

PORT OF NEWPORT GOAL SETTING WORK SESSION AGENDA

Saturday, November 5, 2016, 8:00 a.m.
Oregon Coast Aquarium, Gleason Room
2820 SE Ferry Slip Rd., Newport, OR 97365

I. Call to Order.....8:00
II. Public Comment 8:01
III. Introduction 8:05
IV. Purpose of Work Session / Why Are We Doing This? 8:10
V. Past Processes / What Have We Done in the Past? 8:15
VI. Review Resources and Support Material 8:20
 A. 2013 Strategic Business Plan (SBP) Objectives and Strategies
 B. 2016 Capital Improvement List
 C. 2013 Strategic Business and Capital Facilities Plans
 D. 2016-17 Facility/Departmental Goals
 1. Director of Operations
 2. South Beach Operations
 3. North Commercial
 4. NOAA MOC-P
 5. International Terminal
 6. Maintenance Department
 7. Director of Finance
 8. South Beach Administration
 9. Administrative Services
 10. Security
 E. 2016 General Manager’s Performance Evaluation Summary Report
 F. 2015 / 2016 Operations Scorecard
 G. 2015 SDAO Board Assessment
 H. 2014 Port of Toledo Joint Work Session
 I. Index of Resolutions, 2011-Current
VII. Brainstorm Ideas / Develop Goals..... 9:30
VIII. Combine Goals 9:45
IX. Summarize Goals 10:00
X. Prioritize Goals..... 10:30
XI. Review Organizational Value, Vision and Mission 11:00
XII. Calendar..... 11:30
 11/15 Draft Report Presented to Commission
 12/20 Final Report Adoption (if necessary)
XIII. Public Comment 11:45
XIV. Adjournment..... 11:50

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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2. 2013 Plan Objective & Strategies
3. Resolution 2016-04 Capital Improvement Priority List
4. 2013 Strategic Business Plan
5. 2013 Capital Facilities Plan
6. Department Goals
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8. 2016 Annual Report to the Board of Commissioners
9. Facility Operations Annual Scorecard
10. 2015 Board Practices Assessment
11. October 30, 2014 Minutes Joint Work Session Port of Toledo
12. Resolutions Directory 2011 – Present
13. 2013 Governing Values, Mission & Vision



ANNUAL GOAL SETTING

DATE: *November 5, 2016*
RE: *2016-17 Commission Goal Setting*
TO: *Board of Commissioners*
ISSUED *Kevin Greenwood, General Manager*

INTRODUCTION

The Commission will meet to discuss the Port's mission, vision and goals for 2017 on Saturday, November 5th at 8:00am at the Oregon Coast Aquarium's *Gleason Room*. The session is set to end by noon.

The Port last went through such a process in January 2013. Though specific goals were not included in the development of the Port's Strategic Business Plan, robust "objectives and strategies" were included to provide overall direction of the Port's major programs. The Port's mission and values were also established during that effort and will be reviewed as part of this year's goal setting.

During the General Manager's annual performance evaluation, goal setting was set as a Tier 2 task to be accomplished. Spencer Nebel, Newport City Manager, has conducted goal setting for the City Council since his arrival and we have discussed how the City's process could be modified to serve the Port. The process for goal setting was shared with the Port Commission at the July regular meeting and there was consensus to move forward with the presented version.

PURPOSE / WHY ARE WE DOING THIS?

The Port's management team is mostly in place now and we have been able to achieve some stability and continuity in the Port's operations for really the first time in three years. This has allowed us to make strides in many operational activities that may not be visible to the community. Planning efforts such as the personnel manual, facilities maintenance and operations plan, and the safety and health plan are a few examples of the extensive planning and development of the organizational building blocks that the Port needs to provide direction to its employees for safety, training and organizational expectations. Your management team continues to perform annual and extensive performance evaluations with every Port employee that have helped increase communication between management and its work force and I feel that we have done much in the last three years to increase opportunities for employee advancement and promotion. Likewise, the Port has enjoyed some positive net income in the last few years and there are opportunities for re-investment.

The missing component of these internal planning operations is a lack of organizational goals that can help set the tone for the entire organization, starting with the General Manager and ending with entry level dock workers and clerks.

Once this initial process is completed, it is our intent to make this an annual task. It should be an easier process moving forward as the Commission will have established goals that can be evaluated. It also makes sense that goal setting take place in late fall. The General Manager's annual performance

evaluation begins in December and other Port employees follow soon after. Most importantly, however, is the beginning of the budget process early in the calendar year and having adopted goals will be important in prioritizing finite resources.

PREVIOUS PROCESSES / WHAT HAVE WE DONE IN THE PAST?

The Port has discussed annual goals, but it has been predominantly through the prism of the GM's performance evaluation and the establishment of budget goals normally conducted through a spring work session.

Examples of recent accomplishments include the annual evaluation and prioritization of capital projects, the evaluation and analysis to create a new Maintenance Department with the specific goal of adding life to the Port's infrastructure, the ongoing efforts to finance the International Terminal Shipping Facility, a significant expansion of the Rogue brewery that included off-site improvements for other, diverse users of the Port's South Beach property, and the necessary review and update of foundational planning documents such as personnel policies and safety manuals.

Though the Port has made strides in organizational development and completion of capital projects, it has been done without comprehensive organizational goals adopted by the Port Commission.

This process will change that omission and help develop a stronger bond between the Commission and Port staff.

WHAT'S THE PLAN FOR GOAL SETTING THIS AFTERNOON?

Staff will present manuals for the Commission at the October 18th regular meeting. It will include a number of documents including:

1. 2013 Strategic Business Plan (SBP) Objectives and Strategies
2. 2016 Capital Improvement List
3. 2013 Strategic Business and Capital Facility Plans
4. 2016-17 Goals for the following facilities/departments:
 - a. Director of Operations – Rick Fuller
 - b. South Beach Operations – Chris Urbach
 - c. North Commercial – Kent Gibson
 - d. NOAA MOC-P – Jim Durkee
 - e. International Terminal – Pete Zerr
 - f. Maintenance Department – Rick Fuller
 - g. Director of Finance – Steve Larrabee
 - h. South Beach Administration – Steve Larrabee
 - i. Administrative Services – Karen Hewitt
 - j. Security – Aaron Ferguson
5. 2016 General Manager's Performance Evaluation Summary Report
6. 2016 / 2015 Annual Reports to the Commission
7. 2015 / 2016 Operations Scorecard
8. 2015 SDAO Board Assessment from January
9. 2014 Port of Toledo/Port of Newport Joint Work Session
10. 2011-current, Index of Resolutions
11. 2013 Governing Values, Mission and Vision

The General Manager, Director of Operations, Director of Finance and Administrative Assistant will be in attendance for the Work Session and will spend about an hour reviewing the various documents. The purpose of these resources is to give the Commission a sense of what has been produced in the past. This can provide some background as Commissioners begin brainstorming ideas for goals.

During staff presentations, the Commission is encouraged to add comments, make suggestions and otherwise engage in a discussion to develop ideas and goals that can be further evaluated.

Commissioners will be given a stack of 5" x 8" index cards and are encouraged to write one goal, idea or thought on an individual card. This can be done during throughout the session as inspiration allows. Your goals may build upon a departmental goal that is reviewed during the early part of the session, it may be something that is triggered from the review of various plans and projects that have been contemplated by the Port in the past, or it may be related to the operations, finances, marketing, public relations or any other area with the realm of the Port Commission.

After the presentations (each Commissioner should be building a stack of potential goals), there will be 5-10 minutes of additional brainstorming and goal development. Again, the idea is to produce a stack of index cards to be reviewed.

After the brainstorming, the Commission and Management Team will combine index cards into common piles. The General Manager will then write all the goals onto poster paper and affix to the walls. At this point, each Commissioner will be given ten stickers which can be applied to the goals. Commissioners can affix one sticker or all ten on a singular goal.

Once all the stickers have been applied, the Commission will review and rank the goals based upon the scoring input.

The Session will conclude by reviewing the Port's Mission and Vision Statements and discuss how these can be improved.

The General Manager will compile the goals and prepare a draft report for the Commission's review at the November 15th Regular Meeting. Any modifications can be made at that meeting with ultimate adoption of the goals to be discussed under New Business.

The adopted Mission, Vision and Goals will be placed on the Port's website and shared with Port employees.

In following years, staff will report on the progress of the goals and that analysis will be included in subsequent goal setting session.

ELEMENTS IN YOUR PACKET

2013 PLAN OBJECTIVES AND STRATEGIES

I have included a seven page summary of the Strategic Business Plan (SBP) Objectives and Strategies from 2013. This format is a good one to follow and was laid out by the State's model business plan for Port's when adopted in 2010. As the Commission moves forward this afternoon to create new goals, we will look to incorporate those goals into this format. The strategies identified in the SBP are basically goals and should be reviewed annually.

The Port has accomplished quite a bit from this plan and I have identified a brief status of each "strategy" in the margin of the summary document. The Commission should review each of these Objectives and Strategies and determine if they should stay, be edited or removed for the following year.

2016 CAPITAL IMPROVEMENT LIST

The Port Commission has annually adopted a Capital Improvement Project Prioritization List, which was started from the original Capital Facilities Plan adopted in 2013. The Department/Facility Managers review this list annually and changes have been made since the original adoption.

2013 STRATEGIC BUSINESS / CAPITAL FACILITIES PLANS

The original Strategic Business and Capital Facilities Plan is included as a resource. You will notice that the list of projects in the original CFP has been modified based upon emergencies, opportunities and lack of funds to tackle the largest projects identified. Aside from the summary, we won't review the specific plans unless there's an area of interest.

2016-17 FACILITY/DEPARTMENTAL GOALS

Each department head, facility manager and member of the executive team have summarized their service priorities, ongoing goals and immediate goals. I also asked them to project a few years out to identify any long-term issues. These summaries are intended to give the Commission more detail about what each facility or department does during the course of the day, month and year and to see some of the challenges and opportunities that our managers and supervisors are faced with.

Commissioners may certainly use individual departmental goals as ideas for their own over-arching goals for the Port. That's an excellent way to reinforce departmental activities.

During the work session, Rick Fuller will summarize the operational activities including those from South Beach, North Commercial, NOAA MOC-P, NIT and the Maintenance Department. Steve Larrabee will summarize the finance, human resource and South Beach administration activities. Karen Hewitt will give a brief review of her goals and I'll summarize TCB's security goals. The General Manager's goals are a result of facilitating Commission goals and departmental goals and are codified in the annual performance evaluation.

2016 GENERAL MANAGER ANNUAL EVALUATION SUMMARY REPORT

Another source for goals can be found in the General Manager's evaluation. Since starting in February 2014, the General Manager has been evaluated annually by the Commission. As part of the evaluation, a list of goals and objectives are established to be reviewed the following year. For 2016, I had three

primary goals including the financing for the ITSF, developing a Facilities Maintenance and Operations Plan (FMOP) and updating the Personnel Manual. Moving forward, the GM's evaluation should tie in to the Commission's annual goal setting process.

2015 / 2016 ANNUAL REPORTS TO THE COMMISSION

ORS 777 requires the Port President, Vice President and Secretary/Treasurer to file an annual report with the Commission. The reports focus on the major events and accomplishments during the course of the previous calendar year. I have included the last two annual reports for inclusion in this packet to show some of the accomplishments over the last two years.

2015 / 2016 FACILITY OPERATIONS ANNUAL SCORECARDS

Director of Operations, Rick Fuller, conducts annual surveys from all levels of the organization (commission, GM, management, supervisors) on the impressions people have about Port operations. This is not intended to be a lengthy survey, but more to get a quick assessment about perceptions of port operations. I find this helpful in seeing where there may be differences in perception based upon where participants are located in the Port's hierarchy. It's also helpful to see changes in between years; whether we think we're improving in areas or not.

2015 SPECIAL DISTRICT BOARD PRACTICES ASSESSMENT

In early 2015, the Port Commission invited the Special Districts Association of Oregon (SDAO) to conduct a Board Practices Assessment. The assessment was facilitated by Rob Mills, Seal Rock Water District and SDAO Board Member, to find out how the Commission felt about the direction the Port was heading. This is another recent document that could be used as a source for goals. Areas of concern focused on customer relations, increasing employee "ownership" in operations, updating the personnel manual and filling management positions.

2014 MINUTES FROM JOINT WORK SESSION WITH PORT OF TOLEDO

The Ports of Newport and Toledo had a joint work session in October 2013 to discuss areas of mutual interest. Newport and Toledo have a long history of supporting one another and the goals discussed at that meeting should be discussed.

Items that were discussed included building McCaffrey Island into a marine park, marketing the Yaquina River for increased recreational opportunities, increased dredging, joint marketing of facilities, wreck and pile removal in the estuary, tsunami preparedness and other fun opportunities between the ports.

2011-CURRENT INDEX OF RESOLUTIONS

This index provides a brief summary of the resolutions adopted by the Commission since 2011. Many of the policies approved by the Commission during this time directly support the Port's By-laws, Facility Code and/or Personnel Manual.

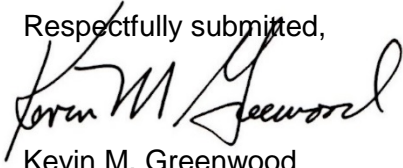
2013 GOVERNING VALUES, MISSION AND VALUES

The session will end by reviewing the values, mission and values that were developed through the 2013 planning effort.

CONCLUSION

Thank you for your commitment to this process and to the Port of Newport. I'm excited to work with you to develop an ongoing set of goals and objectives that can carry on through our annual performance evaluations and the budget development process. I believe that as the Port works to thoughtfully develop comprehensive goals that it will be that much easier to prioritize finite resources for the goals that are most critical for meeting the Port's overarching mission and vision.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kevin M. Greenwood". The signature is fluid and cursive, with the first name "Kevin" and last name "Greenwood" clearly legible.

Kevin M. Greenwood
General Manager

2013 PORT OF NEWPORT
PLAN OBJECTIVES AND STRATEGIES (“GOALS”)
(Strategic Business & Capital Facilities Plan January 14, 2013)

Plan Objectives and Strategies (SBP pp. 17-22)

A. Management

1) Governance

Objective

Review existing and adopt new Port Commission policies to provide written guidance for (1) stronger continuing education requirements for members of the Board of Commissioners, and (2) opportunities for staff development.

Strategy

As part of the Management Plan section of the Strategic Business Plan, review the Special Districts Association of Oregon (SDAO) policy manual. Consider any specific minor modifications appropriate to the circumstances of the Port of Newport, edit and adopt policies similar to the following:

(a) Board of Commissioners Education

In order to effectively carry out their duties, board members must be adequately informed. As part of these duties, Commission members are encouraged to attend on a continuing basis such conferences and training programs identified as suitable training in order to meet the terms of the Individual Business Agreement between the Port of Newport and the State of Oregon.

(b) Staff Training and Development

The Port of Newport provides continued education and training for employees to enhance job performance and assist in potential career advancement within the District. The district shall provide such in-service training as deemed necessary and beneficial to the delivery of services and performance of duties.

Commented [KG1]: Port Commission adopted By-laws for the Port of Newport Board of Commissioners via Ord. No. 100 on May 22, 2014. Section 6(B) states that “new Commissioners shall receive sanctioned training within one year of taking office. It is strongly encouraged that Commissioners shall maintain continuing training in subsequent years.” As part of the SDAO Insurance renewal, the Commission reviews policies.

Commented [KG2]: A Tier 1 goal for the General Manager is to update the Port’s Personnel Manual which hasn’t seen a wholesale makeover since 1999-2000. This should be in front of the Commission in November or December. New Facilities Maintenance and Operations Plan also encourages and provides opportunities for staff training and advancement.

Commented [KG3]: Commissioner training is codified in the Annual Report adopted each January.

Commented [KG4]: Operations has developed a certification and training matrix for tracking port employees. FMOP to be adopted soon.

2) Financial Principles

Objective

Maintain Port financial strength and flexibility to strategically and sustainably support the Port’s mission.

Strategies

- (a) Increases to user fees (boat slips, RV spaces) should be linked to improved facilities in order to remain competitive in the market.
- (b) Utilize quality “state of the art” technology to maximize the accounting of Port financial resources and expenditures.
- (c) Be alert to potential Port liability issues in the event of loss of life or damages from Charter Boat operations.
- (d) Develop regular management reports that break down operating trends and budgeting by a series of relevant business units.
- (e) Regular identification and evaluation of risks, including forward looking forecasts.

3) Human Resources

Objective

Maintain and enhance Port management, personnel, and service capabilities to ensure the efficient and effective delivery of Port and community services.

Strategies

- (a) Provide on-going training of commissioners and staff consistent with the 2010 Statewide Port System Plan template, as listed in the Governance section preceding.
- (b) Utilize training videos and other state of the art technology to facilitate training and minimize job absences.
- (c) Improve customer service/relations with all tenants, lessees and tourists by utilizing customer relations training.

4) Environmental Values and Policies

Declaration of Environmental Values. The Port of Newport serves as a steward for Port District resources, which include the facilities and infrastructure of the built environment as well as the land, water and air quality of the natural environment. The Port recognizes the built environment provides necessary shelter, transportation and employment opportunities for its citizens. The Port also recognizes that proper attention to the quality of the natural environment is essential to maintain a resilient and thriving coastal ecosystem that in turn provides a healthful and attractive setting for living, working and creating. The port assumes responsibility for ensuring that its actions will promote a healthful, beneficial and sustainable environment for the enjoyment of its citizens.

Expected Action during Five-Year plan period. Port will adopt the following policies that maintain best management practices in all operations, comply with all applicable

Commented [KG5]: Annual rate increases tied in to Capital Improvement List for each facility and increasing costs of operations. Staff conducts annual rate survey of Oregon coastal ports.

Commented [KG6]: Accounting has taken advantage of the flexibilities of Quickbooks software. We continue to research software solutions for marina/RV park inventory. CMMS has been a great, growing solution for keeping up on maintenance. South Beach has implemented and management is looking for North Commercial to implement in 2017.

Commented [KG7]: Commission adopted Res. No. 2015-08 establishing Charter Boat rules including increased insurance requirements.

Commented [KG8]: Accounting has provided more detailed departmental P&L vs. Budget reports that have allowed facility managers more control over their operations. GM continues to ask Commission if the meeting packet financials provide necessary level of detail to show trends? South Beach RV Park/Marina report has received good feedback for transparency.

Commented [KG9]: There has been a healthy 20-year look forward in the NOAA MOC-P fund and how future anticipated (and unforeseen) dredging could impact finite cash reserves. Finance hopes to look forward to similar long-term forecasting for other funds/facilities in coming year.

Commented [KG10]: See prior comment.

Commented [KG11]: Management looks for onsite (and Newport-centric) training for staff and Commission. HAZWOPER training will require off-site commitment.

Commented [KG12]: New training opportunities in customer service/conflict resolution have been identified but not implemented.

environmental laws, utilize up-to-date manuals of procedure, and maintain employee training for responding to environmental emergencies.

Environmental Policies

Objective

Adopt best environmental practices available.

Strategies

- (a) Review and adopt an Environmental Plan component of the Port of Newport Strategic Business Plan that contains at least the following policies:
- (b) The Port will strive to prevent new sources of contamination on Port property through best management practices and continued improvement of written standard operating procedures.
- (c) The Port of Newport will minimize impacts and seek opportunities to enhance natural resources where appropriate while carrying out Port projects.
- (d) The Port will comply fully and promptly with all applicable environmental laws and regulations.
- (e) The Port and its subcontractors will maintain in good working order manuals of procedure for responding to environmental emergencies, and will ensure periodic training of staff in such procedures.
- (f) The Port will maintain cooperative working relationships with local, state and federal permitting and resource agencies.
- (g) The Port will respond in a timely and thorough fashion to inquiries or expressions of concern regarding environmental issues related to Port or tenant activities.

Commented [KG13]: Port continues to take pro-active approach to storm water collection practices. NIT utilizes higher-standard 1200-z permit.

Commented [KG14]: Most new in-water projects require mitigation and the Port has worked closely with regulators to identify projects that benefit the estuary. (i.e. culvert expansion behind OCA.)

Commented [KG15]: Commission adopted Res. No. 2016-09 establishing a Health and Safety Plan. Management needs to review Emergency Management Plan in coming year.

5) Capital Facilities Plan

Objective

Adopt the 2013 Capital Facilities Plan and update the plan on an annual basis. The Capital facilities Plan is included as a separate document.

Commented [KG16]: Commission adopts Capital Improvement Prioritization List Resolution on annual basis. Funding continues to be a challenge. Operations has completed preliminary engineering assessments of PD-5 pier access and currently managing PD-5 pile replacement project.

B. Economic Development

Objectives

Promote, protect and expand traditional community economic activities and businesses. Promote and support improvement in the level of local employment, community income and general economic activity. Develop and market existing Port assets and services, and acquire new assets to enhance local employment and income levels.

Strategies

Existing Economic Development Activity

- 1) Promote and support the expansion of community and regional tourism and recreation facilities, programs and activities.
- 2) Collaborate with the state by “branding” supportable and sustainable fisheries.

Commented [KG17]: Making progress (but not complete) on NOAA recreational access projects. Fill in of old boat launch should keep MUA available. Staff has done a great job of quantifying special event use on Port property.

New Economic Development Opportunities

- 1) Actively seek additional users for the International Terminal, including an outreach program to local and regional firms with potential inbound and/or outbound shipping needs. Industry targets would include but not be limited to finished lumber and scrap paper.
- 2) Continue to participate as a partner in Ocean Observation in collaboration with the Hatfield Marine Science Center and NOAA MOC-P.
- 3) Continue to support the concept of the Ocean Technology Center by coordinating with other public and private players including OSU Sea Grant, ODFW, UW, and private interests. The Center will expand marine science research such as wave energy and servicing the technology.
- 4) Extend the tourism shoulder season with continued growth of the Seafood & Wine Festival, Wild Seafood Weekend, boat shows, and other activities and events that can occur in the off season.
- 5) Leverage the new marine facilities to expand the distant water fleet and support “at sea” processing vessels.

Commented [KG18]: Could include discussion about water dependent business development such as Oregon DulsEnergy on site of old Yaquina Bay Fruit Processing.

Commented [KG19]: Financing for Shipping Facility continues to be a struggle.

Marine Science

- 1) Enhance opportunities in marine science for existing businesses on the central coast.
- 2) Attract scientific entities and institutions to invest and work in Newport.
- 3) Attract new businesses, including high-tech, which will support the new cutting-edge work in marine science on the Oregon coast.
- 4) Enhance current marine infrastructure to provide safe and efficient work platforms for scientific entities, institutions and the movement of maritime commerce.

Commented [KG20]: Commission support for MSI and PMEC.

Commented [KG21]: Could add extension of salt-water intake to YBFP site.

B. Coordination

- 1) Identify, develop and enhance cooperative relationships with public and private organizations that share an interest in economic and community development.
- 2) Maintain and nurture the current quality relationships with the Corps of Engineers and other city/state/federal agencies.
- 3) Coordinate the Port’s import/export Plan with the State’s collaboration to encourage value added lumber/forest products for export.

C. Business Units

Commercial Fishing Fleet

- 1) Provide quality services and facilities to the commercial fishing industry.
- 2) Promote and support development and expansion of marine science and fishery research.
- 3) Improve the poor condition of slips serving the commercial fleet including: an upgrade and repair to Port Dock 7, Hoist Dock and approach to Dock 5, prepare dredging plan for commercial moorages and upgrading utilities in and around existing slips.

Commented [KG22]: PD5 project this winter.

- 4) Prepare a Maintenance Plan, identify and budget adequate funds, and prepare a maintenance schedule for the Maintenance Team to implement the plan.
- 5) Enhance and maintain Newport's services to the Distant Water Fleet, such as Foul Weather Trawl.
- 6) Encourage the members of the Parking Management District to participate in a Master Planning effort for the Port's properties on the north side. The Plan would not only address parking and circulation but also benefit new gear storage and a new port office location.
- 7) When adding new or replacing major existing sections of piers and floating docks, consider adding meters to determine individual electrical and water usage, subject to an analysis that the likely benefits of lowered utility costs exceed the amortized cost of meter installation.

Commented [KG23]: Yes in process. FMOP, though funding continues to be a struggle.

Commented [KG24]: Commission renewed this relationship and preliminary capital design will add parking components. City has agreed to fund, in part, some parking on port property.

Sport Marina and RV Park

- 1) Prepare a Master Plan for the South Beach area that will include for example: additional fish cleaning stations, dry storage for recreational boaters, improved restrooms, and access point for non-motorized boats and recommendations for short/long term development of under-utilized or vacant parcels, and a utility metering system for individual marina spaces.

Commented [KG25]: A more comprehensive Vision Plan for South Beach should be considered. We have nibbled around the edges here without a full plan developed.

Real Estate

- 1) Monitor opportunities to purchase additional land areas for new and/or expanding uses that are compatible with the theme of the development on the north and south, in order to address the lack of sufficient developable real estate for existing and new businesses and parking on the North side and very limited opportunities at South Beach
- 2) Utilize existing available properties prudently by either maximizing income or fulfilling public policy objectives.
- 3) Periodically review gear storage areas for illegal or outdated gear so as to free new space for storage.
- 4) Be alert to the possibilities of expansion by NOAA MOC-P, ocean observation, marine science and marine technology industries by reserving adjacent land and shoreline areas to capture such opportunities.

Commented [KG26]: Rogue expansion should help Port's cash flow in year's to come.

International Terminal

- 1) Maintain and promote an appropriate level of ocean terminal services and facilities.
- 2) Maximize International Terminal cargo opportunities such as finished lumber, development of upland area, cruise ships (in time), coordination with GP at Toledo, etc.

NOAA MOC-P

- 1) Explore the potential to draw in related service businesses and support local businesses with the GSA's Vendor Training Program.

D. Capital Facilities Plan

Objective – Adopt the 2013 Capital Facilities Plan and update the plan on an annual basis. The Capital facilities Plan is included as a separate document.

Commented [KG27]: Is being completed annually even if project funding is insufficient.

II. Capital Facilities Plan (CFP p 28)

Commented [KG28]: Please review updated CIL for most recent progress.

A few projects have been completed from the original Capital Facilities Plan including a wash down facility for the South Beach Marina trash storage and fill in of the old decommissioned boat launch. Other projects are being started in phases such as the pile work this winter on Port Dock 5. However, one major project – the International Terminal Shipping Facility – was not identified in 2013.

Since the original document, the Port Commission has annually reviewed the capital projects and prioritized where the Port’s funds should be invested. Most if not all of the projects identified in the 2013 list continue to exist on the master document even if the priority has been adjusted.

The Commission most recently approved Res. No. 2016-04 on May 24, 2016 to update and prioritize capital improvement projects. The Commission was clear in identifying the International Terminal Shipping Facility as its number one priority during the 2016-17 Fiscal Year budget document. Here is the list of prioritized projects:

A.	IT Shipping Facility	\$6,500,000
B.	Whalers/Pile Replacement on Port Dock 5	\$300,000
C.	Security Upgrades	\$180,000
D.	Maintenance Truck	\$20,000
E.	Swede’s Dock Electrical/Dock Repairs	\$25,000
F.	NIT Stainless Steel Stormwater Catch Basins	\$7,000
G.	South Beach Multi Use Area Planning/Engineering.....	\$15,000
H.	Port Dock 5 Approach Pier Engineering.....	\$25,000

The full resolution is included in your packet, as is the original 2013 Capital Facilities Plan.

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**PORT OF NEWPORT
RESOLUTION NO. 2016-04**

**A RESOLUTION UPDATING THE PORT OF NEWPORT'S CAPITAL
IMPROVEMENT PROJECT PRIORITIZATION LIST AND IDENTIFYING THE
INTERNATIONAL TERMINAL SHIPPING FACILITY AS THE PORT'S TOP
CAPITAL PRIORITY.**

WHEREAS, the Port of Newport adopted a Strategic Business Plan (SBP) and a Capital Facility Sub-plan (CFP) January 14, 2013; and

WHEREAS, the Board of Commissioners last updated the Capital Improvement List (CIL) with Res. No. 2015-09 on June 23, 2015; and

WHEREAS, the Board of Commissioners as part of its annual budget work session on April 5, 2016 reviewed the Capital Improvement Project Prioritization List (CIL), including completed projects, and re-visited the list with the Port's Budget Committee on May 10, 2016; and

WHEREAS, the CIL includes over \$30-million worth of capital projects; and

WHEREAS, the Port of Newport Board of Commissioners finds that the International Terminal Shipping Facility meets the goals and objectives stated within the Strategic Business Plan; and

WHEREAS, the Commission understands the importance of reviewing the CFP annually, removing completed projects, adding new projects, adjusting project planning level costs and re-prioritizing based upon public and staff input; **NOW THEREFORE**

THE PORT OF NEWPORT BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

Section 1. The following projects are identified as the top priorities for Fiscal Year 2016-17:

- A. IT Shipping Facility\$6,500,000
- B. Whalers/Pile Replacement on Port Dock 5.....\$300,000
- C. Security Upgrades.....\$180,000
- D. Maintenance Truck\$20,000
- E. Swede's Dock Electrical/Dock Repairs\$25,000
- F. NIT Stainless Steel Stormwater Catch Basins\$7,000
- G. South Beach Multi Use Area Planning/Engineering\$15,000
- H. Port Dock 5 Approach Pier Engineering\$25,000

Section 2. The Port of Newport's Capital Improvement List is attached as Attachment "A".

Section 3. Capital projects related to the Port's lease with the NOAA Marine Operations Center are listed separately and can be found in the NOAA Fund budget.

Section 4. Res. No. 2015-09 and other Previous Capital Improvement Prioritization Lists are hereby repealed.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 24th day of May, 2016.

ATTEST:



Walter Chuck, President



David Jincks, Secretary/Treasurer

Resolution 2016-04 Capital Improvement Prioritization

Attachment A Page 1 of 2

Port of Newport Capital Improvement List (per Capital Facilities Plan)
ENR Construction Cost Index (as of April 2016): 10,280

1. COMMERCIAL MARINA			
Priority	Project	Current Cost	Reference document
S	Port Dock 5 Piling Replacement for X, C & D fingers (\$10k x 38 pile)	\$392,130	FY1516 REQ
S	Floats under/electrical/dock Swede's Dock	\$25,000	FY1516 REQ
S	Asphalt Patch on Hoist Dock (part of Hoist Dock)	\$11,500	Quote
S	PD-5 Pier Engineering	\$25,000	FY2617
N	Port Dock 1 Replacement	\$816,997	2013 CFP
N	#3 Hoist Replacement	\$134,150	FY1516 REQ
N	New Swing #4 Hoist w/ Extension	\$15,479	FY1516 REQ
N	PD-7 E/F Docks (1)	\$1,031,921	FY1516 REQ
M	Port Dock 7 Replacement	\$3,703,719	2013 CFP
M	Port Dock 5 Improvements	\$844,230	2013 CFP
M	Marina Dredging	\$2,230,323	2013 CFP
M	Hoist Dock (Center Section) Replacement w/ Hoist upgrade (2)	\$694,447	FY1516 REQ
M	40' x 60' x 14' New Shop	\$165,107	FY1516 REQ
L	Hoist Dock Expansion (to west)	\$1,547,882	FY1516 REQ
Done	PD-5 Whalers/Rub boards		FY1415 REQ
Done	PD-7 Electrical Upgrades		FY1415 REQ
SUBTOTAL		\$11,184,255	

2. RECREATIONAL MARINA			
Priority	Project	Current Cost	Reference document
S	New multi use area engineering	\$15,000	FY17 request
S	North Restroom Siding	\$5,160	FY1516 REQ
N	Replace rip rap in SW corner of marina/fishing pier walkway	\$30,958	FY1516 REQ
N	Fish dumpsters (x3)	\$3,096	FY1516 REQ
N	Storage containers	\$6,192	FY1516 REQ
N	Residing buildings in marina (north, south, central)	\$61,915	FY1516 REQ
N	Paint OPS building and marina store	\$10,319	FY1516 REQ
N	Wastewater Pump Station Replacement - South Beach	\$32,680	2013 CFP
N	Marina Dredging	\$2,924,712	2013 CFP
N	Reconstruction of Recreational Marina Docks ¹	\$141,613	2013 CFP
N	Electrical Load Center South Beach Marina	\$108,933	2013 CFP
N	Picnic Bunker Rebuild	\$39,216	2013 CFP
N	Pavement Reconstruction/Seal Coating (all areas)	\$435,765	2013 CFP
N	Old Boat Ramp Fill (includes gangway & asphaltting)	\$309,576	FY1516 REQ
N	New electrical pedestals	\$144,469	FY1516 REQ
N	Repair Service Dock	\$51,596	FY1516 REQ
M	OSMB Service Dock Trail Connection	\$3,095,764	OSMB WAG
L	South Beach Marina Fuel Facility - Tank Replacement	\$228,759	2013 CFP
	New multi purpose lot lighting	\$32,000	FY17 request
	Relocate RV SS dump site	\$10,130	FY17 request
	New west marina greenbelt/walkway/public area	\$30,000	FY17 request
	Oregon State Police dock (\$39,500 total assume \$20,000 fund from OSP)	\$19,500	FY17 request
Done	Pay Station Machine		FY1516 REQ
Done	South Beach/Fishing Pier Storm Sewer Outfall Replacement		2013 CFP
Done	Trash dumpsters (x10)		FY1516 REQ
SUBTOTAL		\$7,717,193	

Resolution 2016-04 Capital Improvement Prioritization
Attachment A Page 2 of 2

3. INTERNATIONAL TERMINAL			
Priority	Project	Current Cost	Reference document
S	Consolidation lay-down yard for break-bulk, container shipping	\$6,657,779	2015 TIGER
S	Replace all Clean-way SWPP basins with stainless steel	\$7,000	FY1617 request
S	Grading of Hall Property (1)	\$515,961	2015 quote
S	Grading of Port's 9-acre lot (1)	\$51,596	2015 quote
L	International Terminal Fire Water Line Loop	\$138,732	2013 CFP
	Asphalt Parking Lot area west of shop	\$81,490	2016 quote
	Security Fencing (part of security for other facilities)		
SUBTOTAL		\$7,452,558	

4. RECREATIONAL VEHICLE PARKS			
Priority	Project	Current Cost	Reference document
S	Upgrade Satellite Equipment	\$6,192	FY1516 REQ
N	Relocate RV dump site	\$10,319	FY1516 REQ
L	Renovate RV Park Annex	\$718,957	2013 CFP
done	Dryers (x7) for \$4970	\$0	FY1516 REQ
SUBTOTAL		\$735,468	

5. OTHER FACILITIES			
Priority	Project	Current Cost	Reference document
S	Cyber Security Assessment/Cameras/Utility Infrastructure	\$180,000	2016 quote
N	New Port Offices/Parking Area/Customs Office	\$956,594	Capri 2014
N	Rogue Brewery (Dry Moorage Building) North Wall/Siding Replacement	\$163,399	2013 CFP
N	Rogue Brewery (Dry Moorage Building) Foundation/Seawall Stabilization	\$326,799	2013 CFP
L	Fishing Pier Replacement	\$1,617,021	2013 CFP
	Other Tenant Improvements		
SUBTOTAL		\$3,063,813	

6. VEHICLES AND EQUIPMENT			
Priority	Project	Current Cost	Reference document
S	Maint Dept - 1 utility trucks	\$20,000	FY16 request
N	utility truck for Commercial side	\$20,638	FY1516 REQ
N	Forklift for IT	\$50,000	FY16 request
N	Forklift for North Commercial	\$36,000	FY16 request
N	Maint Dept - 1 utility trucks	\$20,000	FY16 request
L	Riding parking lot sweeper	\$50,000	FY16 request
Done	small utility truck (OPS)		
Done	Skiff and motor for marina OPS (SB)		
Done	Electric maintenance cart (SB)		
SUBTOTAL		\$176,638	

SUMMARY TOTAL		
1	COMMERCIAL MARINA	\$11,184,255
2	RECREATIONAL MARINA	\$7,717,193
3	INTERNATIONAL TERMINAL	\$7,452,558
4	RECREATIONAL VEHICLE PARKS	\$735,468
5	OTHER FACILITIES	\$3,063,813
6	VEHICLES & EQUIPMENT	\$176,638
TOTAL		\$30,329,925

NOTES S - Short Term (next budget year)
N - Near Term (years 1 to 5)
M - Mid Term (years 6 to 10)
L - Long Term (years 11 to 20)



STRATEGIC BUSINESS PLAN AND CAPITAL FACILITIES PLAN



JANUARY 14, 2013

ACKNOWLEDGEMENTS

PORT OF NEWPORT

Port Commission

JoAnn Barton
David Jincks
Don Matthews
Walter Chuck
Dean Fleck

Port Staff

Don Mann, General Manager
Pat Albaugh, Finance Director
Pete Dale, Project Manager/Engineer Technician
Maureen Keeler, Special Projects Manager

CONSULTANT TEAM

NORTHWEST PORT PLANNING TEAM

Al Benkendorf, Project Manager
Jerry Johnson, Market Research
Allan Rumbaugh, Port Operations
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INTRODUCTION

HISTORY OF THE NEWPORT PORT DISTRICT

The Port district was formed in 1910 to promote water-related commerce in Lincoln County. The Port is located on the central Oregon coast and encompasses the Yaquina Bay estuary. The Port boundaries 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 adjacent to the Port of Newport's eastern boundary and the Port of Alsea adjoins the Seal Rock boundary.

