Engineer's reports, boring logs, maps, field data, field notes, drawings and specifications, laboratory test data and other similar documents (collectively "Documents") are the property of Engineer. Engineer has the right, in its sole discretion, to dispose of or retain the Documents.

Use of Documents. All Documents prepared by Engineer are solely for use by Client and will not be provided by either party to any other person or entity without Engineer's prior written consent.

Use by Client. Client has the right to reuse the Documents for purposes reasonably connected with the Project for which the Services are provided, including without limitation design and licensing requirements of the Project.

Use by Engineer. Engineer retains the right of ownership with respect to any patentable concepts or copyrightable materials arising from its Services and the right to use the Documents for any purpose.

Electronic Media. Engineer may agree at Client's request to provide Documents and information in an electronic format. Client recognizes that Documents or other information recorded on or transmitted as electronic media are subject to undetectable alteration due to (among other causes) transmission, conversion, media degradation, software error, or human alteration. Accordingly, all Documents and information provided by Engineer in electronic media are for informational purposes only and not as final documentation. Unless otherwise defined in the Scope of Services, Engineer's electronic Documents and media will conform to Engineer's standards. Engineer will provide any requested electronic Documents for a 30-day acceptance period, and Engineer will correct any defects reported by Client to Engineer during this period. Engineer makes no warranties, either express or implied, regarding the fitness or suitability of any electronic Documents or media.

Unauthorized Reuse. No party other than Client may rely, and Client will not represent to any other party that it may rely on Documents without Engineer's express prior written consent and receipt of additional compensation. Client will not permit disclosure, mention, or communication of, or reference to the Documents in any offering circular, securities offering, loan application, real estate sales documentation, or similar promotional material without Engineer's express prior written consent. Client waives any and all claims against Engineer resulting in any way from the unauthorized reuse or alteration of Documents by itself or anyone obtaining them through Client. Client will defend, indemnify and hold harmless Engineer from and against any claim, action or proceeding brought by any party claiming to rely upon information or opinions contained Documents provided to such person or entity, published, disclosed or referred to without Engineer's prior written consent.

STANDARD OF CARE

Service performed by GRI under this Agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions under similar circumstances on similar projects. No warranty, expressed or implied, is made.

GENERAL CONDITIONS OF THE PROPOSAL (continued)

GRI
9750 SW Nimbus Avenue
Beaverton, Oregon 97008
(503) 641-3478

Attachment to Proposal Dated: June 17, 2016

To: Port of Newport / Newport, Oregon

For: Phase I and II Environmental Site Assessment Services and
Construction Observation Services for International
Terminal and Shipping Facility (ITSF) and Environmental
Testing for Rondys Dredge Material Storage Area

STANDARD OF CARE (continued)

Client/Owner recognizes that subsurface conditions may vary from those encountered at the location where borings, surveys, or explorations are made by GRI and that the data, interpretations and recommendations of GRI are based solely on the information available to us. GRI will be responsible for those data, interpretations, and recommendations, but shall not be responsible for the interpretation by others of the information developed.

TERMINATION

In the event of termination, or suspension of work for more than three (3) months prior to completion of all reports contemplated by this Agreement, we may complete such analyses and records as are necessary to complete our files and may also complete a report on the services performed to the date of notice of termination or suspension. The expenses of termination or suspension shall include all direct costs of completing such analyses, records, and reports.

ASSIGNS

During the term of this Agreement and following its interpretation for any reason, neither the Client/Owner nor GRI may delegate, assign, sublet, or transfer their duties or interest in this Agreement without the written consent of the other party.

PROTECTION FROM THIRD-PARTY SUITS

Should GRI be named as a third-party defendant in any litigation brought against the Client/Owner or contractors, the Client/Owner agrees to provide counsel for GRI's defense or to reimburse the reasonable costs thereof. Further, Client/Owner shall defend, indemnify and hold GRI harmless from any and all suits, claims, damages, expenses, losses, or injuries arising out of or in any way related to this Agreement or this project, except to the extent caused by GRI's negligence.

SCOPE OF AGREEMENT

The agreement between the two parties, i.e., GRI and the Client/Owner, consists of the specific items of work outlined in the attached proposal and the general conditions outlined in this document.

LIMITATION OF REMEDIES

The Client/Owner agrees that, to the fullest extent permitted by law, GRI's total liability to the Client/Owner is limited to \$1,000,000 for any and all of the Client/Owner's injuries, damages, claims, losses, expenses, or claim expenses arising out of this Agreement from any cause or causes, including any indemnity obligation under this Agreement. Such causes include, but are not limited to, GRI's negligence, errors, omissions, breach of contract, breach of warranty, strict liability, negligent misrepresentation, statutory liability, or other acts giving rise to liability based upon contract, tort, or statute. This provision takes precedence over any conflicting provisions of this Agreement.

Client/Owner

Representative (Print Name)

Signature

Date

GRI

Consultant

Principal or Associate

Date
June 17, 2016

Return one signed original to GRI

GRI
Beaverton, Oregon

2016 FEE SCHEDULE

Personnel	Rate/Hour
Principal	\$ 210
Associate	\$ 180
Senior Engineer/Geologist	\$ 150
Project Engineer/Geologist	\$ 130
Staff Engineer/Scientist	\$ 100
Engineering Assistant	\$ 80
Contract Administrator	\$ 125
Technical Editor	\$ 115
Drafter	\$ 95
Secretarial Services	\$ 60

Other Charges

Vehicle:	Vehicles will be billed at the current IRS business mileage reimbursement rate.
Fill Control Equipment:	Nuclear Density Gage rental will be billed at \$5 per hour, with maximum charge of \$25 per day or \$125 per week.
Reproduction:	In-house reproduction, \$0.10 per sheet.
Field Instrumentation and Monitoring Equipment:	Due to varied conditions, equipment requirements, location and use, rates for field instrumentation, monitoring, and other specialized equipment will be provided as required.
Subcontractor Services:	Charges for subcontractor services will be computed at cost plus 10%.
Travel and Subsistence:	All charges related to travel and subsistence will be computed at cost.

(LAST REVISED 8/4/2015)



ConnectOregon VI Application Log - Region 2

MODE-FULL	APP. #	APPLICANT	PROJECT NAME	Total Project Cost	CO GRANT Funds Requested	Project Match Total	Statutory & Economic Review Total	Tier	RRC Ranking
Aviation	2A0418	Life Flight Network, LLC	Life Flight Network Hangar	\$ 950,000.00	\$ 665,000.00	\$ 285,000.00	77	1	1
Transit	2T0431	Lane Transit Distict	Santa Clara Community Transit Center and Park & Ride	\$ 8,142,502.00	\$ 3,000,000.00	\$ 5,142,502.00	74	1	2
Bike/Ped	2B0409	Yamhill County	Yamhelas Westsider Trail: Bridge Construction	\$ 2,967,456.71	\$ 1,012,185.71	\$ 1,955,271.00	71	1	3
Aviation	2A0394	City of Corvallis	Rehabilitate Runway 9-27, Install Perimeter Fence	\$ 6,422,222.00	\$ 642,222.00	\$ 5,780,000.00	71	1	4
Rail	2R0360	Marion Ag Service Inc.	Marion Ag Service Rail Spur	\$ 1,089,700.66	\$ 498,565.73	\$ 591,134.93	84	1	5
Marine	2M0366	Teevin Bros Land & Timber Co	Mooring Points RM 66.5	\$ 1,125,000.00	\$ 750,000.00	\$ 375,000.00	72	1	6
Marine	2M0427	Port of Toledo	Boatyard Environmental Work Building	\$ 2,877,000.00	\$ 2,013,900.00	\$ 863,100.00	70	2	7
Bike/Ped	2B0430	City of Florence	Siuslaw Estuary Trail (City of Florence) Unit 1	\$ 700,000.00	\$ 490,000.00	\$ 210,000.00	54	2	8
Bike/Ped	2B0423	City of Eugene	Eugene Bicycle Parking - Access to Jobs and Transit	\$ 160,000.00	\$ 112,000.00	\$ 48,000.00	69	2	9
Aviation	2A0364	City of Newport	Newport Communication Ground-Link and AWOS update	\$ 40,000.00	\$ 25,000.00	\$ 15,000.00	67	2	10
Bike/Ped	2B0411	Chehalem Park and Recreation District	Newberg-Dundee Bypass Parallel Trail	\$ 1,866,100.00	\$ 1,306,265.00	\$ 559,835.00	66	2	11
Marine	2M0375	Port of Astoria	Pier 2 West Rehabilitation	\$ 2,200,000.00	\$ 1,540,000.00	\$ 660,000.00	60	2	12

ConnectOregon VI Application Log - Region 2

MODE-FULL	APP. #	APPLICANT	PROJECT NAME	Total Project Cost	CO GRANT Funds Requested	Project Match Total	Statutory & Economic Review Total	Tier	RRC Ranking
Aviation	2A0397	City of Eugene	Eugene Airport Roadway Improvements	\$ 791,564.00	\$ 554,095.00	\$ 237,469.00	66	2	13
Marine	2M0361	Port of Newport	International Terminal Shipping Facility	\$ 6,532,577.00	\$ 4,000,000.00	\$ 2,532,577.00	65	2	14
Bike/Ped	2B0374	City of Cannon Beach	Ecola Creek Bike/Ped Bridge	\$ 1,800,000.00	\$ 1,250,000.00	\$ 550,000.00	60	2	15
Rail	2R0419	City of Dallas	Dallas Industrial Area Rail Improvement Project	\$ 1,066,400.00	\$ 745,400.00	\$ 321,000.00	30	4	16
Aviation	2A0410	Brim Equipment Leasing, Inc. DBA Brim Aviation	North Coast Air and Marine Facilities Upgrade	\$ 1,193,000.00	\$ 835,100.00	\$ 357,900.00	73	1	17
Rail	2R0420	Knife River Corporation - Northwest	Knife River Rock Train System Improvements	\$ 1,591,500.00	\$ 1,114,050.00	\$ 477,450.00	53	2	18
Rail	2R0373	Northwest Container Services	NWCS Rail Car Modification and Upgrade	\$ 2,072,099.00	\$ 1,450,449.00	\$ 621,650.00	49	3	19
Marine	2M0388	City of Harrisburg	Harrisburg Boat Landing	\$ 450,000.00	\$ 315,000.00	\$ 135,000.00	35	3	20

**PORT OF NEWPORT
RESOLUTION 2016-xx**

**A RESOLUTION ADOPTING THE 2016-17 FISCAL YEAR BUDGET, MAKING APPROPRIATIONS,
LEVYING AND CATEGORIZING THE TAX**

THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

Section 1. Adopting the Budget

The Commission hereby adopts the budget for fiscal year 2016-17 in the sum of \$16,305,092 now on file at the Port District office, 600 SE Bay Blvd., Newport, OR 97365.

Section 2. Making Appropriations

Amounts for the fiscal year beginning July 1, 2016 and for the purposes shown below are hereby appropriated:

<u>General Operating Fund</u>	
Personnel Services.....	1,300,616
Materials & Services.....	1,425,200
Capital Outlay.....	500,000
Debt Service	684,934
Transfers Out.....	60,000
Contingency.....	100,000
Total.....	\$4,070,750
UEFB.....	\$944,866
Total Budget.....	\$5,015,616

<u>NOAA Lease Revenue Fund</u>	
Personnel Services.....	75,759
Materials & Services.....	689,320
Capital Outlay.....	0
Debt Service	1,997,335
Transfers Out.....	2,000,000
Contingency.....	100,000
Total.....	\$4,862,414
UEFB.....	\$3,256,014
Total Budget.....	\$8,118,428

<u>Bonded Debt Fund</u>	
Debt Service	925,823
Total.....	\$925,823
UEFB.....	\$0
Total Budget.....	\$925,823

<u>Construction Fund</u>	
Capital Outlay.....	2,050,100
Transfers Out.....	25,000
Total.....	\$2,075,100
UEFB.....	\$0
Total Budget.....	\$2,075,100

<u>Facilities Maintenance Reserve Fund</u>	
Capitol Outlay.....	170,125
Contingency.....	0
Total.....	\$170,125
Future Reserves.....	\$0
Total Budget.....	\$170,125

<u>TOTAL, All Funds</u>	
Personnel Services.....	1,376,375
Materials & Services.....	2,114,520
Capital Outlay.....	2,720,225
Debt Service	3,608,092
Transfers Out.....	2,085,000
Contingency.....	200,000
Total Appropriations ...	\$12,104,212
UEFB/Reserves.....	\$4,200,880
Total Budget.....	\$16,305,092

Section 3. Imposing the Tax

The Commission hereby imposes the following ad valorem property taxes upon the assessed value of all taxable property within the district for tax year 2016-17:

- (A) At the rate of \$0.0609 per \$1,000 of assessed value for the permanent tax rate; and
- (B) In the amount of \$1,000,000 for debt service on general obligation bonds.

Section 4. Categorizing the Tax

The taxes imposed in Section 3, above, are hereby categorized for purposes of Article XI section 11b as:

- (A) Subject to the General Government Limitation. Permanent Tax Rate \$0.0609/\$1,000
- (B) Excluded from Limitation. General Obligation Bond Debt Service \$1,000,000

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 21st day of June, 2016.