In 1948, a private company sank two flat-bottom concrete barges at McLean Point to serve as wharves for cargo handling. The terminal was operated by private operators from the 1950s through the late 1970s. In 1982, the Port purchased the terminal and in 1987 contracted Jones Oregon Stevedoring/Newport Terminal Company to manage the facility. The Port terminated the contract in 1995 and assumed the management. The Port is currently completing a thorough renovation of the International Terminal which is expected to be complete in December, 2012.

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

In 1991 Oregon Brewing located their brewing operations and a tasting room in a part of the former dry boat storage building at the South Bay Marina and now occupies the entire building for storage and distribution. In 2006, the Port completed a \$3.2 million Destination RV Park that includes 92 spaces, store, operations building and registration/activity center.

A new chapter in the Port's history will be written in the next two years as it plans and constructs a new Port of Newport Administration office building on the north shore of Yaquina Bay.

PORT COMMISSIONERS

The Board of Commissioners is elected, at large, from the Port District. The Board is comprised of five members elected for four year terms. The current Board is comprised as follows:

JoAnn Barton, President, was first elected to the Commission on July 1, 2007 and re-elected July 1 2011. Her current term expires on June 30, 2015. Ms. Barton is retired from a career as a therapist in primary education.

David Jincks, Vice President, was appointed to the Board on February 2, 2009 and his current term expires on June 30, 2013. Mr. Jincks is a commercial fisherman.

Don Mathews, Treasurer, was appointed to the Board on January 30, 2001 and elected to the Board on July 30, 2001. His current term expires on June 30, 2013. Mr. Matthews owns a business in Newport.

Walter Chuck, Secretary, was appointed to the Commission November 22, 2011. Mr. Chuck's term expires June 30, 2013. Mr. Chuck is the operator at several water treatment plants in the region.

Dean Fleck, Assistant Secretary-Treasurer, was first elected to the Board July 1, 2007 and re-elected in 2011. Mr. Fleck's term expires on June 30, 2015. Mr. Fleck is the manager of Englund Marine Supply in Newport.

PORT MANAGEMENT STAFF

Mr. Don Mann, General Manager joined the Port in January 1996. Mr. Mann has over 30 years of experience in the port industry and economic development. He previously worked for the Oregon Economic Development Department where he proceeded to conclude his career with the state as the Regional Development Officer for Clackamas and Hood River Counties. He serves on several local and regional Boards including as Secretary of the Oregon Ports Group and currently serves on the Boards of Directors for the Pacific Northwest Waterways Association and the Greater Newport Chamber of Commerce.

Pat Albaugh, Finance Director has more than two decades of public, private and non-profit experience at the Finance Director/Controller level. Prior to joining the Port, Pat spent seven years at the Port of Cascade Locks as Director of Finance & Operations.

Pete Dale, Project Manager/Engineer Technician joined the district in October, 2006 and has over thirty years experience in marine and heavy construction project management.

Maureen Keeler, Special Projects Manager/Administrator Coordinator, has been with the Port District since 1986. Ms. Keeler assists the General Manager with business administration and planning and is responsible for special projects and grant writing.

In addition, to the staff described above, other Port employees include a Facilities Lease Manager for NOAA MOC-P, an administrative assistant, four accounting clerks and ten operations and maintenance personnel.

OVERVIEW OF STRATEGIC BUSINESS PLANNING PROCESS

The Strategic Business Planning process for the Port of Newport is consistent with the process recommended in [Ports 2010: A New Strategic Business Plan](#). The Plan was prepared by the Oregon Business Development Department and adopted by the Infrastructure Finance Authority and the Oregon Business Development Commission in May and September, 2010, respectively. The Scope of Work includes preparation of a

Public Outreach Plan, including coordination with the Port’s primary lessees and patrons, and the commercial fishing fleet.

The technical analysis is comprised of five primary tasks:

- *Management and Coordination with the Port staff and Commission.*
- *Data Collection regarding the existing conditions of the Port including management policies and procedures, financial status, and facilities, including International Terminal and the NOAA Marine Operations Center – Pacific (MOC-P).*
- *Draft SBP including a definition of the problems and opportunities, the policy and regulatory context within which the Port operates and proposals and recommendations to guide the future of the Port.*
- *Final SBP including goals, objectives and strategies to guide the management of the port including its financial resources, environmental context and marketing opportunities. And, a Capital Facilities Plan which will address the needs of the Port’s marine facilities, equipment, properties and buildings and utilities.*
- *The fifth task is preparation and implementation of a public Outreach Plan which will assure that all of the Port’s constituents have an opportunity to express their points of view and comments during the planning process.*

The final Strategic Business and Capital Facilities Plans are intended to serve the Port Commission and staff for the next five years.

VALUES, VISION AND MISSION

Values Statement

Values represent the Port’s most deeply held driving forces, which help us determine our highest priorities. They are the foundation on which we as Port Commissioners and as staff conduct ourselves and perform work for the Port. They serve as our guiding principles -- the motivation for our goals, strategies and actions to accomplish our mission. They clarify who we are as the Port of Newport, articulate what we stand for, and express what we deem as acceptable standards for how the Port of Newport interacts with users, customers, partners, and our own team members.

Governing Values

Leadership. The Port of Newport accepts **responsibility** for taking the lead role on behalf of the citizens of the Port district in actively pursuing **economic progress**, which we believe means building and maintaining an economically diverse and thriving community that is resilient in its ability to respond positively to changing conditions and circumstances.

Service. Our business is public service – to the commercial and recreational fishing fleets, to the tourist and marine industries, to our lessees and visitors, and to the citizens of the Port District. Our intent is to strive constantly for **quality** in all the services we provide.

Collaboration. We pursue and maintain mutually supportive partnerships with our neighbors, including the private sector and local, state and federal government agencies. In the Port’s experience, the greater Newport community owes a significant part of its success to the foundational belief of governments and citizens alike to work with determination toward common goals in a spirit of mutual respect and cooperation.

Accountability. The Port serves as a steward of public resources. We manage our properties in a responsible manner, and support our personnel – our human resources – through regular feedback and evaluations designed to improve competence and performance.

Sustainability. The Port recognizes that we must manage the resources of the built environment and the natural environment in a manner that does not compromise the ability of future generations to meet their needs. To that end, we will maintain our capital facilities in working order, we will manage the funds entrusted to us wisely, prudently and ethically, and we will maintain policies that guide us in helping nurture a healthy estuary that is the foundation of our working waterfront.

Optimism. We have confidence in the importance of our mission, and in our ability to overcome obstacles, seize opportunities, and pursue our vision through steadfastness of purpose, awareness of our core values, and persistent focus on achievement.

Vision Statement

The idea behind a vision statement is to express, more or less in future tense, what we want the Port (and Newport) to be at some future point. Since a mission statement and the Strategic Business Plan itself are typically five-year efforts, the Vision Statement looks a little farther (10 or 20 years) into the future. Our vision expresses what we want to see, what we believe we can accomplish if we stretch our capabilities and aim for the vision.

- Vision: The Port of Newport will serve as the premier Oregon coast port for the commercial fishing fleets, for recreational fishing and tourism, and for ocean observation and marine research support. We will be one of the top two Oregon coast ports for waterborne commerce while protecting and enhancing the beauty and integrity of the natural environment which is the foundation of our working waterfront community.

Mission Statement

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

Current Mission Statement: “Promote and support projects and programs in cooperation with other community organizations and businesses, that will create new jobs and increase community economic development.”

New Mission Statement: “Build and maintain waterfront facilities, and promote/support projects and programs in cooperation with other community organizations and businesses that will retain and create new jobs and increase community economic development.”

PUBLIC PARTICIPATION

The Strategic Business Planning process was initiated by the Port in August 2012. A press release was provided to the Newport News Times in order to alert the community to the initiation of the Port business planning program.

In September, two Focus Group workshops were conducted to learn the primary stakeholder’s opinions of the port and its future. The 14 participants were organized in to two groups representing the Port’s facilities and development on the north and south side (South Beach) of Yaquina Bay. More specifically, the participants represented port tenants such as commercial fishers, business owners such as the Rogue Brewery, Hatfield Marine Science Center and NOAA MOC-P. The opinions of the stakeholders were presented as Strengths, Weaknesses, Opportunities and Threats (SWOT) to the Port. The senior Port staff and representatives of the Commission also participated in a SWOT session with the consulting Team.

In addition to the workshops, specific telephone and in-person interviews with representatives of the City of Newport, Lincoln County and the Economic Development Alliance of Lincoln County were conducted.

I. EXECUTIVE SUMMARY

The Strategic Business Plan is one of two documents. The Port's Capital Facilities Plan is included as a separate document.

ECONOMIC AND MARKET TRENDS

The national economy is currently expanding at a modest rate, following the most severe recession in the post WWII era. The State and local economies have been performing marginally better, and are expected to continue that trend through the current expansion cycle.

Relative to other areas in Oregon, the economy of the North Coast has performed well by comparison. Combined unemployment in Clatsop, Tillamook, and Lincoln County is currently at 7.0%, significantly below 7.6% at the state and national level. The Port district's economic composition is highly reliant upon fishing, forestry and logging, and tourism. The Port of Newport plays an important role in each of these sectors, as well as the emerging marine and ocean observing research and education sector identified by the City of Newport as a target industry.

MARKET OPPORTUNITIES

The Port of Newport has a number of key market opportunities, many of which are related to leveraging existing investments. The new Marine Terminal has the potential to serve a broader range of business types over time, providing for the direct accommodation of new businesses as well as supporting the broader economy of Lincoln County and the State of Oregon.

The Port is well positioned to contribute substantively to the regional economy, with major investments in key industries such as fishing, tourism and shipping. The commercial fishing fleet is already a major contributor to the region's economy, but the terminal and improvements to facilities have the potential to expand Newport's share of that industry. The emerging marine science cluster in Newport has future potential, as well as ongoing efforts to promote and expand the tourism sector.

PLAN OBJECTIVES AND STRATEGIES

The objectives and strategies provide the overall direction of the Port's major programs. The objective is a specific target or milestone the Port wishes to achieve and the strategies describe how you are going to accomplish the objective. There are four major categories of objectives which include: Management, Economic Development, Coordination and the Business Units. The Port is managed by its governance, financing, human resource and environmental policies.

The Port owns and operates five different, yet complementary, types of businesses. These include: Commercial Fishing Fleet facilities and services, a Sport Marina and Recreational Vehicle (RV) Park, vacant available properties and real estate leased to complementary businesses. The Port is completing the rehabilitation of its International Terminal which will provide facilities and equipment to import and export specific commodities. A new NOAA MOC-P facility was dedicated on Newport Bay in the Spring of 2012. The facility provides many new opportunities for the Port in the marine science arena as described further in the plan

FACILITIES AND PROPERTY

The Port's facilities and real estate are divided by Yaquina Bay in to two distinct development areas, namely the North Shore Development Area and the South Beach Development Area.

- North Shore Development Area is Newport's "working waterfront" and comprised of the land and water side improvements between Bay Boulevard and the limits of the commercial fishing docks and the leased water areas. This area is primarily utilized by Commercial fishers and the Distant Water Fleet.

The International Terminal is in the final stages of renovation and is expected to be completed by early 2013. The facility is a multi-use facility serving both the cargo shipping needs and the commercial fishing Distant Water Fleet.

- South Beach Development Area is comprised primarily of facilities designed to service sport and recreation fishers, traveling tourists via RVs and facilities designed to provide a positive experience for active visitors as well as those enjoying the beauty of the Yaquina Bay and its environs.

Completion of the NOAA MOC-P facility brings an expanded vision an opportunity of the potential for Marine Science research to this part of the Oregon coast.

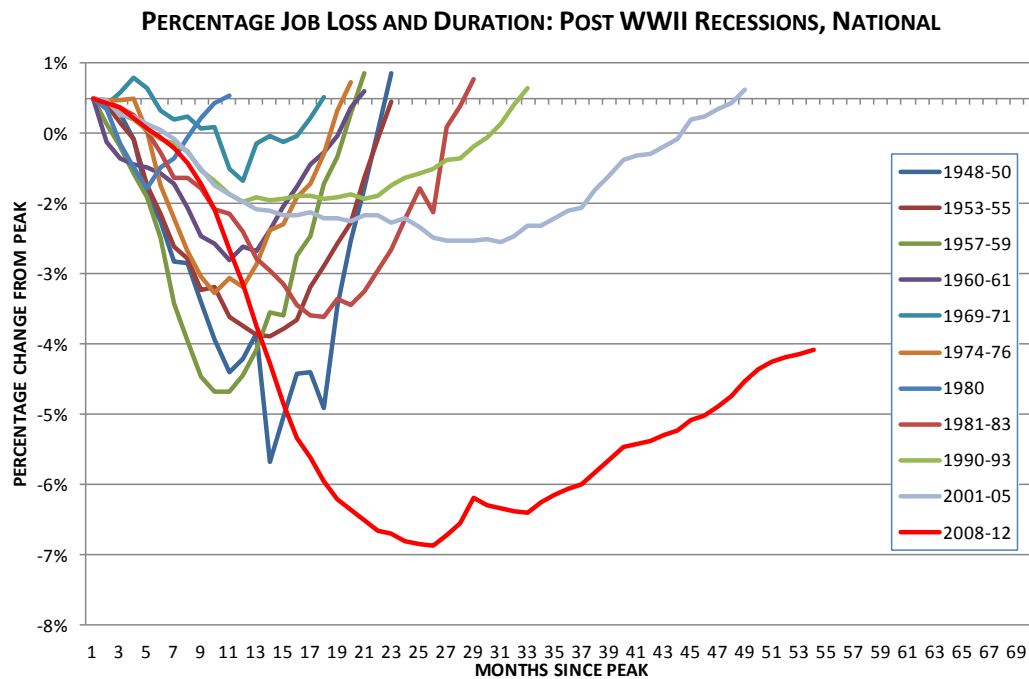
CAPITAL FACILITIES PLAN

The Capital Facilities Plan (CFP) is a separate document and establishes a vision of the Port's facilities and properties. The needed facility improvements, estimated project costs and the scheduling over time of improvement implementation are the essential components of the CFP.

II. ECONOMIC AND MARKET TRENDS

A. NATIONAL TRENDS

The National economy appears to be firmly into recovery, although to-date that recovery has been less than robust. In terms of Gross Domestic Product (GDP), the economy has been expanding for over two consecutive years. When the recent recession is compared to other post-WWII recessions, it becomes clear that the downturn is historic in terms of employment losses and duration. Employment is not expected to regain its pre-recession levels until 2014, over six years from the initial employment losses.



SOURCE: Bureau of Labor Statistics and JOHNSON REID

On-going uncertainty about the future continues to drive the status quo; specifically the protracted European Debt Crisis, economic deceleration in Asia, and most importantly the clarity of long-term domestic fiscal policy.

From peak to trough, nonfarm payroll employment in the United States fell by over 7.7 million jobs during the "Great Recession". However, the nation's employment situation has begun to slowly improve. In the first half of 2012, non-farm payrolls rose by an average of roughly 200,000 per month in the first quarter and 70,000 per month in the second quarter. The economy has regained nearly 2.8 million jobs and the unemployment rate has fallen back to 7.8%.

Over the longer term, the pace of economic growth is expected to accelerate moderately following 2013. Gradually, idle resource in the economy will begin to be productive, drawing growth higher to 4.3% between 2014 and 2017, and narrowing the production gap by 2018 and growing at the rate of potential (around 2.4%) thereafter.

Payrolls should continue to increase at a moderate pace in the near-term. However, because unemployment had been driven down by lower labor force participation, the unemployment rate will recover at a slower pace.

B. STATE AND COUNTY/PORT DISTRICT

Payroll employment in Oregon has begun to recover from the recent recession. The State has exhibited 26 consecutive months of positive year-over-year job growth while adding nearly 50,000 jobs since post recession low employment. In the long-term, Oregon's economic growth is expected to outpace growth at the national level. Through 2020, the Oregon economy, as measured by employment, is expected to outpace the national average, growing by an estimated 15% compared to 11% nationally. Incomes in Oregon are also expected to be above average, growing at 2.2% annually compared to just 2% at the national level.

Through 2020, the Oregon Office of Economic Analysis forecasts 245,000 new jobs in the Oregon economy. Mirroring national forecasts, a significant share (44%) are expected to fall on Professional and Health Services. Manufacturing and Construction are expected to add over 46,000 jobs in the state while growth in trade and other service categories is expected to be more measured.

Local Employment Forecast

Relative to other areas in Oregon, the economy of the North Coast has performed well by comparison. The North Coast unemployment rate tracks very closely to the national average, and outperformed the state average coming out of the recession. Combined unemployment in Clatsop, Tillamook, and Lincoln County is currently at 7.0%, significantly below 7.6% at the state and national level. Since the bottom of the business cycle the North Coast economy has added roughly 4,200 jobs. The City of Newport serves as a major economic engine for the County and broader region. In addition to the area's substantial fishing and tourism industry, it also houses UPS and FedEx facilities at the Newport Airport, which provide important links for local businesses.

By mid-2012, the Lincoln County economy had over 16,700 non-farm payroll jobs. An evaluation of the structure of the Lincoln County economy reveals the significance of its tourism and traded-sector industries. (LQ analysis is generally conducted on private sector employment, so government concentrations from Newport's NOAA operation are not present). The following table shows a location quotient analysis of Lincoln County, comparing the employment composition by sector within the County to State and National levels.

Location quotients are a way to readily compare the industrial activity levels among different areas of the country. In general, location quotients are ratios that compare the

concentration of a resource or activity, such as employment, in a defined area to that of a larger area or base. For example, location quotients can be used to compare County employment by industry to that of the nation. When the location quotient is greater than 1.0, the analysis indicates that this sector represents an export or “basic” industry. Basic industries are also commonly referred to as “traded sector” industries. Products and services exported out of the area are the primary means that wealth is added to an area, and as a result, are the primary focus of most economic development efforts.

Location Quotient Analysis, Lincoln County, Oregon (2011)

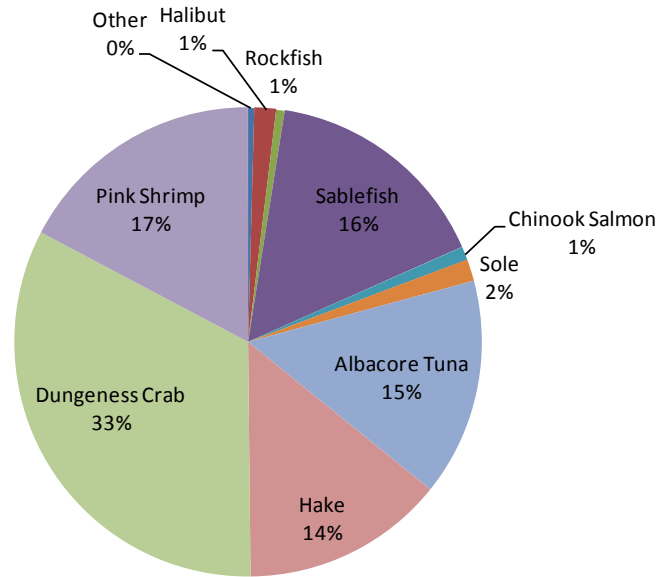
Industry	Employment		Distribution		Location Quotient
	U.S.	Lincoln	U.S.	Lincoln	
Traded Sectors					
114 Fishing, hunting and trapping	8,312	100	0%	1%	98.39
113 Forestry and logging	55,665	111	0%	1%	16.31
311 Food manufacturing	1,454,090	313	1%	2%	1.76
321 Wood product manufacturing	336,235	59	0%	0%	1.43
112 Animal production and aquaculture	230,610	34	0%	0%	1.21
Tourism & Retail					
487 Scenic and sightseeing transportation	27,313	40	0%	0%	11.98
721 Accommodation	1,784,558	1,726	2%	13%	7.91
448 Clothing and clothing accessories stores	1,353,784	521	1%	4%	3.15
453 Miscellaneous store retailers	778,386	211	1%	2%	2.22
445 Food and beverage stores	2,825,284	659	3%	5%	1.91
485 Transit and ground passenger transportation	429,815	99	0%	1%	1.88
722 Food services and drinking places	9,587,402	2,074	9%	16%	1.77
531 Real estate	1,384,500	273	1%	2%	1.61
452 General merchandise stores	3,095,518	454	3%	3%	1.20
Other High LQ Industries					
813 Membership associations and organizations	1,315,466	370	1%	3%	2.30
562 Waste management and remediation services	363,699	92	0%	1%	2.07
237 Heavy and civil engineering construction	820,345	144	1%	1%	1.44
444 Building material and garden supply stores	1,147,148	175	1%	1%	1.25
Other Typical or Lower LQ Industries					
236 Construction of buildings	1,211,690	177	1%	1%	1.19
446 Health and personal care stores	986,124	144	1%	1%	1.19
442 Furniture and home furnishings stores	438,243	62	0%	0%	1.16
447 Gasoline stations	823,620	107	1%	1%	1.06
441 Motor vehicle and parts dealers	1,683,213	210	2%	2%	1.02
451 Sports, hobby, music instrument, book stores	581,603	62	1%	0%	0.87
623 Nursing and residential care facilities	3,162,214	320	3%	2%	0.83
811 Repair and maintenance	1,163,914	112	1%	1%	0.79
238 Specialty trade contractors	3,441,010	329	3%	2%	0.78
515 Broadcasting, except Internet	285,846	26	0%	0%	0.74
443 Electronics and appliance stores	526,699	46	0%	0%	0.71
814 Private households	641,473	56	1%	0%	0.71
522 Credit intermediation and related activities	2,548,004	220	2%	2%	0.71
812 Personal and laundry services	1,287,882	108	1%	1%	0.69
339 Miscellaneous manufacturing	572,591	46	1%	0%	0.66
492 Couriers and messengers	521,240	38	0%	0%	0.60
517 Telecommunications	880,139	63	1%	0%	0.59
561 Administrative and support services	7,347,425	509	7%	4%	0.57

SOURCE: U.S. Bureau of Labor Statistics

The commercial and sport fishing industries are major contributors to the local and regional economy. The commercial fishing fleet at Newport captured over 82 million pounds of fish, crab, squid and clams in 2011, with an estimated value at the fisherman's

level of over \$44 million. The primary contributors in terms of value for commercial fishers were Dungeness crab, shrimp, sablefish (black cod), albacore tuna and hake (pacific whiting).

VALUE OF 2011 COMMERCIAL LANDINGS



The commercial fishing industry impacts the local economy through increases in personal income from harvesting and processing, as well as providing support to local industries and businesses. The Newport area also is positively impacted by the distant water fleet, which uses Newport as a home port as well as for repairs and/or provisions.

Sportfishing is also a major contributor to the local and regional economy. The regional economic impact (REI) of saltwater sportfishing on the Oregon Coast from trips in 2010 was estimated at \$822 thousand for salmon and \$3.5 million for bottomfish, halibut, dive and tuna.¹ This estimate includes charter, private boat and bank access to ocean and estuary sites. Not included are expenditures on capital items such as boats, vehicles to pull boats and second homes.

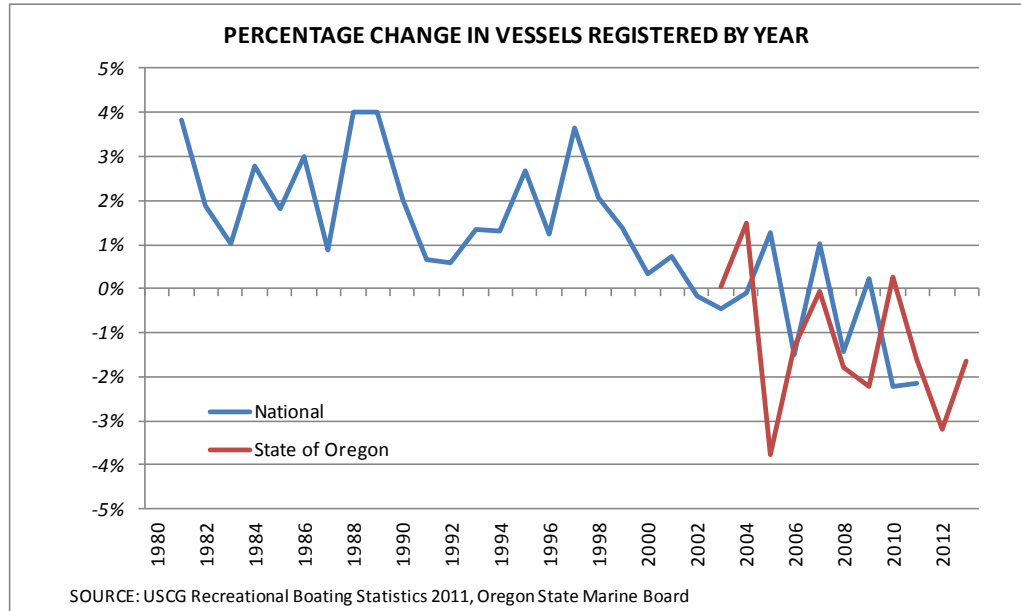
Travel generated expenditures for fishing in Lincoln County were estimated at over \$32 million for fishing and almost \$7.7 million for shell fishing in 2008.² Local recreation expenditures accounted for an additional \$3.5 million in activity in the County. Sportfishing contributions included expenditures for overnight lodging, meals and other tourist-related activities.

In addition to the commercial fishing fleet, the Port's operations involve four broad sportfishing market segments: ocean charters; ocean and freshwater private boat

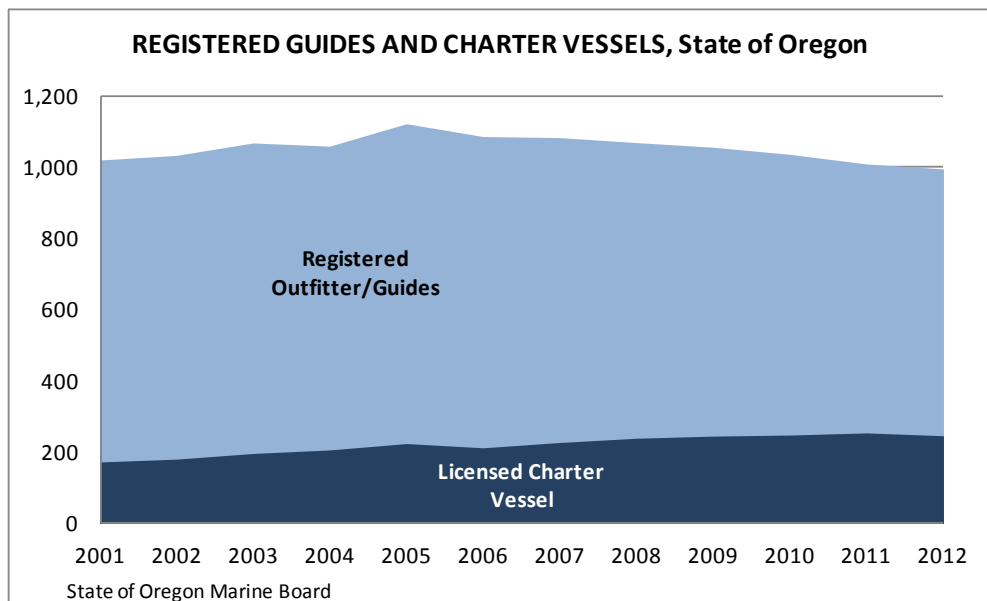
¹ The Research Group, personal communication with TRG December 2012.

² Dean Runyan Associates, Fishing, Hunting, Wildlife Viewing, and Shellfishing in Oregon, 2008 State and County Expenditure Estimates, Oregon Department of Fish and Wildlife, Travel Oregon

trailerable; ocean and freshwater private boat moorage; and bank and pier pole and shellfish anglers. Over the last decade, the State of Oregon has seen highly significant decline in the number of boat registrations and use days, both on an absolute and a per capita basis. As shown in the following graphic, this trend is consistent with the national trend.



In the State of Oregon, the number of registered vessels has dropped by 13% over the last decade. The number of new boat titles recorded has dropped by 35% from 2005 through 2012. The decline in boat registrations would be expected to be associated with a decline in moorage and boat launch demand for the Port's sport marina. While moorage fees have decreased at the Port from 2011 through 2012, fees are still above 2009 levels. Launch fees at the Port have declined though from a peak in 2004.



While recreational vessel registrations have declined in the State, the charter industry has shown steady growth over the same period. The Central Oregon Coast accounts for over 22% of fishing guides in the State.

In July 2012, the City of Newport completed a draft of its economic opportunity analysis as a part of its periodic review process. This analysis identified key industries targeted by the city for future growth. Growth is expected to reflect community aspirations and policies facilitating the recruitment, retention, and growth of firms in targeted sectors. Specific sectors included:

- *Marine and Ocean Observing Research and Education*
- *International Commerce*
- *Fishing and Seafood Processing*
- *Tourism*

The Port of Newport has historically played a significant role in the development of all four of these industries, and is expected to be one of the lead agencies in ongoing efforts to support these sectors.

C. SUMMARY

The national economy is currently expanding at a modest rate, following the most severe recession in the post WWII era. The State and local economies have been performing marginally better, and are expected to continue that trend through the current expansion cycle.

The Port district's economic composition is highly reliant upon fishing, forestry and logging, and tourism. The Port of Newport plays important roles in each of these sectors, as well as the emerging marine and ocean observing research and education sector identified by the City of Newport as a target industry. The commercial fishing industry is a major contributor to the vitality of the local economy, and the industry is highly reliant upon Port facilities and services. The recreational fishing fleet, including charters, also plays a significant role in the local and regional economy.

III. MARKET OPPORTUNITIES

The Port of Newport has a number of key market opportunities, many of which are related to leveraging existing investments. The new Marine Terminal has the potential to serve a broader range of business types over time, providing for the direct accommodation of new businesses as well as supporting the broader economy of the Oregon Coast and the State of Oregon. The commercial fishing fleet is already a major contributor to the region's economy, but the terminal and improvements to facilities have the potential to expand Newport's share of that industry. The emerging marine science cluster in Newport has future potential, as well as ongoing efforts to promote and expand the tourism sector.

The following is a discussion of future market opportunities for the Port of Newport. There is no prioritization implied by the order of discussion, and the opportunities presented are representative and not comprehensive.

A. MARINE TERMINAL

- New Business - The terminal represents a significant investment by the Port, and ongoing efforts should be made to optimize the potential positive impacts of this facility on the local and regional economy. The following is a list of areas of potential opportunity.
 - Import/Export - The facility will expand shipping options for local and regional businesses, and the Port should actively pursue additional users of the facilities. Prospective future users could include value added lumber/forest products, fishing related products and waste paper. Proximity to Asian markets represent an opportunity for greater trade, and recent efforts have been made to broaden the export market for crab to Europe.
 - Development of upland property - Seek opportunities to develop or encourage the development of upland properties with industry that benefits from proximity to the terminal facilities.
 - Commercial fishing fleet expansion - Continue to expand on facilities and services to support the commercial fishing fleet at the terminal.
 - Short sea shipping - Consistent with the import/export opportunity, seek to expand shipping options for the local and regional economy.
 - Marine Science/Research uses - Renewable Energy & Servicing
 - Coordinate with State efforts
- Opportunity to purchase additional property - Strategically look for opportunities to control upland and proximate properties
- Improve the economic performance of the facility to provide for net income generation to support other Port facilities and operations. While the debt service obligations associated with the facility can be serviced through the expected initial tenants, expansion of the use of the facility can provide positive cash flow to support other Port efforts and business units.

B. COMMERCIAL/INDUSTRIAL

- The Port of Newport controls a significant real estate portfolio, including raw sites and improved properties. These are largely concentrated along the bay frontage, and include some of the area's key improvements such as the Hatfield Marine Science Center, the NOAA-MOC-P facility, and the Rogue Brewery properties. The Port has not traditionally served as a property developer, except in limited instances such as the NOAA-MOC-P facility. Port control of properties allows for active land development to support Port objectives, as well as strategic management of those properties. In some cases, this may be associated with limiting development activity if inconsistent with Port objectives.
- The following are seen as areas of market opportunity in terms of its commercial/industrial portfolio.
 - Acquisition of real estate - The Port can acquire additional real estate assets on an opportunistic as well as strategic basis. This should be preceded by a more strategic look at the Port's goals, objectives and future needs.
 - Support for the Ocean Technology Center
 - Storage buildings - These types of real estate improvements are functionally valuable to the commercial and sport fishing fleet, and can also provide for net positive cash flow.
 - Parking - The commercial fishing fleet has consistently expressed a need for additional convenient parking options. This is a functional requirement, and also has the potential to impact the general perception of Newport as a commercial fishing location. Strategic planning to address parking needs should be a precursor to any asset allocation or acquisition strategy.
 - New office space for Port - The Port will require new office space within the next few years. The need for the facility will impact property requirements, but may also serve as an opportunity to leverage the Port as an anchor tenant for a larger development, and/or potentially joint use of spaces such as meeting rooms.
 - In light of the scarcity of available bay front and proximate properties, the Port should evaluate its existing portfolio of properties in a strategic manner. Property uses and disposition should be guided by the Port's goals and policy objectives.

C. TOURISM

The tourism sector is a critical component of the local and regional economy, and the Port's control of much of the waterfront property along the bay make it a major player in the local tourism market. Investments such as the RV Park and sport marina actively and directly support the local tourism industry, while tenants such as Rogue also play a supporting role in tourism generation. The commercial fishing fleet is also seen as a promoter of tourism, both through the availability of fresh local seafood as well as inherent appeal of a working harbor. While much has been done to support the tourism sector, the following are a few market opportunities to expand upon the Port's role in the local tourism sector.

- RV Park - A number of marginal improvements at the Port's RV park can improve the facilities marketability vis-à-vis alternative facilities on the Central Oregon Coast.

- Aesthetic values of the RV Park can be improved
 - Upgrading bathrooms
 - Expanded information technology
 - Increase and improve the facility's web presence
- Sport Marina - The sport marina is a major generator of visitor activity, but could be enhanced over time.
 - Develop dry storage as an amenity and income generator
 - Increase the number of fish cleaning stations
 - Increase coordination and monitoring of ocean charters
- Eco Tourism - The eco tourism sector is a growing industry, and the bay front presents an excellent opportunity to provide facilities and services to promote and support this industry.
 - Kayak launch and storage - enhance and promote non motorized access points.
 - Develop collateral materials promoting eco-tourism. This would include area maps of kayak watch sites, and can be coordinated with the City.
 - Paddle boarding
- Trade Shows/Boat Shows - Program events with strong draws to extend and enhance the shoulder seasons.
- Festivals - In a similar vein, the Port could host events similar to the Oregon Coast Jazz Festival, providing for additional venues.
- Cruise Vessels - While not perceived as a priority at this time, the Port has periodically considered encouraging the docking of cruise vessels.

D. OTHER

The Port has a number of additional market opportunities to further support its goals and objectives, as well as to potentially enhance its financial position. The following is a summary of some key opportunities.

- Commercial Fleet - The commercial fishing fleet is a major contributor to the local and regional economy, and support for the fleet has long been a priority of the Port. The following are some potential future actions related to the commercial fleet.
 - Parking management/Parking district - addressing the parking needs of the fleet will be critical the long term health and potential expansion of the fleet
 - Branding - work with the commercial fleet to evaluate potential branding opportunities for locally caught seafood. Examples of branding efforts may include Alaska's Copper River Salmon and Port Orford's Sustainable Seafood.
 - Collaboration with resource agencies at the State and Federal level
 - Sustainable marine resources
 - Improve customer service/relations
- NOAA MOC-P
 - GSA Vendor Training Programs, to encourage a greater local capture of NOAA expenditures
 - Accommodate expansion as available

- Ongoing Support of the Marine Science Cluster

IV. PLAN OBJECTIVES AND STRATEGIES

The following Objectives and Strategies are based on the following resources:

- *The Port of Newport Strategic Business Plan Update – 2008*
- *Two Focus Group sessions comprised of key Port stakeholders*
- *SWOT – Strengths, Weaknesses, Opportunities and Threats Workshop held with the Port of Newport Commissioners and senior staff.*
- *NPPT past experience with the Oregon port industry*
- *Yaquina Bay Ocean Observing Initiative Strategic Framework*
- *International Terminal Renovation Project Economic Analysis*

A. MANAGEMENT

Governance

Objective

Review existing and adopt new Port Commission policies to provide written guidance for (1) stronger continuing education requirements for members of the Board of Commissioners, and (2) opportunities for staff development.

Strategy

As part of the Management Plan section of the Strategic Business Plan, review the Special Districts Association of Oregon (SDAO) policy manual. Consider any specific minor modifications appropriate to the circumstances of the Port of Newport, edit and adopt policies similar to the following:

- **Board of Commissioners Education**
In order to effectively carry out their duties, board members must be adequately informed. As part of these duties, Commission members are encouraged to attend on a continuing basis such conferences and training programs identified as suitable training in order to meet the terms of the Individual Business Agreement between the Port of Newport and the State of Oregon.
- **Staff Training and Development**
The Port of Newport provides continued education and training for employees to enhance job performance and assist in potential career advancement within the District. The District shall provide such in-service training as deemed necessary and beneficial to the delivery of services and performance of duties.