ATTEST:

Walter Chuck, President

Patricia Patrick-Joling, Secretary/Treasurer

**FORM
LB-10**

**SPECIAL FUND
RESOURCES AND REQUIREMENTS
NOAA LEASE REVENUE FUND**

Port of Newport

	Historical Data			NOAA LEASE REVENUE FUND RESOURCES AND REQUIREMENTS	Budget for Next Year 2016-17			
	Actual		Adopted Budget This Year 2015-16		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2013 - 2014	First Preceding Year 2014-15						
				RESOURCES				
1	5,879,765	5,551,754	5,602,310	1. Cash on hand * (cash basis), or	5,565,928	5,565,928	5,565,928	1
2				2. Working Capital (accrual basis)				2
3				3. Previously levied taxes estimated to be received				3
4	10,650	10,651	10,500	4. Interest	10,500	10,500	10,500	4
5				5. Transferred IN, from other funds				5
6	2,538,493	2,537,310	2,542,000	6. Lease Revenue	2,542,000	2,542,000	2,542,000	6
7	-	-		7. Grants & Other	-	-	-	7
8				8. Revenue Bond Proceeds				8
9	8,428,908	8,099,715	8,154,810	9. Total Resources, except taxes to be levied	8,118,428	8,118,428	8,118,428	9
10				10. Taxes estimated to be received				10
11				11. Taxes collected in year levied				11
12	8,428,908	8,099,715	8,154,810	12. TOTAL RESOURCES	8,118,428	8,118,428	8,118,428	12
				REQUIREMENTS				
1	100,049	100,049	109,660	1. Personnel Services (1 FTE)	75,759	75,759	75,759	1
2	239,792	239,792	605,120	2. Materials & Services	689,320	689,320	689,320	2
3	267,453	267,453	56,000	3. Capital Outlays	-	-	-	3
4	2,000,434	2,000,434	1,999,434	4. Debt Service	1,997,335	1,997,335	1,997,335	4
5	-	-	100,000	5. Contingency	100,000	100,000	100,000	5
6	218,870	218,870	500,000	6. Transferred OUT, to other funds	2,000,000	2,000,000	2,000,000	6
7				7				7
8				8				8
9				9				9
10				10				10
11				11				11
12				12				12
13				13				13
14				14				14
15	5,602,310	5,273,117		15. Ending balance (prior years)				15
16			4,784,596	16. UNAPPROPRIATED ENDING FUND BALANCE	3,256,014	3,256,014	3,256,014	16
17	8,428,908	8,099,715	8,154,810	17. TOTAL REQUIREMENTS	8,118,428	8,118,428	8,118,428	17

*The balance of cash, cash equivalents and investments in the fund at the beginning of the budget year

**FORM
LB-10**

**SPECIAL FUND
RESOURCES AND REQUIREMENTS
CONSTRUCTION FUND**

Port of Newport

	Historical Data			CONSTRUCTION FUND RESOURCES AND REQUIREMENTS	Budget for Next Year 2016-17			
	Actual		Adopted Budget This Year 2015-16		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2013-14	First Preceding Year 2014-15						
				RESOURCES				
1	1,212,170	750,804	150,000	1. Cash on hand * (cash basis), or	75,000	75,000	75,000	1
2				2. Working Capital (accrual basis)				2
3				3. Previously levied taxes estimated to be received				3
4	2,475	1,253	100	4. Interest	100	100	100	4
5			500,000	5. Transferred IN, from other funds	2,000,000	2,000,000	2,000,000	5
6				6. Bond Proceeds				6
				Miscellaneous				
7				7. Loan Proceeds				7
8	-	193,108	-	8. Intergovernmental	-	-	-	8
9	1,214,645	945,165	650,100	9. Total Resources, except taxes to be levied	2,075,100	2,075,100	2,075,100	9
10				10. Taxes estimated to be received				10
11				11. Taxes collected in year levied				11
12	1,214,645	945,165	650,100	12. TOTAL RESOURCES	2,075,100	2,075,100	2,075,100	12
				REQUIREMENTS				
1	463,841	761,898	500,100	1. Capital Outlays	2,050,100	2,050,100	2,050,100	1
2			150,000	2. Transfer Out, to other funds	25,000	25,000	25,000	2
3				3				3
4				4				4
5				5				5
6				6				6
7				7				7
8				8				8
9				9				9
10				10				10
11				11				11
12				12				12
13				13				13
14				14				14
15	750,804	183,267		15. Ending balance (prior years)				15
16				16. UNAPPROPRIATED ENDING FUND BALANCE				16
17	1,214,645	945,165	650,100	17. TOTAL REQUIREMENTS	2,075,100	2,075,100	2,075,100	17

*The balance of cash, cash equivalents and investments in the fund at the beginning of the budget year

FORM

LB-11

This fund is authorized and established by resolution / ordinance number 5-1998 on June 23, 1998 for the following specified purpose:
 Repair and replace Port infrastructure and facilities.

**RESERVE FUND
 RESOURCES AND REQUIREMENTS**

This reserve fund will be reviewed to be continued or abolished.
 Date can not be more than 10 years after establishment.
 Review Year: Reviewed in 2008 - Next review 2018

FACILITIES MAINTENANCE RESERVE

Port of Newport

	Historical Data			FACILITIES MAINTENANCE RESERVE RESOURCES AND REQUIREMENTS	Budget for Next Year 2016-17			
	Actual		Adopted Budget This Year 2015-16		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2013-14	First Preceding Year 2014-15						
				RESOURCES				
1	96,289	166,596	40,000	1. Cash on hand* (cash basis) or	85,000	85,000	85,000	1
2				2. Working Capital (accrual basis)				2
3				3. Previously levied taxes estimated to be received				3
4	173	140	125	4. Interest	125	125	125	4
5	193,870	-	250,000	5. Transferred IN, from other funds	85,000	85,000	85,000	5
6			-	6. Loan Income	-	-	-	6
7	-	-	-	7. Grants	-	-	-	7
8				8				8
9	290,332	166,736	290,125	9. Total Resources, except taxes to be levied	170,125	170,125	170,125	9
10				10. Taxes estimated to be received				10
11	-			11. Taxes collected in year levied				11
12	290,332	166,736	290,125	12. TOTAL RESOURCES	170,125	170,125	170,125	12
				REQUIREMENTS				
1	123,736	118,358	166,125	1. Materials & Service	-	-	-	1
2			-	2. Capital Outlay	145,125	145,125	170,125	2
3			24,000	3. Contingency	-	-	-	3
4				4				4
5				5				5
6				6				6
7				7				7
8				8				8
9				9				9
10				10				10
11				11				11
12				12				12
13				13				13
14				14				14
15				15 Ending balance (prior years)				15
16	166,596	48,378	100,000	16. RESERVED FOR FUTURE EXPENDITURE	25,000	25,000	-	16
17	290,332	166,736	290,125	17. TOTAL REQUIREMENTS	170,125	170,125	170,125	17

*The balance of cash, cash equivalents and investments in the fund at the beginning of the budget year

**FORM
LB-20**

**RESOURCES
GENERAL OPERATING FUND**

Port of Newport

	Historical Data			Resources	Budget for Next Year 2016-17			
	Actual		Adopted Budget This Year 2015-16		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2013-14	First Preceding Year 2014-15						
1	867,554	920,659	1,596,133	1. Available cash on hand* (cash basis) or	1,615,035	1,615,035	1,615,035	1
2				2. Net working capital (accrual basis)				2
3	4,237	3,818	7,100	3. Previously levied taxes estimated to be received	7,100	7,100	7,100	3
4	2,886	5,282	2,500	4. Interest	4,000	4,000	4,000	4
5	25,000	-	-	5. Transferred IN, from other funds	-	-	-	5
6				6 OTHER RESOURCES				6
7	599,533	601,745	608,051	7. Leases	616,081	616,081	616,081	7
8	77,935	74,750	70,000	8. International Terminal Moorage	80,000	80,000	80,000	8
9			-	9. International Terminal Shipping	-	-	-	9
10	152,004	216,075	161,500	10. International Terminal Services	205,000	205,000	205,000	10
11			-	11. ILWU Labor	-	-	-	11
12	441,646	435,304	400,000	12. Bay Front Moorage	440,000	440,000	440,000	12
13	302,191	286,131	262,600	13. Bay Front Marina Services	251,000	251,000	251,000	13
14	686,911	666,939	600,000	14. South Beach Moorage	655,000	655,000	655,000	14
15	12,747	15,043	11,000	15. Liveaboard Revenue	14,000	14,000	14,000	15
16	59,148	70,194	62,000	16. Launch Ramp	70,000	70,000	70,000	16
17	585,198	688,922	610,000	17. RV Park Space Rentals	700,000	700,000	700,000	17
18	44,113	52,482	45,000	18. Transient Room Tax	54,000	54,000	54,000	18
19				19. Marina & RV Park Online Booking				19
20	11,750	-		20. RV Utility Surcharge				20
21	89,689	46,877	37,200	21. Miscellaneous Revenue	47,000	47,000	47,000	21
22	1,939	22,874	183,000	22. Grants & Other	168,000	168,000	168,000	22
23	-	-	2,000	23. Property & Dredge Sales	2,000	2,000	2,000	23
24	-	-		24. Loan Proceeds				24
25	-	-		25. Moorage				25
26	-	-		26. Intergovernmental				26
27				27				27
28				28				28
29	3,964,481	4,107,095	4,658,084	29. Total resources, except taxes to be levied	4,928,216	4,928,216	4,928,216	29
30			85,250	30. Taxes estimated to be received	87,400	87,400	87,400	30
31	87,690	93,985		31. Taxes collected in year levied				31
32	4,052,171	4,201,080	4,743,334	32. TOTAL RESOURCES	5,015,616	5,015,616	5,015,616	32

*The balance of cash, cash equivalents and investments in the fund at the beginning of the budget year

**FORM
LB-30**

**REQUIREMENTS SUMMARY
PORT OF NEWPORT
GENERAL OPERATING FUND**

	Historical Data			REQUIREMENTS DESCRIPTION	Budget for Next Year 2016-17			
	Actual		Adopted Budget This Year 2015-16		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2013-14	First Preceding Year 2014-15						
PERSONNEL SERVICES								
1	915,628	930,655	1,147,035	1	1,300,616	1,300,616	1,300,616	1
2				2				2
3				3				3
4				4				4
5				5				5
6				6				6
7	915,628	930,655	1,147,035	7 TOTAL PERSONNEL SERVICES	1,300,616	1,300,616	1,300,616	7
			15	Total Full-Time Equivalent (FTE)	22.5	22.5	22.5	
MATERIALS AND SERVICES								
8	1,308,313	1,238,707	1,328,407	8. Operating	1,380,200	1,380,200	1,380,200	8
9	3,435	13,874	196,000	9. Non-operating	45,000	45,000	45,000	9
10				10				10
11				11				11
12				12				12
13				13				13
14	1,311,748	1,252,581	1,524,407	14 TOTAL MATERIALS AND SERVICES	1,425,200	1,425,200	1,425,200	14
CAPITAL OUTLAY								
15		23,660	215,000	15. Equipment & Vehicles	20,000	20,000	20,000	15
16				16. Docks & Piers	300,000	300,000	300,000	16
17	25,608			17. Buildings & Property	180,000	180,000	180,000	17
18				18				18
19				19				19
20				20				20
21	25,608	23,660	215,000	21 TOTAL CAPITAL OUTLAY	500,000	500,000	500,000	21
DEBT SERVICE & TRANSFERS								
22	577,724	579,149	637,033	22. Debt Service	684,934	684,934	684,934	22
23			100,000	23. Transfers	60,000	60,000	60,000	23
24				24				24
25	577,724	579,149	737,033	25. Total Debt Service & Transfers	744,934	744,934	744,934	25
26			200,000	26 OPERATING CONTINGENCY	100,000	100,000	100,000	26
27	1,229,027	1,415,035		27 Ending balance (prior years)				27
28		-	919,859	28 UNAPPROPRIATED ENDING FUND BALANCE	944,866	944,866	944,866	28
29	4,059,735	4,201,080	4,743,334	29 TOTAL REQUIREMENTS	5,015,616	5,015,616	5,015,616	29

DETAILED REQUIREMENTS

**FORM
LB-31**

**PORT OF NEWPORT
GENERAL OPERATING FUND**

	Historical Data			PERSONNEL SERVICES	Number of Employ-ees	Range*	Budget for Next Year 2016-17			
	Actual		Adopted Budget This Year 2015-16				Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2013-14	First Preceding Year 2014-15								
1			806,135	1. Salaries and Wages	22.5 FTE	9.75-57.02	935,554	935,554	935,554	1
2			61,669	2. Federal Payroll Taxes			71,570	71,570	71,570	2
3			17,632	3. Unemployment			21,168	21,168	21,168	3
4			55,102	4. Worker's Compensation			65,455	65,455	65,455	4
5			143,671	5. Employee Health Insurance			170,704	170,704	170,704	5
6			14,000	6. Health Reimbursement Arrangement			15,500	15,500	15,500	6
7			45,726	7. PERS			16,665	16,665	16,665	7
8			3,100	8. Miscellaneous			4,000	4,000	4,000	8
9	915,628	930,655		9						9
10				10						10
11				11						11
12				12						12
13				13						13
14				14						14
15				15						15
16				16						16
17				17						17
18				18						18
19				19						19
20				20						20
21				21						21
22				22						22
23				23						23
24				24						24
25				25						25
26				26						26
27				27						27
28				28						28
29				29						29
30				30						30
31	915,628	930,655	1,147,035	31 TOTAL PERSONNEL SERVICES			1,300,616	1,300,616	1,300,616	31
32				32						32
33	915,628	930,655	1,147,035	33 TOTAL			1,300,616	1,300,616	1,300,616	33