Financial Principles

Objective

Maintain Port financial strength and flexibility to strategically and sustainably support the Port's mission.

Strategies

- A. Increases to user fees (boat slips, RV spaces) should be linked to improved facilities in order to remain competitive in the market.
- B. Utilize quality “state of the art” technology to maximize the accounting of Port financial resources and expenditures.
- C. Be alert to potential Port liability issues in the event of loss of life or damages from Charter Boat operations.
- D. Develop regular management reports that break down operating trends and budgeting by a series of relevant business units.
- E. Regular identification and evaluation of risks, including forward looking forecasts.

Human Resources

Objective

Maintain and enhance Port management, personnel, and service capabilities to ensure the efficient and effective delivery of Port and community services.

Strategies

- A. Provide on-going training of commissioners and staff consistent with the 2010 Statewide Port System Plan template, as listed in the Governance section preceding.
- B. Utilize training videos and other state of the art technology to facilitate training and minimize job absences.
- C. Improve customer service/relations with all tenants, lessees and tourists by utilizing customer relations training.

Environmental Values and Policies

Declaration of Environmental Values The Port of Newport serves as a steward for Port district resources, which include the facilities and infrastructure of the built environment as well as the land, water and air quality of the natural environment. The Port recognizes that the built environment provides necessary shelter, transportation and employment opportunities for its citizens. The Port also recognizes that proper attention to the quality of the natural environment is essential to maintain a resilient and thriving coastal ecosystem that in turn provides a healthful and attractive setting for living, working and recreating. The Port assumes responsibility for ensuring that its actions will promote a healthful, beneficial and sustainable environment for the enjoyment of its citizens.

Expected Actions during Five-Year plan period Port will adopt the following policies that maintain best management practices in all operations, comply with all applicable environmental laws, utilize up-to-date manuals of procedure, and maintain employee training for responding to environmental emergencies.

Environmental policies

Objective: Adopt best environmental practices available.

Strategies: Review and adopt an Environmental Plan component of the Port of Newport Strategic Business Plan that contains at least the following policies:

- A. The Port will strive to prevent new sources of contamination on Port property through best management practices and continued improvement of written standard operating procedures.
- B. The Port of Newport will minimize impacts and seek opportunities to enhance natural resources where appropriate while carrying out Port projects.
- C. The Port will comply fully and promptly with all applicable environmental laws and regulations.
- D. The Port and its subcontractors will maintain in good working order manuals of procedure for responding to environmental emergencies, and will ensure periodic training of staff in such procedures.
- E. The Port will maintain cooperative working relationships with local, state and federal permitting and resource agencies.
- F. The Port will respond in a timely and thorough fashion to inquiries or expressions of concern regarding environmental issues related to Port or tenant activities.

Capital Facilities Plan

Objective:

Adopt the 2013 Capital Facilities Plan and update the plan on an annual basis. The Capital Facilities Plan is included as a separate document.

B. ECONOMIC DEVELOPMENT

Objectives:

Promote, protect and expand traditional community economic activities and businesses.

Promote and support improvement in the level of local employment, community income and general economic activity.

Develop and market existing Port assets and services, and acquire new assets to enhance local employment and income levels.

Strategies

A. Existing Economic Development Activity

1. Promote and support the expansion of community and regional tourism and recreation facilities, programs and activities.
2. Collaborate with the state by “Branding” supportable and sustainable fisheries.

B. New Economic Development Opportunities

1. Actively seek additional users for the International Terminal, including an outreach program to local and regional firms with potential inbound and/or outbound shipping needs. Industry targets would include but not be limited to finished lumber and scrap paper.
2. Continue to participate as a partner in Ocean Observation in collaboration with the Hatfield Marine Science Center and NOAA MOC-P.
3. Continue to support the concept of the Ocean Technology Center by coordinating with other public and private players including OSU Sea Grant, ODFW, UW, and private interests. The Center will expand Marine science research such as wave energy and servicing the technology.
4. Extend the tourism shoulder season with continued growth of the Seafood & Wine Festival, Wild Seafood weekend, boat shows, and other activities and events that can occur in the off season.

5. Leverage the new marine facilities to expand the distant water fleet and support “at sea” processing vessels.

C. Marine Science

1. Enhance opportunities in marine science for existing businesses on the central coast
2. Attract scientific entities and institutions to invest and work in Newport.
3. Attract new businesses, including high-tech, that will support the new cutting edge work in marine science on the Oregon Coast.
4. Enhance current marine infrastructure to provide safe and efficient work platforms for scientific entities, institutions and the movement of maritime commerce.

C. COORDINATION

1. Identify, develop and enhance cooperative relationships with public and private organizations that share an interest in economic and community development.
2. Maintain and nurture the current quality relationships with the Corps of Engineers and other city/state/federal agencies
3. Coordinate the Port’s import/export Plan with the state’s collaboration to encourage value added lumber/forest products for export.

D. BUSINESS UNITS

Commercial Fishing Fleet

- A. Provide quality services and facilities to the commercial fishing industry.
- B. Promote and support development and expansion of marine science and fisheries research
- C. Improve the poor condition of slips serving the commercial fleet including: an upgrade and repair to Port Dock 7, Hoist Dock and approach to Dock 5, prepare dredging plan for commercial moorages and upgrading utilities in and around existing slips.
- D. Prepare a Maintenance Plan, identify and budget adequate funds, and prepare a maintenance schedule for the Maintenance Team to implement the plan.

- E. Enhance and maintain Newport’s services to the Distant Water Fleet, such as Foul Weather Trawl.
- F. Encourage the members of the Parking Management District to participate in a Master Planning effort for the Port’s properties on the north side. The Plan would not only address parking and circulation but also benefit new gear storage and a new port office location.
- G. When adding new or replacing major existing sections of piers and floating docks, consider adding meters to determine individual electrical and water usage, subject to an analysis that the likely benefits of lowered utility costs exceed the amortized cost of meter installation.

Sport Marina and RV Park

Prepare a Master Plan for the South Beach area that will include for example: additional fish cleaning stations, dry storage for recreational boaters, improved restrooms, an access point for non-motorized boats and recommendations for short/long term development of under-utilized or vacant parcels, and a utility metering system for individual marina spaces.

Real Estate

- A. Monitor opportunities to purchase additional land areas for new and/or expanding uses that are compatible with the theme of the development on the north and south, in order to address the lack of sufficient developable real estate for existing and new businesses and parking on the North side and very limited opportunities at South Beach
- B. Utilize existing available properties prudently by either maximizing income or fulfilling public policy objectives.
- C. Periodically review gear storage areas for illegal or outdated gear so as to free new space for storage.
- D. Be alert to the possibilities of expansion by NOAA MOC-P, ocean observation, marine science and marine technology industries by reserving adjacent land and shoreline areas to capture such opportunities.

International Terminal

- A. Maintain and promote an appropriate level of ocean terminal services and facilities.
- B. Maximize International Terminal cargo opportunities such as finished lumber, development of upland area, cruise ships (in time), coordination with GP at Toledo, etc.

NOAA MOC-P

- A. Explore the potential to draw in related service businesses and support local businesses with the GSA’s Vendor Training Program

V. FACILITIES AND PROPERTY

The following is a summary of the Port's facilities on Yaquina Bay. The facilities are separated by the Bay and occur on the north and south shorelines. For the purposes of this report, the areas that are developed and managed by the Port of Newport are referenced as:

- *North Shore Development Area and,*
- *South Beach Development Area*

NORTH SHORE DEVELOPMENT AREA

The **North Shore Development Area** comprises water-side and land-side development areas as well as Port-owned equipment:

The 214-slip marina is utilized primarily by Commercial fishers and the Distant Water fleet. In addition to Docks 1, 3, 5 and 7, Swede's Dock provides over 240 feet of floating moorage for boat maintenance, and the 220-foot fixed moorage contains four hoists of varying capacities, enabling large and small vessels to perform gear changes, off-loading fish product and other maintenance and repair work. Land-side improvements include paved parking and gear storage areas at Dock 7 and leases to Englund Marine and the Yaquina Bay Yacht Club. The Port's temporary main office is located in this area as well as a vacated building which has served as the Port office in the past. The Port's operations building which houses the forklifts used for the commercial fleet and maintenance shops for that area are located near the hoist dock. There is also a Restroom and Oil Reclamation Building for use by the Port's moorage tenants. The Port also leases office space to the federal Bureau of Customs and Border Protection (known as the US Customs Service until combined into the U.S. Department of Homeland Security in 2003).

There are 60 paved parking spaces serving Dock 7 and the port offices. Twenty three spaces are adjacent to the Englund Marine retail outlet and three spaces have been delineated at International Terminal.

The Port owns and operates several pieces of equipment used in day-to-day operations and maintenance of Port Facilities. Much of the portable equipment is used at all the Port facilities (North Shore and South Beach) and some is assigned to specific locations. Port-owned vehicles and Port equipment include:

- *Tugboat 34' long and 200 horsepower engine*
- *Boston Whaler outboard motor boat, 90 hp engine*
- *GROVE RT530E 30 ton mobile crane*
- *Five forklifts ranging in lifting capability from 2 ½ tons to 25 tons.*
- *Five Dock Hoists – Four are at the commercial fleet moorage facilities and one is at the international terminal ranging in lifting capability from one to five tons.*
- *Seven Pick-Up trucks ranging from ½ Ton to 2 1/2 tons.*

International Terminal is in the final stages of renovation and is expected to be completed by early 2013. This facility is a multi-use facility serving both the cargo shipping needs and the commercial fishing Distant Water Fleet. The terminal will provide 610 linear feet of berthing for deep draft vessels and barges serving the West Coast and Hawaii as well as small ships serving the Pacific, as well as providing space for the Distant Water Fleet when cargo vessels are not in port. There is also an additional 400 feet of berthing for the fishing industry vessels at the east berth. The Terminal is a 17 acre facility.

SOUTH BEACH DEVELOPMENT AREA

The South Beach Development Area is comprised of the following primary uses:

- *Major recreational (sport) marina made up of 527 slips.*
- *Three Recreational Vehicle Parks (RV) offering a total of up to 224 spaces.*
- *A Marine Operations Center – Pacific (NOAA MOC-P) facility.*
- *A distillery, restaurant, and other smaller retail uses serving Sport and Commercial fishers and visitors.*
- *643 parking spaces in six different locations serving the multi-use South Beach area, exclusive of the 178 spaces that are integral to the MOC-P facility.*
- *Hatfield Marine Science Center of Oregon State University*

The **Sport Marina** has slips ranging in size from 24 to 48 feet in length. Larger vessels can be accommodated at linear tie-ups. The marina has a full multi-lane boat ramp and pay station, transient dock, serviced fuel dock, fresh water hook-ups, a sanitary pump out station and shore power. The other facilities associated with the Marina include:

- *Marina Store and RV Office, Laundry and Activity Center*
- *Public Pier*

Recreation Vehicle (RV) Parks

The Port has three separate areas at the South Beach facility providing space for recreational vehicles; two are fully serviced and the other has no services (except as noted below). The most recent rate increases for the Port's RV parks was in the years 2008, 2009 and 2010. The Port decided it would be prudent to forego rate increases in 2011 and 2012, based on comments received from potential customers and on general economic conditions.

Marina RV Park. This is the largest facility, containing a total of 92 fully-serviced spaces. Services include water, sewer, TV and electrical hook-ups, with a choice of 30-amp or 50-amp service available. All spaces and roadways are paved. Pricing for these sites is \$2/night higher than others because of the location and market demand, although the Port offers the Good Sam Club 10% discount for these sites also. The registration office is located at the Marina RV Park; the building includes an activity center (seating capacity = 70 persons) that is available for reservation by groups and the general public. Laundry, shower and restroom facilities are also available at this building. Although site sizes vary to some extent, the Marina RV Park generally contains the largest and most sought-after sites:

- 45 sites are pull-through, about 62 feet long and 16-18 feet wide;
- 11 sites are pull in, roughly 45-50 in length but wider at 22-25 feet;
- 11 sites are front-view/back-in, about 34 feet long and 24 feet wide, but units up to 40 feet can locate there and overhang the space, depending on the RV's configuration;
- 13 sites are other back-ins; these are usually perimeter sites, some near the laundry;
- 12 sites are shorter pull-in/back-out, generally 35 feet long and 23 feet wide.

RV Park Annex. This 52-space park is located south of OSU Drive, across the street from the Oregon Coast Aquarium, and is separated from the view of the Marina by the Rogue Brewery parking area and the Dry Camp RV park. The Park can accommodate RVs up to 50 feet in length in some sites. The park has no asphalt paving, but all pads are graveled. All sites are fully serviced (water, sewer, TV and power); a few sites have 50-amp service but most have 30-amp only. All sites are priced the same, and all are back-in (no pull-through). Length and width vary; generally, length of sites is 30-36 feet (some are 25-27 feet) and some are 25-30 feet wide. Users have access to restroom and shower facilities.

Dry Camp. This park has no services except for one public dump station; users have access to the coin-operated laundry facilities. Its lower pricing makes it more popular with some campers, especially during the Independence Day holiday period and during the Wine and Seafood Festival in late February. Site capacity depends upon the size of vehicles and the method of parking, but is probably no greater than 80 RVs.

There are a total of 643 parking spaces at South Beach. These are located adjacent to specific uses. For example, 139 spaces are available to the Rogue Ale Brewery and House of Spirits, 102 spaces to the Dry camping area, 86 to the marina store and 304 for Boat trailer parking and Boat Ramp.

NOAA MOC-P Facilities

The MOC-P facility is located on the north shore of the Port's South Beach development area. On the land side, the facility is comprised of five (5) buildings including:

- Office Building, Warehouse, Guard Building
- Generator Building and HAZ-MAT Storage Building

On the Bay front is 1,300 linear feet of dock designed to accommodate NOAA's fleet of ships. There is also a 224 foot dock for smaller boats. The parking areas accommodate 178 vehicles.

Service Facilities

There are a variety of facilities that provide services to the Port's Multi-Use South Beach development, all associated with the marina, RV parks, recreation and minor retail outlets. These include:

- Six public restrooms, three fish cleaning stations, three picnic areas, four information kiosks, and miscellaneous minor facilities such as a boat washdown, diver shower, and fishing pier.

VII. CONSISTENCY WITH STATE AND REGIONAL PLANS

A. PORTS 2010 – A NEW STRATEGIC BUSINESS PLAN

The Oregon Business Development Commission (OBDC) recently adopted “*Ports 2010: A New Strategic Business Plan for Oregon’s Statewide Port System.*” The purpose of the Oregon Statewide Port Strategic Plan is to: “Define the State of Oregon’s future role, interest and investment in the statewide port system based on a realistic assessment of port markets, and economic and business development opportunities.” Building on past planning efforts and lessons learned, the ports’ current situations and their future outlook, the state’s strategic plan provides a set of recommendations and implementation strategies intended to create a successful business relationship between Oregon’s state government and all of Oregon’s ports.

The state’s goals include:

- *Improve state support and funding for ports to identify and grow their existing business lines.*
- *Identify strategies for Oregon’s ports to tap into emerging markets and respond quickly to new opportunities.*
- *Organize the state’s programs to facilitate the success of Oregon ports.*
- *Provide education, outreach, training, advocacy and support for ports.*
- *Provide financing programs and investment strategies to improve the ports’ ability to pursue existing business lines and net markets.*

The plan also includes a template which is intended to serve as a guide to ports for their Strategic Business Plans. The Port of Newport’s Strategic Business Plan has been designed to comply with the state’s template.

B. STATEWIDE PLANNING GOALS AND POLICIES

Since 1973, Oregon has maintained a strong statewide program for land use planning. The foundation of the program is a set of 19 statewide planning goals. The goals express the state’s policies on land use and on related topics such as natural resources, economic development and transportation. The goals are mandatory and have been adopted as Oregon Administrative Rules (OAR) Chapter 660. Cities and Counties are responsible for complying with Chapter 660 by assuring that their Comprehensive Plans and Development Ordinances fulfill the requirements of the OAR for each Goal.

The Port’s responsibility is to coordinate the improvement of its facilities and long range plans with the general purpose government. In some communities, ports have an excellent working relationship with the cities and counties and in others, productive cooperation is often not achieved. As noted later within this section, the relationship between the Port and City of Newport is considered to be excellent.

The Statewide Planning Goals that provide a framework for Port programs in the Newport area especially include:

1. Goal 9 - Economic Development: *To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.*

The Oregon Administrative Rule Chap.660.009.0000 DIV.9 Economic Development was amended in 2008 and specifies the requirements for complying with the goal. Cities and counties are required to assess the national, state and local trends and inventory their commercial and industrial zoned lands. Based on an assessment of future economic opportunities, the jurisdiction must identify and plan for the number and types of sites that will be required to accommodate the need.

The Goal 9 planning process is an opportunity for a port to incorporate its vision into various cities' and the county's Comprehensive Plans. By coordinating the port's long range plans with the city and county, future regulatory issues related to commercial and industrial development, have an improved standing with the state and federal agencies. The Department of Land Conservation and Development has been very aggressive in the past two to five years in providing funds to communities to update this section of their Comprehensive Plans.

2. Goal 12 – Transportation: *To provide and encourage a safe, convenient and economic transportation system.*

Goal 12 refers to “transportation” as the movement of people and goods. The Oregon Administrative Rule Chap.660-012-0000 Division 12 Transportation Planning (filed in August 2002) is directed at all modes including port facilities, airports, railroads and regional pipelines. The rule requires jurisdictions to prepare Transportation Systems Plans (TSPs) that are composed of transportation system planning and transportation project development.

3. Goal 16 – Estuarine Resources: *To recognize and protect the unique environmental, economic, and social values of each estuary and associated wetlands; and To protect, maintain, where appropriate develop, and where appropriate restore the long-term environmental, economic, and social values, diversity and benefits of Oregon's estuaries.*

The Yaquina Bay component of the Lincoln County Estuary Management Plan identifies specific management units based on inventories and characteristics that describe whether the unit shall be managed for natural, conservation or development uses. Where uses are needed that would not otherwise be allowed (such as the outfall and storm drainage for the South Beach development area emptying into a “natural” management unit), a formal public process known as a “goal exception” must be undertaken (and was during the plan's adoption phase) to justify what would otherwise be a conflict with the goal.

4. Goal 17 – Coastal Shorelands: *To conserve, protect, where appropriate, develop and where appropriate restore the resources and benefits of all coastal shorelands, recognizing their value for protection and maintenance of water quality, fish and wildlife habitat, water-dependent uses, economic resources and recreation and aesthetics. The management of these shoreland areas shall be compatible with the characteristics of the adjacent coastal waters; and To reduce the hazard to human life*

and property, and the adverse effects upon water quality and fish and wildlife habitat, resulting from the use and enjoyment of Oregon's coastal shorelands.

As with estuarine areas, coastal shorelands within Yaquina Bay are divided into various management units, each based on the underlying characteristics of the area, and with management objectives and policies tailored to the type of unit (natural, conservation or development). As noted in the next section, the Port of Newport's developable property is appropriately designated and protected for development.

C. CITY AND COUNTY POLICIES AND PLANS

The Port of Newport's land and waterside holdings occur almost entirely within the incorporated limits of the City of Newport, meaning that it is primarily City (and to some limited extent County) plans and policies that may affect the Port's ease of conducting business. For purposes of expediency, this review will focus on policies and plans within those two jurisdictions.

- 1. Lincoln County.** The County's Comprehensive Plan does not specifically address the Port of Newport. Section 1.0135, "Economic Policies", includes policies which require the County to "work with port districts..." to "establish clear and concise long range goals" (Policy #8) and "to promote commerce and industry" (Policy #9). The Lincoln County Estuary Management Plan (LCEMP) provides the basis for management of shorelands and estuarine areas, including the properties and location of the Port of Newport, identified in the LCEMP as "Newport Sub-area". The LCEMP has not been through periodic review for a significant time period since its adoption in 1982, but the Plan contains clear requirements that all local governments, including the Port of Newport, will be partners in its update. Part V "Estuarine Use Standards" set forth requirements dealing with structures, dredging, shoreline stabilization, fill, marina and port facilities, dredged material disposal and other activities that affect the Port of Newport's planning and operations.
- 2. City of Newport.** The Port of Newport's major landholdings and waterside development are situated entirely within the incorporated limits of the City of Newport. As such, the City's Comprehensive Plan – which also subsumes relevant portions of the Yaquina Bay portions of the Lincoln County Estuary Management Plan – deals specifically with Port of Newport issues on many levels. In the interests of brevity and focus, the following specific sections are noted:
 - a. Chapter 5d, "Water Transportation" section of the Transportation chapter, is relatively short in scope; the relevant portion is Table 9 listing needed capital facilities projects for the Port of Newport at the time of preparation of the plan (two decades prior to this Port Strategic Business Plan).
 - b. Chapter 5g, "Port Facilities", is a seven-page section that describes the Port's existing facilities, their various conditions, recommended improvements and priorities, although the data in the Plan dates to a CH2M Hill, Inc. report of 1989, "Update of Port Element of Comprehensive Plan".

- c. Chapter 7, “Yaquina Bay and Estuary Section”, comprises three parts that each apply to the Port of Newport: it describes the inventory of resources and uses (pulled from the Estuary Management Plan), identifies individual management units with Yaquina Bay and assigns specific management objectives as well as permitted and proscribed uses within each management unit. To summarize the portions most relevant to the Port of Newport:
 - The relevant management units for Port of Newport operations are especially Unit #4 (the federal navigation channel and turning basin), Unit #5 (the North Shore to McLean Point) and Unit #7, (South Beach).
 - This section also includes two goal exceptions, the second of which is for storm water drainage and outfall for the portion of South Beach that naturally drains into Management Unit 9-A (which would otherwise have been prohibited based on the characteristics and management objectives of Unit #9 when LCDC goal #16 is applied).
 - This chapter includes a “Port Development Plan” that is a summary of the previously described 1989 report prepared by CH2M Hill, Inc., identifying “Industry Demands”, “Potential Development of Bay Front Areas”, and “Development Restrictions” (essentially limited funding and environmental regulations).
 - Chapter 7 sets forth a goal (“To recognize and balance the unique economic, social, and environmental values of the Yaquina Bay Estuary”) and fifteen policies to implement the goal. Of the fifteen policies, at least the first twelve involve or impact the Port directly, although the Port of Newport is mentioned by name only once (Policy #6, “Protection of Mitigation Sites”) and “Implementation Measure #3” under Policy #15, “Temporary Alterations in Natural and Conservation Management Units”.
 - Implementation Measure #3 states “The Port of Newport and the city shall cooperate in the implementation of the Port Development Plan (dated July of 1989) or any other plan adopted by the port and consistent with the city's Comprehensive Plan”.

3. Assessment. Part of the State of Oregon’s requirement for conducting a strategic business plan is to “characterize the working relationship of the port with the county, local cities and special districts.” Based on results of focus group meetings held as part of the process to develop this Strategic Business Plan, and especially a telephone interview with the Newport Community Development Director, it is appropriate to characterize the working relationships involving the Port of Newport as “excellent”, primarily through the proactive collaboration and attitude of the Port General Manager. In particular, staff noted that the Port and the City communicate regularly on a range of issues, and that the Port typically contacts the City early on issues. Specific City coordination issues elicited from the interview (some of which also were noted at the focus group meetings) include:

- The City and the Port both own waterfront property, and they have a common interest in how they each manage their properties.

- Likely the most important coordination issue for the City is how the City's investment in new infrastructure is tied to the Port's needs and plans. That is, the City bases some of its investments in (for example) sewer-line and water-line extensions on the Port's plans and proposed projects. The City wants to ensure that the Port actively pursues its proposed projects to fruition to help justify the City's advance investment, especially regarding the "marine related footprint".
- The Port is seen as active in local environmental issues to the extent that it involves the Port's interest; the Port is seen as interested in and serious about mitigation, such as their planting of eelgrass.
- Public perception of the Port's environmental values, policies and practices has improved slightly based on improving values at the Port.
- The Port should continue active discussions with the City of Newport regarding the future of the Newport Municipal Airport and the Port's role.
- The public would probably accept seeing the port consider large vacant industrial property holdings with the idea of purchase.
- The City recognizes that its plan components regarding port facilities are dated, and expects to incorporate especially the capital facilities planning components into future updates of the City's Comprehensive Plan.

APPENDIX A EXISTING CONDITIONS ASSESSMENT

A. POLICIES AND PROCEDURES

1. **Port Commission.** The Port is in the process of updating its policy document entitled “Commission Duties and Responsibilities” adopted in May, 1993. The policy document clearly specifies the Port Commission’s policy-making role and line of overall authority, and delegates administrative functions to its General Manager. The policy document thoroughly covers matters appropriate to the proper functioning of the Port of Newport, particularly the authority and limitations of the Port Commission, and sets forth clear rules for the conduct of a Port Commissioner.
2. **General Administration.** The Port’s principal administrative document, published in booklet form as “Ordinance No. 1 – 1991” is under revision by Port staff. Completion of a draft for Port Commission review is expected before the end of the current fiscal year. Ordinance No. 1 was adopted January 22, 1991, and modified March 23, 1993 by Ordinance No. 2 – 1993 (relating to delinquent accounts and to the Port’s ability to secure a vessel or property without prior notice to the owner). The document provides clear, published rules and regulations for moorage and harbor services, operation of harbor facilities, and rules and fee schedules specific to South Beach Marina and to the RV Park. The Port utilizes the availability and expertise of Special District Association of Oregon (SDAO); SDAO annually does risk evaluations of operations and provides a written report to the Port. The central office is in the process of ensuring that it has a copy (physical or on computer) of every facilities written procedures, although that process is not yet at completion.
3. **Finance and Personnel.** The Director of Finance also serves as the personnel officer and maintains an extensive set of policies on the full range of accounting procedures (such as accounts payable and receivable, payroll, internal controls, records retention and others), public finance and contracting, and personnel procedures. Most of these policies are housed in computer files rather than print form.
4. **Port Facilities.** Each of the Port’s major public facilities has standard operating procedures for safe equipment operation, even down to details of the kind of clothing that should be worn for each kind of equipment (for example, use of a chain saw versus a drill press). Each facility maintains a spill response plan; the central office has a copy of all such plans. The Port is preparing an overall “Emergency Response Plan”, to include items such as evacuation procedures in public emergencies; a final draft is currently being reviewed by the Port Commission. This document is scheduled to be finalized by the end of 2012. Each facility provides a representative to the Port’s Safety Committee, which meets monthly.
5. **Assessment.** Although the Port does not maintain one single overarching “policy document”, (a) the Port Commission by rule and by practice appears to understand its role as policy maker; (b) staff maintains a variety of policy documents and appears to utilize them as a means of implementing Port Commission direction; and (c) the Port is moving toward having one centralized site that will have a copy of all policies and procedures. One area where the Port would benefit from additional

clarity in policy form is Port Commissioner training and staff development. The Port Commission's "Duties and Responsibilities" document mentions Commissioner training, but it is passive rather than directive, leaving training up to the volition of each particular Commissioner. Although there is sentiment in favor of staff development, there is no clear policy supporting it, no description of the circumstances and extent to which it could be accomplished, nor any identification as to how it could be funded.

B. OPERATIONS

General Comments.

1. **Maintenance.** Maintenance workers are out in the elements all day, every day, regardless of the weather; maintenance workers and working facility managers account for twelve employees out of a total port staff of twenty personnel. Port staff maintains all leased buildings (such as roofs and windows); contracted labor has been increased over the last 10 years to the point that it is now estimated by staff to be approximately 40% in the categories of landscaping, painting and janitorial. The Port developed a "Facilities Maintenance Plan – Draft" detailing major assets for each facility, the various maintenance projects needed, and estimated costs, but the document has not been updated since Fiscal Year 2007/2008.
2. **Management and Administration.** The General Manager has five direct reports, including the Director of Finance, Administrative Assistant, Special Projects Manager, NOAA MOC-P facility, and Project Manager/Engineer Technician (to whom the two harbormasters and the International Terminal Manager report). Typical of other similar sized ports, some members of the staff move to the busier facility (South Beach Marina) part of the week during the summer season. The Director of Finance also splits his time at each of the marina facilities to provide increased staff coverage and assistance.
3. **Commercial Fishing Facilities and Services.** The Port of Newport utilizes separate harbormasters for each of their two marina facilities. Normally, the Commercial Marina complex includes four other maintenance staff plus the harbormaster. Maintenance employees are moved to other facilities when a project or seasonal demand requires it; for example, one of the Commercial Marina maintenance employees is temporarily assigned to South Beach to help complete repairs to G Dock. Typical routine maintenance includes repairs to water lines, electrical lines, cleats, and pump-aheads, plus staying current with dumpsters and bathroom cleaning and similar tasks. However, as much as 75% of staff time is estimated to be devoted to running the hoists and fork lift equipment for the fishing community. The Port charges an hourly tie-up fee for boats at the hoist dock, and charges \$42.50/hour for fork lift use (more for crane work). Staff performs monthly (or more frequent) inspections of the crab pot and gear storage area to ensure compliance with storage and fee revenue requirements.

Major upcoming projects requiring substantial staff time includes maintenance dredging as well as dock repair/replacement. (The Port has removed several hundred feet of dock footage over the last few years because of significant

deterioration of steel piling.) Port staff would not perform the dredging, but would likely be required to move finger docks out of the dredge's way, and would also perform much of the dock repair, except for pile-driving.

Most Port administrative activities are housed at the Commercial Marina offices. This office receives fewer customer service requests at the office than the South Beach facility, although maintenance staff members are frequently in customer contact throughout the facility. The Port recently began, in cooperation with the Hatfield Marine Science Center (HMSC) and OSU Sea Grant, a "Working Waterfront" docents program using uniformed volunteers who help answer many tourists' questions about operations and usage at the Port's facilities. The program is not only popular with tourists but also enables staff (and commercial fishers) to share the use of the Port Dock One facility with preference to the commercial fishing industry

4. **RV Facilities and Sports Marina at South Beach.** Facility staff housed at the RV Facility office includes an office manager, full-time clerk, and part-time clerk, plus the Director of Finance splits his time between the North and South facilities as needed. Maintenance staff normally comprises the harbormaster plus three full-time maintenance staff, supplemented in the busy summer season with temporary help. Port employees are currently rebuilding G-Dock so that it can be reopened for customers. G-dock work by staff includes replacing utilities and walers, and reattaching finger docks. In order to complete the work, Port staff devotes three days of activity per week to G-Dock; this project takes time away from other routine maintenance activities, which include cleaning/emptying dumpster, fish dumpster, fish cleaning and filleting stations, and laundry facilities (two separate locations in the Marina). Customer service calls may account for less than 5% of weekly activity, depending on the season. Most of the customers contact the office with their requests, where the maintenance need is entered into a log book that is checked daily by maintenance staff. Some activities are performed by private firms. For example, a janitorial service cleans the restrooms, major landscaping services are typically hired once per year for vegetation spraying and removal, and the Port's fuel facility is leased and run by private operators.
5. **International Terminal.** The Terminal Facility Supervisor does the crane work on site, servicing the commercial fishing fleet, including responsibility for berthing of vessels tying to the dock. When the Distant Water Fleet is in, the manager may spend as much as 90% of his time on the crane, assisting for example with gear removal and change; the Supervisor also operates forklifts and other equipment to provide service to the fleet with storage and other needs, and is responsible for maintenance of facilities and equipment. When Terminal renovations are completed, duties will include working with the Stevedores, Longshoremen and major lessees at the Terminal to facilitate safe and effective handling of cargo.
6. **NOAA MOC-P Facility.** This facility has a separate full-time manager. The agreement between NOAA and the Port specifies that the Facility Manager will conduct frequent inspections of major components, such as HVAC system, emergency generators, and docks to maintain full functionality. Maintenance

includes both physical actions (for example, janitorial) and also preventative maintenance through scheduled inspections. The manager utilizes a software program to assist in keeping track of scheduled maintenance and monitoring activities at the facility. The facility manager is also the lead at the Port to initiate and implement use of a software program of similar capability to establish software database maintenance schedules for all Port assets and facilities.

Assessment.

1. Staffing structure. Operations in a heavily utilized harbor require constant staff attention to routine and preventive maintenance, both for user safety and for “maintaining” revenue flows. The Port’s prime location near the salt air environment of the ocean simply hastens the deterioration and maintenance needs of fixtures and equipment. Most of the Port’s staffing structure appears properly weighted toward physical operations and maintenance; this includes not just the maintenance crews and their working supervisors, but also the accounting staff that also serves heavy customer demands at the two marina facilities. Port management mobilizes staff from one Port facility toward another, as needed. The Port also focuses on operational safety for users, removing (for example) several sections of Commercial Marina docks because of deteriorated steel pilings.
2. Facility cost versus revenue issues. Dock sections removed for safety reasons represent lost revenue opportunities, assuming that new revenues would amortize replacement costs over a reasonable time period. There are, however, no funds budgeted or identified to acquire the needed dock materials and piling and to pay for pile driving services. Later sections of this Strategic Business Plan will indicate whether revenues from the commercial marina have kept pace with commercial marina costs. It appears from existing Port documents that South Beach Marina rate increases have significantly outpaced rate increases for the Commercial marina and its operational costs.
3. Priorities and Focus. The Capital Facilities Plan process now underway will help the Port identify and prioritize longer term capital replacement items such as deteriorated steel piling. In the meantime, the priority of maintenance staff activities has been to focus on the reconstruction of the docks at South Beach, and to maintain services to the commercial fishing fleet. Over the past several years, Port administration and Commission has sharply focused on the successful completion of two major projects, the NOAA MOC-P facility and International Terminal. These projects not only will provide a dynamic boost to the Newport economy but have also garnered positive state-wide attention to the community of Newport, in no small part because of the Port’s ability to garner significant community and state-wide financial support. Now that one project is complete and the other nearly so, the Port can utilize the Strategic Business Plan process underway to refocus its efforts on the noted maintenance and revenue issues.

APPENDIX B DETAIL OF FINANCIAL CONDITION

The Port of Newport's financial profile has changed significantly over the last few years, as major capital improvements such as the NOAA MOC-P and International Terminal have boosted capital assets as well as long term liabilities through bond issuance. The Port's total net assets at the end of the 2011 Fiscal Year was just over \$49.3 million, reflecting assets of \$95.5 million and liabilities of \$46.2 million.

SUMMARY OF NET ASSETS AT END OF FISCAL YEAR (Thousands)

	Port-Wide			Net Change		
	2009	2010	2011	09-10	10-11	09-11
ASSETS						
Cash and Investments	\$9,492	\$22,482	\$18,272	\$12,990	(\$4,210)	\$8,780
Other Assets	\$447	\$466	\$1,409	\$19	\$943	\$962
Capital Assets	\$12,336	\$38,999	\$75,837	\$26,663	\$36,838	\$63,501
Total Assets	\$22,275	\$61,947	\$95,518	\$39,672	\$33,571	\$73,243
LIABILITIES						
Current Liabilities	\$1,105	\$15,148	\$3,338	\$14,043	(\$11,810)	\$2,233
Long-Term Liabilities	\$13,271	\$12,819	\$42,826	(\$452)	\$30,007	\$29,555
Total Liabilities	\$14,376	\$27,967	\$46,164	\$13,591	\$18,197	\$31,788
NET ASSETS						
Invested in Capital Assets <i>Net of Related Debt</i>	\$6,489	\$29,760	\$43,475	\$23,271	\$13,715	\$36,986
Restricted	\$390	\$2,978	\$2,242	\$2,588	(\$736)	\$1,852
Unrestricted	\$1,020	\$1,242	\$3,637	\$222	\$2,395	\$2,617
Total Net Assets	\$7,899	\$33,980	\$49,354	\$26,081	\$15,374	\$41,455

SOURCE: Audited Financial Statements, Fiscal Years Ended June 30, 2011, June 30, 2010 and June 30, 2009

The Port's land assets have increased across the board, with the exception of equipment, which declined slightly due to depreciation. Much of this shift is associated with a change in the valuation methodology for land as opposed to net new acquisitions or escalation. Total capital assets at FYE 2011 were \$63.5 million higher than at FYE 2009.

SUMMARY OF CAPITAL ASSETS
FISCAL YEAR ENDING JUNE 30TH
(Thousands)

	Total Port			Net Change	
	2009	2010	2011	09-10	10-11
NON-DEPRECIABLE ASSETS					
Land	\$2,732	\$20,222	\$20,222	\$17,490	\$0
Construction in Progress	\$3,348	\$12,716	\$29,206	\$9,368	\$16,490
Total Non-Depreciable Assets	\$6,079	\$32,937	\$49,427	\$26,858	\$16,490
DEPRECIABLE ASSETS					
Land Improvements	\$9,548	\$9,548	\$18,261	\$0	\$8,714
Buildings & Docks	\$12,023	\$12,167	\$23,209	\$144	\$11,042
Equipment	\$825	\$789	\$789	(\$36)	(\$0)
Total Depreciable Capital Assets	\$22,396	\$22,504	\$42,259	\$108	\$19,755
LESS ACCUMULATED DEPRECIATION					
Land Improvements	(\$6,568)	(\$6,719)	(\$6,690)	(\$151)	\$29
Buildings & Docks	(\$9,168)	(\$9,410)	(\$8,840)	(\$242)	\$570
Equipment	(\$404)	(\$313)	(\$320)	\$90	(\$7)
Total Depreciable Capital Assets	(\$16,139)	(\$16,442)	(\$15,849)	(\$303)	\$593
Total Capital Assets	\$12,336	\$38,999	\$75,837	\$26,664	\$36,838

SOURCE: Audited Financial Statements, Fiscal Years Ended June 30, 2011, June 30, 2010 and June 30, 2009

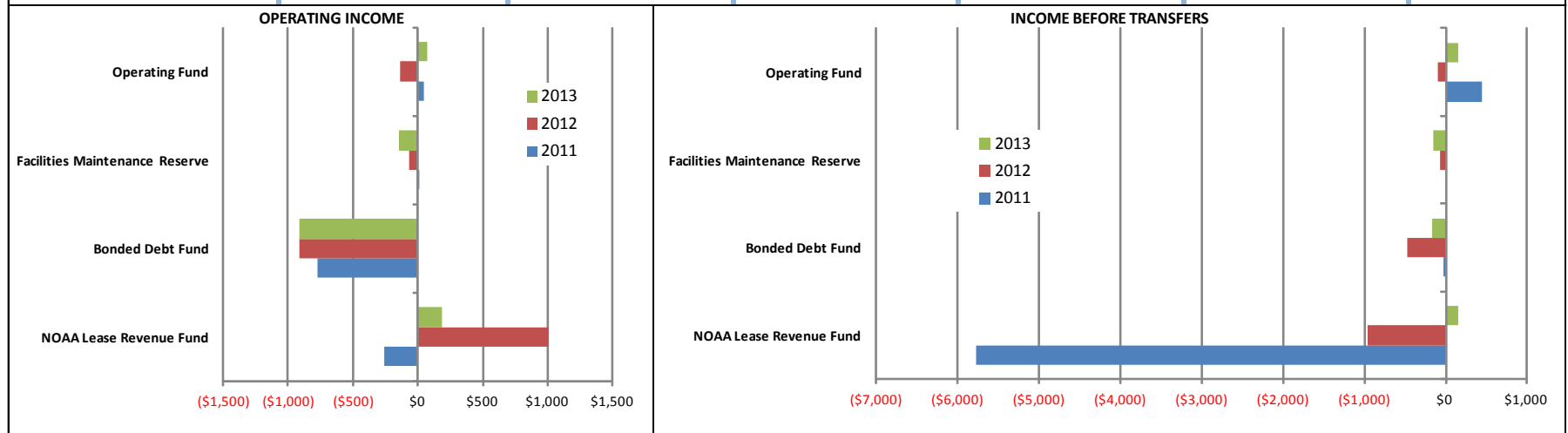
The Port of Newport uses the accrual method of accounting to track operations. Operating activities at the Port are currently reported using five funds, which are as follows:

- **NOAA Lease Revenue Fund** - This fund accumulates revenues from NOAA's lease payments, and funds operating expenses and debt payments associated with the NOAA facility.
- **Bonded Debt Fund** - This fund is used to receive dedicated property taxes to repay the general obligation bonds for the Newport International Terminal.
- **Facilities Maintenance Reserve Fund** - This fund is relatively new, and is intended to meet the requirements of the facilities maintenance plan, as well as to meet unforeseen or emergency occurrences.
- **Construction Fund** - This fund includes expenditures from the International Terminal Project. The fund will be collapsed into the General Operating Fund following completion of the terminal.
- **Operating Fund** - Most of the Port's operations are included as part of the Operating Fund.

As outlined in the next two pages, the Port's operations are largely funded by operating revenues and grants, with property taxes accounting for only a modest share of operating fund revenues. For this fiscal year it is budgeted at 2.43%, or approximately 2.7% if grants are taken out of the equation, and roughly 3% without grants and shipping. Historically, the percentage has been closer to 3%.

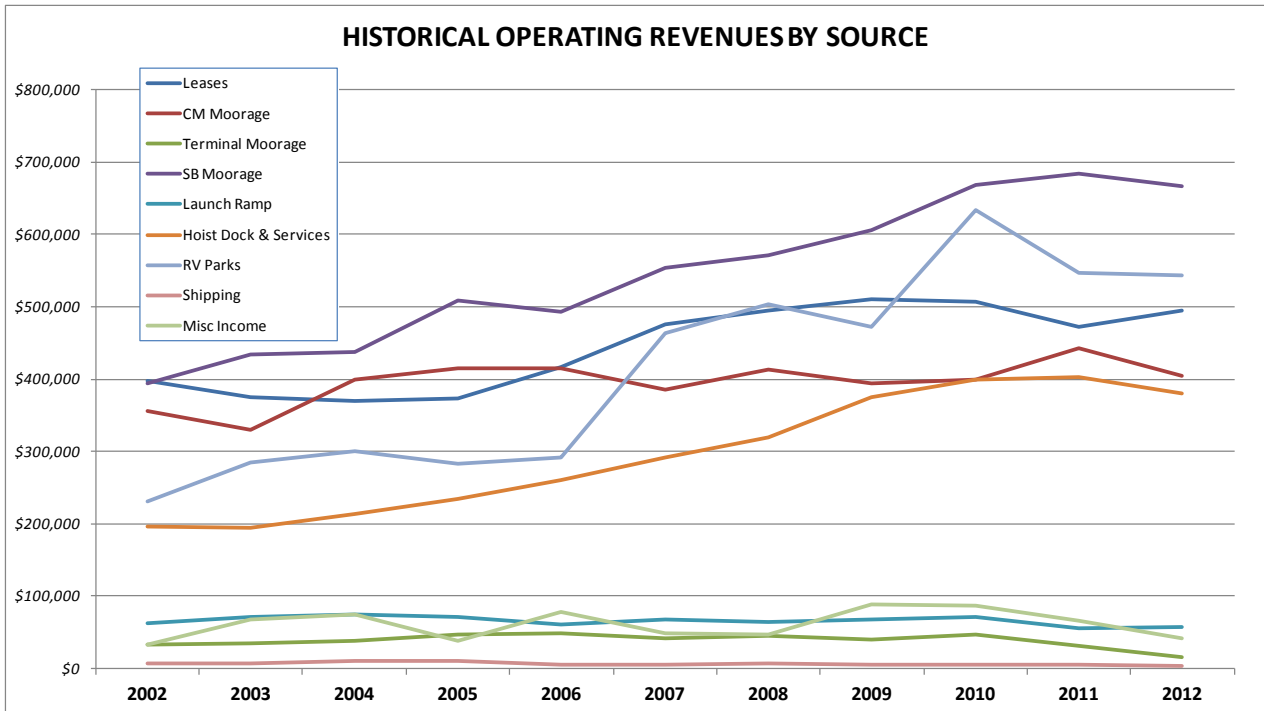
**SUMMARY OF OPERATING ACTIVITIES
FOR THE FISCAL YEAR ENDING JUNE 30
(Thousands)**

	NOAA Lease Revenue Fund			Bonded Debt Fund			Facilities Maintenance Reserve			Construction Fund			Operating Fund			Net Change	
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	11-12	12-13
REVENUE																	
Operating Revenues	\$422	\$2,533	\$2,533	\$5	\$2	\$2	\$0	\$0	\$0	\$43	\$21	\$4	\$2,708	\$2,648	\$3,179	(\$60)	\$532
Non-Operating Revenues																	
Property Taxes				\$745	\$443	\$752							\$82	\$88	\$87	\$6	(\$0)
Grants	\$500												\$3	\$3	\$314	\$1	\$311
Interest	\$110	\$15	\$12										\$8	\$3	\$3	(\$5)	(\$0)
Gain from Sale of Assets													\$0	\$1	\$13	\$1	\$12
Bond Proceeds	\$23,863									\$5,394			\$0	\$0	\$0	\$0	\$0
Loan Proceeds										\$800	\$300	\$3,400	\$469	\$0	\$0	(\$469)	\$0
Total Revenue	\$24,896	\$2,548	\$2,545	\$749	\$445	\$754	\$0	\$0	\$0	\$6,237	\$321	\$3,404	\$3,270	\$2,743	\$3,596	(\$527)	\$531
EXPENSES																	
Operating Expenses	\$681	\$1,530	\$2,350	\$782	\$918	\$918		\$66	\$147	\$0	\$0	\$0	\$2,665	\$2,787	\$3,105	\$122	\$318
Non-Operating Expenses	\$29,989	\$1,973	\$45	\$0	\$0	\$0		\$0	\$0	\$6,960	\$8,164	\$4,379	\$155	\$57	\$337	(\$99)	\$281
Total Expenses	\$30,671	\$3,503	\$2,395	\$782	\$918	\$918	\$0	\$66	\$147	\$6,960	\$8,164	\$4,379	\$2,820	\$2,844	\$3,442	\$24	\$598
SUMMARY																	
Operating Income	(\$259)	\$1,004	\$183	(\$777)	(\$916)	(\$916)	\$0	(\$66)	(\$147)	\$43	\$21	\$4	\$43	(\$139)	\$75	(\$183)	\$214
Income Before Transfers	(\$5,775)	(\$954)	\$150	(\$33)	(\$473)	(\$163)	\$0	(\$66)	(\$147)	(\$723)	(\$7,842)	(\$975)	\$450	(\$101)	\$154	(\$551)	\$255
Capital Contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers/Net	\$26	(\$1,100)	(\$150)	\$9	\$8	\$8	\$0	\$44	\$125	\$2,596	\$0	\$500	(\$469)	(\$44)	(\$125)	\$425	(\$81)
Change in Assets	(\$5,749)	(\$2,054)	\$0	(\$24)	(\$465)	(\$155)	\$0	(\$22)	(\$22)	\$1,874	(\$7,842)	(\$475)	(\$19)	(\$145)	\$29	(\$126)	\$174

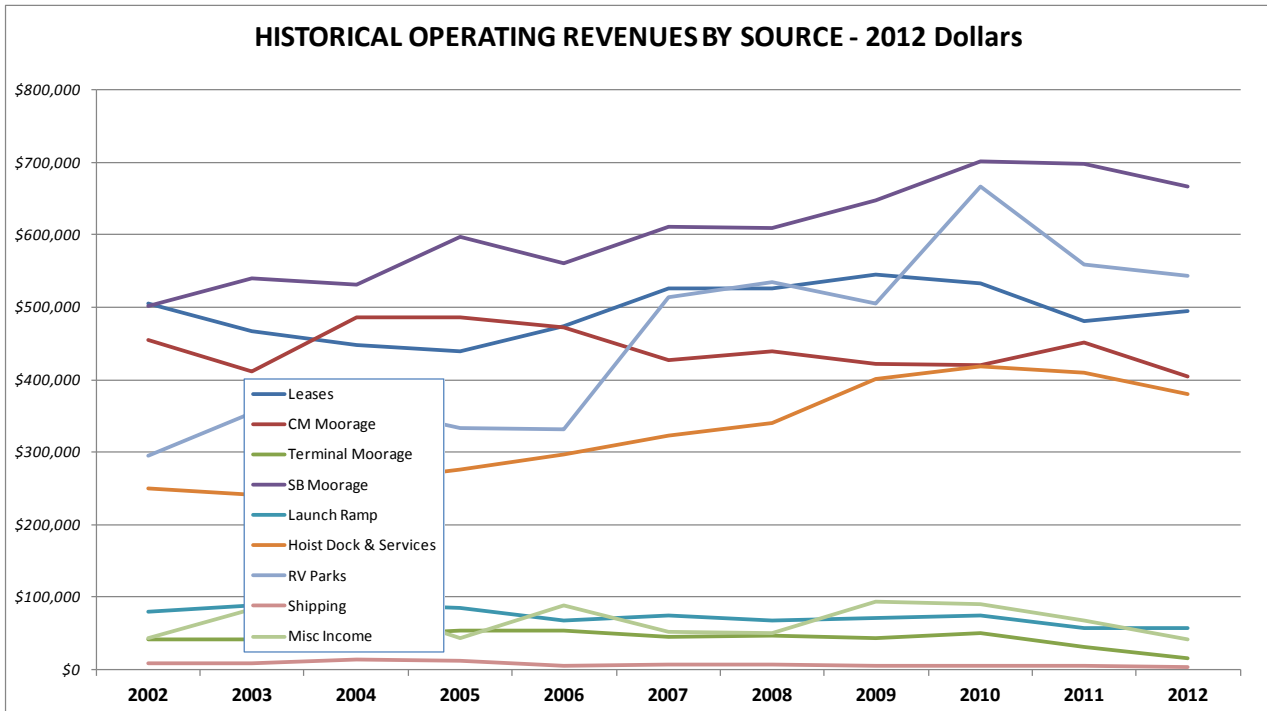


SOURCE: Audited Financial Statements, Fiscal Years Ended June 30, 2011, estimated numbers through June 30, 2012 and Proposed 12-13 Budget

In nominal terms, growth in operating revenues for the Port have historically been derived primarily from the sport marina, RV Parks, launch ramp and hoist dock and services.



When adjusted for inflation, other sources of income have remained steady or declined in the last decade.



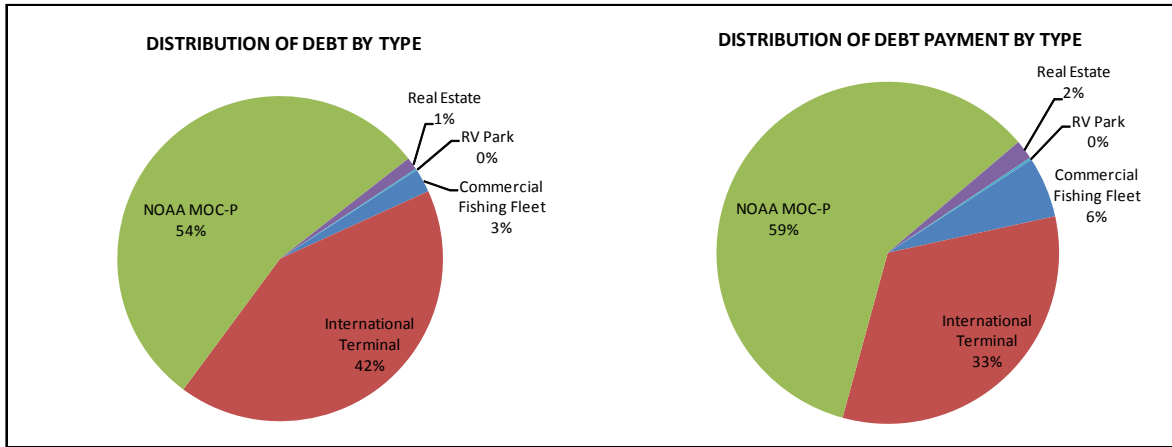
Port operating revenues have grown sharply in the sport marina, RV Park and from commercial leases, while revenues from the commercial marina have been constant. The Port has seen considerable historic growth in revenues from the hoist dock and other services. The terminal moorage and launch ramp revenue have been flat historically, but terminal revenue should increase sharply following completion of the new facility.

As noted previously, the Port's long term debt liabilities have grown substantially, primarily attributable to the NOAA MOC-P revenue bonds and general obligation bonds for the International Terminal.

**SUMMARY OF LONG TERM DEBT OBLIGATIONS
PORT OF NEWPORT**

	Initial Amount	6/30/12 Principal	Maturity Date	FY 2013 Payment	Description of Use
PORT REVOLVING LOAN FUND					
Loan #153	\$163,080	\$21,386	4/15/2013	\$21,383	Construction of storage facilities for fishing industry. Construction completed in FY 1999
Loan #161	\$202,984	\$101,428	6/15/2019	\$17,852	Industrial buildings at South Beach, currently leased to Oregon Brewing Company.
SPECIAL PUBLIC WORKS LOAN					
Loan #L93111	\$787,440	\$787,440	7/15/2013	\$65,157	Consolidation loan
Loan #L93012	\$298,500	\$54,909	7/15/2013	\$30,103	Commercial dock rehabilitation, Port Docks 3, 5 & 7
Loan #L00012	\$86,683	\$66,531	12/1/2024	\$7,520	Terminal dock remediation and geotechnical investigation. Match for grant.
Loans # J05005 & X06001	\$3,248,139	\$66,531	12/1/2024	\$7,520	RV Park expansion and improvements
Loan #L12005	\$3,000,000	\$2,624,942	12/1/2024	\$227,700	Newport International Terminal Dock
EPA COALITION BROWNFIELD LOAN					
Loan #Q10001	\$1,500,000	\$1,300,000	6/30/2032	\$0	Remediation of petroleum and non-petroleum hazardous materials at International Terminal. \$200,000 in loan forgiveness, zero interest through 6/30/13, interest only through 7/1/13.
SDAO FLEX LEASE					
2003 Series F	\$121,000	\$15,000	12/1/2013	\$15,345	Rehabilitation of Port Dock 5
OREGON COAST BANK					
30 T Mobile Crane	\$315,955	\$156,298	11/15/2015	\$51,251	Mobile Crane
9 T Forklift for Terminal	\$44,046	\$5,156	11/1/2012	\$5,156	Terminal Forklift
Terminal Buildings	\$465,811	\$448,236	7/15/2025	\$43,295	Terminal Buildings
TOYOTA FINANCIAL SERVICE					
Capital Lease	\$33,038	\$12,420	11/1/2013	\$9,183	Forklift for Commercial Marina
GENERAL OBLIGATION BONDS					
Series 2007	\$5,000,000	\$4,550,000	12/31/2036	\$291,778	Newport International Terminal Dock
Series 2008	\$5,000,000	\$4,620,000	12/31/2037	\$228,290	Newport International Terminal Dock
Series 2011	\$5,452,000	\$5,440,000	12/31/2040	\$337,455	Newport International Terminal Dock
REVENUE BOND					
Series 2010	\$24,095,000	\$24,095,000	7/1/2023	\$1,998,759	NOAA MOC-P Facility
TOTAL					
Commercial Fishing Fleet	\$1,719,013	\$1,047,453		\$192,422	Dock Rehabilitation, Equipment, Storage
International Terminal	\$20,082,729	\$18,606,629		\$1,097,899	Construction, Equipment, Remediation
NOAA MOC-P	\$24,095,000	\$24,095,000		\$1,998,759	Construction
Real Estate	\$668,795	\$549,664		\$61,147	Construction
RV Park	\$3,248,139	\$66,531		\$7,520	Expansion and Improvements
Total	\$49,813,676	\$44,365,277		\$3,357,747	

The NOAA MOC-P accounts for 54% of overall debt, while the International Terminal accounts for 42%.



The recent performance of the General Operating fund provides limited information for projecting revenues, as the construction of NOAA MOC-P and the International Terminal have distorted income and expense streams.

	General Operating Fund FYE					Net Change	
	2009	2010	2011	2012	2013	11-12	12-13
REVENUES							
Property Taxes	\$72,739	\$76,021	\$82,016	\$87,827	\$87,402	\$5,811	(\$425)
Moorage	\$1,551,774	\$1,115,149	\$1,158,584	\$1,133,542	\$1,128,012	(\$25,042)	(\$5,530)
Leases		\$506,456	\$472,464	\$487,783	\$689,854	\$15,319	\$202,071
Shipping Terminal	\$4,961	\$4,448	\$5,109	\$4,186	\$323,596	(\$923)	\$319,410
Hoist Dock & Services	\$374,583	\$398,616	\$402,085	\$393,951	\$381,150	(\$8,134)	(\$12,801)
RV Park Revenues	\$471,990	\$634,010	\$547,668	\$528,541	\$530,535	(\$19,127)	\$1,994
Launch Ramp	\$67,268	\$70,480	\$56,098	\$56,000	\$56,000	(\$98)	\$0
Miscellaneous Income	\$88,966	\$79,537	\$52,981	\$43,767	\$55,300	(\$9,214)	\$11,533
Interest Income	\$22,383	\$12,033	\$8,293	\$3,369	\$3,000	(\$4,924)	(\$369)
Sales - Property & Dredge Materials	\$16,784	\$978	\$0	\$841	\$12,620	\$841	\$11,779
Pass Thru Revenue		\$6,851	\$13,000	\$0	\$15,000	(\$13,000)	\$15,000
Grants	\$78,700	\$22,911	\$2,643	\$3,222	\$313,816	\$579	\$310,594
Loans	\$44,046	\$33,039	\$469,049	\$0	\$0	(\$469,049)	\$0
Total Revenue	\$2,794,194	\$2,960,529	\$3,269,990	\$2,743,029	\$3,596,285	(\$526,961)	\$853,256
EXPENSES							
Personal Services	\$1,114,179	\$1,097,138	\$1,061,775	\$1,099,475	\$1,056,331	\$37,700	(\$43,144)
Materials and Services	\$1,108,170	\$1,084,468	\$1,098,751	\$1,172,759	\$1,545,004	\$74,008	\$372,245
Capital Outlay	\$170,062	\$96,538	\$155,226	\$56,693	\$337,443	(\$98,533)	\$280,750
Debt Service	\$467,221	\$471,570	\$504,085	\$514,702	\$503,234	\$10,617	(\$11,468)
Total Expenses	\$2,859,632	\$2,749,714	\$2,819,837	\$2,843,629	\$3,442,012	\$23,792	\$598,383
SUMMARY							
Income Before Transfers	(\$65,438)	\$210,815	\$450,153	(\$100,600)	\$154,273	(\$550,753)	\$254,873
Transfers	(\$67,000)						
<i>Bonded Debt Fund</i>		(\$68,540)					
<i>Facilities Maintenance Reserve Fund</i>		(\$13,454)		(\$44,213)	(\$125,000)		
<i>Construction Fund</i>			(\$469,049)				
<i>NOAA Lease Revenue Fund</i>		(\$50)	(\$26)				
Change in Assets	(\$132,438)	\$128,771	(\$18,922)	(\$144,813)	\$29,273		
Beginning Fund Balance	\$505,840	\$373,402	\$502,173	\$483,251	\$338,438		
Ending Fund Balance	\$373,402	\$502,173	\$483,251	\$338,438	\$367,711		

SOURCE: Audited Financial Statements, 2011-12 estimates and 2012-13 Budgets

Another useful exercise to understand Port operations is to break down the operations by general business units. As outlined in the following tables based on the Fiscal Year 2012-13 budget, the Port generates positive operating cash flow from the RV Park and Sport Marina, while the commercial moorage operates at a modest loss. The losses associated with the International Terminal reflect the ongoing construction, and are expected to be offset by revenues when fully operational. The NOAA facilities are designed to operate with a small annual surplus.

PORTWIDE			
Operating Revenues	\$3,133.0	Operating Expenses	\$2,636.0
Property Taxes	\$875.0	Other	\$825.0
Grant/Loan Proceeds	\$14,712.0	Transfers	
Interest	\$123.0	Total Expenses	\$3,461.0
Gain/(Loss) on Sales	(\$8.0)		
Total Revenues	\$18,835.0	Net Change in Assets	\$15,374.0

GENERAL OPERATIONS			
Operating Revenues	\$55.3	Operating Expenses	
Property Taxes	\$80.7	Debt Service	
Grant/Loan Proceeds	\$313.8	Transfers	
Transfers		Total Expenses	\$0.0
Gain/(Loss) on Sales	\$125.6		
Total Revenues	\$575.4		

COMMERCIAL MARINA			
Moorage Revenue	\$604.3	Operating Expenses	\$615.7
Storage/Services Revenue		Debt Service	\$192.4
Grants		Transfers	
Transfers		Total Expenses	\$808.1
Total Revenues	\$604.3		

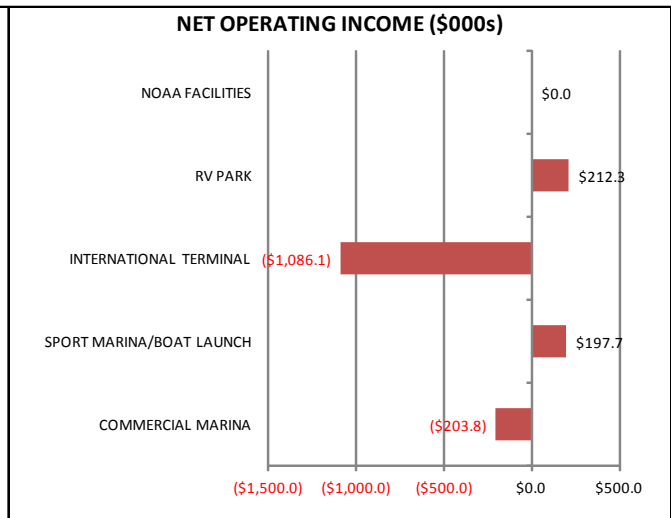
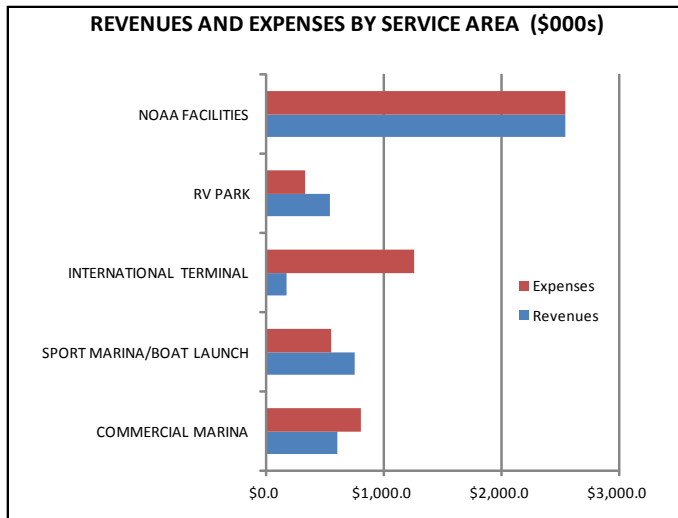
INTERNATIONAL TERMINAL			
Terminal Operations	\$180.8	Operating Expenses	\$169.1
Storage/Services Revenue		Debt Service	\$1,097.9
Grants		Transfers	
Transfers		Total Expenses	\$1,267.0
Total Revenues	\$180.8		

SPORT MARINA/BOAT LAUNCH			
Moorage Revenue	\$755.1	Operating Expenses	\$557.4
Launch Ramp		Debt Service	
Grants		Transfers	
Transfers		Total Expenses	\$557.4
Total Revenues	\$755.1		

RV PARK			
Operating Revenue	\$544.4	Operating Expenses	\$324.6
Storage/Services Revenue		Debt Service	\$7.5
Grants		Transfers	
Transfers		Total Expenses	\$332.1
Total Revenues	\$544.4		

NOAA FACILITIES			
Lease Revenues	\$2,532.9	Operating Expenses	\$351.2
Other Revenue	\$12.0	Capital Outlays	\$44.9
Grants		Debt Service	\$1,998.8
Transfers		Transfers	\$150.0
Total Revenues	\$2,544.9	Total Expenses	\$2,544.9

REAL ESTATE			
Lease Revenue	# \$605.7	Operating Expenses	\$1,163.9
Other Revenue		Debt Service	\$61.1
Grants		Transfers	
Transfers		Total Expenses	\$1,225.1
Total Revenues	\$605.7		



While the Port currently provides operating statements that are consistent with accounting practices, we would recommend that management statements are also prepared that evaluate the operations of the Port based on a breakdown by business unit, with administrative costs allocated to the extent possible. The following diagram outlines a potential series of units that appear to be consistent with the current tracking of data at the Port.

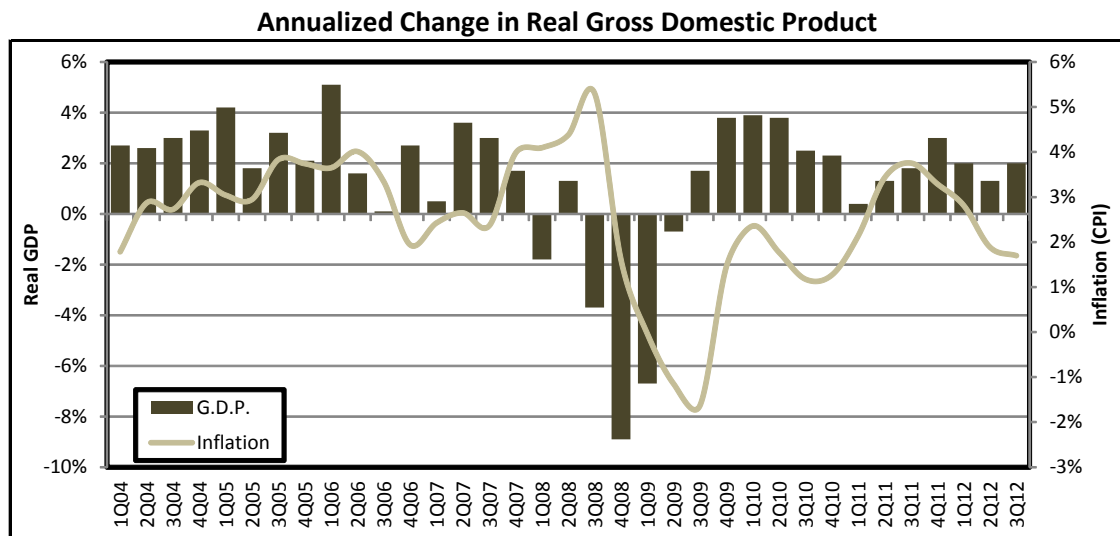


APPENDIX C ECONOMIC AND MARKET TRENDS

A. NATIONAL TRENDS

Real Gross Domestic Product

Economic activity in the United States has continued to expand a modest pace throughout 2012. Initial "advanced" estimates of GDP came in at a 2.0% annualized for the third quarter, while second quarter estimates were revised downward to only 1.3%. According to the Bureau of Economic Analysis, "The increase in real GDP in the third quarter primarily reflected positive contributions from personal consumption expenditures (PCE), federal government spending, and residential fixed investment that were partly offset by negative contributions from exports, nonresidential fixed investment, and private inventory investment. Imports, which are a subtraction in the calculation of GDP, decreased."³



SOURCE: Bureau of Economic Analysis

While growth has remained positive, and threat of a recessionary turn remains subdued, the national economy continues to suffer from tepid hiring and exceedingly lackluster capital investment. On-going uncertainty about the future continues to drive the status quo; specifically the protracted European Debt Crisis, economic deceleration in Asia, and most importantly the clarity of long-term domestic fiscal policy (the "Fiscal Cliff").

In light of exhibited growth and long-term inflation estimates stuck below the Fed's dual mandate targets, the Federal Open Market Committee (FOMC) moved in the third quarter to provide additional accommodative stimulus through balance sheet expansion (QE3). In doing so, the Fed committed to open ended purchases of mortgage-backed securities at a rate of \$40 billion per month. The FOMC further committed to continue its maturity

³ Bureau of Economic Analysis. National Income and Product Accounts, 3Q12 Advanced Estimate, Released October 26, 2012

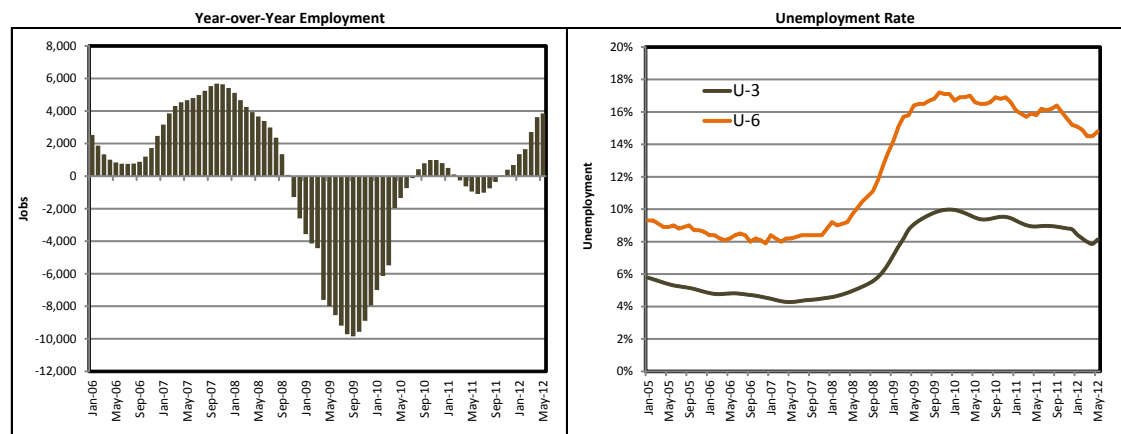
extension program (Operation Twist) and to keep the Federal Funds Rate near zero for the foreseeable future.

While the extent this monetary accommodation translates into economic expansion is a debated issue among academics, it is intended to provide strength to a sluggish recovery. And that is the outcome expected by both the Federal Reserve and the Blue Chip⁴ consensus survey, which forecasts Real GDP growth in the vicinity 2.2% to 2.8% in 2013.

Employment & Labor Force

From peak to trough, nonfarm payroll employment in the United States fell by over 7.7 million jobs during the "Great Recession". This recession has been notably characterized for its depth and duration, a characteristic which international examples show are a common result of financial crises. During this period the unemployment rate rose to over 10% with the more broadly defined U-6 metric exceeding 17%⁵. The unemployment rate would likely have been significantly higher had there not been an unusually large decline in labor force participation.

However, the nation's employment situation has begun to slowly improve. In the first half of 2012, non-farm payrolls rose by an average of roughly 200,000 per month in the first quarter and 70,000 per month in the second quarter. The economy has regained nearly 2.8 million jobs and the unemployment rate has fallen back to 7.8%.



SOURCE: U.S. Bureau of Labor Statistics

Factors Affecting National Economic Conditions

- **Housing:** Housing has emerged as a surprising strong point in the national economy after several years in the doldrums. The majority of data indicates that the housing market has turned the corner, with a slow drawing down of excess inventory. Fixed residential investment is expected to provide some much needed support to the economy in coming years.

⁴ Monthly survey of over 50 leading business economists from banking, insurance, manufacturing, and brokerage industries.

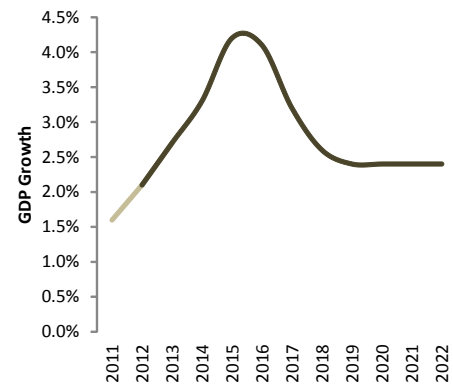
⁵ U-3 = The total unemployed as a percentage of the labor force. It is the official unemployment rate.
 U-6 = Total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to the labor force.

- **Business Investment:** Real business investment grew strongly in the first half of 2012, reaching an annualized rate of 6.4% through the first two quarters. This input is expected to maintain above average growth through the year. However, businesses are facing competing dynamics, with favorable borrowing conditions offset by the uncertainty of future fiscal conditions (see "Policy" below).
- **Government Spending:** Reductions in government spending continue to be a drag on the economy, and will likely continue to do so in the near future with on-going political pressure toward fiscal austerity.
- **Policy:** The direction of future fiscal policy will perhaps have the greatest impact on economic conditions seen in some time. The scheduled expiration of current tax cuts in addition to spending provisions in the 2011 Budget Control Act (broadly referred to as the "fiscal cliff") would severely impact near-term growth. Just the threat of such dramatic policy action is already weighing on business investment.
- **Consumer Spending:** Consumer spending has remained weak reflecting high unemployment and stagnate disposable income growth. Consumer will certainly be impacted by whether or not the Bush Tax Cuts are allowed to expire in 2014.
- **External Shock:** The extent to which the European Recession and financial crisis and slower economic growth in Asia impact U.S. growth.

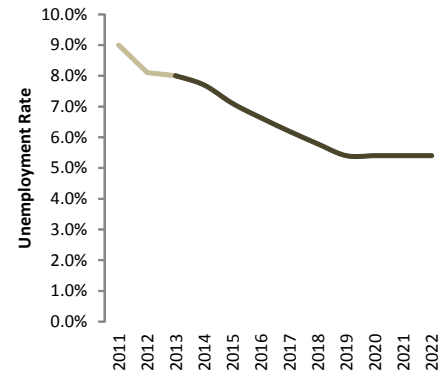
National Economic Outlook

Over the longer term, the pace of economic growth is expected to accelerate moderately following 2013. Idle resource in the economy will gradually begin to be productive, drawing growth upwards to 4.3% between 2014 and 2017, narrowing the production gap by 2018 and growing at the rate of potential (around 2.4%) thereafter.

Because of the large amount of unused resources currently in the economy, inflation is expected to remain subdued in the foreseeable future, despite additional monetary easing. Further, the Federal Reserve has openly committed to keeping the Federal Funds Rate low through 2015. Inflation rates should stay below 2% through 2022 on average.