DETAILED REQUIREMENTS

**FORM
LB-31**

**PORT OF NEWPORT
GENERAL OPERATING FUND**

	Historical Data			MATERIALS & SERVICES	Budget for Next Year 2016-17			
	Actual		Adopted Budget This Year 2015-16		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2013-14	First Preceding Year 2014-15						
1			160,200	1. Insurance	169,200	169,200	169,200	1
2			61,800	2. Professional Services	57,000	57,000	57,000	2
3			24,000	3. Marketing & Promotion	24,500	24,500	24,500	3
4			20,150	4. Dues & Subscriptions	20,150	20,150	20,150	4
5			6,000	5. Employee Education	9,500	9,500	9,500	5
6			13,000	6. Travel	14,700	14,700	14,700	6
7			55,025	7. Office Expenses	49,800	49,800	49,800	7
8			34,000	8. Bank Fees	40,500	40,500	40,500	8
9			9,200	9. Licenses & Permits	11,300	11,300	11,300	9
10			468,500	10. Utilities	463,400	463,400	463,400	10
11			191,482	11. Contracted Services	206,950	206,950	206,950	11
12			106,400	12. Repairs & Maintenance	116,300	116,300	116,300	12
13			11,900	13. Equipment & Small Tools	19,900	19,900	19,900	13
14			77,750	14. Operating Supplies & Fuel	77,000	77,000	77,000	14
15			-	15. Shipping	-	-	-	15
16			89,000	16. Building & Land Leases	100,000	100,000	100,000	16
17			196,000	17. Grants & Other	45,000	45,000	45,000	17
18	1,311,748	1,252,581		18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28				28				28
29				29				29
30				30				30
31	1,311,748	1,252,581	1,524,407	31 TOTAL MATERIALS & SERVICES	1,425,200	1,425,200	1,425,200	31
32				32				32
33	1,311,748	1,252,581	1,524,407	33 TOTAL	1,425,200	1,425,200	1,425,200	33

**FORM
LB-35**

**BONDED DEBT
RESOURCES AND REQUIREMENTS**

Bond Debt Payments are for:

- Revenue Bonds or
 General Obligation Bonds

BONDED DEBT FUND

Port of Newport

Historical Data				DESCRIPTION OF RESOURCES AND REQUIREMENTS	Budget for Next Year 2016-17				
Actual		Adopted Budget This Year 2015-16	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body			
Second Preceding Year 2013-14	First Preceding Year 2014-15								
Resources									
1	65,628	120,592	0	1. Beginning Cash on Hand (Cash Basis), or	0	0	0	1	
2				2. Working Capital (Accrual Basis)				2	
3			20,000	3. Previously Levied Taxes to be Received	22,000	22,000	22,000	3	
4	950	963	150	4. Interest	700	700	700	4	
5				5. Transferred from Other Funds				5	
6				6				6	
7	66,578	121,555	20,150	7. Total Resources, Except Taxes to be Levied	22,700	22,700	22,700	7	
8			907,022	8. Taxes Estimated to be Received *	903,123	903,123	903,123	8	
9	972,087	962,344		9. Taxes Collected in Year Levied				9	
10	1,038,665	1,083,899	927,172	10. TOTAL RESOURCES	925,823	925,823	925,823	10	
Requirements									
Bond Principal Payments									
				Bond Issue	Budgeted Payment Date				
1	110,000	115,000	120,000	1. 2007	January 1	125,000	125,000	125,000	1
2	105,000	110,000	115,000	2. 2008	January 1	120,000	120,000	120,000	2
3	60,000	60,000	65,000	3. 2011	January 1	65,000	65,000	65,000	3
4	275,000	285,000	300,000	4. Total Principal		310,000	310,000	310,000	4
Bond Interest Payments									
				Bond Issue	Budgeted Payment Date				
5	182,448	177,978	175,677	5. 2007	July 1 & January 1	170,878	170,878	170,878	5
6	184,440	180,140	177,940	6. 2008	July 1 & January 1	173,340	173,340	173,340	6
7	276,185	274,455	273,555	7. 2011	July 1 & January 1	271,605	271,605	271,605	7
8	643,073	632,573	627,172	8. Total Interest		615,823	615,823	615,823	8
Unappropriated Balance for Following Year By									
				Bond Issue	Projected Payment Date				
9				9				9	
10				10				10	
11				11				11	
12	120,592	166,326		12 Ending balance (prior years)				12	
13				13 Total Unappropriated Ending Fund Balance				13	
14		0	0	14. Loan Repayment to NOAA Fund				14	
15				15. Tax Credit Bond Reserve				15	
16	1,038,665	1,083,899	927,172	16. TOTAL REQUIREMENTS		925,823	925,823	925,823	16

Notice of Property Tax and Certification of Intent to Impose a Tax, Fee, Assessment or Charge on Property

To assessor of Lincoln County

FORM LB-50 2016-2017

Check here if this is an amended form.

- Be sure to read instructions in the Notice of Property Tax Levy Forms and Instruction booklet

The Port of Newport has the responsibility and authority to place the following property tax, fee, charge or assessment on the tax roll of Lincoln County. The property tax, fee, charge or assessment is categorized as stated by this form.

<u>600 SE Bay Boulevard</u>	<u>Newport</u>	<u>OR</u>	<u>97365</u>	<u>6/28/2016</u>
Mailing Address of District	City	State	ZIP code	Date
<u>Kevin Greenwood</u>	<u>General Manager</u>	<u>541-265-7758</u>	<u>kgreenwood@portofnewport</u>	
Contact Person	Title	Daytime Telephone	Contact Person E-Mail	

CERTIFICATION - You **must** check one box if your district is subject to Local Budget Law.

- The tax rate or levy amounts certified in Part I are within the tax rate or levy amounts approved by the budget committee.
- The tax rate or levy amounts certified in Part I were changed by the governing body and republished as required in ORS 294.456.

PART I: TOTAL PROPERTY TAX LEVY

		<u>Subject to</u> <u>General Government Limits</u> Rate -or- Dollar Amount			
1. Rate per \$1,000 or Total dollar amount levied (within permanent rate limit)	1	0.0609			
2. Local option operating tax	2				
3. Local option capital project tax	3			Excluded from Measure 5 Limits Dollar Amount of Bond Levy	
4. Levy for pension and disability obligations	4				
5a. Levy for bonded indebtedness from bonds approved by voters prior to October 6, 2001	5a.				
5b. Levy for bonded indebtedness from bonds approved by voters on or after October 6, 2001	5b.			1,000,000	
5c. Total levy for bonded indebtedness not subject to Measure 5 or Measure 50 (total of 5a + 5b)	5c.			1,000,000	

PART II: RATE LIMIT CERTIFICATION

6. Permanent rate limit in dollars and cents per \$1,000	6	0.0609
7. Election date when your new district received voter approval for your permanent rate limit	7	
8. Estimated permanent rate limit for newly merged/consolidated district	8	

PART III: SCHEDULE OF LOCAL OPTION TAXES - Enter all local option taxes on this schedule. If there are more than two taxes, attach a sheet showing the information for each.

Purpose (operating, capital project, or mixed)	Date voters approved local option ballot measure	First tax year levied	Final tax year to be levied	Tax amount -or- rate authorized per year by voters

Part IV. SPECIAL ASSESSMENTS, FEES AND CHARGES

Description	Subject to General Government Limitation	Excluded from Measure 5 Limitation
1		
2		

If fees, charges, or assessments will be imposed on specific property within your district, you must attach a complete listing of properties, by assessor's account number, to which fees, charges, or assessments will be imposed. Show the fees, charges, or assessments uniformly imposed on the properties. If these amounts are not uniform, show the amount imposed on each property.

The authority for putting these assessments on the roll is ORS _____ (Must be completed if you have an entry in Part IV)

A public meeting of the **PORT OF NEWPORT** Commission will be held at the Port's South Beach Marina & RV Park Office at 2120 SE Marine Science Dr., Newport, Oregon on June 21, 2016 at 6:00 pm. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2016 as approved by the Port of Newport Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at 600 SE Bay Blvd, between the hours of 8:30 a.m. and 4:30 p.m. or online at www.portofnewport.com. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as used the preceding year.

Contact: Kevin Greenwood, General Manager Telephone: 541-265-7758 Email: kgreenwood@portofnewport.com

FINANCIAL SUMMARY - RESOURCES			
TOTAL OF ALL FUNDS	Actual Amount	Adopted Budget	Approved Budget
	2014-15	This Year 2015-2016	Next Year 2016-17
Beginning Fund Balance/Net Working Capital	7,510,405	7,388,443	7,340,963
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	5,644,895	5,372,151	5,627,081
Federal, State and All Other Grants, Gifts, Allocations and Donations	215,982	183,000	168,000
Revenue from Bonds and Other Debt	0	0	0
Interfund Transfers / Internal Service Reimbursements	0	750,000	2,085,000
All Other Resources Except Current Year Property Taxes	65,166	52,575	64,425
Current Year Property Taxes Estimated to be Received	1,060,147	1,019,372	1,019,623
Total Resources	14,496,595	14,765,541	16,305,092

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION			
Personnel Services	1,030,704	1,256,695	1,376,375
Materials and Services	1,610,731	2,295,652	2,114,520
Capital Outlay	1,053,011	771,100	2,695,225
Debt Service	3,497,156	3,563,639	3,608,092
Interfund Transfers	218,870	750,000	2,085,000
Contingencies	0	324,000	200,000
Unappropriated Ending Balance and Reserved for Future Expenditure	7,086,123	5,804,455	4,225,880
Total Requirements	14,496,595	14,765,541	16,305,092

FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *			
Name of Organizational Unit or Program FTE for that unit or program			
NOAA MOC-P Facility	8,099,715	8,154,810	8,118,428
FTE	1.00	1.00	1.00
General Operating Fund	4,201,080	4,743,334	5,015,616
FTE	19.00	20.50	22.50
Non-Departmental / Non-Program	2,195,800	1,867,397	3,171,048
FTE	0.00	0.00	0.00
Total Requirements	14,496,595	14,765,541	16,305,092
Total FTE	20.0	21.5	23.5

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING			
The large capital construction projects at the Newport International Terminal and NOAA MOC-P facilities are substantially complete.			
PROPERTY TAX LEVIES			
	Rate or Amount Imposed	Rate or Amount Imposed	Rate or Amount Approved
Permanent Rate Levy (rate limit 0.0609 per \$1,000)	\$.0609/1,000	\$.0609/1,000	\$.0609/1,000
Local Option Levy			
Levy For General Obligation Bonds	810,172	\$1,000,000	\$1,000,000

STATEMENT OF INDEBTEDNESS		
LONG TERM DEBT	Estimated Debt Outstanding on July 1.	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds	\$13,480,000	
Other Bonds	\$24,145,000	
Other Borrowings	\$4,753,847	
Total	\$42,378,847	\$0

NEW BUSINESS AGENDA ITEM

DATE: 6/21/2016
RE: Letter of Support for the Marine Science Initiative to be Located at Hatfield Marine Science Center
TO: Port of Newport Board of Commissioners
ISSUED BY: Kevin Greenwood, General Manager

BACKGROUND

The Hatfield Marine Science Center (HMSC) is nearing completion of the \$50-million in financing for construction of the 100,000 sq. ft. Marine Science Initiative (MSI) building. There has been, however, robust debate about the location of the MSI and not all are in favor of the location in South Beach due to concerns about tsunami impacts.

Dr. Robert Cowen, executive director of HSMC, has noted that student housing will be constructed out of the tsunami zone, located near the Oregon Coast Community College (OCCC) campus, but there is still concern about the academic building being built on campus.

South Beach continues to be a growing hub of science, education and research and relocating the MSI from South Beach would dilute the effort to build upon what is already considered a multi-level, world class center.

ALTERNATE CONSIDERATIONS

Included in the packet is a list of siting criteria that was reviewed at a May 9th work session. Though the university has not disclosed alternate site locations, there has been some discussion internally about finding a site out of the tsunami zone. Whether that possible site is located in Newport, Corvallis or elsewhere is yet to be determined.

BUDGET IMPLICATIONS

None.

RECOMMENDATION

Based upon the long-standing support for HMSC and growing the marine research and education hub in South Beach, I would recommend that a Commissioner make a MOTION TO APPROVE SIGNING A LETTER TO OREGON STATE UNIVERSITY PRESIDENT, DR. EDWARD RAY, SUPPORTING THE LOCATION OF THE MARINE SCIENCE INSTITUTE AT THE HATFIELD MARINE SCIENCE CENTER.

-###-

June 21, 2016

Dr. Edward J. Ray, President
OREGON STATE UNIVERSITY
600 Kerry Administration Building
Corvallis, OR 97331-2128

RE: SUPPORT FOR LOCATING THE MARINE SCIENCE INITIATIVE AT THE
HATFIELD MARINE SCIENCE CENTER

Dear President Ray,

The Port of Newport is proud of its long history with Oregon State University and the Hatfield Marine Science Center. The South Beach campus houses several state and federal agencies and along with the \$40-million local investment in the NOAA Marine Operations Center in 2011 has made Newport a world class center for marine education and research.

What makes Newport a growing center for marine studies is its unique location to the Pacific and Yaquina Bay. This community has invested heavily in securing improved transportation (both vehicular and pedestrian) access through South Beach, providing evacuation routes and safe havens, and locating future student housing out of the tsunami inundation zone.

The Port supports building the Marine Science Initiative facility at HMSC and taking advantage of this opportunity to build a state-of-the-art facility taking our unique location into account in the engineering and design of the building.

If we can provide any assistance in the decision making process, please don't hesitate to the Port's General Manager, Kevin Greenwood at (541) 265-7758.

Sincerely,

Walter Chuck
President

Ken Brown
Vice President

Patricia Patrick-Joling
Secretary/Treasurer

Stewart Lamerdin
Commissioner

Commissioner

May 2016 Occupancy Report

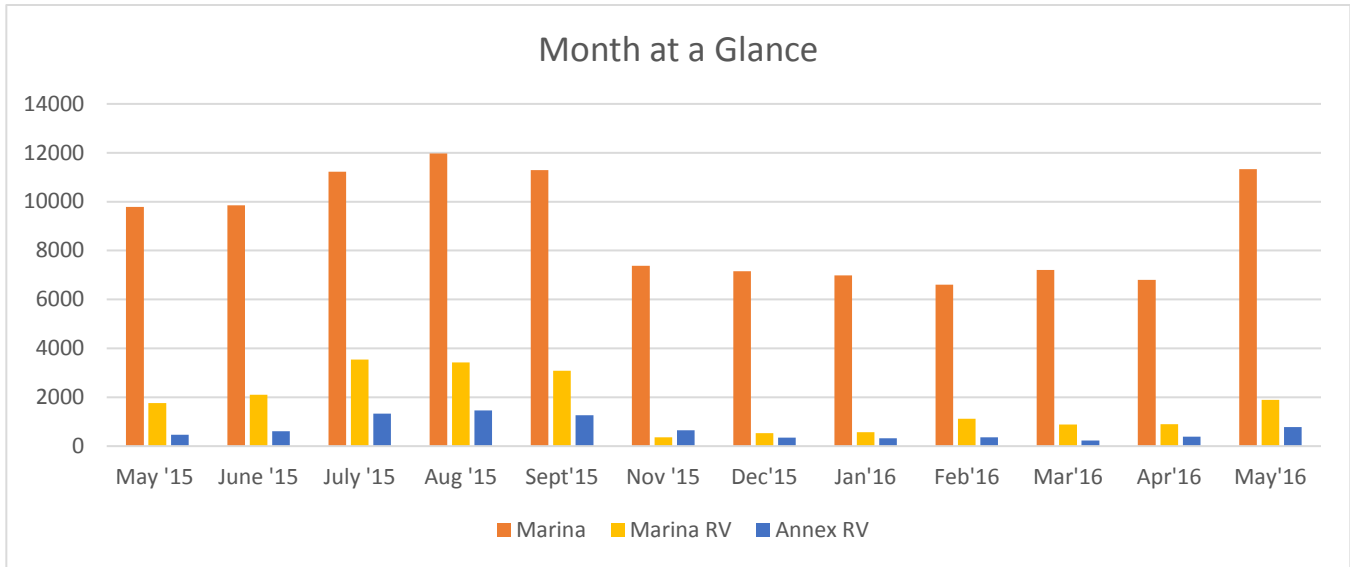
To: Port of Newport, Board of Commissioners
 From: Penny, South Beach Marina & RV Parks
 Date: 06/19/16

Occupancy numbers in the Marina were up this May. We signed up several monthly moorages due to the scheduling of four consecutive halibut openers and both guest docks were full every weekend.

May was a great month for both RV parks. Most of our long term RVers have moved in for the fishing seasons. Reservations and phone inquiries have escalated this month. The front office made 873 reservations and 198 more were booked on line.

Dana Smith joined our staff as a summer helper. We are happy to welcome her aboard as she is energetic and knowledgeable about the area.

May	2015	2016	Change	YTD 2015	YTD 2016	Change
Marina	9792	11336	15.77%	36,891	39,749	7.75%
Marina RV	1756	1896	7.97%	5,104	5,509	7.93%
Annex RV	470	784	62.55%	1,555	1,956	25.79%





DIRECTOR OF OPERATIONS MONTHLY REPORT

DATE: 6/16/2016
PERIOD: May - June 2016
TO: Kevin Greenwood
ISSUED BY: Rick Fuller

OVERVIEW

Summary:

The Rogue construction team continues to work through issues with the building department requiring changes to the structural foundation design. Recent discussions with the Rogue representative Mike Isaacson and chief building official Joseph Lease, only one item remains to be corrected and is expected to be resolved after resubmission. Steps are being taken to provide limited work at the International Terminal Shipping Facility in order to maintain the open permit status. The hoist dock repair has been completed and is in full working order. North Commercial Harbor Master Kevin Bryant tendered his resignation and Kent Gibson has been appointed interim Harbor Master.

Detail:

- **Terminal Shipping Facility:** With the recent signing of the MOU with the City of Newport which allows transport of fill material to the airport, preparations are being made for soil testing by GRI and limited removal of fill from the ITSF site to the airport. The work will be documented with the city building department in order to maintain the status of the open permit obtained on January 21, 2015
- **Rogue Warehouse Expansion:** The building permit application for the expansion project has been reviewed by the City's outsourced building code consultants, Clair Company. During the review, Claire Co. has questioned the soil stability under the proposed expansion area. Rogue and its design build contractor DSL Builders have completed additional soils testing and are working on the last item which will gain resolution and issuance of the permit. All work outside of the building permit parameter has been completed with further work placed on hold until the permit is in hand. Staff is working with Public Works and the Chamber to relocate and/or replace a water hydrant and meters removed during the launch ramp infill process. The water source is required for the Seafood and Wine Festival.

An onsite meeting with Kevin Greenwood, Harbor Master Chris Urbach, Commissioners Walter Chuck and Ken Brown determined the final review and layout of the planned curb, sidewalk and landscape locations at the launch ramp infill area. A plan of the site was developed by SHN Engineering and staff which show the results of the layout and is included as an attachment. Further design of the complete multiuse area will be determined after the next fiscal year budget

has begun.

- **NOAA MOC-P dredging:** Pacific Habitat Service (PHS) has completed the work on the Joint Permit Application. Advanced Remediation Technologies has been contacted for sediment sampling per last month's authorization.
- **NOAA MOC-P SLA15 Permanent oil boom placement:** See supporting documents for item E of the consent calendar. NOAA is asking for approval to attach a permanent floating oil boom system to the wharf. Staff recommends approval of Supplemental Lease Agreement SLA15.
- **NOAA MOC-P recreational access:** SHN Engineering has provided a design concept that will add an additional 60ft of dock section to the west end of the service dock attached to the existing seawall piling. The access will also include the improvement of the small triangular grounds west of the Rogue Brewery which includes an access down to the water for recreational crabbing activities. The draft has been received (see attached) and requires review by staff and ODFW.
- **Permits:** NIT dredge deepening permit – I have had contact with Brad Johnson of the USACE keeping him updated on the intermittent progress closing out the permit which includes creation of a conservation easement at the mitigation area behind the Aquarium.
- **PON/CBP permanent foundation for modular structures:** No change to the CBP modular office trailer. All cost estimates for the CBP office have been submitted to GSA for similar work at the 10'x32' modular building, but the acceptance and agreement remain pending. The project is required in order to comply with city building code.
- **Port Dock 7 Hoist Dock Repair:** Following the structural fill repair, the thin patch asphalt repair was made to the hoist dock area as designed and the project is complete. The working surface is now in serviceable condition for staff, equipment, fish buyers and the commercial fishing fleet.
- **Port Dock 5 approach:** Per commission direction, North Commercial staff is installing a gate with signage that will limit vehicular traffic to the first third of the approach. Within the next two weeks an RFP process for professional services will be initiated for the study, design and pricing of the eventual structural replacement of the approach including an alternate approach yet to be determined.
- **PD5/7 Pile replacement:** It is anticipated that a scope of work will be developed and RFPs will be posted for the PD5/7 pile replacement/dock repair within the next period. Work is scheduled for the beginning of the in water work period in November.
- **South Jetty - State Park/USACE:** A site meeting was held with representatives from the Army Corps of Engineers and South Beach State Parks to discuss erosion at the paved access road and a plan for the installation of sand retaining fencing beyond the access road gate. The Port has been asked to participate in the maintenance of a sand fence which would reduce the flow of material into the channel which is creating additional dredging. State Parks also asked if the Port could supply sand for the infill of low spots along the jetty road. Representatives of the Park said they would ensure that the royalty fee placed on the sand material by DSL would be waved. Further discussion of both points above will follow.
- **General Departmental:**
 - The working draft of the Facility Maintenance & Operation Plan continues to be a work in progress. As a component of the personnel policy, the FMOP outline will include at a minimum: Facility operation and program goals, facility and asset identification, maintenance procedures, training, and accountability expectations. Operations will

continue to utilize and expand its use of our Computerized Maintenance Management Software (Hippo CMMS) as one of many tools to achieve the goals of the program.

- North Commercial Harbor Master, Kevin Bryant, turned in a letter of resignation effective the same day 6/9/2016. Kevin has been an instrumental leader of the Port of Newport for nearly 28 years and will be missed. Kent Gibson has been designated the interim Harbor Master and we are meeting daily regarding the transition of management in the North Commercial department. Steps are being taken towards the hiring of a replacement person for dock and service operations. The crew is optimistic about the recent changes and are all aboard under Kent's lead. The Harbor Master position will be opened for hiring as a permanent position within the next six months.
- The annual employee evaluations for operational staff will be completed next week.
- The purchase of a 2009 Ford Edge from Beaverton Infinity was initiated, deposit provided and vehicle picked up. The vehicle will be used by the Director of Operations and administrative staff which was included as a capital expense item in the 2015/2016 budget. See item C in the consent calendar for supporting documentation and request for commission approval.
- During my two week vacation, staff did a great job communicating items of importance in order to keep operations running smoothly.

International Terminal – Pete Zerr, Superintendent

Billable services:

- Forklift - 70hrs
- 30 Ton Hydraulic crane – 46 hrs
- Moorage – 182 days
- Dock Tie Up – 289.5 hrs
- Labor – 99.5 hrs

Other

- General facility maintenance including
- Grounds keeping at Bay Blvd near sign (excellent job goes to Pete Zerr as the Marathon runner's course ran right past the area!!)
- Working on requirements for MTSA status per Facility Security Plan

N. Commercial docks – Kent Gibson, Interim Harbor Master

Billable services: (estimated)

- Forklift - 155hrs
- Hoist crane –5.5hrs
- Dock Tie Up – 261hrs
- Labor – 140hrs

Other

- Repair of hoist dock completed including thin patch asphalt overlay
- Installation of PD5 approach gate and signage
- General maintenance and repair

NOAA MOC-P – Jim Durkee, Facility Manager

- Room 143 security wall work in progress starting with the relocation of a fire strobe.
- Eelgrass transplanting took place June 5th, 6th and 7th. There was a good turnout of volunteers from Angell Job Corps, the Oregon Coast Aquarium and the Port of Newport including staff and the Mates. The volunteers made an excellent effort to get a viable number of plants moved into the area prepared for them. Monitoring and counting of Eel grass for reporting is scheduled during the low tide on July 4th.
- Received an SLA #15 from NOAA regarding placement of a permanent boom structure under the pier for containment of potential fuel or oil spills. Before a vessel would take on fuel a temporary boom would be hauled out and attached to the permanent boom to encircle the vessel. Recommend approval of the SLA.

Vessels using facility since last report – Shamada, OSP Guardian.

Year to date, 530 passengers crossed the bar on vessels using the NOAA wharf.

Office Occupancy Rate – 62%

S. Beach Marina & RV – Chris Urbach, Harbor Master

Billable services:

- Launch tickets – 905 tickets sold this period. 7918 tickets sold since new machine installed.