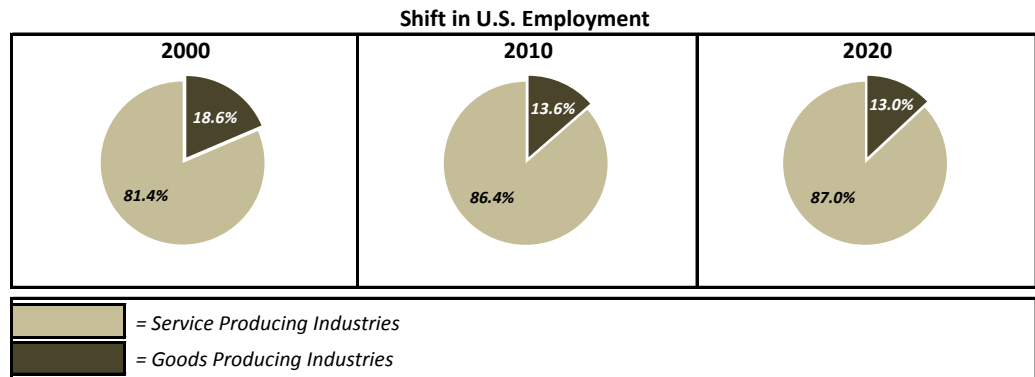


Payrolls should continue to increase at a moderate pace in the near-term, accelerating consistent with GDP growth. However, because unemployment had been driven down by lower labor force participation, the unemployment rate will recover at a slower pace. Unemployment is expected to average near 7% through 2015 and fall to 5.4% subsequently.



Factors Affecting Long-Term Economy

- **National Employment Shift:** The share of employment in goods producing industries has declined markedly in recent cycles on increasing worker productivity and international outsourcing. With lower cost labor still widely available in foreign markets, this is a conditions which is expected to continue in the coming decade, albeit at a far more measured pace. U.S. employment growth is expected to be strongest in Health Care, Professional & Business, and Other Services.

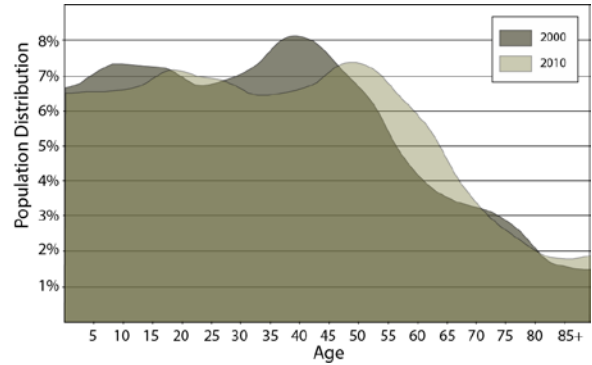


SOURCE: Bureau of Labor Statistics, Forecast of Industry Employment, CES Data

- **Business Cycles:** This evaluation is not attempting to predict future fluctuations in the business cycle. However, we are already several years into the current cycle, with cycles typically lasting 8 years on average. This would indicate a reasonable degree of likelihood of future economic contraction this decade.
- **Monetary Policy:** Monetary Policy is expected to remain accommodative into the foreseeable future. When the threat of accelerated inflation begins to solidify, Monetary Policy will subsequently tighten. However, as mentioned above, by the end of 2015 we will be approaching a typical cyclical length. With policy expected to remain tight through this period, there is some risk that monetary policy will not get off the zero bound in this timeframe, seriously constricting the monetary "toolbox" to provide future accommodation.
- **Fiscal Policy:** If current law holds, historic fiscal contraction will likely constrain growth considerably in the near-term, with higher growth further out resulting from a

reduction in federal debt. However, if a compromise is made and the "fiscal cliff" is avoided, growth will accelerate in the near-term with slower growth farther out as federal debt crowds out private investment.

- **Demographic Factors:** The aging of the baby boomer generation is already underway, with the share of the population age 55 and older approaching 25% in 2010, with the number of residents age 65 and older expected to double over the next 40 years. The economic effects of this shift will be widespread. A slowing of labor force growth will coincide with exceedingly high job replacement demand. Further, the increased demand for health care services will place additional pressure of federal balance sheets.



- **Lasting Impacts of Recession:** The severe depth and prolonged duration of the recent recession and subsequent lackluster recovery with have permanent long term impacts on the economy. For example, job shortages have caused lowered labor force participation and in many cases early retirement. When combined with long-term unemployment increasing the risk of skill deterioration, the level of productive capital has certainly created a new reality for potential output. Similar deferrals of capital investment have occurred at sub optimal levels.
- **Other Factors:** A wide range of other factors, certain and otherwise, known and unknown, will continue to shape the future of the economy in the long-term. Potential factors include the direction of energy price, unexpected improvements or deterioration in business and consumer confidence, and the direction of external factors such as the European financial crisis and the economies of Asia and Latina America.

B. STATE AND COUNTY/PORT DISTRICT

Oregon’s GDP growth between 2010 and 2011 was nearly three times that of the U.S. economy, making Oregon the second fastest growing economy over this period. The state’s durable goods manufacturing industry was the second-fastest growing sector in the nation in 2011 at a rate of 3.94%, almost 20% of Oregon’s economic growth. High tech companies such as Intel Corp., which employs about 16,300 in Portland, dominate the durable goods manufacturing industry. This can be attributed to a partial reverse of recent off shoring trends, which is occurring partially as a result of defects, delays, and theft in overseas supply chain locations.







Given its geographic location, Oregon trades largely with countries on the Pacific Rim, most notably Canada and Asian powers. Unfortunately, the later region is among the most economically volatile areas of the world right now, with economic growth falling off







considerably. This, in turn, has caused Oregon's export driven growth to moderate somewhat in light of falling global demand.

Industry Analysis

The figure below outlines a breakdown of Oregon's primary industries, where they appear to be in the cycle, and forecasts of growth over the near-term.

Through the first half of 2012, employment gains were generally positive across most industries, with the exception of Government and Transportation Equipment Manufacturing. Construction grew significantly, driven by a mix of public construction projects and the beginning of a rebound in housing starts. Other export driven commodities remained positive, but growth is down from 2011 highs. Service oriented industries are stabilizing at slow and steady rates commensurate with broader economic expansion.

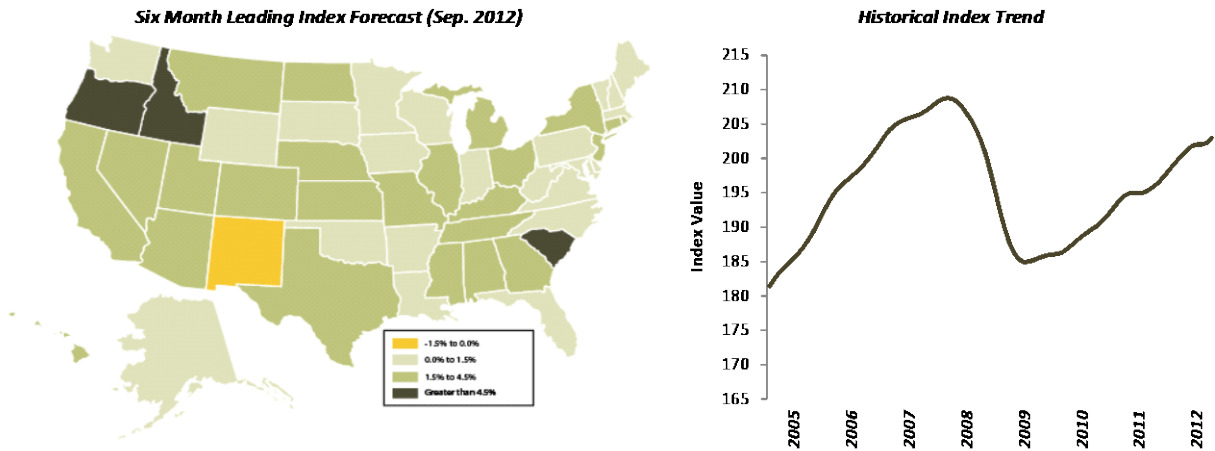
Industry	Growth Signal	Growth Projections			Comments
		2012	2013	2014	
Wood Products	 Strong Growth	1.9%	6.7%	5.8%	Among the strongest forecasted sectors. Driven by exports and housing recovery.
Computer & Electronic Equipment	 Moderating Growth	1.8%	0.2%	1.4%	Recent growth will moderate on falling export growth.
Transportation Equipment	 Early Recovery	-0.9%	0.2%	5.2%	Among the hardest hit recession sectors. Recovery is just beginning.
Metals and Machinery	 Positive Growth	4.8%	2.5%	-0.1%	Strong growth emerging from a hard hit sectors.
Food Processing	 Flat Growth	1.3%	-0.5%	1.1%	Exports moderating. Global demand and price volatility
Construction	 Positive Growth	4.8%	2.5%	3.6%	Looking forward to a rebound in housing starts. Still well below recession levels.

Industry	Growth Signal	Growth Projections			Comments
		2012	2013	2014	
Information	 Stabilizing	0.8%	2.3%	1.9%	Beginning to see job growth. Measured growth estimated on the horizon.
Financial Activities	 Stabilizing	0.0%	3.0%	1.6%	Weakness in real estate limits growth in 2012. Measured recovery thereafter.
Professional & Business	 Positive Growth	3.7%	2.9%	4.2%	Will grow slightly faster than the general economy. A high growth sector
Education & Health	 Positive Growth	1.5%	1.8%	2.3%	Sector remained positive through recession, and growth will remain stable
Leisure & Hospitality	 Positive Growth	1.9%	2.8%	2.0%	Growth curtailed by falling discretionary spending, but remaining surprisingly positive.
Government	 Negative Growth	-1.8%	-0.1%	0.6%	Negative state and local growth partially offset by Federal gains. Future federal growth less likely.

SOURCE: Oregon Office of Economic Analysis and Johnson Reid, LLC

Economic Recovery Prospects

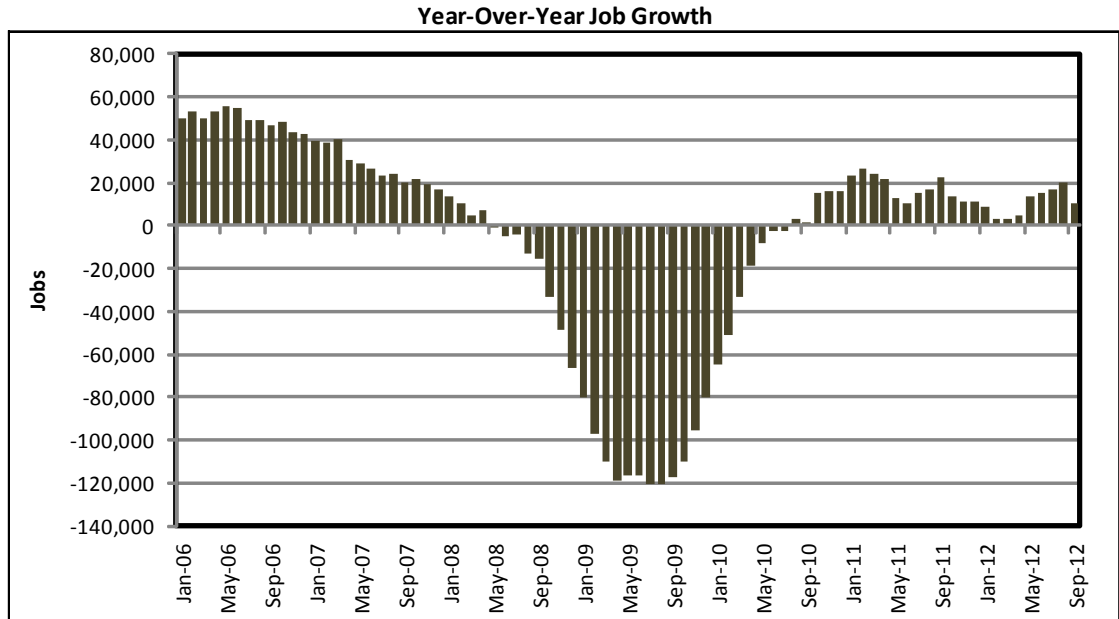
The Federal Reserve Bank of Philadelphia produces monthly indices of economic indicators for every state in the nation. The coincident indices combine four state-level indicators to summarize current economic conditions in a single statistic. The four state-level variables in each coincident index are nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and wage and salary disbursements deflated by the consumer price index (U.S. city average). In its September 2012 release, Oregon's 3-month annualized growth reflected Oregon's recent soft patch, coming in at 1.9% compared to 2.5% nationally. However, The Fed's 6-month leading forecast has Oregon in the top 3 among all states, with estimated growth of 4.5% annualized over the next two quarters.



SOURCE: Federal Reserve Bank of Philadelphia

Employment Conditions

Reflecting its recovery prospects, payroll employment in Oregon has begun to recover from the recent recession. The State has exhibited 26 consecutive months of positive year-over-year job growth while adding nearly 50,000 since post recession low employment.



SOURCE: Oregon Employment Department

Statewide Outlook

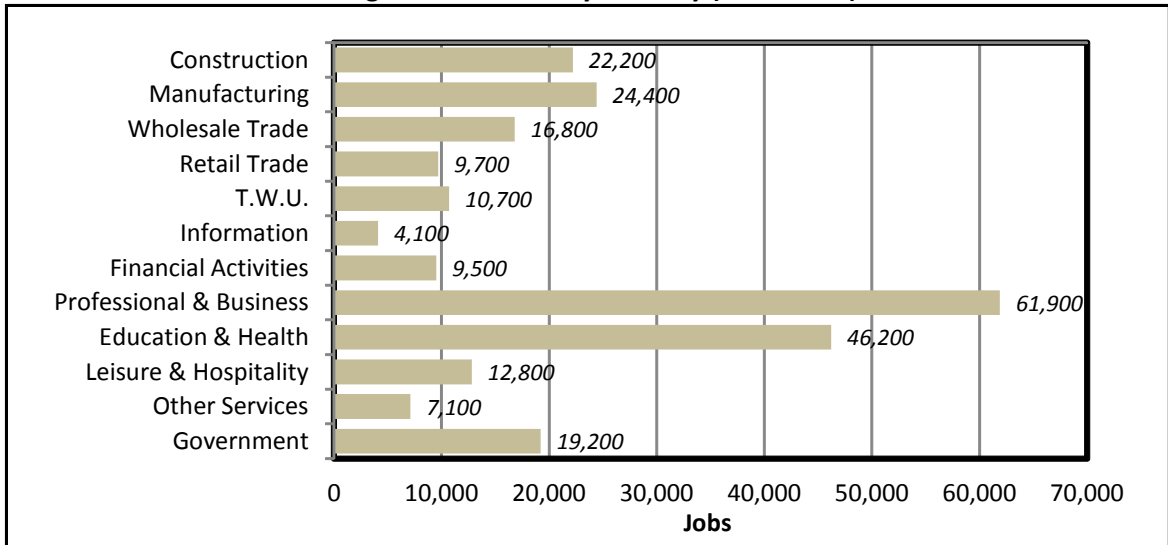
In the long-term, Oregon's economic growth is expected to outpace growth at the national level. Through 2020, the Oregon economy, as measured by employment, is expected to outpace the national average, growing by an estimated 15% compared to 11% nationally. Incomes in Oregon are also expected to be above average, growing at 2.2% annually compared to just 2% at the national level. Over the intermediate term, Oregon's growth prospects will be a function of a number of factors.



- Location to Asian countries and Canada continuing to drive trade growth.
- High commodity prices for Oregon exports.
- Business cost advantages.
- Relative cost of living and housing affordability advantages.
- Statewide focus on traded sector industry recruitment and retention.
- Quality of life.
- Continued growth in renewable energy and clean technology sectors.
- State tax incentives.
- Positive population growth, most notably due to net-migration from California, Nevada, and large Midwest and Eastern states. Surprisingly, Oregon maintains a negative migration rate with Washington State and Idaho.

Through 2020, the Oregon Office of Economic Analysis forecasts 245,000 new jobs in the Oregon economy. Mirroring national forecasts, a significant share (44%) are expected to fall on Professional and Health Services. Manufacturing and Construction are expected to add over 46,000 jobs in the state while growth in trade and other service categories is expected to be more measured.

Oregon Job Growth by Industry (2012-2020)



SOURCE: Oregon Office of Economic Analysis

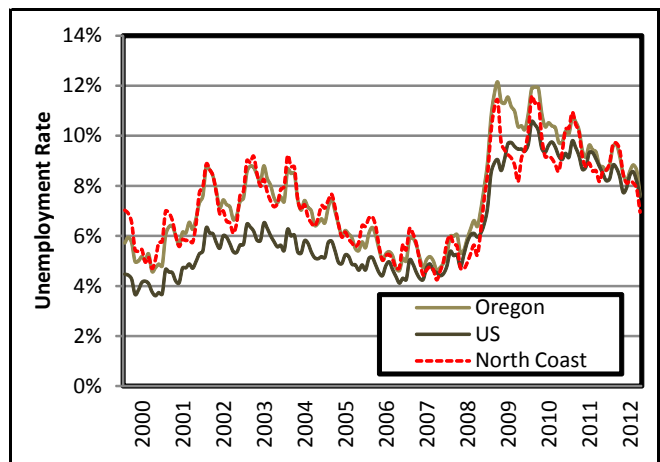
Risk Factors

While it would appear that a systematic recovery, albeit at a slow pace, is underway both nationally and in Oregon, significant downside risks remain. The single greatest risk remains external factors such as further financial meltdown in the Euro zone, a bursting housing bubble in China, or military conflict in Iran. The housing market is beginning to move from the risk to the upside category, but many other downside factors remain:

- *A reversal of commodity prices from declining to inflation.*
- *The Fiscal Cliff*
- *Unknowns legislative changes and referendums derived out of the current election cycle*
- *Again, external factors in Europe, Asia, and the Middle East*

Local Employment Forecast

Relative to other areas in Oregon, the economy of the North Coast has performed well by comparison. The North Coast unemployment rate track very closely to the national average, and outperformed the state average coming out of the recession. Combined unemployment in Clatsop, Tillamook, and Lincoln County is currently at 7.0%, significantly below 7.6% at the state and national level. Since the bottom of the business cycle the North Coast economy has added roughly 4,200 jobs.



By mid-2012, the Lincoln County economy had over 16,700 non-farm payroll jobs. The largest sectors of the economy remain government and tourism. The highest wages in Lincoln County are in Manufacturing, Natural Resources, and Health Services. Wages in Government and Wholesale Trade are also well above average.

Lincoln County Employment and Payroll

NAICS Industry	2012 Employment	% of County	Total Payroll	% of County	Average Payroll	% of Average
Natural Resources	285	2%	\$6,029,920	2%	\$42,315	123%
Construction	610	4%	\$11,486,626	4%	\$37,661	109%
Manufacturing	960	6%	\$25,856,346	10%	\$53,867	156%
Wholesale Trade	185	1%	\$3,959,861	2%	\$42,809	124%
Retail Trade	2,648	16%	\$29,398,940	11%	\$22,209	64%
T.W.U.	298	2%	\$4,905,375	2%	\$32,922	95%
Information	173	1%	\$3,223,926	1%	\$37,379	108%
Financial Activities	564	3%	\$8,581,391	3%	\$30,457	88%
Professional & Business	950	6%	\$12,590,762	5%	\$26,521	77%
Education & Health	1,695	10%	\$37,544,730	14%	\$44,301	128%
Leisure & Hospitality	3,829	23%	\$32,438,726	12%	\$16,944	49%
Other Services	613	4%	\$5,938,390	2%	\$19,391	56%
Government	3,898	23%	\$81,678,377	31%	\$41,913	121%
TOTAL:	16,705	100%	\$263,633,370	100%	\$34,515	100%

** All figures through the first half of 2012. Average wage is annualized.*

SOURCE: Oregon Employment Department

An evaluation of the structure of the Lincoln County economy reveals the significance of its tourism and traded-sector industries. (LQ analysis is generally conducted on private sector employment, so government concentrations from Newport's NOAA operation are not present.) The table following shows a location quotient analysis of Lincoln County, comparing the employment composition by sector within the County to State and National levels.

Location quotients are a way to readily compare the industrial activity levels among different areas of the country. In general, location quotients are ratios that compare the concentration of a resource or activity, such as employment, in a defined area to that of a larger area or base. For example, location quotients can be used to compare County employment by industry to that of the nation. When the location quotient is greater than 1.0, the analysis indicates that this sector represents an export or “basic” industry. Basic industries are also commonly referred to as “traded sector” industries. Products and services exported out of the area are the primary means that wealth is added to an area, and as a result, are the primary focus of most economic development efforts.

Location Quotient Analysis, Lincoln County, Oregon (2011)

Industry	Employment		Distribution		Location Quotient
	U.S.	Lincoln	U.S.	Lincoln	
Traded Sectors					
114 Fishing, hunting and trapping	8,312	100	0%	1%	98.39
113 Forestry and logging	55,665	111	0%	1%	16.31
311 Food manufacturing	1,454,090	313	1%	2%	1.76
321 Wood product manufacturing	336,235	59	0%	0%	1.43
112 Animal production and aquaculture	230,610	34	0%	0%	1.21
Tourism & Retail					
487 Scenic and sightseeing transportation	27,313	40	0%	0%	11.98
721 Accommodation	1,784,558	1,726	2%	13%	7.91
448 Clothing and clothing accessories stores	1,353,784	521	1%	4%	3.15
453 Miscellaneous store retailers	778,386	211	1%	2%	2.22
445 Food and beverage stores	2,825,284	659	3%	5%	1.91
485 Transit and ground passenger transportation	429,815	99	0%	1%	1.88
722 Food services and drinking places	9,587,402	2,074	9%	16%	1.77
531 Real estate	1,384,500	273	1%	2%	1.61
452 General merchandise stores	3,095,518	454	3%	3%	1.20
Other High LQ Industries					
813 Membership associations and organizations	1,315,466	370	1%	3%	2.30
562 Waste management and remediation services	363,699	92	0%	1%	2.07
237 Heavy and civil engineering construction	820,345	144	1%	1%	1.44
444 Building material and garden supply stores	1,147,148	175	1%	1%	1.25
Other Typical or Lower LQ Industries					
236 Construction of buildings	1,211,690	177	1%	1%	1.19
446 Health and personal care stores	986,124	144	1%	1%	1.19
442 Furniture and home furnishings stores	438,243	62	0%	0%	1.16
447 Gasoline stations	823,620	107	1%	1%	1.06
441 Motor vehicle and parts dealers	1,683,213	210	2%	2%	1.02
451 Sports, hobby, music instrument, book stores	581,603	62	1%	0%	0.87
623 Nursing and residential care facilities	3,162,214	320	3%	2%	0.83
811 Repair and maintenance	1,163,914	112	1%	1%	0.79
238 Specialty trade contractors	3,441,010	329	3%	2%	0.78
515 Broadcasting, except Internet	285,846	26	0%	0%	0.74
443 Electronics and appliance stores	526,699	46	0%	0%	0.71
814 Private households	641,473	56	1%	0%	0.71
522 Credit intermediation and related activities	2,548,004	220	2%	2%	0.71
812 Personal and laundry services	1,287,882	108	1%	1%	0.69
339 Miscellaneous manufacturing	572,591	46	1%	0%	0.66
492 Couriers and messengers	521,240	38	0%	0%	0.60
517 Telecommunications	880,139	63	1%	0%	0.59
561 Administrative and support services	7,347,425	509	7%	4%	0.57

SOURCE: U.S. Bureau of Labor Statistics

In July 2012, the City of Newport completed a draft of its economic opportunity analysis as a part of its periodic review process. This analysis identified key industries targeted by the city for future growth. Growth is expect to reflect community aspirations and policies facilitating the recruitment, retention, and growth of firms in targeted sectors. Specific sectors included:

- *Marine and Ocean Observing Research and Education*
- *International Commerce*
- *Fishing and Seafood Processing*
- *Tourism*

Together, growth in these industries, combined with others, is expected to generate 2,215 new jobs over the planning period, a rate of 1.0%. The majority of jobs were forecasted to be commercial or retail/service oriented type jobs, with 733 jobs expected to be in industrial space utilizing industries.

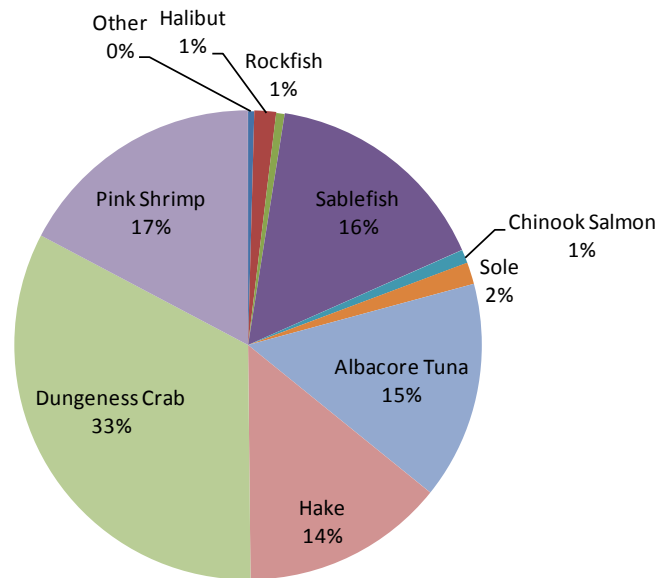
20-Year Employment Forecast, City of Newport

Employment/Land Type	2012		2033		'12-'33 Change	
	Employment	% of Total	Employment	% of Total	#	AAGR
Industrial	1,108	11%	1,841	15%	733	2.4%
Commercial	7,269	72%	8,593	70%	1,324	0.8%
Government	1,683	17%	1,841	15%	158	0.4%
Total	10,060	100%	12,275	100%	2,215	1.0%

SOURCE: City of Newport Economic Opportunities Analysis, July 2012

The commercial and sport fishing industries are major contributors to the local and regional economy. The commercial fishing fleet at Newport captured over 82 million pounds of fish, crab, squid and clams in 2011, with an estimated value at the fisherman's level of over \$44 million. The primary contributors in terms of value for commercial fishers were dungeness crab, shrimp, sablefish (black cod), albacore tuna and hake (pacific whiting).

VALUE OF 2011 COMMERCIAL LANDINGS



The commercial fishing industry impacts the local economy through increases in personal income from harvesting and processing, as well as providing support to local industries and businesses. The Newport area also is positively impacted by the distant water fleet, who use Newport as a home port as well as for repairs and/or provisions.

Sportfishing is also a major contributor to the local economy. Travel generated expenditures for fishing in Lincoln County were estimated at over \$32 million for fishing and almost \$7.7 million for shell fishing in 2008.⁶ Local recreation expenditures accounted for an additional \$3.5 million in activity in the County. Sport fishing contributions included expenditures for overnight lodging, meals and other tourist-related activities.

⁶ Dean Runyan Associates, Fishing, Hunting, Wildlife Viewing, and Shellfishing in Oregon, 2008 State and County Expenditure Estimates, Oregon Department of Fish and Wildlife, Travel Oregon

Capital Facilities Plan

Prepared for:

Port of Newport

SN Consulting Engineers & Geologists, Inc.

275 Market Ave.
Coos Bay, OR 97420-2219
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January 2013
612023

Reference: 612023

Capital Facilities Plan

Prepared for:

Port of Newport

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Prepared by:



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Coos Bay, OR 97420-2219

As a member of the:

Northwest Port Planning Team
Strategic Solutions

January 2013

QA/QC: SKD

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- B. Port Owned Facilities Inventory
- C. Utility Inventory
- D. Utility Maps
- E. Project Prioritization Worksheet Template

Introduction

Objectives

The Port of Newport's Strategic Business Plan establishes the vision of the future within the Port's sphere of influence. It embodies what the Port wants to be at a chosen point in time. The determination of needed facility improvements, estimated project costs, and the scheduling over time of improvement implementation are the essential tasks of Capital Facilities Plan (CFP). The scheduling is based on a series of priorities according to need, desire, and importance, and to the Port's ability to pay. Capital improvement planning provides the vital link between the Ports' Strategic Plan and the actual construction of improvements. The CFP states when the improvements will be built and what they will cost.

Important advantages and benefits gained from capital improvement planning include the following:

1. Ensure required facilities projects established by the Port's CFP will be carried out so as to provide uninterrupted service
2. Maintain the Port in compliance with regulatory requirements
3. Call the Port's attention to facility deficiencies and promote corrective actions
4. Produce cooperation and coordination among various interest groups as well as different governmental units, (state, county and city)
5. Ensure projects are not built before they are needed, or so late that costs become prohibitive and stymie orderly growth.
6. Ensure project funds can be provided in a logical manner
7. Guarantee review of new facilities to determine whether policy decisions were properly made on how a new project would be financed, and
8. Help protect the Port from pressure groups demanding pet projects.

The primary goal of the capital facilities plan is to; 1) identify the needed public improvement projects related to the Port facilities; 2) provide estimated project costs; and 3) prepare a scheduling plan, over time, of improvement implementation. The scheduling is based on a series of priorities which consider need, desire, importance, and financing options/capabilities.

Capital Improvement Projects

The term "capital improvement" refers to new or expanded physical facilities for the Port that are of relatively large size, are relatively expensive, and are considered permanent with respect to usefulness to service area customers. Large-scale replacement and rehabilitation of existing facilities also falls within this category. Equipment, such as a utility truck, is not classified as a capital improvement for the purposes of this report.

Design Criteria and Level of Service

Design Life of Improvements

The design life of the Port's infrastructure components is sometimes referred to as its useful life or service life. The selection of a design life is a matter of judgment based on such factors as the type and intensity of use, type and quality of materials used in construction, and the quality of workmanship during installation. The estimated and actual design life for any particular component may vary depending on the above factors. The establishment of a design life provides a realistic projection of service upon which to base an economic analysis of new capital improvements. The typical design life for system components are discussed below.

Floating Docks

Modern concrete floating docks are estimated to have a useful life of 35 to 50 years. Lightweight dock systems, such as timber, aluminum and steel typically have a life of 20 to 30 years.

Piling Supported Docks/Piers

On average, industry experts estimate that a galvanized, epoxy coated or galvanic protected steel pile has 8 - 10 years before it will require constant maintenance and up keep. These piles typically have a lifespan of 30 years. Steel pile lifespan can be significantly extended with the use of HDPE sleeves and caps. The service life of timber pile in a marine environment is dictated by the type of wood used and treatment. The life span of a treated timber pile in a marine setting ranges from 30-50 years. The disadvantage of timber pile is the limited diameter choices and difficulty in splicing for longer lengths needed for many applications.

Buildings, Upland Structures and Equipment

Major structures and buildings should have a design life of approximately 50 years. Mechanical equipment such as motors, pumps, lifts etc. usually have a useful life of about 15-20 years. The useful life of equipment can be extended when properly maintained.

Asphalt Surfaced Parking/Storage Areas

Asphalt surfaces for parking and storage areas typically have practical service lives of 15-20 years in the mild coastal climate. With the absence of base material failures (as typically represented by extensive cracking or "alligatoring" asphalt surface life may be extended an additional 5-10 years through seal coating.

Basis for Cost Estimates

The cost estimates presented in this Plan will typically include four components: construction cost, engineering cost, contingency, and legal and administrative costs. Each of the cost components is discussed in this section. The estimates presented herein are preliminary and are based on the level and detail of planning presented in this Study. As projects proceed and as site-specific information becomes available, the estimates may require updating.

Construction Costs

The estimated construction costs in this Plan are based on actual construction bidding results from similar work, published cost guides, and other construction cost experience. Where required, estimates will be based on preliminary layouts of the proposed improvements.

Future changes in the cost of labor, equipment, and materials may justify comparable changes in the cost estimates presented herein. For this reason, common engineering practices usually tie the cost estimates to a particular index that varies in proportion to long-term changes in the national economy. The Engineering News Record (ENR) construction cost index is most commonly used.

It is anticipated that construction of any necessary projects will start by the summer of 2014. Cost estimates presented in this Plan for construction performed in later years should be projected with an increase of three percent per year. Future yearly ENR indices can be used to calculate the cost of projects for their construction year based on the annual growth in the ENR index.

The cost estimates provided within this Plan assume that all projects are constructed under public contract. Port construction projects or “in-house” projects can often be performed at a lower cost than the contracted rates represented herein. This would allow the Port to do more with the funding that is available to them.

It is also recommended that in the event other public works projects are being performed in the same location, (i.e., sewer, street, storm, etc.), planning priority be given to combining these water projects with the projects at hand. The Port can save money in doing this by eliminating repetitive mobilization, demolition, and road patching in the same locations.

Contingencies

A contingency factor equal to approximately 15 percent (15%) of the estimated construction cost has been added. In recognition that the cost estimates presented are based on conceptual planning, allowances must be made for variations in final quantities, bidding market conditions, adverse construction conditions, unanticipated specialized investigation and studies, and other difficulties which cannot be foreseen at this time but may tend to increase final costs.

Engineering

The cost of engineering services for major projects typically includes special investigations, a predesign report, surveying, foundation exploration, preparation of contract drawings and specifications, bidding services, construction management, inspection, construction staking, start-up services, and the preparation of operation and maintenance manuals. Depending on the size and type of project, engineering costs may range from 15 to 25 percent of the contract cost when all of the above services are provided. The lower percentage applies to large projects without complicated mechanical systems. The higher percentage applies to small, complicated projects. The engineering costs for design and construction projects within this Plan will average 18 percent of the construction cost.

Additional engineering services may be required for Port specialized projects. This could include geotechnical evaluations, structural evaluations, and other specialized consulting activities. Due to the nature of some projects and the high skill level of current Port personnel, comprehensive engineering support may not be required for all projects. In some cases, details, specifications, and contract administration services may be appropriate for the development of some projects. The cost for these services will depend on the individual projects and the level of support requested.

Legal and Administrative

An allowance of four percent (4%) of construction cost has been added for legal and administrative services. This allowance is intended to include internal project planning and budgeting, grant administration, liaison, and interest on term loan financing, legal services, review fees, legal advertising, and other related expenses associated with the project.

Land Acquisition

Some projects may require acquisition of additional right-of-way or property for construction of specific improvement. The need and cost for such expenditures is difficult to predict and must be reviewed as a project is developed. Effort was made to include costs for land acquisition, where expected, within the cost estimates included in this Plan. However, it should be noted that the cost of land is subjective and depends on the seller, current land use practices, the size of the plot to be acquired, options available to the Port and many other issues.

Existing Facilities

The Port of Newport was originally formed to promote water related commerce in Lincoln County and throughout its history has evolved and refined the provision of services to the commercial and recreational fishing fleets, to the tourist and for ocean observation and marine research support. Port facilities are situated in three distinct areas bordering portions of The Yaquina Estuary. The South Beach facilities primarily support the recreational fleet, ocean observation and marine research and tourism activities. The Ports' "Bay Front" facilities on the north shore of the bay support primarily the commercial fishing fleet along with some tourism. The Ports' International Terminal is also located on the north shore of the Bay, to the east of the "Bay Front" facilities, adjacent to the Northwest Natural Gas LNG tank.

Service Facilities

The South Beach Port facilities consist of a 600 berth recreational boat basin originally installed in 1978-79, a four lane boat launch facility with parking which was installed to replace the original marina launch facility in 2005, a 92 space RV Park installed in 2006, an older 52 space RV Park, the recently completed NOAA Marine Operations Center – Pacific (MOC-P) pier, office/operations building and Warehouse, several buildings leased to Oregon Brewing and other leased properties associated with ocean observation and marine research organizations (Oregon State Hatfield Marine Science Center, USA of Fish and Wildlife Service, Oregon Coast Aquarium, etc).

The Commercial Marina facilities consist of Port Dock's 3, 5,7, Swede's Dock and the Hoist Dock along with upland dry storage and parking. The Port's Bay Front facilities also include Port Dock 1, which is used for some transient vessel berthing along with providing a tourist platform for bay viewing and sea lion observation.

The International Terminal area contains facilities which consist of the Terminal Dock Facility (currently under complete reconstruction), along with some commercial fleet dry storage area and several leased properties and structures. Appendix A contains mapping of existing leased facilities.

A comprehensive inventory of Port owned facilities associated with all properties are presented in Appendix B. The inventory includes an estimated current value of each facility along with an estimated replacement cost. The following table indicates a summary of Port owned facilities and estimated current values and replacement costs.

	Replacement Costs	Estimated Exist. Value
Buildings	\$ 30,200,295	\$ 26,611,254
Docks/Piers	\$ 52,283,864	\$ 36,883,726
Parking	\$ 4,889,105	\$ 3,854,041
Other Facilities & Structures	\$ 787,000	\$ 338,999
Equipment	\$ 759,500	\$ 496,000
	<hr/> <hr/> \$ 88,919,764	<hr/> <hr/> \$ 68,184,020

While the numbers presented above are estimated, they give a perspective of the extent what the Port owns and has responsibility for.

Utilities

Along with the more visible Port owned facilities used for providing Port services and associated with lease holds, there exists considerable utility infrastructure supporting the Port and its operations. Much of the utilities providing services to the Port are owned and operated by outside agencies (City of Newport, Central Lincoln PUD, etc) however, the Port does own and operate some underground utilities primarily associated with storm drainage and area lighting. Appendix C presents an inventory of utilities which are situated on Port properties which are necessary for Port Operations and identifies the controlling agency of the Utility. Appendix C contains mapping of existing utilities serving the Ports various service areas.