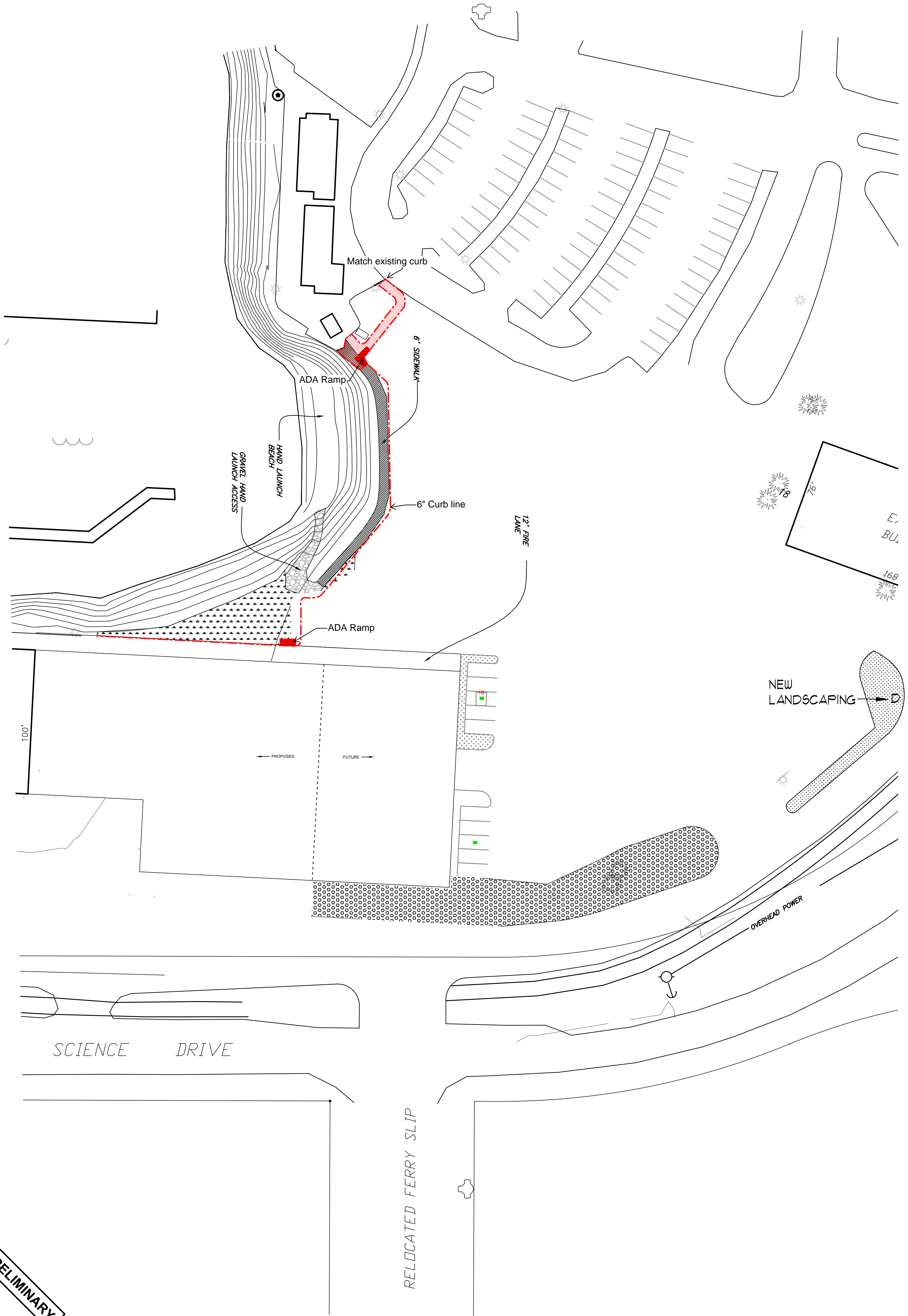
Other

- The Mates volunteer group have been working on the main entrance sign and the interpretive kiosk at the north fish table
- Runion's Construction haul off of Cougar Ann, Grumpy Dragon & Jimco continues to be in progress but running into removal equipment snags
- Sink holes continue to be a problem with a recent issue at the south out fall line. Five sink holes in the last three months have been managed. Replacement/repair of the storm drain pipe will be required for permanent solution

Volunteer Work Crews

Port Mates - The replacement of the old SB RV Park main entry sign is now complete! The whole crew helped with the sign replacement, addition of a rock bed, and the placement of the newly painted anchor which was removed from the old boat launch area. Wayde Dudley jumped in as "greeter" during the NOAA eel grass transplanting effort which was a big help to Jim Durkee. Plans are being made to start with sign and kiosk cleanup on the north side soon.

Angel Job Corps - The Job Corps has really jumped in with both feet while working with the Port! Crews continue work on the North restroom siding project. The scope of work is to provide labor & equipment for the scaffolding, siding removal, sheathing repair, painting, and installation of new hardy board lap siding and trim. North Commercial received help from a crew to cut brush at the hillside above Port Dock 5 parking lot. Another crew of 6 persons helped with the NOAA eelgrass transplantation effort and were instrumental in its success.



PRELIMINARY

PROJ. NO.	615041
DATE	05/2016
SEG	1
SHEET	1

PORT OF NEWPORT
 MULTI USE AREA PLAN
 NEWPORT, OREGON
MULTI-USE AREA

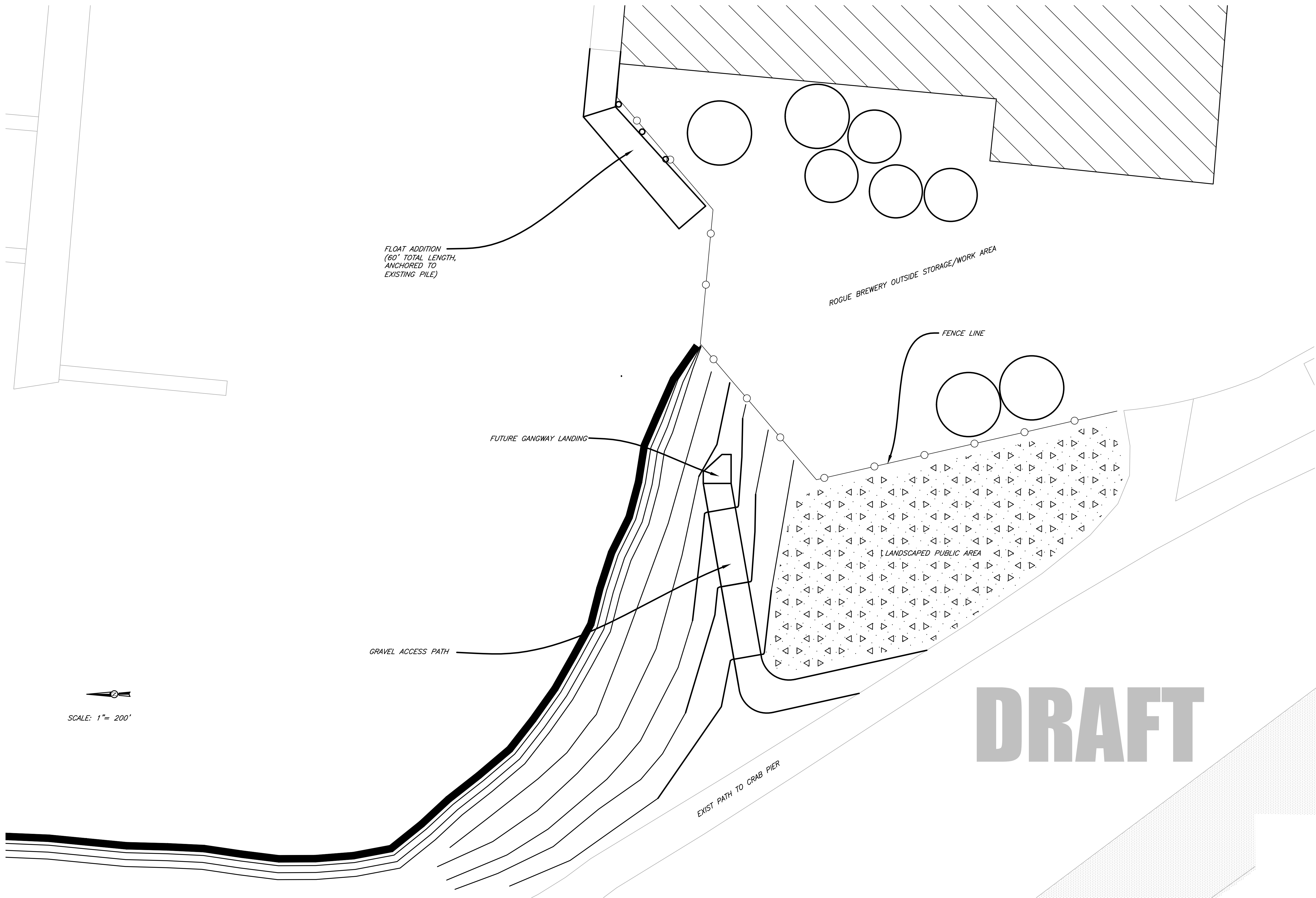
DSGN	RFS			
DR	RFS			
CHK	RFS			
APVD				
NO.	DATE	REVISION	BY	



CONSULTING ENGINEERS & GEOLOGISTS, INC.
 275 MARKET AVENUE
 COOS BAY, OR. 97420
 WWW.SHN-ENGR.COM
 541-266-9890

VERIFY SCALES
BAR IS ONE INCH ON ORIGINAL DRAWING
0 1"
← 34 ft →

SAVED: 5/26/2016 3:10 PM RSTILLMAKER, PLOTTED: 5/26/2016 3:15 PM ROW STILLMAKER
 X:\2015\615041-EOR-PRHWPT\Draws\615041-Public Access-DSL-2016.dwg



DRAFT

VERIFY SCALES
 BAR IS ONE INCH ON ORIGINAL DRAWING
 IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY

CONSULTING ENGINEERS & GEOLOGISTS, INC.
 WWW.SHN-ENGR.COM
 275 MARKET AVENUE
 COOS BAY, OR, 97420



NO.	DATE	REVISION	BY

APVD	CHK	RFS	DR	DSGN

PORT OF NEWPORT
 PUBLIC ACCESS
 NEWPORT, OREGON
W. ROGUE, PUBLIC ACCESS

SHEET	1
SEQ	1
DATE	05/2016
PROJ. NO.	615041

From: [Rick Fuller](#)
To: [Karen Hewitt](#)
Subject: Fwd: Rogue Project
Date: Friday, June 17, 2016 12:32:49 PM

Karen, can you attach this email to my Mgr report?

Rick Fuller
Director of Operations
Port of Newport
541.265.7758

Sent via mobile phone, please excuse the smart phone typos

----- Original message -----

From: Mike Isaacson <misaacson@rogue.com>
Date: 6/17/16 12:03 PM (GMT-08:00)
To: Rick Fuller <rfuller@portofnewport.com>
Subject: Rogue Project

So sorry Rick. I was waiting for info from Gene.

Rick - Thanks for staying in constant contact on the project. I'm sorry my Progress Reports have shown little progress. As you know, the building Permit process has taken far too long and has cost us far too much money. The City's decision to use Clair engineering to review the plans has caused everyone, including the city, much consternation.

Here's what I know...

- 1) We will most likely get the building permit by Monday/Tuesday the 20th/21st.
- 2) Next step on the boat ramp is getting water and storm drainage pipes across the ramp.
- 3) We should be occupying our building by 10/10.

GENERAL MANAGER MONTHLY REPORT

DATE: 6/21/2016
RE: June Regular Meeting
TO: Port of Newport Board of Commissioners
ISSUED BY: Kevin Greenwood, General Manager

HIGHWAY 20 CLOSURE

Destination Newport (<http://discovernewport.com/travel-info>) and ODOT (<http://us20pme.org/trip-planning/>) have developed websites and noticing systems to keep the public informed about the US-20 project. The public can receive email updates on changes to the closure schedule by signing up through <http://us20pme.org/email-updates/>.

GENERAL SCHEDULE

June 1 – July 15

General Travel:

- Open 22 to 24 hours per day.
- 2 hour closures possible, times to be posted one week in advance on this website.
- Daily 20-minute closures likely.

Emergency Vehicles: Open 24 hours per day

July 16 – October 31

General Travel:

- Sunday through Thursday: Closed 10 hours per night, 6:30 p.m. to 4:30 a.m.
- Open Friday and Saturday nights. Saturday night closures possible, with advance notice.
- Daily 20-minute closures likely.

Emergency Vehicles: Closed 1 hour for blasting.

The current limitation for truck lengths on US 20 starts at OR223 and goes to about OR229 (MP 7.5). The allowable lengths are trailers up to 48' and overall total length up to 65'. One of the main goals for this project is to remove those restrictions. ODOT, however, will have to wait until the new alignment is open before running tests. This will happen about the same time as the opening this fall, and restrictions will be updated at that time.

STATEWIDE ISSUES / OREGON PUBLIC PORTS ASSOCIATION

All Special Districts, Cities and Counties have received a public records request from a company out of Florida requesting employee data and compensation information. We referred the company to our form and public records policy that the commission adopted last year and they filled it out. They did ask for a public good waiver and I gave them a 20% reduction. The research will take about one hour of time, so we'll be charging them about \$40.

OPPA continues to review ORS 777, Oregon Ports' principal act. About a third of the statute refers to financial issues and David Ulbricht from SDAO is reviewing.

LANDING FEE UPDATE

Getting some push back from fishermen on the landing fee. Will need to register our buyers that use the public hoist dock and require them to submit landing tickets issued on Port property. A resolution will need to be developed requiring the registration of buyers on port property. This may take a little bit of effort and would be required before issuing the fee since that's the only way to track pounds.

DULSENERGY LEASE NEGOTIATIONS

- Should be receiving brokers' opinions this week. One is included in the packet. Determining the value of the property is the primary open variable in the lease negotiations with DulsEnergy.
- Memo of Understanding between the Port and Hatfield Marine Science Center was drafted and submitted to Dr. Cowen. The Port also drafted a required letter for HMSC to DEQ stating that the permit holder (HMSC) approves the shared use. Dr. Cowen forwarded the documents to their attorneys in Corvallis and we will await their response.
- Have had conversations with the City about the easement across Marine Science Dr. and as the other documents near completion, we'll pick up with the City for easement rights.

APPROVAL OF HMSC SUBLEASE WITH WILDLIFE TRADING CO.

Maureen Collson, Visitor Center Manager at Hatfield has let the Port know that HMSC is extending its lease with the vendor contracted for providing retail services at the Visitors Center. (Letter of approval attached.) The agreement is for two years through the end of January 2019 and Wildlife Trading Company will pay \$6,000 annually.

CITY PARKING ANALYSIS / SIDEWALK UPDATE

Included in your packet is a summary of input from the Parking Committee on the city-wide analysis. I'll report on the City Hearing which is scheduled for Monday, June 20th.

The sidewalk extension across from the PD-5 access pier is complete.

ROGUE BREWERY EXPANSION / MURAL PROCESS

The City of Newport Public Art Committee has agreed to help design the murals for the Rogue buildings and I have been trying to get someone from Rogue to sit in on the process. I plan on presenting the project at the committee's July 21st meeting.

Operations is reporting on the expansion process.

COMMISSION LIAISON ASSIGNMENTS / PNWA MEMBERSHIP

List of Commission Liaison assignments is included in the packet along with our membership renewal with PNWA. With David Jincks serving in a number of roles, there should be some discussion about who will fill his spots.

BOARD OFFICER ELECTIONS

Just a heads up that the Commission will need to elect officers at the July meeting.

From the Port of Newport Commission By-laws...

Section 19. Election of Officers. At the first regular meeting of July, the Commission shall elect a President, Vice President and Secretary-Treasurer. Unless otherwise determined by the Port Commission, the Clerk of the Commission shall be the General Manager.

A. The order of nominations shall be President, Vice President and Secretary/Treasurer.

B. Process:

1. Four of five Commissioners must be in attendance before an officer may be elected.
 2. A Commissioner may be elected as an officer upon receiving a nomination, a second and a vote of the majority in attendance. A Commissioner may not nominate or second their nomination, but may vote on the nomination.
 3. If the nominated Commissioner does not receive a majority, the sitting Commission President shall continue asking for nominations until the office is filled. If an office is unable to be filled, the sitting office holder shall remain in the position (the office may become vacant if the most recent office holder is not available) until the next scheduled meeting. The business item will then be placed on the next agenda.
 4. An alternative process is to elect a plank of officers. Commissioners not on the proposed plank shall nominate and second their nomination. All commissioners are eligible to vote for the plank.
 5. In case of emergency, other processes may be used to appoint officers.
- C. The one-year term of office is from July 1 until June 30 of the following year.

OTHER

- Annual employee performance evaluations will be completed by the end of the month.

-###-



202 NW Sixth Street • P.O. Box 906
Corvallis, OR 97339
(541) 754-6320
FAX (541) 758-0508

May 31, 2016

KEVIN GREENWOOD
GENERAL MANAGER
PORT OF NEWPORT
600 SE BAY BLVD
NEWPORT, OR 97365

SUBJECT: SOUTH BEACH PROPERTY, BROKER'S OPINION OF VALUE

Dear Kevin:

As we discussed recently, this letter sets out to establish what I believe to be the value of the parcel of property owned by the Port of Newport in South Beach, Oregon. Please understand this is not a formal appraisal of the property's value, simply my opinion of the value of the property as if I were to list the property for sale.

It is my understanding that the property is comprised of three separate lots totaling approximately 5.53 acres in size; this as per the attached aerial photograph. It is also my understanding that the property is zoned W-2, or Water Related, which according to the City of Newport's zoning code provides for a variety of commercial and industrial uses.

Comparable sales in the immediate area are virtually non-existent. While there have been some recent industrial property sales, none to my knowledge have been on the bayfront with similar zoning. However, I do believe that the recent sales of industrial properties in nearby coastal communities would still be comparable in as much as the uses for those properties would be similar. In general, property sales have ranged from \$2.50/psf to as high as \$7.50/psf depending on highway frontage, availability of utilities, etc. For your property, I would estimate the value to be approximately \$6.50/psf or \$1,565,000.

The Newport commercial property market is quite healthy. Properties such as yours are rare and difficult to find. I believe the property would sell for the price indicated within a six month period of time.

Please feel free to call if you have any questions.

Many thanks,

COMMERCIAL ASSOCIATES

A handwritten signature in blue ink, appearing to read 'Alan Wells', is written over the printed name.

ALAN WELLS, CCIM

Enclosure



Port of Newport property South Beach South of NOAA Facility

06/17/16

Re: Hatfield Marine Science Center outfall permit sharing

The Hatfield Marine Science Center is an extension of Oregon State University located on the shores of Yaquina Bay in Newport. HSMC currently has an outfall permit through the Department of Environmental Quality. The permit is for a NPDES Minor Industrial source and is permit number 101477.

DulsEnergy is a commercial seaweed growing operation that is opening a new facility at the Port of Newport adjacent to HSMC. DulsEnergy's operation requires a moderate amount of seawater in which to grow the seaweed. DulsEnergy will draw the seawater from the tidally influenced waters of Yaquina Bay. As part of the process, DulsEnergy will be discharging seawater back into the bay. The discharged water will require nothing more than sand filtering to bring it to the required levels for discharge into the bay. The quality of the outfall water will be in compliance with the permit currently issued to HSMC.

HSMC is requesting that DEQ modify the current NPDES permit issued to HSMC to allow DulsEnergy to discharge the filtered seawater used in its processes. The total outfall is expected to be within the current parameters of the permit. If additional outfall capacity is required in the future, HSMC and DulsEnergy will undergo the appropriate application and modification process to address the additional outfall as it becomes necessary.

Sincerely,

Oregon State University

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is made and entered into by and between the PORT OF NEWPORT, an Oregon governmental entity organized under ORS Ch. 777 (hereinafter referred to as PORT), and Oregon State University (hereinafter referred to as OSU).

WITNESSETH:

RECITALS.

WHEREAS, the parties are parties to a lease dated November 1, 1962 which has been modified numerous times and have previously cooperated on various numerous projects; and

WHEREAS, The PORT has a potential Lessee, DulseEnergy, a commercial seaweed growing operation in need of a moderate amount of seawater to further its operations; and

WHEREAS, it is beneficial for the PORT to not duplicate facilities for the intake and discharge of seawater for Lessee; and

WHEREAS, OSU has available capacity to allow utilization of its current seawater intake and outfall infrastructure ; and

WHEREAS, THE State of Oregon, Department of Environmental Quality (DEQ) is amenable to modifying OSU's current outfall permit to allow Lessee's seawater requirements to share the permit provided the total outfall status remains in compliance; and

WHEREAS, the parties hereto wish to enter into a memorandum of understanding to provide for

PORT's Lessee the ability to share in the water discharge permit currently in use at OSU's Hatfield Marine Science Center (HMSC); and

WHEREAS, it is in the mutual interests of the parties to cooperate in pursuing the water discharge for PORT's Lessee to minimize the total impact in the immediate area which benefits both parties; and

WHEREAS, the PORT has the desire to not duplicate necessary infrastructure more than is necessary; and

WHEREAS, the parties acknowledge that they have lawful authority to execute this Memorandum of Understanding; and being fully advised,

NOW, THEREFORE, the premises being in general as stated in the foregoing recital, it is agreed by and between the parties hereto as follows:

Purpose. The PORT is hereby allowed by this Memorandum of Understanding to pursue construction and inter-connection with HMSC's out fall line located on real property located at the HMSC site. The exact location of which is attached hereto as Exhibit A and by this reference, made a part hereof. The PORT will be responsible for the costs associated with the construction and inter-connection of the water outfall line currently utilized by HMSC. The PORT will maintain or restore HMSC's facilities required to be changed when requested by OSU if the need to maintain or restore is due to this interconnection. Any additional equipment requirements of HMSC which arise from this alteration will be borne by the PORT. The parties will grant each other whatever easements are necessary to site the facilities.

OSU will execute any documents and otherwise cooperate with DEQ in order to modify existing permit 101477 in a manner which will allow PORT's Lessee to intake and discharge seawater as required by Lessee, attached as exhibit B and by this reference, made a part hereof

The parties acknowledge that the outfall permit is obtained through the Department of Environmental Quality of the State of Oregon. The PORT and the Lessee will modify OSU's permit at no cost to OSU. PORT will pay the charge for any and all costs associated with the modification. OSU shall allow the PORT access to OSU's property to ascertain the extent of necessary construction.

Amendment Provisions. The terms of this agreement may be amended by mutual agreement of the parties: Any amendments shall be in writing and shall refer specifically to this agreement, and shall be executed by the parties.

Termination of Agreement. This agreement shall continue for a period of _____ years from the date of execution, but no less than the term of lease between the PORT and Lessee and shall continue in effect until said lease is terminated with written notice of such termination provided to OSU. The effective date of termination shall be 90 days after said Notice unless the parties agree otherwise.

Written Notice Addresses. All written notices required under this Agreement shall be sent to:

PORT: Kevin Greenwood
General Manager
Port of Newport
600 SE Bay Blvd
Newport, OR 97365

OSU

IN WITNESS WHEREOF, the parties, by the signature of their authorized representative executed this Agreement effective on the date shown below each signature.

PORT of Newport:

OSU:

By: _____

By: _____

Printed Name: Kevin M. Greenwood

Printed Name: _____

Title: General Manager

Title: _____

Date: _____

Date: _____

June 17, 2016

Dr. Robert Cowen, Director
OSU HATFIELD MARINE SCIENCE CENTER
2030 SE Marine Science Dr.
Newport, OR 97365-5229

RE: APPROVAL OF HMSC SUBLEASE WITH WILDLIFE TRADING CO.

Dear Bob,

The Port of Newport appreciates being notified about HMSC's renewal with the Wildlife Training Company to operate its gift store inside the Visitor Center. The Port certainly approves the sublease to provide WTC with 526 sq. ft. of retail space compliant with the terms in our lease.

The Port understands that this is a 2-year agreement starting February 1, 2016 through January 31, 2019. Rent is \$6,000 paid quarterly.

If you have any questions please don't hesitate to contact me at (541) 265-7758.

Respectfully,

A handwritten signature in black ink that reads "Kevin M. Greenwood". The signature is written in a cursive style with a large initial 'K' and 'G'.

Kevin M. Greenwood
General Manager

cc: Maureen Collson, Visitor Center Manager
Port of Newport Board of Commissioners

TECHNICAL MEMORANDUM

TO: Derrick Tokos, City of Newport
& Members of the Stakeholder Advisory Committee

FROM: Brian Davis, Gwenevere Shaw

DATE: May 26, 2016

SUBJECT: Opportunities & Constraints Meetings
Summary & Key Takeaways



LANCASTER
ENGINEERING

321 SW 4th Ave., Suite 400
Portland, OR 97204
phone: 503.248.0313
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lancasterengineering.com

Introduction

This memorandum summarizes our takeaways from three public meetings held to discuss ongoing work on the Newport Parking Management Plan. Meetings were held in March, 2016, with the goal of obtaining public input on opportunities and constraints with regard to parking management.

The meetings were held from 6:00 to 8:00 pm during the second week of April, 2016. One meeting was held for each of the three existing parking management districts. The City Center district meeting was held on Tuesday April 12th; the Nye Beach district meeting was held on Wednesday April 13th, and the Bayfront District Meeting was held on Thursday April 14th. All meetings were open to the public and advertised publicly in advance of the meeting.

Before each meeting, a walking tour of the study area took place that included the consulting team and a small handful of local stakeholders and business owners. These were advertised to local business owners and other stakeholders who have been active within management of the existing parking districts. In tandem with the formal meetings in the evening, this process represented a robust public input process during which many issues and potential solutions were discussed. A summary of the key points follows.

City Center

The overarching tone of the meeting for the City Center parking district is that there's not a serious problem with parking congestion; by-and-large, there is enough parking supply available in the district to accommodate demand, even during the busiest periods of the year. Most issues that arose related to the supply of available parking in the parking district involve the new aquatic center and the parking impacts it is expected to have in tandem with City offices and the farmers' market. Additional issues discussed included the difficulty of utilizing parking along US 101, and a general lack of public awareness regarding the location of public lots.



Difficulty Parking Along US 101

While there is typically on-street parking available along US 101, the width, traffic volumes, and speeds along this road introduce challenges and potential safety issues that prevent this parking from being fully utilized. Community members consistently reported that cars that park along US 101 are damaged—particularly, they often lose their street-facing side mirror—at high rates. The volumes also make it difficult to find a suitable gap to maneuver into and out of parking spaces, and complicate the utilization of on-street parking on side streets due to difficulty turning onto and off of 101.

It can be difficult to cross the street as well, as infrequent crosswalks and long signal cycles are common along the US 101 corridor. This makes it difficult for people to park and then visit multiple destinations in the district travelling on foot.

Because US 101 is under state jurisdiction, opportunities to address these problems in the near-term are likely somewhat limited. However the final parking plan for the district will attempt to work around these difficulties to the extent possible, and will offer recommendations for parking-related items to consider as the City and ODOT begin work on a new plan for the corridor within the coming few years.

Underutilization of Public Lots & Wayfinding

Stakeholders reported that two public lots in the district were consistently under-utilized: a small lot on the north side of US 101 just east of Hurbert Street, and another lot along Hurbert Street south of 101, between 9th and 10th Streets. The former lot appears quite easy to mistake for a private lot; it is not clearly labeled as public, and several businesses front this lot giving the greater area the appearance of a small shopping center. The latter lot is more clearly labeled as public; however signage along 101 directing people to this lot is minimal, and stakeholders indicate that tourists consistently have difficulty making their way to this lot. This is especially problematic for RV's, which often wind up parking along 101 and accordingly creating parking congestion and visibility issues along 101.