Recommended Projects

Projects identified through the Port's capital facilities planning process are listed in the table below:

Project	Est. Cost
South Beach/Fishing Pier Storm Sewer Outfall Replacement	\$80,685
Old Boat Ramp Fill	\$64,116
Reconstruction of Recreational Marina Docks	\$130,000
Renovate RV Park Annex	\$660,000
Fishing Pier Replacement	\$1,567,000
Additional fish Cleaning Station	\$40,000
Rogue Brewery (Dry Moorage Building) North Wall/Siding Replacement	\$150,000
Rogue Brewery (Dry Moorage Building) Foundation/Seawall Stabilization	\$300,000
Picnic Bunker Rebuild	\$36,000
Pavement Reconstruction/Seal Coating (all areas)	\$400,030
Wastewater Pump Station Replacement - South Beach Marina	\$30,000
South Beach Marina Fuel Facility - Tank Replacement	\$210,000
South Beach Marina Fish Dumpster Cleaning Area	\$40,000
Port Dock 1 Replacement	\$750,000
Port Dock 5 Improvements	\$775,000
Port Dock 7 Replacement	\$3,400,000
Hoist Dock Center Section Replacement	\$637,500
New Port Offices/Parking Area - Construction	\$878,149
International Terminal Fire Water Line Loop	\$127,355
Dredging of Marina's - North and South	\$4,732,302
Electrical Load Centers - South Beach Marina	\$100,000
North Operations/Shop building - Replacement or remodel	TBA
Hand Launch Vessel Storage Building	TBA

All of the proposed projects will be consistent with the Port's adopted policies and plans, i.e. environmental values and utilization of best management practices.

The projects listed above are more thoroughly described below in a format which presents each project on a single page without specific priority numbers allocated. This format is presented as a means of using the document for ongoing revisions and prioritization as needs and funding availability for projects change. Project prioritization is presented in the following section.

Project: South Beach/Fishing Pier Storm Sewer Outfall Replacement



The storm water collection system which primarily serves the parking and roadway surface runoff associated with the Rogue Brewery Buildings and the adjacent City streets delivers storm water to the bay through a 30" diameter outfall pipe which has failed. The original outfall was installed in the 1978-79 original construction of the recreational marina. The existing outfall pipe is buried 12-15' deep on the landside portion, passes under the shoreline rock slope protection and extends out into the intertidal area.

Project Priority:

Estimated Project Cost: \$80,685

Project Features:

- Permitting required
- Work during "in-water" work period
- Deeply buried pipe day lighting in bay with tide gate



Project: Old Boat Ramp Fill



Fill and Level the old marina boat ramp to match grade of existing dry camping area at South Beach Marina. This old boat ramp was abandoned upon commission of the recently installed boat ramp located farther north in the vicinity of the marina store. Placing an engineered fill in this area would provide additional, usable space for Port leased properties or activities. Fill materials could be imported from the dredge spoil stockpile north of the new boat ramp parking area. The area is currently used for shoreline access by the public and lightweight boat (kayak) launching which should be taken into consideration for final design.

Project Priority Number:

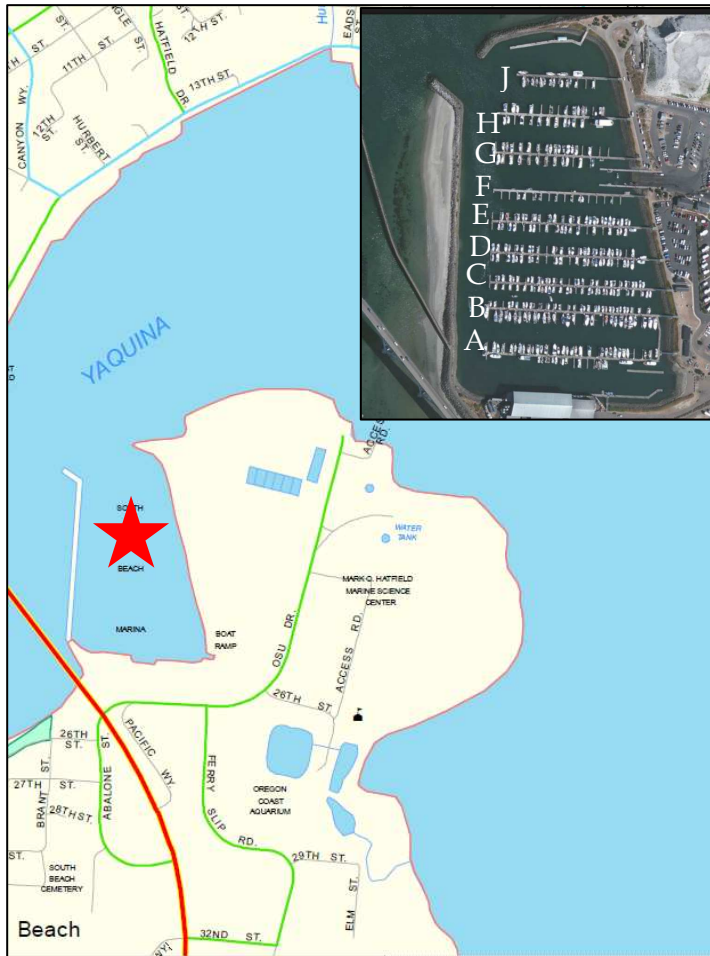
Estimated Project Cost:
\$64,000 (engineered fill) +
\$63,000 (gravel base and
pavement)

Project Features:

- Permitting may be required
- Maintain water access for hand launch craft



Project: Continued Re-Building Recreational Marina Docks



The Port has started a program of re-building/re-furbishing the existing concrete docks of the recreational marina. Dock H was completed the summer of 2011 and Dock G is currently being renovated and should be completed soon. Each of the docks is having new tie-rods installed along with whalers and electrical services for each slip. The concrete floats are being pressure cleaned and new finger fillets and piling guides installed. Dock G is being completed with in-house labor at a cost to the Port of approximately \$130,000. This process does impact the Port's revenues as moorage fees are lost for the season as each dock is renovated.

Project Priority:

Estimated Project Cost:
\$130,000 per dock

Project Features:

- Work performed in-house
- Temporary loss of revenue from displaced moorage during construction



Project: Renovate RV Park Annex



The RV Park Annex has aged water and electrical hook up facilities and poorly delineated gravel spaces with minimal aesthetic value. While there is a need for availability of “lower-end” RV sites, this area needs some renovation. This project includes the replacement of site underground facilities, and sprucing up the surface and landscaping for the 52 spaces contained at the facility.

Project Priority:

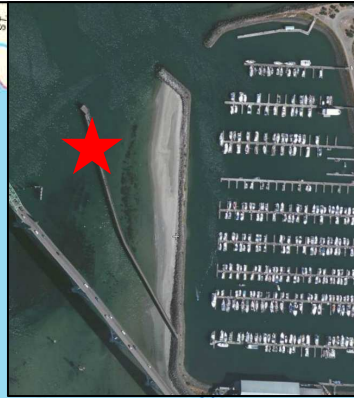
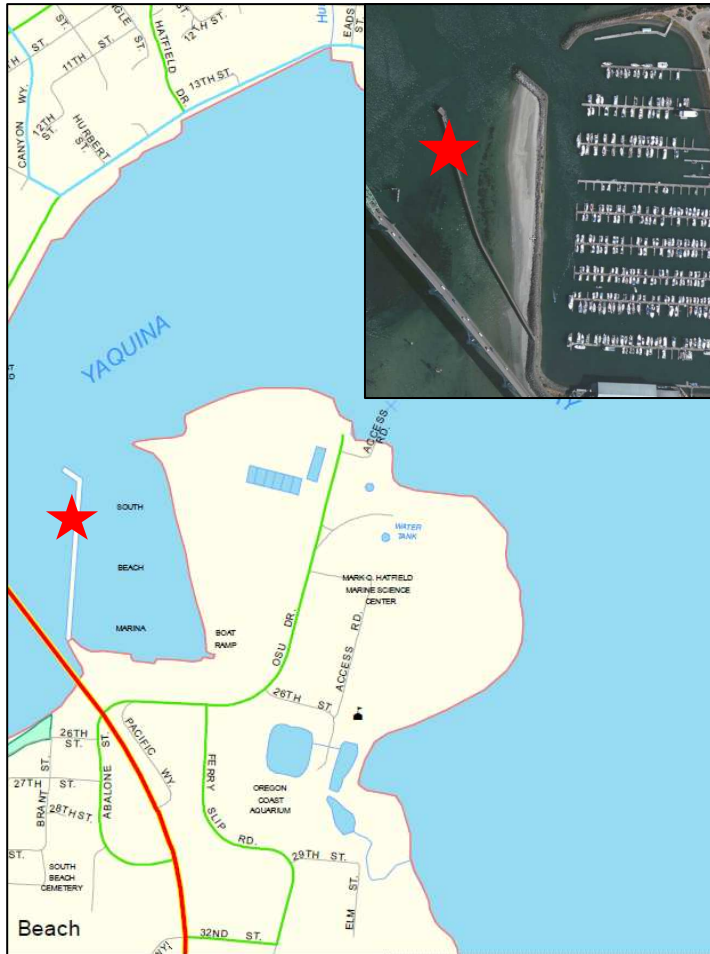
Estimated Project Cost:
\$780,000

Project Features:

- Improve appearance and utilities/facilities while accommodating mid to lower RV camper expense range.



Project: Fishing Pier Replacement



The timber fishing pier is a very popular attraction for tourists, especially for catching crab. The fishing pier railing and decking is showing wear and some minor deformation indicating minimal lateral and/or vertical movement in the pier. The pier appears to be sound; however, some planking and rail replacement and maintenance needs to be performed and total replacement should occur within the next 5 - 10 years.

Project Priority:

Estimated Project Cost: \$1,567,000

Project Features:

- Permitting
- Work during "in-water" work period



Project: Additional Fish Cleaning Station



During peak season use of the boat ramp and marina facilities, the five existing fish cleaning stations do not provide enough capacity to satisfy the demand. It is recommended that two new fish cleaning stations (side by side - double cleaning tables) be sited in the South Beach area.

Project Priority:

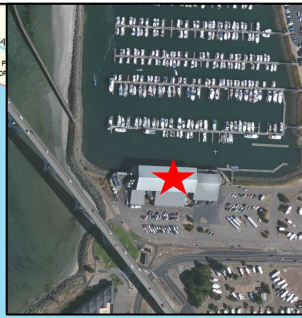
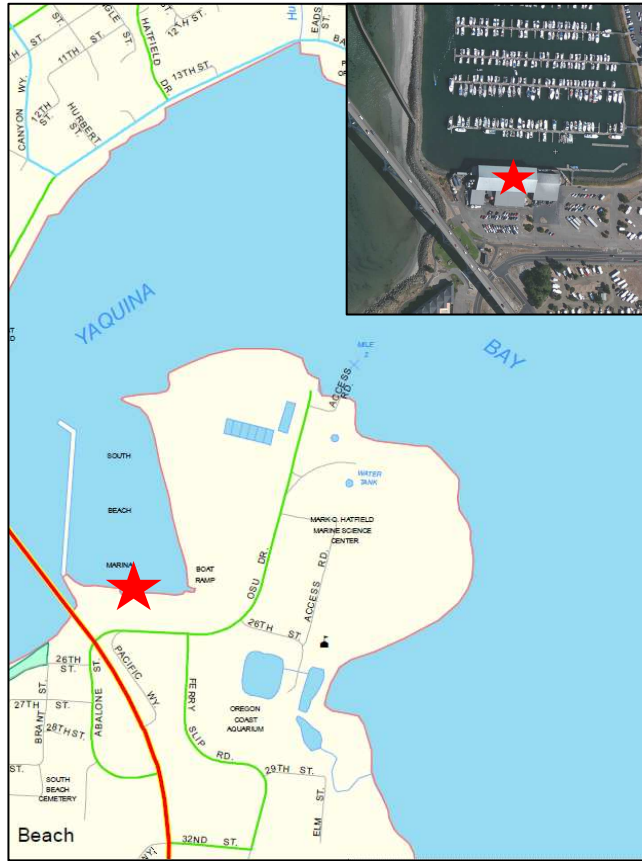
Estimated Project Cost: \$46,000

Project Features

- Facilities could be best sited for targeted use by charter boat customers.



Project: Rogue Brewery, (Dry Moorage Building) North Wall/Siding Replacement



The Dry Moorage Building portion of the Rogue Brewery building has the original north wall siding which is extremely deteriorated. Access to this side of the building is problematic and has precluded siding replacement in the past. Rogue Brewery has made considerable improvements to the building along with several expansions. The North wall siding needs replaced.

Project Priority:

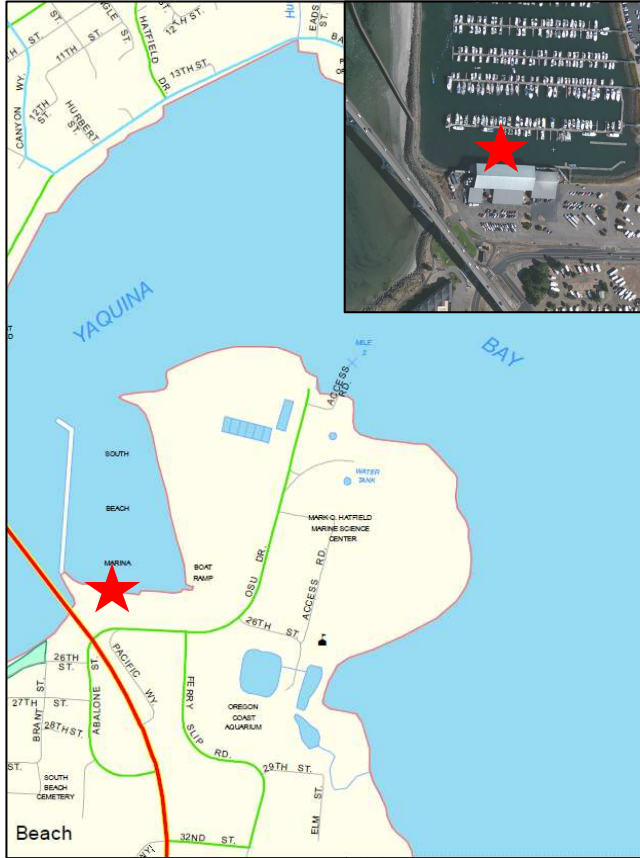
Estimated Project Cost: \$150,000

Project Features:

- Waterside work from barge or float
- Established leasehold



Project: Rogue Brewery, (Dry Moorage Building) Foundation/Seawall Stabilization



Original construction of the South Beach Marina in 1979 included a soldier pile seawall with integral foundation for the he Dry Moorage Building portion of the Rogue Brewery building. The foundation/sea wall consists of approximately 60' 'H-pile' with concrete lagging and a concrete pile cap which supports the structures north wall. Over the past several years, the seawall has been moved laterally several inches. The sea wall needs to be stabilized or replaced. It is estimated the cost for stabilizing the seawall would be approximately \$250,000 - \$300,000.

Project Priority:

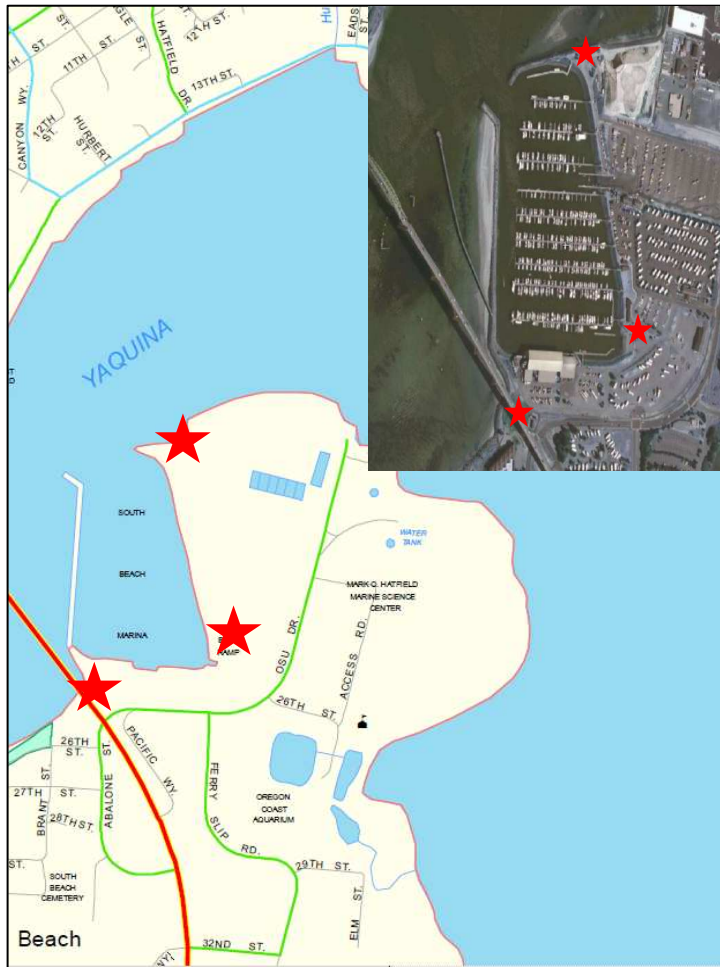
Estimated Project Cost: \$300,000

Project Features:

- Waterside work from Barge
- Geologic Investigation for Design
- Needed for continuation of established leasehold



Project: Rebuild Picnic Bunkers at South Beach Marina Complex



In the South Beach Marina Complex, there are three separate areas which contain picnic bunkers which were installed in the original 1978-79 construction of the facilities. One area, located at the south end of the Yaquina Bridge, near the fishing pier contains 6 bunkers. An area near the old boat ramp, up on the level with the Rogue Distillery contains 3 bunkers and on the north point there are another 3 bunkers, near the fueling dock. These facilities are also very popular during summer months for use by tourists. Each bunker consists of a concrete slab with a half wall surrounding a picnic table. In all the current facilities, the half walls are very deteriorated and tables need replaced. The proposed project recommends using the existing slab after cleaning along with replacing all wood structures, half wall and picnic table top and benches as designed. All picnic table steel supports need to be cleaned and

coated prior to installation of new benches and table top.

Project Priority:

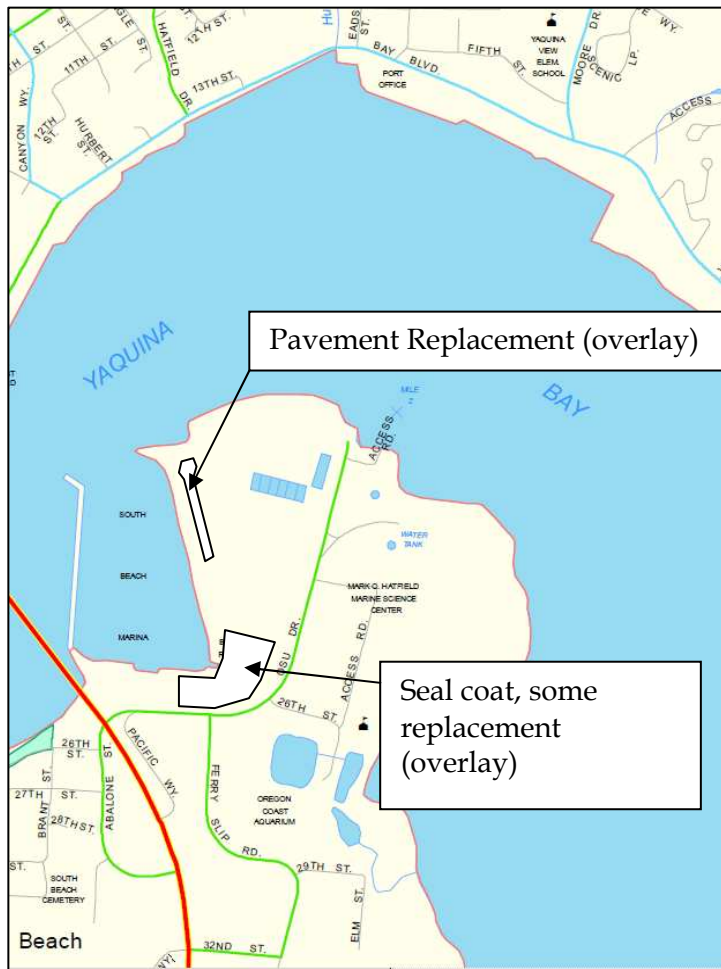
Estimated Project Cost:
\$36,000

Project Features:

- Use existing design, clean and seal concrete and replace wooden elements with pressure treated



Project: Pavement Reconstruction and Seal Coating



Between 40-50% of paved areas on the South Beach Marina Area (excluding RV parks), that are maintained by the Port, consists of the original pavement installed in the 1978-79 marina construction. The areas in which this pavement is located are in portions of; the Rogue Ales Brewery paved parking and storage areas; the dry camping area, the Rogue Ales Office paved storage and parking area; and the Rogue Distillery, old Boat ramp picnic bunker and fish cleaning station parking area. The frontage, loop road which extends north from the new boat ramp to the turn-around loop at the north point area is also original pavement. The majority of these paved areas appear to be structurally sound and show only loss of surface asphalt indicated by an exposed aggregate surface texture. Approximately 10% of these paved areas need to be

reconstructed starting with the aggregate base and installing new paved surfaces. The remainder of the paved areas could have the service life extended through replacement of eroded asphalt by surface or seal coating.

Project Priority:

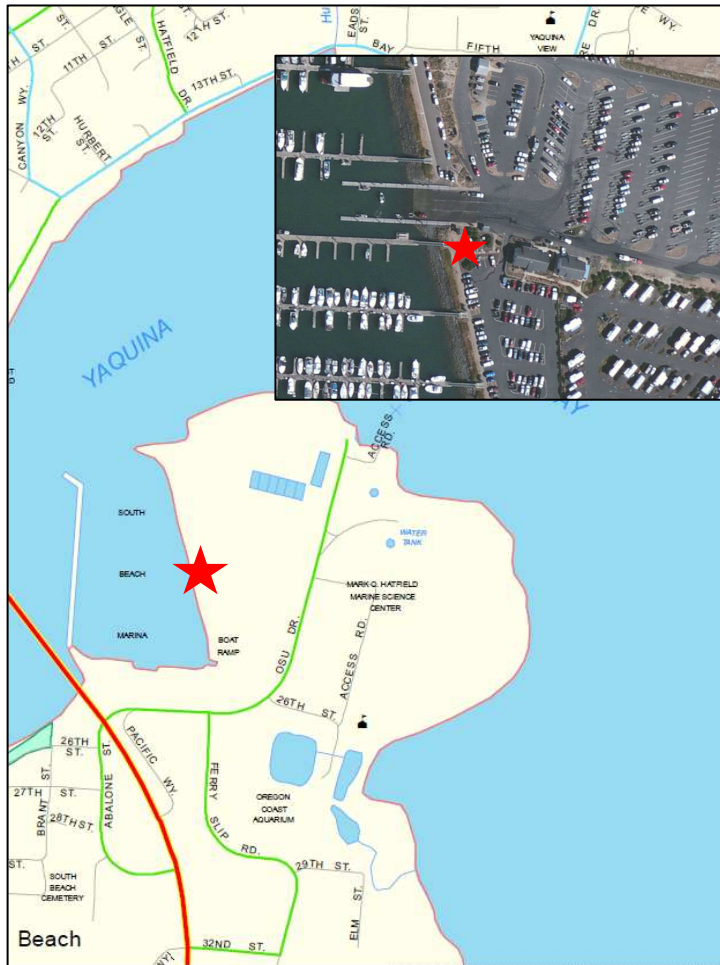
Estimated Project Cost: \$200,000

Project Features:

- Replace failed pavement areas with new overlay
- Re-surface areas with sound surface with appropriate seal coat



Project: Wastewater Pump Station Replacement



A small wastewater lift station which serves the RV park, Structure and restrooms located in the vicinity of the new boat ramp is aged and needs replacement. While the pump station is being operated and maintained by the City of Newport, the ownership of the facility is not clear. The existing pump station does not comply with City standards for pump stations and experiences high volumes of sand intake which quickly erodes pump impellers. Aside from replacing the pump station, an investigation needs to be performed in the collection system to identify and curtail the source of sand introduced into the system.

Project Priority:

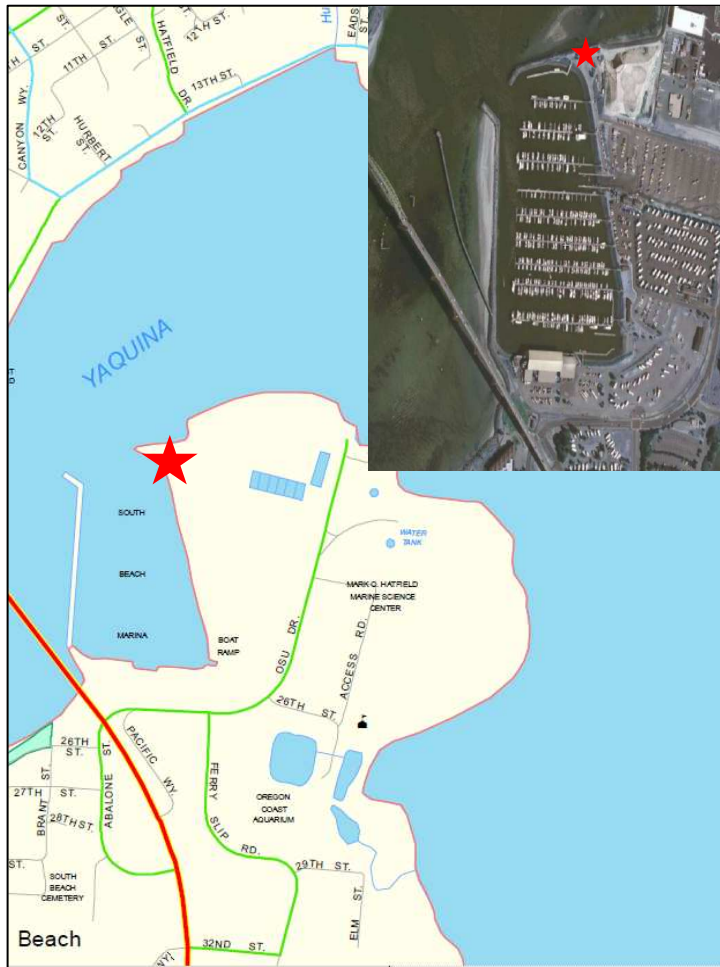
Estimated Project Cost: \$30,000

Project Features:

- Replace Station with City of Newport approved facility



Project: Fuel Tank Replacement – South Beach Marina



The South Beach Marina currently has a vessel fueling facility located at the very north end of the marina. The facility consists of floating docks, fuel dispensers, control building, fuel lines and two 20,000 gallon fiberglass lined fuel tanks. The fuel tanks are located underground in the vehicle turn-around loop at the north end of the frontage road adjacent to docks H, J, and F. New fuel lines, electrical service and dispensing facilities have recently been replaced with the facility. The underground tanks will need to be replaced within the next 7 – 10 years. The tanks would be replaced with above ground, self contained, spill-proof facilities. The estimated cost for replacing the tanks is \$210,000.

Project Priority:

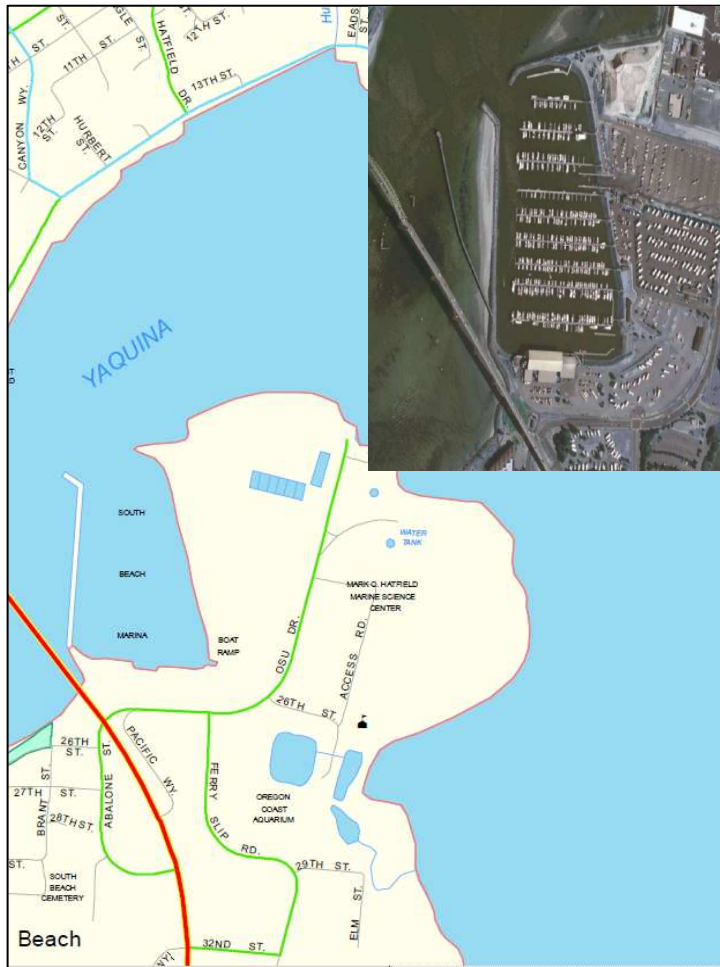
Estimated Project Cost:
\$210,000

Project Features:

- Above ground, self contained fuel tanks



Project: Fish Dumpster Washdown Area – South Beach Marina



The South Beach Marina currently maintains three fish cleaning stations and has an identified need for a fourth. Each station has a waste dumpster located adjacent to the cleaning sinks in which all fish and crab waste is deposited. There is a need for a self contained, environmentally friendly site where the emptied dumpsters can be washed down. The estimated cost for a washdown site is \$40,000.

Project Priority:

Estimated Project Cost: \$40,000

Project Features:

- Self contained
- Use of Best Management Practices for Environmental controls



Project: Port Dock 1 Repair/Replacement



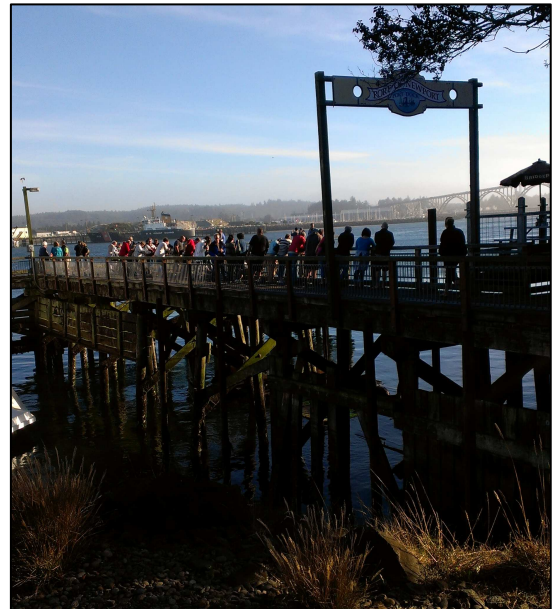
Port Dock 1 is a working transient tie-up dock for the fishing fleet and also serves as a tourist observation platform for viewing the local waterfront features and sea lion activity. The existing structure is becoming deteriorated and needs immediate improvement/repairs to maintain its level of use. There currently is no railing on the bayside perimeter of the pier and several of the sub-structure cross bracing timbers is no longer functional. The remaining service life of the pier is limited due to the state of deterioration.

Project Priority:

Estimated Project Cost: \$750,000

Project Features:

- Mixed use serving commercial fleet and public tourists



Project: Port Dock 5 Improvements



Currently approximately 25% of the steel piling associated with this dock is in a state of deterioration

Several other improvements/ additions have been identified for this facility. The 235 foot long 22 foot wide access pier and the landing float need replacing. This facility has also been identified as needing a restroom facility for moorage customers. The restroom facility could be added adjacent to the access pier or be an “on-the-water” structure, dependent upon further siting analyses.

Project Priority:

Estimated Project Cost: \$1,115,000

Project Features:

- Access Pier and Fleet moorage floating docks involved
- New Restroom facility for serving fleet users



Project: Port Dock 7 Replacement

Port Dock 7 is in extremely poor condition. Within the past few years several of the steel pilings have failed and sections of dock have had to be removed.

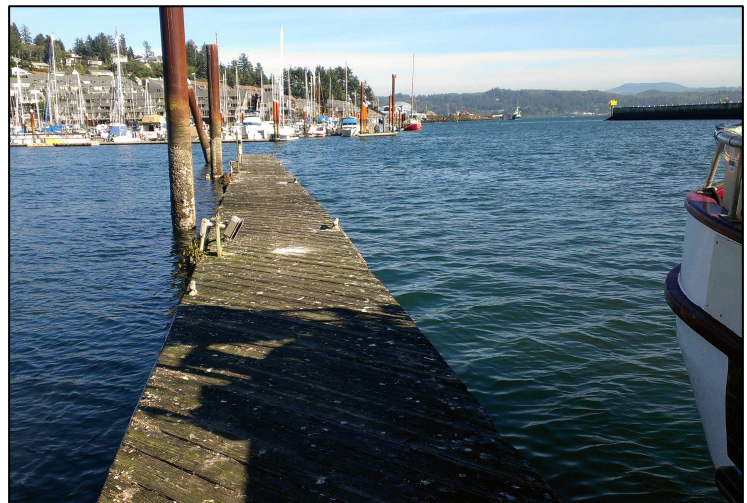


Project Priority Number:

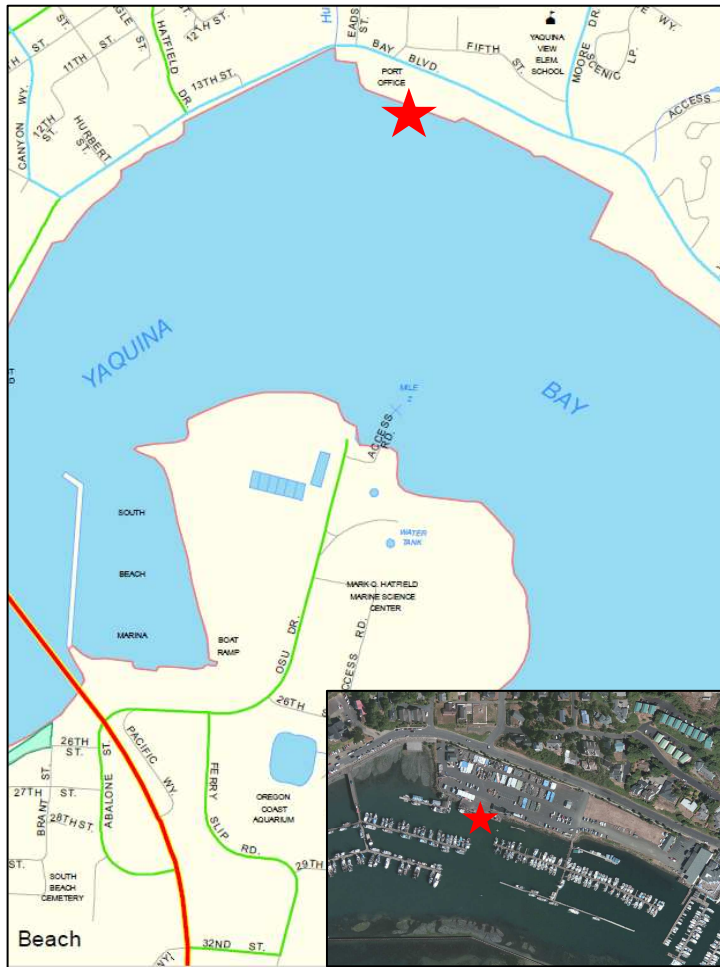
Estimated Project Cost: \$3.4M

Project Features:

- Extensive repair and replacement of failing facilities



Project: Hoist Dock Center Section Replacement



The Hoist Dock located adjacent to the old Port office building is experiencing failure in the old timber construction section situated in the center of the structure. The Hoist Dock currently fronts the Bay along a 220 foot length. The two end sections (approximately 70 ft long for each) are made up of a steel piling supported concrete structure. The interior section is timber construction. The wooden dock fender piles and whalers structure is also in need of replacement.

Project Priority:

Estimated Project Cost: \$637,500

Project Features:

- Facility Needed to maintain good revenue generating facility for Port
- Permitting required



Project: New Port Offices, Utilities and Parking



The Port offices are currently located in a temporary structure since the old offices have been declared uninhabitable.