A potential solution that was discussed at the City Center meetings as well as other districts' meetings is the introduction of a consistent signage and wayfinding system for public lots throughout Newport. A potential idea is to create branded parking signage to be utilized throughout the city—the idea of a crab-shaped parking sign arose frequently—to ensure a consistent experience for tourists visiting any one or more of the three parking districts. The need for more consistent labelling of public parking lots and wayfinding for drivers and pedestrians who often don't know where the public lots are located arose repeatedly.



Along these lines, concerns with under-utilization of the City Bus Loop were cited, and greater use of this service would improve both parking and overall traffic conditions citywide, particularly during peak season. Paucities of signage, advertising, and general public awareness about the route and frequency of this bus line were mentioned as possible factors suppressing ridership. As part-and-parcel of improved wayfinding and branding of public lots, consideration will be given to increasing the visibility and ridership of transit throughout the City.

Farmers Market & Aquatic Center

The concerns about supply issues occurring within the City Center district were primarily related to the forthcoming aquatic center and the weekly farmers' market taking place within City Center. A potential solution that the City is actively exploring is to add a new public parking lot south of City Hall, which would relieve some of the anticipated issues when the aquatic center opens. The farmers' market's long-term home is not yet decided at this point, and parking considerations will play a major role in determining its future. The market generates a significant amount of parking when it is running, of course, but it also requires space which could potentially reduce the available supply. These trade-offs will be carefully evaluated in the final parking management plan for City Center; this plan should include a recommended or assumed long-term home for the market and identify how this weekly parking demand will be accommodated.

Nye Beach

Nye Beach contains a significant amount of marked on-street parking along Coast Street, 3rd Street, and parts of Olive and Brook Streets, as well as a large public lot at the Newport Performing Arts Center (PAC) and a smaller one at the Nye Beach turnaround. Stakeholders reported a large amount of seasonal variation in this district; during off-peak seasons there is often sufficient parking to accommodate demand; however during peak periods parking congestion is an issue in Nye Beach. Further, stakeholders are anticipating future growth development in the area and emphasized the need for the parking management plan to account for this, with several lots along or near Coast Street likely to develop in the next few years.

Issues with RVs and Tourist Parking Impacts on Residential Areas

Because the ocean and the primary tourist areas are within close proximity to residential areas within the Nye Beach district, stakeholders reported an uncomfortable level of tension between local residents and businesses related to parking issues. During peak seasons, it is often the case that parking in residential areas is closer to destinations or otherwise more attractive than the parking which is intended to be used by visitors. In order to mitigate this, the final parking plan for Nye Beach will consider ways to limit access to on-street parking in residential areas, potentially including



expanding the areas where parking is limited to three hours but introducing a permit system that exempts residents from this maximum. As described below, improved lighting and wayfinding that makes parking along 3rd Street more usable is another potential way to address these issues.

Due to their large size, RV's in particular were cited as a problem by local residents. The plan for this area should therefore include dedicated spaces for RV's (areas along SW Elizabeth Street and/or space in the PAC lot were discussed as possibilities). Additionally, residents and business owners alike cited the need for increased parking enforcement during all but the slowest months of the year.

Lighting & Wayfinding

As with City Center, Nye Beach Stakeholders cited a lack of wayfinding and inconsistent signage and branding of parking areas as a concern. This appears to be suppressing utilization of the PAC lot to some extent, and there is sparse information available to RV drivers regarding where best to park.

Additionally, the lack of adequate street lighting and obstructed/discontinuous sidewalks were mentioned as a potential concern that suppresses the use of some on-street parking. In particular, parking along the eastern parts of 3rd Street is often under-utilized, particularly at nighttime, due to these issues. Several women and service industry workers cited concerns about walking up this relatively dark hill at night to access the eastern extents of the parking supply. Improved street lighting,—including traditional elements and non-traditional elements such as lighted bollards—clearing the sidewalks of obstructions and filling sidewalk gaps, and improved pedestrian wayfinding were discussed as potential solutions.

Potential New Parking Supply

Several potential areas where new parking supply could be added were discussed at the meetings, though there was some disagreement among stakeholders regarding the necessity for new parking supply or the best potential location for added supply. Areas mentioned as potential candidates for new parking included the area adjacent to Don Davis Park, a vacant area near NW 3rd and Hurbert Streets, and vacant lots along Olive Street at Cliff and/or Coast Streets. Additionally, the City is exploring the possibility for a public/private partnership to create new structured parking at the site of a former dry-cleaning business across Coast Street from Nye Beach Turnaround. This site could potentially warrant official designation as a Brownfield, which would free up further available funding.



Bayfront

Of the three parking districts, the Bayfront has by far the greatest issues with parking demand and parking congestion based upon the input received at the meetings.

Tourism and Fishing Industry Considerations

The Bayfront includes a blend of activities heavily-geared to tourists along with activities related to the fishing industry in relatively equal proportions. Finding a solution that serves the myriad local, commercial, and tourist needs throughout the entire year will be the key consideration for this district. The Bayfront presents one of the most intricate mix of needs with the high seasonality of not only tourists, but also different types of fishing operations. Comments discussed at the stakeholder meeting noted that it is important to interview each of the fish plants to determine their needs and also discuss how they may contribute as they move forward with planned and potential expansions. Additionally, long-term parking availability will need to be maintained for fishing charters and currently there is no accommodation for customer loading while purchasing fish.

To address these needs, one of the leading options is to implement a metered parking along Bay Boulevard that includes a permit program which exempts fisheries and employees. This will allow parking to be managed in a way that allows the City and local communities to gain revenue from those visiting the site, but not majorly impact those that need access to the space on a regular and long-term basis. A similar management plan was recently implemented in the Northwest Portland Parking District in Portland, Oregon, and Lancaster is currently evaluating the impacts of this.

Stay Lengths and Paid Parking Opportunities

The management of parking on the Bayfront will be primarily driven by what the data shows as observations are conducted. However given the reported congestion and demand, we expect metering is likely to be a solution for at least some of the parking along the Bayfront. Several people at the stakeholder meeting and walking tour indicated that they operate businesses that require longer stays, including, but not limited to, the fishing industry noted above and restaurants operating early in the morning to late in the evening. However, we expect that by and large, many stay lengths will be relatively short as they are due to locals or tourists visiting the site for only part of their day.

There is an existing long-term parking that stakeholders overwhelmingly favored maintaining, and any implementation of metering will be data-driven with careful consideration given to the fishing industry and other needs.



Pedestrianization of South Bayfront

There are many different levels of making public spaces work for all modes; and looking at the safe, comfortable, and convenient transport of pedestrians is one of the key factors. Even people who are driving vehicles to and from the Bayfront, or any other location, will have to walk at some point to get from their car to their ultimate destination. Additionally, there are often multiple destinations within one vehicle trip and walking between each is common.

Turning the South Bayfront into a pedestrian-focused space was brought up at the stakeholder meetings, in conjunction with concerns and comments regarding the overall need, viability, and feasibility. Completely closing the street off to vehicle access would require an alternative access to the public lot, potentially via an extension of SW 13th Street, as well as the potential reconfiguration of any on-street parking that would be maintained. Other options include making design changes to the area to make it act similar to a Woonerf — the Dutch word for “living street” where the focus is around making the environment slow-moving, safe, and comfortable for all users. Though the Woonerf concept differs in each application, some overarching design themes include multiple pedestrian crossing points, traffic calming measures (i.e. chicanes, trees, traffic circles, etc.), and multiple points of wayfinding and placemaking.

To address the question of feasibility and to be able to show local residents and tourists what a pedestrianized space could be, a demonstration project could be implemented this summer. Tactical urbanism is a growing idea amongst not only activists, but transportation planning and engineering professionals as well. It allows a community to take an idea and try it out with little risk and little investment. Things can be adjusted throughout the trial as feedback is received and data can be collected to determine projected impacts if and when the project were ever implemented on a permanent basis.

For this particular potential demonstration project, making the street completely car-free would be difficult if parking is to be maintained. But allowing one-direction traffic in a street between SW Bay Street and SW Fall Street would provide a travel lane that could be opened up to the use of pedestrians and other non-motorized modes. More crosswalks could be added through the corridor to both provide better access for pedestrians, but also as a traffic calming measure to ensure that vehicles drive slowly and are aware of their surroundings.

Transit Opportunities

The discussion of developing a new transit line, or expanding the current line, was brought up at the original stakeholder meeting with the idea to provide a potential transit loop between the Bayfront and Nye Beach commercial areas. At subsequent meetings, it was brought up that this line would be



best suited for tourists and would need to be frequent to be adequate and worth the effort and financial investment. Additionally, the idea of mixing the transit line with a vanpool for employees would be helpful as the needs of the two differ. Most importantly, employee demand is often early in the morning and/or late in the evening and would serve transport the business core farther away parking spaces to free up on-street demand for tourists and other local customers. Having a transit line run from 6:00AM to 11:00PM is not necessarily needed or feasible to serve the non-employee demand.

Transit would of course require planning, funding, and coordination with the County transit program. Part of the benefits of looking at this as a big-picture comprehensive management plan is that the outcomes can provide not only better availability, but funding plans and policies. One option and example of this would be to have any metering implemented on the Bayfront and/or Nye Beach assist in funding the potential transit loop.

Potential for New Supply

Like with Nye Beach, the need for new parking supply was not unanimously agreed upon by stakeholders; however given existing parking congestion and the possibility of removal of some stalls in service of creating a more vibrant space along Bay Boulevard, additional supply is likely to be necessary in this area. The discussions included the possibility of on-dock parking; creation of a new parking structure parking on port property, and working with the port to find a more efficient solution to the storage of fishing gear. Currently the dock and port property consist of operations, parking, equipment storage, and open underutilized space. This space could be more space efficient and would open up more space for potential surface lots. A benefit to surface lots as opposed to structures is that there is flexibility in use and when needed, the open lot could be used by things other than car storage.

APPENDIX:

Notes from April, 2016 Stakeholder Meetings

CITY CENTER

- Parking is available, particularly on side streets
 - Resident: park on side streets, parallel routes linking parking lots
- Tough getting on and off 101
- Wayfinding should be part of solution
 - Poor signing is a problem
 - Shared opportunities with private lot
 - Call it “FREE” public parking
- 7th/Lee private lot – (options for use?)
- After hour use of private lots – opportunity?
- 35 MPH on US 101 should be reduced
 - Speeds and traffic are an issue on 101, even in 25 mph zone
- 101 parking difficult to use – need gap in traffic
- Acquire and develop private lot south of city hall for parking ***
- Add parking on shoulder where Canyon Way turns (by mural)
- Better signs to 9th/Hurbert
- Farmers Market needs future in City Center will impact parking
- Get directional (Free Pub. Pkg) signs at 101/Hurbert – direction to 9th/Hurbert – lead time
- Sign lot at NW corner of 101/Hurbert as public
 - Lot is public, but maintained by adjacent business owner
- Crab parking sign logo
- People aren’t respecting yellow striped areas
 - Two-hour time stays are OK. But parking inappropriate vehicles and ignoring yellow is a problem
- Removal of timed parking – Lee Street is working – Thanks!
- City Bus Loop City Center – improve use/advertising?
 - Programmed to continue – can it be a bigger asset for City Center?
- Move the armory to the airport or to the fairgrounds
- “Pretty and Useful” - - angle/101/9th lot
- Seasonal Left-turn prohibition on 101
- Egress RV signing to get them out to 101 that isn’t on a hill
- Ability to contact parking enforcement for business owners

NYE BEACH

- August the true peak period
- Want parking lot next to Don Davis park
- Pickup residential areas in analysis
- Vacant lot on NW 3rd & Hurbert – Parking?
- Parking on Alpine not safe
- Leverage permit parking
- Want gravel parking option for public/private lots
- RVs a problem on narrow streets
- Dolphin Street – RV Parking
- Need conversation about re-direct
- Surface/Structure at old laundry – some “one” comment of concern – heart of Nye Beach – pros&cons
 - Derrick: Near term surface lot, long-term structure (Laundry site)
- NW 6th Street (NE) Parking?
- Sell vacant Don Davis property – leverage \$\$ for parking
- Shuttle from PAC-Transit employees, tourists – needs to be frequent
- Concerned about SFD’s – adequate parking?
- Maintain parking markings 3rd&Coast
 - Kathy – marking on-street parking on Coast and on 3rd
- Move skate park to Coast Park or fairground under bridge – use for parking
- Be cognizant of seasonal nature of issues
 - Seasonal problem = seasonal solution (Tom from VAC)
- 3-hr parking is working
- Address dark spaces on 3rd and other streets at night – safety issue
 - Illumination needs to be improved
- Deal with sidewalk obstructions
- Concerned about off-season “9” month parking enforcement
 - Months of enforcement too excessive
- Take growth potential of Nye Beach into consideration
- Do broader outreach – paper?
- What is true availability of PAC lot?
- Coordinate with PAC regarding schedule
- Make sure signage is evaluated/clear
- Need stronger Dev./Design plan for future Nye Beach development
 - Need a Comprehensive plan - not just
- 1st, 2nd, 3rd, between Coast/Cliff – narrow. One way option?
- Make sure “locals” can get to businesses
- Parking near 1st/Coast is over capacity – need more parking

- Residential impacts (High Street resident)
- Parking on angle – emergency access
- Congestion is a problem- 2nd should be 4 lanes wide
- Parking lot improvement standards – 5 space or more = paving
 - Flexibility in ability to use lots w/o expensive improvements
- Reverse flow on turnaround
- Vacation rentals - how does parking demand work?
 - 2 spaces, w/ on-street credit?
 - Linda: one/bedroom?
- Brian: structured parking = \$50k/space
- Tourists will leave if meters are installed
 - Strong disagreement!
- Transit works for tourists, not for residents
- Shuttle between Nye Beach and PAC lot?
 - Town taxpayers ride for free – hotels don't promote it!
- Get ridership info from transit service
- Dispel myth that no parking is available – change perception!