Project Priority:

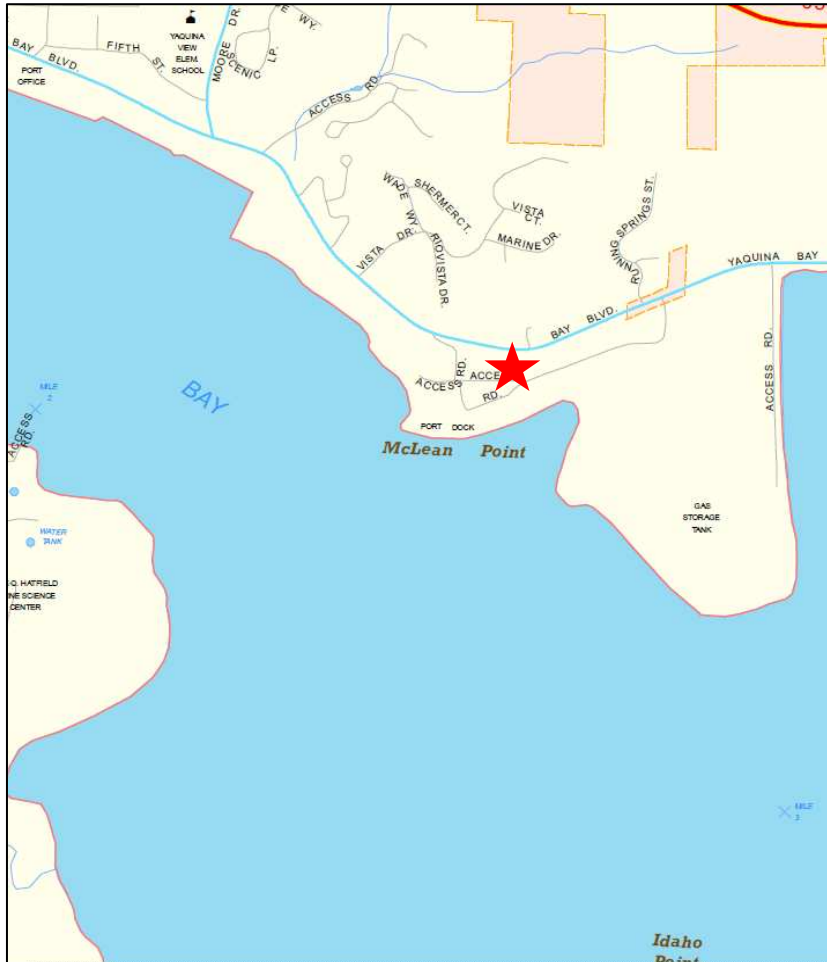
Estimated Project Cost: \$878,000.

Project Features:

- Complete office facilities with Board meeting room/Conference room
- Associated parking facilities



Project: International Terminal Fire Water Loop



The International Terminal area needs to have the fire water supply lines looped to provide for adequate fire water supply.

Project Priority:

Estimated Project Cost: \$258,000

Project Features:

- Approx 1,000 lineal feet of 8 " PVC Water Main



Project: Marina Dredging



Both the Recreational and Commercial marinas need to be dredged. It has been approximately 30 years since either has been dredged and the shoaling is starting to cause issues. The recreational marina needs to be dredged to a 10 foot depth (below Mean Lower Low Water) and the commercial marina needs to be dredged to between 10 and 15 foot depths. The project would involve removing approximately 4' depth of materials in each of the marinas.

Project Priority:

Estimated Project Cost: Recreational Marina
 - \$2,685,000
 Commercial Marina
 - \$2,050,000

Pending Activities:

- Permitting required
- Spoils disposal monitoring (testing)



Additional Projects

Miscellaneous projects that have been identified as needed for the provision of Port services also include:

- Replacement of two electrical load centers located at the South Beach Marina
 - Estimated Cost: \$100,000
- Replacement or remodeling of the Commercial Marina operations/shop Building
 - Estimated Cost: Yet to be determined
- South Beach Marina “Hand Launch” vessel storage facility
 - Estimated Cost: Yet to be determined

Capital Facilities Plan (CFP)

The improvements, which have been discussed in the previous sections, were assessed by Port commissioners and staff related to prioritization of the projects. Projects were evaluated on a basis of physical need, desire, importance and availability of funding, Appendix D contains an example of a table which was used for ranking projects. The prioritization process placed the projects in three priority categories, Priority 1-3. The priority 1 projects are projects to be scheduled for work within the next 1-5 years. Priority 2 projects to be scheduled within the next 10 years and Priority 3 projects within the next 15 years.

Because almost all of the proposed projects are actually upgrades or reconstruction/replacement of existing facilities necessary for the provision of Port services and/or revenue sources, it is extremely difficult to place definitive priorities on the proposed work. The reality is that project performance will most likely be driven by availability of funding to perform the work. The following is an initial cost and priority summary table of the identified projects for the Port:

Project Description	Priority	Estimated Cost of Improvement
Port Dock 7 Replacement	1	\$3,400,000
Wash down facility for the South Beach Marina fish waste trash bins	1	\$40,000
Hoist Dock (Center Section) Replacement	1	\$637,500
Reconstruction of Recreational Marina Docks	1	\$130,000
Port Dock 5 Improvements	1	\$775,000
New Port Offices/Parking Area	1	\$878,149
Marina Dredging	1	\$4,732,302
SUBTOTAL - PRIORITY 1 PROJECTS		\$10,592,951
Renovate RV Park Annex	2	\$660,000
Rogue Brewery (Dry Moorage Building) North Wall/Siding Replacement	2	\$150,000
Electrical Load Center South Beach Marina	2	\$100,000
International Terminal Fire Water Line Loop	2	\$127,355
Wastewater Pump Station Replacement - South Beach	2	\$30,000
Port Dock 1 Replacement	2	\$750,000
SUBTOTAL - PRIORITY 2 PROJECTS		\$1,917,355
South Beach/Fishing Pier Storm Sewer Outfall Replacement	3	\$80,685
Picnic Bunker Rebuild	3	\$36,000
Pavement Reconstruction/Seal Coating (all areas)	3	\$400,030
Fishing Pier Replacement	3	\$1,567,000
Old Boat Ramp Fill	3	\$64,116
SUBTOTAL - PRIORITY 3 PROJECTS		\$2,147,831
TOTAL ALL PROJECTS		\$14,658,137

Financing

Grant and Loan Programs

Some level of outside funding assistance in the form of grants or low interest loans will help assure that the proposed improvement projects are affordable to the Port of Newport. The amount and types of outside funding will dictate the amount of local funding that the Port will have to secure. In evaluating grant and loan programs, the major objective is to select a program, or a combination of programs, which are most applicable and available to the intended project.

A brief description of the major Federal and State funding programs, which are typically utilized to assist qualifying ports in the financing of improvement programs, is given below. Each of the government assistance programs has its own particular prerequisites and requirements. These assistance programs promote such goals as aiding economic development, benefiting areas of low to moderate-income families, and providing for specific community improvement projects. Not all ports or projects may qualify for all programs.

The Oregon Business Development Department (OBDD) is an excellent source of funding to help finance public improvements.. The OBDD has three separate programs offering funding assistance, including Community Development Block Grants (the Port is only eligible for this program if the grant is sponsored by the City of County on behalf of the Port), the Special Public Works Fund, and the Water/Wastewater Financing Program.

The Infrastructure Finance Authority (IFA) helps ports develop infrastructure and public facilities and address their utility and economic needs through these programs:

Connect Oregon

In 2005, the Oregon Legislature created the Multimodal Transportation Fund to invest in air, marine, rail, and public transit infrastructure improvements. The Fund is part of what is known as the Connect Oregon program; providing grants and loans to non-highway transportation projects that promote economic development in Oregon. The legislature authorized issuance of \$100 million in lottery-backed revenue bonds to fund the program in each of the 2005-07, 2007-09, and 2009-11 biennia. An additional \$40 million was authorized in 2011 for the 2011-13 biennium.

In creating the Multimodal Transportation Fund, the Legislature found that local governments and businesses often lack sufficient capital and technical capacity (i.e. engineering, planning, labor and/or equipment) to undertake multimodal transportation projects and that public financial assistance can help support these long-term economic growth and job creation projects.

Connect Oregon projects have resulted in success from creating job opportunities to retaining major employers. The projects have also resulted in reduced transportation costs, barriers to economic development removed, and improved safety. Together, the initial three phases of the Connect Oregon program have improved multimodal connections and better integrated transportation

system components, thereby improving the flow of commerce and promoting economic development within Oregon. ODOT administers the program pursuant to OAR 731-035.

The Port of Newport's International Terminal Improvements, currently under construction have been partially funded through the Connect Oregon program..

Port Revolving Fund

The Port Revolving Fund is a loan program to assist Oregon ports in the planning and construction of facilities and infrastructure. Each applicant is limited to a total loan amount from this fund of no more than \$3 million at any one time. The loan term can be as long as 25 years or the useful life of the project, whichever is less. Interest rates are set by the IFA at market rates, but not less than Treasury Notes of a similar term minus one percent. Funds may be used for port development projects (facilities or infrastructure) or to assist port-related private business development projects. The variety of eligible projects is very broad and may include, but are not limited to:

- water-oriented facilities;
- industrial parks; and
- airports and commercial or industrial developments.
- Eligible project costs can include:
 - engineering;
 - acquisition;
 - improvement;
 - rehabilitation;
 - construction;
 - operation; and
 - maintenance or pre-project planning.

Port Planning and Marketing Fund

This grant program helps ports fund planning or marketing studies related to expanding their trade and commerce activities. Funding is provided through a transfer of the interest earned on the Oregon Port Revolving Fund. The Port Planning and Marketing Fund is primarily a grant program. Grants from the Port Planning and Marketing Fund are capped at \$50,000 or 75 percent of the total cost of the project, whichever is less. A 25 percent local cash match is required for all projects.

This includes developing and marketing facilities and services that support important industries in the state, including:

- agriculture
- aviation
- fishing
- maritime
- commerce
- transportation
- tourism/recreation

- wood products

Marine Navigation Improvement Fund

The Marine Navigation and Improvement Fund provides grants and loans that fund either: a federally authorized project that needs matching funds; or a non-federally authorized project that directly supports or accesses an authorized navigation improvement project.

Federally authorized projects

These include projects designed and operated by the U.S. Army Corps of Engineers. The federal government provides 75 percent of the funding; the state Legislature provides the 25 percent match.

Projects must be:

- authorized by Congress;
- large enough to have a positive national cost/benefit ratio;
- sponsored by a port; and
- listed in the port's business or strategic plan.

Non-federally authorized projects

These projects are smaller and cannot qualify for federal assistance. The proposed project must support a certain level of commercial or recreational activity in order to qualify for state funding. These projects must:

- meet the criteria of a freight project or a commercial/recreation project;
- be a new water project that directly supports, or provides access to, a federally authorized navigation improvement or navigation channel project;
- be ready to begin in the biennium funding is requested; and be listed in a port's business or strategic plan.

Projects can be funded:

- up to 100 percent through a loan, if the port can support that level of debt from its general fund;
- up to 75 percent through a state grant for projects with a record of activity that meets the minimum criteria; or
- up to 50 percent through a state grant for new water projects anticipated to meet the minimum criteria within a couple of years of completion.

Low-interest loans

Interest rates are determined during the financial review. Loan terms will not exceed 25 years.

Grants

Grants are available for projects that meet one or more of the following criteria:

- Job creation and/or retention as a direct result for the project.

- The project deals with critical public safety issues and the IFA's financial analysis determines the port's borrowing ability cannot finance the project.
- There is an imminent threat that the port will lose permits and the IFA's financial analysis determines the port's borrowing ability cannot finance the project.

Local Funding Sources

Local revenue sources for capital expenditures include ad valorem taxes, various types of bonds, lease and tenant revenues. Local revenue sources for operating costs include ad valorem taxes, and lease and tenant charges and user fees.

Property Taxes

There are three types of property taxes that taxing districts may impose: taxes from the permanent rates, local option levies, and bond levies. Only the permanent rates are fixed. Bond levies typically are approved in terms of dollars, and the rates are calculated as the total levy divided by the assessed value in the district. Local option levies may be approved either in rate or dollar terms. If the local option levy is in dollar terms, then rates are calculated the same way as for bond levy rates.

Taxes from the permanent rates, typically referred to as operating taxes, are used to fund the general operating budgets of the taxing districts. They account for the single largest component of property taxes. Strictly speaking, the permanent rates are rate limits, so districts may use any rate up to their permanent rate. Local option taxes represent the only way taxing districts can raise operating revenue beyond the permanent rate amount. Even so, these taxes are the first to be reduced if the Measure 5 limitations are exceeded. Because voters at the local level must approve these levies, they represent one aspect of local control over the level of property taxes. Measure 50 requires that local option levies, in elections other than general elections, be approved by a majority of voters with at least 50 percent of all registered voters actually voting. Bond levies have remained largely unchanged. They are used to pay principal and interest for bonded debt. Under the provisions of Measure 50, new bond levies, like new

Local Option and Serial Levies

The Oregon Constitution allows a local government to levy annually the amount that would be raised by its permanent rate limit (Base) without further authorization from the voters. When a local government has to increase the permanent rate limit or when the rate limit does not provide enough revenue to meet estimated expenditures, the government may request a local option levy from the voters. Approval requires a "double majority." This means that at least 50 percent of the registered voters must vote, and a majority of those who vote must approve the levy. Since 1991, the constitution has limited the maximum amount of taxes to support the public schools to \$5 per \$1,000 of real market value. The maximum amount to support other government operations is \$10 per \$1,000 of real market value.

Voters can approve local option levies for up to five years for operations and up to 10 years or the useful life of capital projects, whichever is less. Local option levies require a "double majority" for

approval. A common funding mechanism for capital projects is to acquire voter approval for a serial levy (more than one year) to pay for the cost of specifically targeted projects.

Bonds

The municipal bond market is the source of most loans for public agencies in the United States, including Oregon. The municipal bond market will purchase one of two types of bonds from the Port – a general obligation bond or a revenue bond. The two types of bonds differ in how the Port chooses to repay the loan, and are discussed in more detail below.

General Obligation Bonds

General obligation (G.O.) bonds are backed by the Port's full faith and credit, as the Port pledges to assess property taxes sufficient to pay the annual debt service. This tax is exempt from the State's constitutional limit of \$10/\$1,000 of assessed value. The Port may, at its discretion, use any other source of revenue, including user fees or leasehold/tenant revenues, to repay the bonds. If it uses these other sources, it then reduces the amount to be collected from taxes.

Oregon Revised statutes limit the maximum bond term to forty (40) years for agencies. Except in the event that RD will purchase the bonds, the realistic term for which G.O. bonds should be issued is fifteen (15) to twenty (20) years. Under the present economic climate, the lower interest rates will be associated with the shorter terms.

Financing of capital improvements by G.O. bonds is usually accomplished by the following procedure:

1. Determination of the capital costs required for the improvement.
2. An election by the voters to authorize the sale of bonds.
3. The bonds are offered for sale.
4. The revenue from the bond sale is used to pay the capital costs associated with the project(s).

General Obligation bonds are preferable to revenue bonds in matters of simplicity and cost of issuance. Since the bonds are secured by the power to tax, these bonds usually command a lower interest rate than other types of bonds. General obligation bonds lend themselves readily to competitive public sale at a reasonable interest rate because of their high degree of security, their tax-exempt status, and public acceptance.

These bonds can be revenue-supported wherein a portion of the user fee is pledged toward payment of the debt service. Using this method, the need to collect additional property taxes to retire the bonds is eliminated. Such revenue-supported G.O. bonds have most of the advantages of revenue bonds, plus lower interest rate and ready marketability.

General obligation bonds are normally associated with the financing of facilities, which benefit an entire community and must be approved by a majority vote.

The disadvantage of G.O. bond debt is that it is often added to the debt ratios of the underlying agency, thereby restricting the flexibility of the agency to issue debt for other purposes. Furthermore, G.O. bond authorizations must be approved by a majority vote and often necessitate extensive public information programs.

Revenue Bonds

For revenue bonds, the Port pledges the net operating revenue of the port authority to repay the bonds. The primary source of the net revenue is user fees, leases and tenant fees, and the primary security is the Port's pledge to charge user fees sufficient to pay all operating costs and debt service. The lender requires the Port to provide two additional securities for the revenue bonds that are not required by a G.O. bond. First, the Port must establish a bond reserve fund equal to the lesser of maximum annual debt service or 10% of the bond amount. Second, the Port must increase user fees such that net the cash flow from operations plus interest earnings are equal to or greater than 125% of annual debt service, known as a 1.25 debt coverage ratio.

The general shift away from ad valorem property taxes and toward a greater reliance on user fees makes revenue bonds a frequently used option for payment of long term debt. Many agencies prefer revenue bonding, because it insures that no tax will be levied. In addition, debt obligation will be limited to system users and tenants since repayment is derived from such fees. An advantage with revenue bonds is that they do not count against a municipality's direct debt, but instead are considered "overlapping debt". This feature can be a crucial advantage for a municipality near its debt limit. Rating agencies evaluate closely the amount of direct debt when assigning credit ratings. Revenue bonds also may be used in financing projects extending beyond normal municipal boundaries. These bonds may be supported by a pledge of revenues received in any legitimate and ongoing area of operation, within or without the geographical boundaries of the issuer.

Successful issuance of revenue bonds depends on the bond market evaluation of the revenue pledged. Revenue bonds are most commonly retired with revenue from user fees. Recent legislation has eliminated the requirement that the revenues pledged to bond payment have a direct relationship to the services financed by revenue bonds. Revenue bonds may be paid with all or any portion of revenues derived by a public body or any other legally available monies. If additional security to finance revenue bonds is needed, a public body may mortgage grant security and interests in facilities, projects, utilities or systems owned or operated by a public body.

Normally, there are no legal limitations on the amount of revenue bonds to be issued, but excessive issue amounts are generally unattractive to bond buyers because they represent high investment risks. In rating revenue bonds, buyers consider the economic justification for the project, reputation of the borrower, methods and effectiveness for billing and collecting, rate structures, a provision for rate increases as needed to meet debt service requirements, track record in obtaining rate increases historically, adequacy of reserve funds provided in the bond documents, supporting covenants to protect projected revenues, and the degree to which forecasts of net revenues are considered sound and economical.

Agencies may elect to issue revenue bonds for revenue producing facilities without a vote of the electorate (ORS 288.805-288.945). Certain notice and posting requirements must be met and a sixty

(60) day waiting period is mandatory. A petition signed by five percent of the municipality's registered voters may cause the issue to be referred to an election.

Improvement Bonds

Improvement (Bancroft) bonds can be issued under an Oregon law called the Bancroft Act. The bonds are an intermediate form of financing that is less than full-fledged G.O. or revenue bonds, but is quite useful especially for smaller issuers or for limited purposes.

An improvement bond is payable only from the receipts of special benefit assessments, not from general tax revenues. Such bonds are issued only where certain properties are recipients of special benefits not occurring to other properties. For a specific improvement, all property within the improvement area is assessed on an equal basis, regardless of whether it is developed or undeveloped. The assessment is designed to apportion the cost of improvements, approximately in proportion to the afforded direct or indirect benefits, among the benefited property owners. This assessment becomes a direct lien against the property, and owners have the option of either paying the assessment in cash or applying for improvement bonds. If the improvement bond option is taken, the Port sells Bancroft improvement bonds to finance the construction, and the assessment is paid over 20 years in 40 semi-annual installments with interest. Cities and special districts are limited to improvement bonds not exceeding three percent of true cash value.

With improvement bond financing, an improvement district is formed, the boundaries are established, and the benefited properties and property owners are determined. The engineer usually determines an approximate assessment, either on a square foot or a front-foot basis. Property owners are then given an opportunity to object to the project assessments. The assessments against the properties are usually not levied until the actual cost of the project is determined. Since this determination is normally not possible until the project is completed, funds are not available from assessments for the purpose of making monthly payments to the contractor. Therefore, some method of interim financing must be arranged, or a pre-assessment program, based on the estimated total costs, must be adopted. Commonly, warrants are issued to cover debts, with the warrants to be paid when the project is complete.

The primary disadvantage to this source of revenue is that the property to be assessed must have a true cash value at least equal to 50 percent of the total assessments to be levied. As a result, owners of undeveloped property usually require a substantial cash payment. In addition, the development of an assessment district is very cumbersome and expensive when facilities for an entire community are contemplated. In comparison, G.O. bonds can be issued in lieu of improvement bonds, and are usually more favorable.

Capital Construction (Sinking) Fund

Sinking funds are often established by budget for a particular construction purpose. Budgeted amounts from each annual budget are carried in a sinking fund until sufficient revenues are available for the needed project. Such funds can also be developed with revenue derived from system development charges or serial levies.

A Port may wish to develop sinking funds for future improvements. This fund can be used to rehabilitate or maintain existing infrastructure, construct new infrastructure elements, or to obtain grant and loan funding for larger projects.

The disadvantage of a sinking fund is that it is usually too small to undertake any significant projects. Also, setting aside money generated from user fees without a designated and specified need is not generally accepted in agency budgeting processes.

Funding Recommendations

This Capital Facilities Plan outlines a plan for all necessary improvements, which represent a significant investment for the Port. Therefore, a strategy and plan for financing the recommended improvements must be developed.

While the financing package that the Port will ultimately utilize depends on the results of coordination with the various funding agencies, this section will summarize the general direction the Port should proceed with and provide some insight into the potential impacts to rate payers.

As outlined earlier in this section, improvements projects recommend for the Port total approximately \$14.7 million dollars. The Port should proceed with the following steps as it moves forward with the financing strategy for the water system improvement projects:

1. As soon as this Capital Facilities Plan is approved, the Port District should contact Infrastructure Finance Authority (IFA) to schedule a one-stop meeting. At this one-stop meeting, all of the potential agencies who may be able to provide funding will send representatives to discuss the funding needs and develop a funding package for the improvement projects. The agencies will make recommendations and will discuss what each agency can offer. The result will be a funding package made up of grants and loans from a number of agencies to fund the projects.
2. Following the one-stop meeting, the Port District should immediately process the necessary paperwork to apply for the funding included in the funding package recommended at the one-stop meeting. This will require numerous applications and other administrative efforts to apply for funding. The Port District should apply to any and all programs or agencies that have the potential to provide grant money to reduce the impact to rate payers.
3. Due to the magnitude of the required improvements, the Port District will not likely receive grants sufficient to cover all of the costs of the project. In fact, the Port District will most likely be required to take out loans for a significant portion of the project costs.
4. Once the Port District receives notification that they have secured the necessary funding to complete the work, they can begin the pre-design and design activities in preparation for bidding and construction of the improvements.

Appendix A

Lease Property Maps

Appendix B

Facility Inventory

Appendix C

Port Utility Inventory

Appendix D

Port Utility Maps

Project Prioritization Worksheet Template



2016 - 17 DEPARTMENT GOAL SETTING INFORMATION FORM

SUBMITTED BY: Rick Fuller

DEPARTMENT: Operations

DIRECT SUPERVISOR: Kevin Greenwood

DATE: 10/17/2016

- A. **SERVICE PRIORITIES NARRATIVE.** List activities and responsibilities on an ongoing basis. This is intended to give the Port Commission a sense of your facility and day-to-day activities. If you need help getting started on this review your position job description.

The Operations Department is responsible for the development, coordination and management of the operational aspects of the Port which includes:

1. Participates and contributes to overall Port management as part of an administrative and management team.
2. Capital improvement and construction projects.
3. Preparation, management and administration of public procurement & contracts.
4. Oversight of maintenance, replacement and repair of all property assets and equipment.
5. Budget and cost control.
6. Operational document control (as-builds).
7. Security, safety, and emergency preparedness.
8. Works with the Facility Managers/Harbormasters to provide leadership in staffing needs to maintain a highly efficient operation.
9. Supports Facility Managers/Harbormasters by coordinating personnel training and resources to best manage the Port's facility operations.
10. Develops positive, ongoing relationships with industry and related associations such as City of Newport, USACE, ODFW, DSL, economic development officials, State Marine Board, and other public agencies.
11. Improvement, modernization, and standardization of operational procedures.
12. Oversight of the current Computerized Maintenance Management Software (CMMS) which guides each department's preventative maintenance plan.
13. Oversight of volunteer work groups and resources

- B. **ONGOING GOALS.** List 10 ways that your daily activities listed above can be improved.

1. Maintenance & Operations:
 - 1.1. Complete and implement the Facility Maintenance and Operations Plan (FMOP)
 - 1.2. Create/maintain a current maintenance & priority list
 - 1.3. Define and utilize staff skills
 - 1.4. Create a complete inventory of all assets
 - 1.5. Create a Fleet procurement and maintenance programs
 - 1.6. Document control of as-builds, O&M's and service programs

- 1.7. Centralize the maintenance department
- 1.8. Set minimum standards and procedures
- 1.9. Increase staff morale and pride of association
- 1.10. Empower staff by increasing responsibilities to those closest to the event

2. Procurement & Contract Administration:

- 2.1. Create standardized forms and contracts accessible through network
- 2.2. Create Registered contractor base
- 2.3. Use SDAO/DAS/Orpin
- 2.4. ITB/RFP development
- 2.5. Collective purchasing
- 2.6. Annual service contract analysis
- 2.7. Insurance tracking
- 2.8. Project administration procedures
- 2.9. Procedural document control
- 2.10. Standardize folder tree at network level & field offices

3. Security/Safety & Emergency Preparedness:

- 3.1. Analyze/update current system
- 3.2. Outline minimum training requirements
- 3.3. Work with outside agencies SDAO/OSHA/OCCC/Newport/Lincoln County
- 3.4. Improve safety committee authority
- 3.5. Distribute safety handbook
- 3.6. Safety committee rotation schedule
- 3.7. Review HazMat
- 3.8. Site specific ERP documentation
- 3.9. ERP training and scheduled drills
- 3.10. OSHA 10/30

4. Training & Development:

- 4.1. Create minimum standards/merit system
- 4.2. Increase general budget amount
- 4.3. Tie to placement/merit scale
- 4.4. Work with outside agencies SDAO/DAS/OSHA/OCCC/.....
- 4.5. Succession development
- 4.6. Develop customer service
- 4.7. Management development- train the trainer
- 4.8. New hire orientation program
- 4.9. Mentor program
- 4.10. Develop training opportunity schedule – computer, safety, management, CMMS, etc.

C. GOALS FOR FY 2016-17. List specific projects that you are currently working on or would like to accomplish by the end of June 2017. These goals tend to be specific whereas the ongoing goals above are more cultural and constant.

- 1. Complete ongoing capital improvement projects & permit closeout
- 2. Improve current maintenance
- 3. Support the ITSF project goals

4. Complete and implement the Facility Maintenance and Operations Plan (FMOP)
5. Create and implement a current master maintenance & priority list (non-capital projects)
6. Complete the implementation of the CMMS (HIPPO) system and increase its use throughout all departments which will enable reporting on completed work orders
7. Support the creation of a standardized folder tree at network level & field offices
8. Create standardized forms and contracts accessible through network
9. Annual service contract analysis
10. Outline minimum training requirements
11. Develop a training opportunity schedule – computer, safety, management, CMMS, etc.
12. Provide Hazwoper & OSHA 10/30 training
13. Evaluate and respond to the results of the annual operations scorecard

D. 2-5 YEAR GOALS. List specific project that you won't be able to complete this year, but would like to tackle in the next two to five years.

1. Document control of as-builds, O&M's and service programs
2. Implement a sustainable and measurable system of maintenance work orders and key performance indicators
3. Completion of a training program specific to the marine industry
4. Development of a sustainable high performance team with a succession plan
5. Implementation of prioritized capital project list
6. Creation of a departmental 20 year replacement plan for critical facility assets
7. Show continued measurable improvement of the annual operations scorecard

E. GOALS BEYOND 5 YEARS. List long-term goals that will eventually need to be accomplished

1. Continue to professionally manage the implementation of capital improvement projects
2. Reevaluate the existing operations system and make corrective changes as necessary
3. Be a model of best practices for the marine industry

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A Service priorities North Commercial

1. Check dumpsters at Dock 1,3,5 and 7 daily & empty into compactor as needed
2. Pickup cardboard from Docks 3,5 and 7 daily as need & put into recycle bins
3. Check oil building for filters & pump out cube into big tanks.
4. Crush oil filters and clean up public oil disposal side as needed
5. Pick up garbage around the lot.
6. Pick up stray crab pots & remove garbage from docks.
7. Track down boats that haven't registered with the office
8. Weed eat or mow grass as needed
9. Clean restrooms daily
10. Fill out service tickets for boats using the hoist dock or other requested services
11. Move fishing gear to/from hoist dock which may include crab pots, crab tanks, outriggers winches, shrimp hoppers etc. with forklift.
12. Move seafood products from hoist dock to scales to trucks.
13. Remove logs and other floating debris from dock area and slips.
14. Maintenance on forklifts, including fueling and greasing.
15. Maintenance on cranes, hoists, dumpsters etc.
16. Listen to moorage holder issues and deal with or try to deal with their problems with efficiency and tact.
17. Assign moorage slips
18. Maintain facilities

B Ongoing Goals North Commercial

1. Continue best customer service that we can do.
2. Keep the lot cleaner
3. Maintain full staffing for allocated FTE positions
4. Update lot inventory process
5. Continue dock maintenance
6. Keeping employees up to date on training
7. Improving communication with users
8. Successor planning
9. Replace and pull piles on Port Dock 5/7
10. Replace piles on 5D

C Goals for 2017 North Commercial

1. Have all crew Hazwoper certified
2. New LED light for big pole on the East side of the hoist dock
3. 2 new dumpsters
4. New LED light on side of maintenance building
5. Find pole protectors for light pole east of the restrooms
6. Finish siding on maintenance building
7. Create a forklift replacement plan
8. Install HDPE waterlines on docks 7 E & F
9. Replace water manifold for dock 7 with HDPE material

D 2-5 year goals North Commercial

- 1 Replace dock 5 pier
- 2 New used oil tanks with oil water separator
- 3 New hoist replacing #3 with longer reach
- 4 Marina dredging
- 5 Gravel east lot to existing rock grade
- 6 Replace fire line fittings on dock 3,5 and get operational
- 7 New ramp, port dock 7
- 8 New roof and insulation in maintenance shop
- 9 New through rods and rub boards for 5X, 5B, Dock 3 and 5C
- 10 New hoist with extension for #4

E Goals beyond 5 years North Commercial

1. Replace dock 7X, 7E, 7F
2. Replace electrical pedestals dock 5
3. Port dock 1 replacement
4. Hoist dock expansion to the west
5. Pave south side of east lot
6. Replace port dock 3 walkway access
- 7.



2016 - 17 DEPARTMENT GOAL SETTING INFORMATION FORM

SUBMITTED BY: Jim Durkee

DEPARTMENT: NOAA MOC-P

DIRECT SUPERVISOR: Rick Fuller

DATE: 8-22-2016

A. SERVICE PRIORITIES NARRATIVE

1. Maintain and monitor the Computerized Maintenance Management System (CMMS) software to ensure the efficient management and maintenance of the MOC-P operating facilities per the Solicitation For Offer (SFO)
2. Maintain and monitor the Building Automation System (BAS) software to allow efficient management, maintenance, troubleshooting, and control of the MOC-P equipment and the areas it monitors
3. Maintain and repair the facility building and marine systems per the CMMS scheduled PM program or as required
4. Self-perform or supervise grounds services
5. Perform and/or supervise in water maintenance, repair, and inspections. Work with Director of Operations and other management staff for the survey, monitoring and maintenance work required for dredging operations, eel grass mitigation and other permit requirements
6. Administration and maintenance of budget, construction drawings, manuals etc. related to NOAA MOC-P
7. Active participation on Safety Committee and safety projects, training, Safe Haven Hill, etc.
8. Maintain certifications and cards as required for crane, fork-lift, aerial boom lift, TWIC, CAC, etc.
9. Assist management and other facilities as needed
10. Alternate Facility Security Officer for NIT

B. ONGOING GOALS

1. Continue education on CMMS system
2. Continue education on BAS
3. Improve and maintain tools and equipment to perform the tasks required
4. Look for new products to improve corrosion control, protection, cleaning, etc.
5. Read and re-read the entire SFO
6. Read all of the operating manuals
7. Regularly look for ways to apply new technologies to the job
8. Look for ways to improve the facility both aesthetically and from a maintenance standpoint
9. Maintain good working relationships with the ever-changing personnel at the NOAA facility
10. Work with outside contractors to learn more about the equipment in the facility and to learn new maintenance practices

C. GOALS FOR FY 2016-17

1. Install canvas covers over bunks on pier
2. Repaint fire extinguisher cabinets on pier (Probably a multi-year project as time permits).
3. Replace flagpole truck, lines and clips
4. Move files and drawings out of trailer and set up office in old YBF offices
5. Finish installation of security wall in NOAA offices
6. Reestablish professional looking grounds maintenance
7. Concrete repair to pier per ODOT inspection recommendation and additional concrete repairs to office building
8. Shore power pedestal heater installation and concrete finishing work.
9. Camel chain repair

D. 2-5 YEAR GOALS

1. Eliminate seagull problem on pier
2. Set up public area and demised area painting
3. Set up Office building carpet replacement.
4. Upgrade BAS server
5. Upgrade NOAA exterior lights to LEDs

E. GOALS BEYOND 5 YEARS

1. Prepare for large repair and replacement jobs, possible roof replacements, soffits, fascia, gutters, etc.
2. Find and train my replacement



2016 - 17 DEPARTMENT GOAL SETTING INFORMATION FORM

SUBMITTED BY: Pete Zerr

DEPARTMENT: International Terminal

DIRECT SUPERVISOR: Rick Fuller

DATE: 9/20/2016

A. SERVICE PRIORITIES NARRATIVE. List activities and responsibilities on an ongoing basis. This is intended to give the Port Commission a sense of your facility and day-to-day activities. If you need help getting started on this review your position job description.

1. Service all NIT customer needs. This currently consists primarily of the distant water fishing fleet accommodating gear change-outs, but also includes; servicing small vessels of the local fleet at times, providing crane & forklift service for Foul Weather Trawl net shop, providing lot storage (large gear storage outside) for the aforementioned customers, providing forklift & crane service for barge companies (e.g. Billeter Marine), and providing dock space for all vessels on an as needed basis. Provide accurate billing for all of the above.
2. Ensuring maintenance of the NIT facility, including buildings, docks, fixed hoist, mobile crane, and forklifts.
3. Ensuring regulatory compliance for the following:
 - a) OSHA
 - b) MTSA & ISPS (USCG Facility Security Plan)
 - c) DEQ (Storm water permit)
 - d) USCG, ACOE, DSL

B. ONGOING GOALS. List 10 ways that your daily activities listed above can be improved.

1. Gain USCG MTSA status
2. Improve operations scheduling and personnel coverage (e.g. 2nd hire)
3. Improve use and functionality of the CMMS
4. Improve on storm water catch basin maintenance & SWPP reporting
- 5.

C. GOALS FOR FY 2016-17. List specific projects that you are currently working on or would like to accomplish by the end of June 2017. These goals tend to be specific whereas the ongoing goals above are more cultural and constant.

1. Replacement of corroding and deteriorating storm water catch basin strainer and filter elements
2. Replacement of 9,000-pound forklift with newer, more functional model

D. 2-5 YEAR GOALS. List specific project that you won't be able to complete this year, but would like to tackle in the next two to five years.

1. Assist Port Management in fully developing NIT for commercial shipping Operations including improving the infrastructure at the NIT facility.
2. Work in improve energy conservation measures on lighting and electrical systems.
3. Improve signage throughout the facility (Refer to MATE signage report)
- 4.

E. GOALS BEYOND 5 YEARS. List long-term goals that will eventually need to be accomplished

1. Ensure that all moorage at the facility is dredged to adequate depths.
2. Maintain the asphalt pavement at the Terminal, including roadways and lots, through most cost effective means.
3. Work with County & State agencies to extend rail service from Toledo to the NIT.

The Port Commission is undertaking goal setting for the entire Port of Newport and has requested for Dept. Heads and Facility Managers to provide a breakdown of the above goals. This is also intended to give the Commission a sense of your responsibilities and activities. I will send a digital copy of this form for you to review with your staff and/or stakeholder group. Please provide bring this to **next month's Department Head meeting on September 20th**. Once complete, this document should be approximately 1-1/2 to 2 pages long. If you need assistance, please feel free to contact me or your supervisor.

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2016-17 DEPARTMENT GOAL SETTING INFORMATION FORM

SUBMITTED BY: **R.Fuller**
DEPARTMENT: **Maintenance**
DIRECT SUPERVISOR: **R. Fuller**
DATE: **9/16/2016**

A. SERVICE PRIORITIES NARRATIVE. List activities and responsibilities on an ongoing basis. This is intended to give the Port Commission a sense of your facility and day-to-day activities. If you need help getting started on this review your position job description.

1. It is the objective of the maintenance department to focus on the requirements needed for preventative maintenance (PM) goals and benefits which is separate from providing for larger capital projects (over \$5,000).
2. The facilities and equipment used in support of public property will be maintained at a minimum to the specifications in the operation and maintenance manuals available for the asset. The overall goal is to:
 - i. Maintain facilities and equipment in safe operating condition
 - ii. Maximize facility and equipment service life
 - iii. Meet the requirements of the Oregon OSHA, the Americans with Disabilities Act, and state and local regulations
 - iv. Provide a safe environment for the public, facility users and staff
 - v. Minimize service disruptions
 - vi. In support of all other departments, ensure that the Port facilities are brought to and remain in excellent condition for the public, lessee and customers use.

B. ONGOING GOALS. List 10 ways that your daily activities listed above can be improved.

1. Practice a culture of high standards and continual improvement regardless of the current or past conditions
2. Create and practice a culture of professionalism that reflects the facility maintenance industry
3. Create an organized means for the training of asset maintenance, safety and administration of the department
4. Implement and lead the use of the current CMMS system (HIPPO FM) to communicate, plan, schedule work orders, record asset maintenance and track parts inventories
5. Create a sustainable and measurable system of performance

C. GOALS FOR FY 2016-17. List specific projects that you are currently working on or would like to accomplish by the end of June 2017. These goals tend to be specific whereas the ongoing goals above are more cultural and constant.