BAYFRONT

- Signage to improve traffic flow
- Input from Coast Guard on growth needs – long term
- Bike Parking?
- Enforcement of RV parking
- Long Vehicles – angled parking
- Consistent marking loading zones
- Look at county transit for tourist run. Vanpool – business
- Closure concept – really work for seasonal?
- Make sure to interview fish plants
- Viability on demand vanpool
- Find a way to life parking required for development
- Can we put counters on Bay Blvd when counts taken
- How will fish plants contribute?
- Port Docks 5 and 7 – no accommodation for tourist loading (when buying fish)
- Need to maintain long-term parking for fishing charters
- Canyon Way a long haul for many
- Need security cameras at lots
- Improve directional signage
- Don't lost sight of freight
- Viability of restricting access to the Bayfront?
- Close off street for street fair

- Tradewinds – uses 12-hour parking in Abbey Lot
- Safety of walking routes up the hill
- How fast does Abbey Street 12 hr parking lot fill up?
- Marine Discovery Tours – They move a car down for closing employees due to security
- Street lighting needed!
- Wayfinding/Clear signage!
- RV Parking in Canyon Way lot
- Canyon Way Lot parking is always available (Rogue guy)
- Restrict Access to Bayfront – close some streets
 - Manage the resource!
 - Look for a solution outside the box
- Restrict hours for loading
- People don't want to go further west than Abbey Street Pier
- Lack of public bike parking – Rogue has on-site bike parking for employees
- Use of Hurbert/9th Lot
- Driver behavior hunting for spaces to avoid walking
- Enforcement for RV parking
- If it doesn't fit, don't park
- Terry – need for Loading during shrimp season
- Staging for trucks at international terminal
- Impacts to restaurants if loading is restricted?
- Mix of peds and big rigs
- 120-150 employees – Trident
- 250 employees for Pacific (across three plants this summer)
- Lincoln County Economic Study



MEMBERSHIP LIAISONS

As of April 26, 2016

Cascade West Council of Governments* - (\$3178.37)

must be elected: Walter Chuck; Ken Brown (alt)

Cascade West Economic Development District*

Kevin Greenwood

Cascade West Area Commission on Transportation* -

Walter Chuck; David Jincks (alt); alternate may be staff

Oregon Coastal Zone Management Association

(OCZMA)*# -- alternate may be staff (\$800.00)

Walter Chuck

Pacific Northwest Waterways Association (PNWA)*

(\$7200.00) Walter Chuck, Kevin Greenwood

Mid Coast Watershed Council (\$245.00)

Stewart Lamerdin

Oregon Public Ports Authority (OPPA)* (\$9,686.29)

Kevin Greenwood

Oregon Economic Development Association (OEDA)

(\$250) Kevin Greenwood

Economic Development Alliance of Lincoln County

(EDALC)* Kevin Greenwood

Special Districts Association of Oregon (SDAO)*

(\$4,000.00) Kevin Greenwood

Yaquina Bay Economic Foundation (YBEF)* (\$300.00)

Kevin Greenwood; Ken Brown

Yaquina Bay Ocean Observing Initiative (YBOOI)*

Kevin Greenwood

North America Ocean Observing (NANOOS)*

Kevin Greenwood

Coastal Marine Experiment Station (COMBS)*

Stewart Lamerdin

Pacific Coast Congress of Harbormasters and Port Managers (PCCHPM)+

Kevin Greenwood; Steve Larrabee; Rick Fuller

DAS OPS ORCPP – (\$500.00)

Rick Fuller, Steve Larrabee

*paid/mandated membership

#must be elected commissioner

~community organization (no port vote or membership)

Oregon Ethics Annual (\$619.30)

Fishermen Involved in Natural Energy for Lincoln County (FINE)~

Walter Chuck

Newport Chamber of Commerce (NCOC)* (\$297)

Kevin Greenwood

Northwest National Marine Renewable Energy Center Advisory Committee (NNMREC)&

Walter Chuck

Department of Geology and Mineral Industries Marine Advisory Committee (DOGAMI)&

Walter Chuck

Oregon Department of Fish and Wildlife Sportfish Advisory Committee (ODFW)&

Walter Chuck

Ocean Policy Advisory Council (OPAC)&

Walter Chuck

Newport Urban Renewal (adhoc)

Patricia Patrick-Joling; Ken Brown (alt)

Newport Airport Committee (adhoc)

Ken Brown; Patricia Patrick-Joling (alt)

Newport Regional Airport Task Force (adhoc)

Kevin Greenwood

Newport Airport Planning Subcommittee (adhoc)

Kevin Greenwood

Newport Parks & Rec Committee~

Kevin Greenwood

Newport Bay Front Parking Dist. Committee*

Kevin Greenwood

International Terminal Liaisons (adhoc)

Walter Chuck, David Jincks

Human Resource Liaisons (adhoc)

Walter Chuck, David Jincks

+paid professional organization

&personal or non-port related board membership

*=Paid via SDAO membership

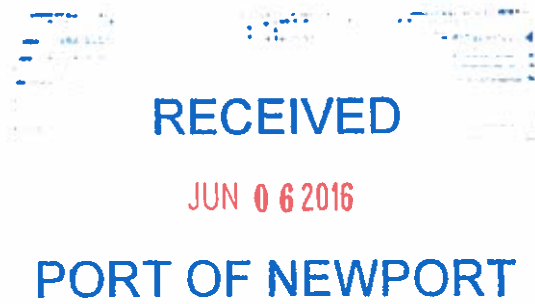
Serving the Maritime & Recreational Communities

Newport International Terminal (541) 265-9651

Newport Marina at South Beach (541) 867-3321

June 1, 2016

Kevin Greenwood
Port of Newport
600 S.E. Bay Boulevard
Newport, OR 97365



Dear Kevin,

Thank you for your membership in PNWA. Your support makes it possible for PNWA to work with our federal partners to improve federal policies and funding in support of regional economic development. Our membership now includes over 130 navigation, transportation, trade, tourism, agriculture, forest products, energy and local government interests in Oregon, Washington, and Idaho. Our full membership list is enclosed.

Your membership enabled us to make important progress on a number of initiatives in the past year, including the following:

- Significant funding in the FY2016 Corps workplan for many of our supported projects, and a positive outlook for FY2017 in the President's budget, and House & Senate Appropriations bills
- Critical policy provisions for every sector of PNWA's port membership in the 2016 House and Senate "Water Resources Development Act" bills
- Significant courtroom win for the Corps of Engineers and the navigation community regarding the plan for Snake River channel maintenance
- Important work with our federal partners to address the Columbia River Treaty

PNWA is truly a non-profit which delivers results for its members, and for the region. We are known for our collaborative, non-partisan approach, and our engaged, well-informed membership. We're proud of what we've been able to do and we could not have done it without you.

We are excited about the events and advocacy we have lined up for the coming year. Our 2016 Summer Conference is coming up in Walla Walla at the end of the month, and is packed with outstanding speakers who will discuss topics of interest to every part of PNWA's membership. We also have our Annual Convention returning to Vancouver, WA this October. Additionally, stay tuned for registration for two special events in August. We will be holding a regulatory partnering meeting with the Corps of Engineers, as well as "Corps of Engineers/Bonneville Power Administration 101" session to help folks understand the missions and responsibilities of each agency.

Did you know PNWA holds monthly calls to provide important updates to our membership? We are also speaking to more groups around the region and in Washington DC than ever before. We look forward to connecting with you in the coming year, and would be glad to speak to groups in your area who might be interested in our work, and the projects and issues for which we advocate.

There continue to be challenges on the horizon, and your support is more critical than ever. Your invoice for July 2016 - June 2017 is enclosed. The PNWA staff has worked hard to minimize costs, such that our Board of Directors kept this year's dues adjustment to just 1.5%, the same as the previous six years.

We look forward to partnering with you to make the coming year productive and successful. Please contact us if you have any questions about your membership, or how PNWA works for you.

Sincerely,

A handwritten signature in black ink that reads "Kristin Meira".

Kristin Meira
Executive Director
Pacific Northwest Waterways Association

Invoice

Date	Invoice #
6/1/2016	4624



Bill To

**Port of Newport
600 S.E. Bay Boulevard
Newport, OR 97365**

Terms
<i>Net 30</i>

Description	Qty	Rate	Amount
<p>2016 PNWA Membership DuesWe appreciate your support!</p> <p>The Omnibus Budget Reconciliation Act of 1993 requires that we notify our members that dues paid to PNWA on or after January 1, 1994 will only be partially deductible if you pay federal income tax and deduct PNWA dues as a business expense. Dues supporting certain lobbying activities are not deductible. PNWA estimates that 10% of PNWA dues associated with this invoice are not deductible.</p> <p>Substitute W-9: For tax purposes, PNWA is exempt from withholding as a not-for-profit 501(c)(6) corporation, federal tax ID #91-0267335.</p>		7,420.00	7,420.00

Total	\$7,420.00
Payments/Credits	\$0.00
Balance Due	\$7,420.00

PNWA Membership Roster



Advanced American Construction
Almota Elevator Company
American Waterways Operators
Apollo Mechanical Contractors
Barney & Worth
Bell Buoy Crab Co.
Bellingham Cold Storage
BergerABAM Engineers, Inc.
Bergerson Construction, Inc.
BNSF Railway Company
BST Associates
Business Oregon Infrastructure
Finance Authority
Central Oregon Basalt Products
Central Washington Grain Growers
Clark Public Utilities
Clearwater Paper Corporation
Collins Engineers Inc.
Columbia Basin Development
League
Columbia County Grain Growers
Columbia Grain
Columbia River Bar Pilots
Columbia River Pilots
Columbia River Port Engineers
Columbia River Steamship
Operators Association
Columbia River Towboat
Association
Cooperative Agricultural Producers
Dawson & Associates
David Evans and Associates
Dunlap Towing
East Columbia Basin Irrigation
District
Ecological Land Services
EGT, LLC
Evergreen Engineering
Foss Maritime Company
Foster Pepper
Franklin PUD
Gibbs & Olson, Inc.
Global Partners LP
Gordon Thomas Honeywell
Great Lakes Dredge & Dock
Hart Crowser, Inc.
Idaho Wheat Commission
ILWU Oregon Area District Council
ILWU Puget Sound District Council
Jessie's Ilwaco Fish Co.

J-U-B Engineers, Inc.
Kalama Export Company
Kiewit Infrastructure West Co.
KPFF Consulting Engineers
Lampson International, LLC
Landau Associates
Lewis-Clark Terminal Association
Louis Dreyfus Commodities
Marine Industrial Construction
McGregor Company
Millennium Bulk Terminals
Moffatt & Nichol
Morrow County Grain Growers
Morrow Pacific Project
Normandeau Associates, Inc.
Northwest Grain Growers, Inc.
Northwest Public Power Assoc.
OBEC Consulting Engineers
OR Public Ports Association
OR Wheat Growers League
Pacific Northwest Farmers Co-op
Pacific Northwest International
Trade Association
Parsons Brinckerhoff
PBS Engineering & Environmental
PND Engineers, Inc.
PNGC Power
Pomeroy Grain Growers
Port of Anacortes
Port of Astoria
Port of Bandon
Port of Bellingham
Port of Benton
Port of Camas-Washougal
Port of Cascade Locks
Port of Chelan County
Port of Chinook
Port of Clarkston
Port of Columbia County
Port of Coos Bay
Port of Everett
Port of Garibaldi
Port of Gold Beach
Port of Grays Harbor
Port of Hood River
Port of Ilwaco
Port of Kalama
Port of Klickitat
Port of Lewiston
Port of Longview

Port of Morrow
Port of Newport
Port of Pasco
Port of Peninsula
Port of Port Angeles
Port of Portland
Port of Ridgefield
Port of Royal Slope
Port of Seattle
Port of Siuslaw
Port of Skagit
Port of St. Helens
Port of Sunnyside
Port of Tacoma
Port of Toledo
Port of Umatilla
Port of Umpqua
Port of Vancouver
Port of Walla Walla
Port of Whitman County
Port of Woodland
PROCESS, Inc.
Puget Sound Pilots
RSEC Environmental & Engineering
Consulting, Inc.
Schwabe, Williamson & Wyatt
Scoular Company
SDS Tug & Barge
Shaver Transportation Company
Stoel Rives LLP
Summit Strategies
Teevin Bros.
TEMCO
Tidewater
United Grain Corporation
USA Dry Pea & Lentil Council, Inc.
Vancouver Energy
Van Ness Feldman
WA Association of Wheat Growers
WA Council on International Trade
WA Grain Commission
WA Public Ports Association
WA State Potato Commission
Westwood Shipping Lines
Whole Brain Creative
Wildlands, Inc.
Willamette Falls Locks Working
Group