1. One month- complete the Facility Maintenance & Operations Plan (FMOP)
2. One month- Hire & train two maintenance I workers
3. One month- Purchase two utility vehicles and equipment to properly “tool up” the technicians
4. Three month-Create comprehensive detailed maintenance and repair list prioritized per facility and overall need
5. Six month-Completed update of the CMMS software to reflect the requirements of the comprehensive priority list
6. Year end-Show measurable improvement of asset preventative maintenance and reduction of emergency repairs

D. 2-5 YEAR GOALS. List specific project that you won't be able to complete this year, but would like to tackle in the next two to five years.

1. Measurable improvement of asset preventative maintenance, reduction of emergency repairs and customer complaints
2. Gain a better understanding of the priority system that will be used for the repair or replacement of critical assets
3. Creation of an annual review process of the Facility Maintenance and Operations Plan (FMOP) to meet new challenges as they occur
4. Expansion of the maintenance crew to include a centralized grounds keeping crew which is currently managed at the individual department level as a service
5. Creation of a 20 year cost projection and plan for prioritized critical assets at all facilities
6. Become a best example of small Port's industrial maintenance practices

E. GOALS BEYOND 5 YEARS. List long-term goals that will eventually need to be accomplished

1. Replacement /renovation of identified aging assets
2. Create facilities and grounds that support and help other departments increase income and maintain their highest standards of service
3. Become a department that does its job so well that no one thinks about maintenance and repair as an issue any more



2016-17 DEPARTMENT GOAL SETTING INFORMATION FORM

SUBMITTED BY: Stephen J. Larrabee
DEPARTMENT: Finance and Human Resource
DIRECT SUPERVISOR: Kevin Greenwood
DATE: 08/31/2016

A. SERVICE PRIORITIES NARRATIVE. List activities and responsibilities on an ongoing basis. This is intended to give the Port Commission a sense of your facility and day-to-day activities. If you need help getting started on this review your position job description.

1. Provide timely and accurate financial information to help make informed decisions
2. Develop and monitor Port budgets
3. Maintenance of accurate financial records
4. Payroll services for Port employees
5. Management of Port debt requirements
6. Collect and record all Port revenues and ensure timely payment of bills
7. Ensure compliance with Port Moorage and Insurance requirements
8. Provide support for Grant writing and reporting requirements
9. Provide human resource support to all Port employees
10. Support the career development of Port employees

B. ONGOING GOALS. List 10 ways that your daily activities listed above can be improved.

1. Continue to look for ways to increase Port Revenues
2. Cross-training of staff on all financial functions
3. Review Debt for possible refinancing on a continual basis
4. Educate and support department heads on financial reports to help make informed decisions
5. Improve customer service
6. Develop and implement training plans
7. Monitor and implement new policies and procedures related to Public Finance and Human Resources
8. Identify opportunities to gain knowledge on Public Finance and Public Sector employment
9. Create a vibrant, dynamic workplace for Port Employees
10. Assist Port employees in career development

C. GOALS FOR FY 2016-17. List specific projects that you are currently working on or would like to accomplish by the end of December 2017. These goals tend to be specific whereas the ongoing goals above are more cultural and constant.

1. Begin process to create a Finance Procedure Manual
2. Create updated Personnel Manual
3. Improve Lot Storage Inventory System
4. Review cash procedures for possible improvement
5. Upgrade camera security system
6. Cross train 2 staff on all financial functions, moorage and insurance requirements and boat seizure process
7. Have all staff attend at least two training seminars to increase their knowledge base and increase efficiencies
8. Create and Publish RFP for the Port's legal representation

9. Research software to improve our system for boat inventory

D. 2-5 YEAR GOALS. List specific project that you won't be able to complete this year, but would like to tackle in the next two to five years.

1. Create a Finance Procedure Manual
2. Set up our Purchase order system through our current Financial Software, QuickBooks
3. Identify and implement a new software system for our boat inventory
4. Increase our Audit work preparation to include Debt Service and Capital Assets
5. Work with management to develop succession plans for all departments

E. GOALS BEYOND 5 YEARS. List long-term goals that will eventually need to be accomplished

- 1.

The Port Commission is undertaking goal setting for the entire Port of Newport and has requested for Dept. Heads and Facility Managers to provide a breakdown of the above goals. This is also intended to give the Commission a sense of your responsibilities and activities. I will send a digital copy of this form for you to review with your staff and/or stakeholder group. Please provide bring this to **next month's Department Head meeting on September 20th**. Once complete, this document should be approximately 1-1/2 to 2 pages long. If you need assistance, please feel free to contact me or your supervisor.

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2016 - 17 DEPARTMENT GOAL SETTING INFORMATION FORM

SUBMITTED BY: Stephen J. Larrabee

DEPARTMENT: Finance – RV Park

DIRECT SUPERVISOR: Kevin Greenwood

DATE: 08/31/2016

A. SERVICE PRIORITIES NARRATIVE. List activities and responsibilities on an ongoing basis. This is intended to give the Port Commission a sense of your facility and day-to-day activities. If you need help getting started on this review your position job description.

1. Provide excellent customer service to RV and Marina customers
2. Collect and record RV Park and Marina revenues
3. Maintain accurate financial records
4. Ensure compliance with Port Moorage and Insurance requirements
5. Work in collaboration with Finance Staff on the North Side
6. Work in collaboration with SB Operations
7. Maintain positive working relationships with vendors and other stakeholders

B. ONGOING GOALS. List 10 ways that your daily activities listed above can be improved.

1. Continue to look for ways to increase RV Park Revenues
2. Cross-training of staff on all operations
3. Improve customer service
4. Identify training opportunities to increase the knowledge base of RV Park Employees
5. Maintain relationships with other RV Parks and Marinas to continually assess these markets
6. Monitor current marketing strategies to ensure maximum returns
7. Create a vibrant, dynamic workplace for RV Park Port Employees

C. GOALS FOR FY 2016-17. List specific projects that you are currently working on or would like to accomplish by the end of December 2017. These goals tend to be specific whereas the ongoing goals above are more cultural and constant.

1. Hire Manager for the RV Park
2. Create RV Park Operations Manual
3. Review cash procedures for possible improvement
4. Cross train 2 staff on all RV Park operations and moorage and insurance requirements
5. Have all staff attend a customer service training
6. Research software to possibly improve our reservation system
7. Develop and Implement internal process for Boat Inventory
8. Review pricing structure to help capture additional revenue streams
9. Cross train one North Side Finance team member on RV Park operations

D. 2-5 YEAR GOALS. List specific project that you won't be able to complete this year, but would like to tackle in the next two to five years.

1. Identify and implement a new software system for our boat inventory
2. If appropriate, implement new reservation system software
3. Work with management to develop succession plan for RV Park

E. GOALS BEYOND 5 YEARS. List long-term goals that will eventually need to be accomplished

- 1.

The Port Commission is undertaking goal setting for the entire Port of Newport and has requested for Dept. Heads and Facility Managers to provide a breakdown of the above goals. This is also intended to give the Commission a sense of your responsibilities and activities. I will send a digital copy of this form for you to review with your staff and/or stakeholder group. Please provide bring this to **next month's Department Head meeting on September 20th**. Once complete, this document should be approximately 1-1/2 to 2 pages long. If you need assistance, please feel free to contact me or your supervisor.

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2016-17 DEPARTMENT GOAL SETTING INFORMATION FORM

SUBMITTED BY: Karen Hewitt

DEPARTMENT: Administrative Services

DIRECT SUPERVISOR: Kevin Greenwood

DATE: September 14, 2016

A. SERVICE PRIORITIES NARRATIVE. List activities and responsibilities on an ongoing basis. This is intended to give the Port Commission a sense of your facility and day-to-day activities. If you need help getting started on this review your position job description.

1. General Office Tasks: Answer incoming phone lines, route calls or answer general questions; direct customers and visitors to the appropriate staff; provide general information regarding the Port of Newport as needed; open and distribute incoming mail; run business related errands; maintain adequate office supplies; develop and maintain mailing lists for various purposes.
2. Commission Meetings: Maintain comprehensive general files and records as directed; assist the General Manager, Director of Finance and Director of Operations in maintaining all necessary permanent files pertaining to the content of Commission meetings including leases, resolutions, ordinances, minutes, and other supporting documentation as directed by the General Manager; prepare and distribute agendas and supporting materials for Port Commission meetings and other committees of the Port as may be required; prepare minutes of Commission meetings and other meetings of the Port as necessary; assist in the follow up of Commission directives with appropriate staff; maintain database record of policy and action taken by the Board of Commissioners.
3. Scheduling: scheduled and monitor General Manager's appointments, as well as make reservations for management; provide support information for meetings, seminars or conferences as they occur; organize receptions and community events as directed.
4. Publications: Update Port's website by uploading minutes, agendas, policies, news, and other information as needed; write, edit and publish "Port & Starboard" newsletter.
5. Public Records: Maintain comprehensive general files and records as directed; serve as the Records Management Position and Custodian of Public Records, including responding to public records requests.

B. ONGOING GOALS. List 10 ways that your daily activities listed above can be improved.

1. Continue to learn more about the Port of Newport and Newport in general to have a better overall picture of the work that we do and the ways in which I can help and inform those seeking information or support.
2. Provide and support a more comprehensive plan for saving, storing, retrieving and archiving records for business use needs, retrieving and public records needs, and retention requirements and archiving needs.
3. Continue to use and develop standards and templates for repeated activities and documents.

C. GOALS FOR FY 2016-17. List specific projects that you are currently working on or would like to accomplish by the end of June 2017. These goals tend to be specific whereas the ongoing goals above are more cultural and constant.

- 1.
- 2.
- 10.

D. 2-5 YEAR GOALS. List specific project that you won't be able to complete this year, but would like to tackle in the next two to five years.

Our Port has had a complete change of personnel in the administrative office over the past three years. I joined the Port in July of 2015. This is an opportune time to look at the way we save, store, manage, and archive records. For this reason, Records Management is an area where I would like to focus.

The overall goal can be broken down into the following steps:

1. Identify department needs and organize the shared drive and physical storage of files in the office
2. Create a naming convention for files on the shared drive
3. Clearly identify both active and inactive records according to the State Records Retention Schedule
4. Plan and execute archive strategy for both electronic and physical records
5. Apply similar strategies to identify, organize, file, save and archive email records.

I have already met with management and staff in the administrative office about the development of the structure of the shared drive and polled them for their initial identification of needs and types of records. I have also worked directly with our staff accountant looking at records such as leases and contracts where we have identified a shared interest in their storage and retrieval. Recently, I asked management and staff to think of broad categories they would identify as needed in their department. As a top level of our shared drive, we have identified the following main categories: 1. Administration, 2. Finance, 3. Operations, 4. Properties, 5. Development, 6. Human Resources, and 7. Archives. I have discussed with them the need to consider grouping and identifying categories with business use as well as retention requirements in mind. I have initially provided some selected areas of retention schedule information for some financial and contract information, as the audit process is upcoming. This will require further research and education on my part in order to best educate and inform staff, as well as provide justification for filing concerns.

This is just the first step. The development of the structure of the shared drive and physical files in the office will also provide clarity for development and implementation of the next steps to be undertaken. I expect that the shared drive and physical file structure will be created and implementation begun at the administrative office in the next six months. This will be followed by training of additional staff so that all newly created records will be properly saved and filed within one year.

Once the structure is established, all new files created will follow those guidelines. Older but still active files will need to be migrated next. This will be an ongoing process as files are accessed or reviewed for archiving. This includes applying the naming conventions.

Once the structure is established, all new files created will follow those guidelines. Older but still active files will need to be migrated next. This will be an ongoing process as files are accessed or reviewed for archiving. This includes applying the naming conventions.

Archived records may never be renamed, but a clear picture of records retention requirements will need to be provided and followed so that these records are nonetheless appropriately identified, saved, retrievable, and when the time comes, destroyed as appropriate. This may take 2-3 years to get significantly accomplished with files already on hand.

E. GOALS BEYOND 5 YEARS. List long-term goals that will eventually need to be accomplished

Email records identification and storage will require additional research on my part and planning with management and staff to set a timeline. This also applies to long-term archiving options for records with retention periods beyond 10 years.

Long-term retention of records has additional goals. I have begun researching the possibility of storing permanent records with State archives. Review and proper filing of historic documents will also be needed. Currently, our storage at the International Terminal is not catalogued, and needed safety measures for long-term storage are not in place (ex. acid-free boxes, fire protection)

The Port Commission is undertaking goal setting for the entire Port of Newport and has requested for Dept. Heads and Facility Managers to provide a breakdown of the above goals. This is also intended to give the Commission a sense of your responsibilities and activities. I will send a digital copy of this form for you to review with your staff and/or stakeholder group. Please provide bring this to **next month's Department Head meeting on September 20th**. Once complete, this document should be approximately 1-1/2 to 2 pages long. If you need assistance, please feel free to contact me or your supervisor.

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TCB SECURITY 2016- 2017 Department Goals

SUBMITTED BY:

LT. AARON FERGUSON

DEPARTMENT:

PORT AUTHORITY/ PUBLIC SAFETY

DIRECT SUPERVISOR:

LT. AARON FERGUSON/ CHIEF MIKE GOFF

A. SERVICE PRIORITIES NARRATIVE

To provide overall protection of all port property and its patrons. Enforcement of port ordinances, rules and regulations while providing superior customer service to all. We also currently conduct nightly inventories of RV's in the camping areas as well as boat inventory for both the recreational and commercial ports.

B. ONGOING GOALS

1. Improved electronic boat inventory system that can be used for the north and south side.
2. Continued improvement of exchange of information and overall communication with port staff.
3. Continue to cross train patrol officers to the port.
4. Continued efforts to streamline TCB employee effectiveness and productivity.
5. Continued participation of public and private emergency response for city, county and outlying communities.
6. Continue to act as a resource to implement new ideas or operating procedures for the port.
7. Continue to attend both port operations and department head staff meetings.

C. GOALS FOR FY 2016-17

1. Implement training with port employees to learn current day to day operations.
2. Take a more active role with governmental agencies IE; Coast Guard, ODF&W, NOAA, Sheriffs Office, etc. to respond to port related emergencies.
3. Improved electronic boat inventory system that can be used for the north and south side.
4. Develop or be a part of a public announcement, ordinance update, port facilities code committee and review process.
5. Have an active role in the International Terminal expansion IE; Drills, exercises, expansion of security needs.
6. Outfit port vehicle with "port Specific" emergency response equipment, IE; water rescue, firefighting, medical, etc.

D. 2-5 YEAR GOALS

1. Purchase new vehicle dedicated and outfitted for port operations, preferably an SUV type vehicle.
2. Take over security operations at NOAA

E. GOALS BEYOND 5 YEARS

1. Continue providing superior service to the Port of Newport and other community partners.

**PORT OF NEWPORT
GENERAL MANAGER ANNUAL PERFORMANCE EVALUATION
2016 SUMMARY REPORT**

The Board of Commissioners shall conduct an annual review and evaluation of the Port Manager's work performance pursuant to Res. No. 2014-15 by the end of February. The results of such evaluation shall commend areas of good performance, point out areas for improvement, review and establish work-related goals and objectives. Any adjustment to the General Manager's salary and/or benefits will be determined by the Board at the end of this process.

This Summary Report is the result of the **January 26th** discussion and consists of: (a) list of goals and objectives to be accomplished prior to the next annual evaluation, (b) any salary/benefit adjustment, and (c) summarized ratings from the individual forms. Commissioners were encouraged to contact Manager prior to the **February 16th** regular meeting to suggest any adjustments to this report in advance. The Executive Session will be held before the regular meeting and will allow the Commissioners a chance to make any adjustments to the Summary Report. Some form of the Summary Report (evaluation) is required to be approved by the end of February.

During the regular meeting, the President will review the list of goals and objectives to be accomplished prior to the next annual evaluation and any salary/benefit adjustment and ask for a **MOTION TO ACCEPT THE SUMMARY REPORT AS PRESENTED (OR AMENDED)**. The summarized ratings and individual evaluation forms will be placed in the General Manager's personnel file.

LIST OF GOALS/OBJECTIVES TO BE ACCOMPLISHED PRIOR TO 2016 EVALUATION

The Commission feels that a number of highly prioritized projects are near completion and should be completed early in 2016. Those projects include: (#6) Facilitate Rogue Expansion / Offsite Improvements. Other tiered projects include:

T1. Complete financing for International Terminal Shipping Facility and develop markets; including replacement plan/schedule for assets.

T1. Develop and implement port operation and maintenance plan.

T1. Complete Personnel Manual Update

T2. Complete Third NOAA Recreational Mitigation Project.

T2. Implement Capital Facility Plan Priorities approved by budget committee

T2. Facilitate Commission Goal Setting, including identifying process for port vision plan.

T3. Develop Annual Performance Evaluation for Professional Services (i.e. attorney)

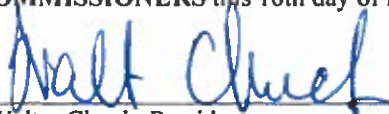
T3. Obtain Financing for Administration Building

T3. Review General Manager employment contract extension

SALARY/BENEFIT ADJUSTMENT

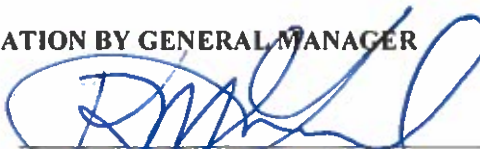
The Board renews General Manager's annual contract and awards a merit adjustment of 2% for FY 16-17 upon approval of the budget.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this 16th day of February, 2016.



Walter Chuck, President

ACKNOWLEDGEMENT OF RECEIPT OF EVALUATION BY GENERAL MANAGER



Kevin M. Greenwood, General Manager

**2016 ANNUAL REPORT TO THE
PORT OF NEWPORT BOARD OF COMMISSIONERS**

This Annual Report is filed with the Port of Newport Board of Commissioners by the President, Vice President and Secretary/Treasurer pursuant to ORS 777.140(2). This report focuses on the major events and accomplishments during the course of the previous calendar year. The report is available at the Port office and is formally submitted into the public record.

1. Adopted Resolution 2015-01, authorizing interfund transfers, interfund loans, adopting a supplemental budget to the 2014-15 fiscal year budget, and making appropriations to complete dredging and mitigation at the International Terminal, mitigate the loss of eel grass habitat at NOAA, and construct a storage facility.
2. Approved an Information Technology Contract with HC Networks.
3. Approved a Special Use Permit for Moxie Pictures.
4. Commissioner Chuck reported that he attended a recent Council of Governments transportation meeting. He also attended an OCZMA meeting.
5. Performed General Manager's annual performance evaluation and renewed a one-year employment agreement with Kevin Greenwood.
6. Amended rate schedule to include impoundment fees.
7. Commissioner Barton attended Senator Merkley and Representative Schrader's Town Hall Meeting, accompanying the General Manager.
8. Commissioner Chuck and the General Manager attended the Yaquina Bay Emergency Management meeting. The focus was on procedures to follow in the event of a distant tsunami event.
9. Approved a Special Use Permit for Davis Show Carnivals
10. Approved a Special Use Permit for Newport Marathon.
11. Approved a Special Use Permit for Barrel to Keg Race.
12. Approved a joint application with the city to DSL and ACE for mitigation for a city stormwater project.
13. Approved NOAA recreational mitigation sites.
14. Adopted Resolution 2015-04, a Public Records Policy.
15. Approved OBDD Grant Amendment \$40K for Vision Planning.
16. Approved the Port of Newport's McLean Point property for a state of Oregon Regionally Significant Industrial Area (RSIA) Designation.
17. Adopted Resolution 2015-02, a background check policy for Port services.
18. Approved a lease-option with Teevin Bros. for the McLean Point property.
19. Approved Resolution 2015-03 allowing employees to donate sick time to co-workers.
20. Awarded a contract to Northwest Parking Equipment Company for a new credit card automated launch ticket machine.
21. Awarded a contract for hoist dock crane repairs to Yaquina Bay Boat Equipment.
22. Awarded a South Beach trailer parking lot repair contract to Cedar Creek for paving.
23. Awarded a personal services contract to MTS to provide divers for a Gaper Clam Study.
24. Adopted Resolution 2015-06 setting rates, fees and charges.
25. Adopted Resolution 2015-07 approving a compensation plan for Port employees.
26. Adopted Resolution 2015-08 adopting rules for charter fees.
27. Adopted Resolution 2015-05 amending the general manager's authorization on small procurement limits.
28. Awarded a personal contract with Todd Chase for grant writing services.

29. Awarded a personal contract with Coast and Harbor Engineering for a NOAA dredging minimization study and analysis.
30. Adopted Resolution 2015-10, approving the 2015-2016 fiscal year budget.
31. Adopted Resolution 2015-09 updating the Port of Newport's Capital Improvement Project Prioritization List and identifying the International Terminal Shipping Facility as the Port's top capital priority.
32. Adopted the job description and compensation range for the Director of Operations and assisted in the hiring of Rick Fuller for the position.
33. Authorized a contract with the City of Newport to study an urban renewal district at McLean Point which resulted in a district being formed which will bring much-needed utilities to the area.
34. Commissioner Chuck presented Fleck and Barton with plaques in appreciation of their work on the commission.
35. Approved an Inter-Governmental Agreement with the State of Oregon for Bridge/Pier inspections.
36. Commissioners Stewart Lamerdin, Ken Brown, Walter Chuck and Patricia Patrick-Joling were sworn into office.
37. Elected Walter Chuck as President, Ken Brown as Vice-President, and David Jincks as Secretary/Treasurer of the Port of Newport Board of Commissioners.
38. Approved Resolution 2015-12 Adopting a Special Use Permit Policy.
39. Awarded a contract with GRI for terminal boring services.
40. Awarded a contract with Grimstad & Associates for accounting services.
41. Authorized replacement of an Uninterrupted Power Supply for NOAA MOC-P.
42. Approved a contract with Outdoor Fence Co. for an entry gate at MOC-P.
43. Approved Resolution 2015-13 Authorizing Signers.
44. Approved donation of the Port's portion of ticket sales for the Great Albacore Tuna BBQ Challenge in the amount of \$2,422 to the Newport Food Pantry.
45. Adopted Resolution 2015-14 Amending Classification and Compensation Plans for Port Employees.
46. Awarded a contract with SHN Consulting Engineers and Geologists, Inc. for consultation on capital facilities projects.
47. Approved a Special Use Permit for Bay to Brews Half Marathon & 10K.
48. Approved a Special use Permit for the U-DA-Man salmon fishing tournament
49. Approved a Special use Permit for the Trick or Treat Monster Feet run.
50. Authorized procurement of a Shelter Station at the entrance to NOAA.
51. Authorized an application for DLCD Technical Assistance Grant for vision planning.
52. Adopted Resolution 2015-15 setting limits for charter/guide vessel insurance coverage.
53. Approved a letter to the Lincoln County Historical Society regarding the installation of the USS Pasley propeller.
54. Approved an Inter-Governmental Agreement with the State of Oregon establishing a business relationship to address project priorities and funding.
55. Awarded a contract to All-Ways Painting for demised area painting at the Newport International Terminal facility.
56. Approved a Partial Street Vacation from the City of Newport to assist in the facilitation of the new Samaritan Pacific Health Services hospital.
57. Adopted Resolution 2015-16, establishing Workers' Compensation Coverage for Volunteers.
58. Commissioner Chuck attended the OSU Board of Trustees retreat.
59. Awarded a contract to Rule Steel Container to acquire new dumpsters for south beach.
60. Approved a Special Use Permit for the 4th Annual Newport Turkey Trot.

61. Authorized and Letter of Support from the Commission and the application to the ConnectOregon VI grant program.
62. Adopted Resolution 2015-17 Amending the Classification and Compensation Plan for Port Employees to add a full-time accountant position.
63. Approved a lease renewal to Leslie Lee, Inc.
64. Approved a lease renewal for the Port administrative office with Design Space Modular Buildings.
65. Approved a Special Use Permit and Location Release for Original Productions, LLC.
66. Awarded a personal services contract to Stuntzner Engineering for Shipping Terminal design and engineering.
67. Commissioner Chuck attended a TIGER grant meeting, and a meeting regarding International Terminal development and Teevins Bros.
68. Approved Declarations of Surplus Property: vessels Rose, Grumpy Dragon, Fiesta, and Soper's Sailboat.
69. Received 2% insurance premium discount for successfully obtaining board training. Special Districts Association of Oregon (SDAO) received a Board of Commissioners Assessment on January 13th. Commissioners Chuck, Fleck, Brown, Barton and Jincks attended.
70. Received TIGER grant in the amount of \$2MM for the Port of Newport International Terminal Shipping Facility project.
71. Awarded a contract to Design Space Modular Buildings for renovations to the administrative office and customs office.
72. Authorized an application to finance Systems Development Charges for the International Terminal Shipping Facility project.

The President, Vice President, Secretary/Treasurer are proud of the work accomplished by our Commission and staff. We look forward to an equally successful 2016. This Annual Report is submitted to the Port of Newport by:



Walter Chuck, President



Ken Brown, Vice President



David Jincks, Secretary/Treasurer

At their January 26, 2016 Regular Board Meeting





Operations Scorecard

Date: _____

Facility: _____

By: _____

Objective: Rate the department's current status (today) *as it relates to the heading* by answering the questions below. Circle a number of 1(low) through 5(high) for rating.

1. Operations & Maintenance (*how we run stuff*)

- 1.1. Rate the Overall Status that currently exists at the facility (*organization, workload, staff morale, cleanliness, buildings, docks and grounds, etc.*) 1 2 3 4 5
- 1.2. Rate the Leadership & Planning that currently exists at the facility (*organized, morale, expectations, schedules, tasks assignment, conflicts, etc.*) 1 2 3 4 5
- 1.3. Rate the Available Funding that currently exists at the facility (*too much, too little, expectations, use of, administration, etc.*) 1 2 3 4 5
- 1.4. Rate the Staffing Requirements and Skills that currently exists at the facility (*over/under staffed, skill levels, identifiable, availability, resources, etc.*) 1 2 3 4 5
- 1.5. Rate the Tools, Equipment, & Supplies that currently exists at the facility (*type, condition, availability, maintenance, safety, age, efficiency, security, inventory*) 1 2 3 4 5

Words to describe your overall ratings: _____

2. Procurement & Contract Administration (*how we buy stuff*)

- 2.1. Rate the Overall Status that currently exists at the facility (*procedure, training, system, simple, difficult, reporting, proactive, reactive, policy, etc.*) 1 2 3 4 5
- 2.2. Rate the Leadership & Planning that currently exists at the facility (*organized, ethics, expectations, transparent, knowledge, consistency, conflicts, etc.*) 1 2 3 4 5

- 2.3. Rate the Available Funding that currently exists at the facility (*too much, too little, availability, budget, expectations, oversight, etc.*) 1 2 3 4 5
- 2.4. Rate the Staffing Requirements and Skills that currently exists at the facility (*too much, too little, knowledge, training, expectations, attitude, ethics, etc.*) 1 2 3 4 5
- 2.5. Rate the Tools & Equipment & Supplies that currently exists at the facility (*hardware, software, forms, availability, status, age, efficiency, etc.*) 1 2 3 4 5

Words to describe your overall ratings: _____

3. Safety and Emergency Response (how we prepare for bad stuff)

- 3.1. Rate the Overall Status that currently exists at the facility (*policy, attitude, prepared, unprepared, training, knowledge, worth, disruptive, beneficial, etc.*) 1 2 3 4 5
- 3.2. Rate the Leadership & Planning that currently exists at the facility (*proactive, unprepared, prepared, expectations, knowledge, consistent, inconsistent, etc.*) 1 2 3 4 5
- 3.3. Rate the Available Funding that currently exists at the facility (*known, unknown, budgeted, expectations, worth, wasted, availability, etc.*) 1 2 3 4 5
- 3.4. Rate the Staffing Requirements and Skills that currently exists at the facility (*too much, too little, knowledge, training, expectations, attitude, certifications, etc.*) 1 2 3 4 5
- 3.5. Rate the Tools & Equipment & Supplies that currently exists at the facility (*availability, condition, maintenance, inspections, age, certification, efficiency, etc.*) 1 2 3 4 5

Words to describe your overall ratings: _____

4. Training & Development (how we know and learn stuff)

- 4.1. Rate the Overall Status that currently exists at the facility (*Known, Unknown, too much, too little, schedule, workload, interest, worth, certification, goals, etc.*) 1 2 3 4 5
- 4.2. Rate the Leadership & Planning that currently exists at the facility (*myself, team, positive, negative, organized, trained, study, classes, conflicts, etc.*) 1 2 3 4 5
- 4.3. Rate the Available Funding that currently exists at the facility (*known, unknown, budgeted, expectations, worth, wasted, availability, etc.*) 1 2 3 4 5
- 4.4. Rate the Staffing Requirements and Skills that currently exists at the facility (*time, worth, knowledge, planned, onsite, expectations, attitude, certifications, etc.*) 1 2 3 4 5

4.5. Rate the Tools & Equipment & Supplies that currently exists at the facility (*hardware, software, availability, location, status, worth, onsite, offsite, etc.*) 1 2 3 4 5

Words to describe your overall ratings: _____

5. Services (how we provide stuff)

5.1. Rate the Overall Status that currently exists at the facility (*attitude, customer service, morale, professional, public relations, benefits, pride, association, etc.*) 1 2 3 4 5

5.2. Rate the Leadership & Planning that currently exists at the facility (*qualified, example, attitude, professionalism, planning, follow-through, marketing, etc.*) 1 2 3 4 5

5.3. Rate the Available Funding that currently exists at the facility (*unknown, known, involvement, too much, too little, worth, accountability, budget, etc.*) 1 2 3 4 5

5.4. Rate the Staffing Requirements and Skills that currently exists at the facility (*too much, too little, schedules, labor pool, expectations, attitude, training, etc.*) 1 2 3 4 5

5.5. Rate the Tools & Equipment & Supplies that currently exists at the facility (*type, condition, safety availability, maintenance, age, efficiency, security, inventory, etc.*) 1 2 3 4 5

Words to describe your overall ratings: _____

QUESTIONS:

If I had..... _____

I would do..... _____

The highest priority for operations should be.....

Facility Operations Annual Scorecard

Dept: Port Wide Combined Overall

Date: 9/2016

Rating 1 (low) - 5 (high)	Overall Status	Leadership & Planning	Available Funding	Staffing Requirements/Skills	Tools, Equipment & Supplies	TOTAL
Operations & Maintenance						
Dept Manager	3.25	3.25	3	2.75	3.75	16.00
Ops Director	3.25	3.5	2.5	3.25	3.5	16.00
Administration	4	4	2	3.5	3	16.50
Commission	3.25	4	2	3.5	3	15.75
Description Words	improvement, training, most improved, energized, awareness, engaged, teamwork, training, proud, hardworkers, Skills, Improvement, awareness, training, safety, teamwork, aged, decined, unexpectional, competent, equipment, communication, staff,opportunity,better, average, funding, income,					
Procurement & Contract Administration						
Dept Manager	3.375	3.5	2.75	3	3.5	16.13
Ops Director	2.625	2.625	2.75	3	3.5	14.50
Administration	4	4	3.5	4	4	19.50
Commission	3.5	4.5	2.5	4	3	17.50
Description Words	good, average+, bottomline, value, efficiency, improvement, awarenes, interested, knowledgeable, engaged, undefensable, hurried, cursory, reactive, improved, attitude, direction, better, good training, improvement, OK, reactive, emergency, unmanaged, training					
Safety & Emergency Response						
Dept Manager	3.75	3.5	3	3.25	3.5	17.00
Ops Director	3.75	3.5	3.5	3.625	3.5	17.88
Administration	3	3.5	3.5	3	3	16.00
Commission	3	3.5	3	3	3	15.50
Description Words	improvement, staffed, improvement, training, interested, awareness, fair, good, proactive, untrained, knoweledgeable, status-quo, average, competent, structured, detailed, best, Best, excellent, leader, example, better, average, value					
Training & Development						
Dept Manager	3.13	3.50	3.00	3.25	3.50	16.38
Ops Director	3.00	3.00	2.75	3.00	3.75	15.50
Administration	3.00	3.50	3.00	3.50	4.00	17.00
Commission	3.50	3.50	2.50	3.25	3.00	15.75
Description Words	Improved, better computer skills, HippoFM, Dept Leadership, more, self-motivation, Improving, Status-quo, folowers, nonleadership, Average, Interested, example, leadership, knowelegable, good, educate, best-practice					
Services						
Dept Manager	3.75	3.75	2.75	3.25	3.625	17.13
Ops Director	3.75	3.375	3	3.5	4	17.63
Administration	4	4	2.5	3.5	3.5	17.50
Commission	3.75	4	2.5	3.5	3	16.75
Description Words	Improvement, Attitude, Money, staffing, training, Improved, aware, training, excellent, dirty, improving, reactive, Hit-&-Miss, communication, unexpectional, Best, personal, calming, average, better, -100%, very-good					
					Baseline Score %	66%

If I had....

I would....

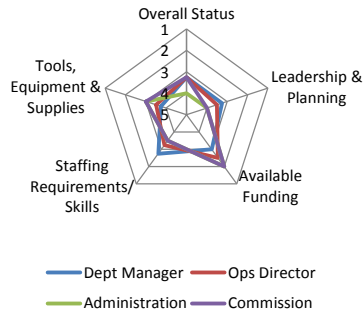
The highest priority for operations is....

Money, 10 million dollars, resources, more resources, more funding, time, use

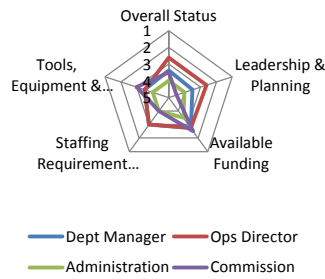
repair docks, replace docks, provide training, maintenance, rebuild docks,outreach, maintenance, hiring

maintenance, safety, training, customer service, training, cross train, funding, customer service, customer service, safety, NIT completion, d

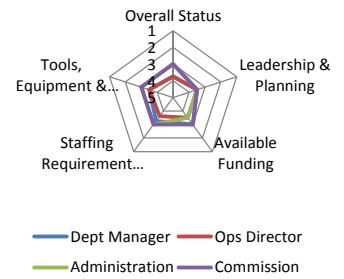
Operations & Maintenance



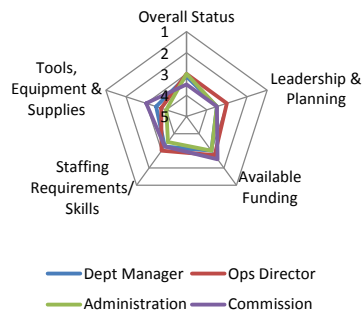
Procurement & Contract Administration



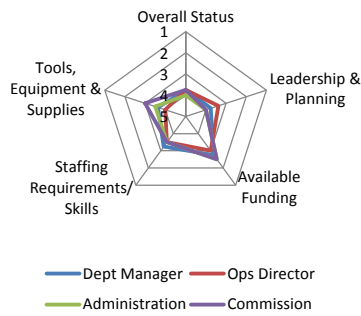
Safety & Emergency Response



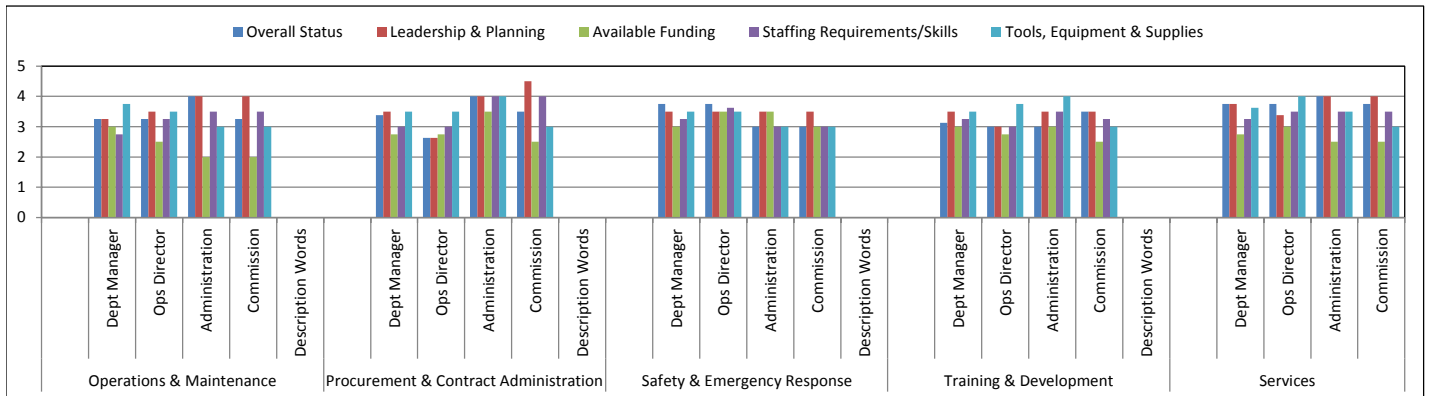
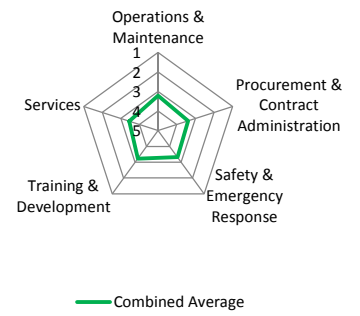
Training & Development



Services



Combined Score

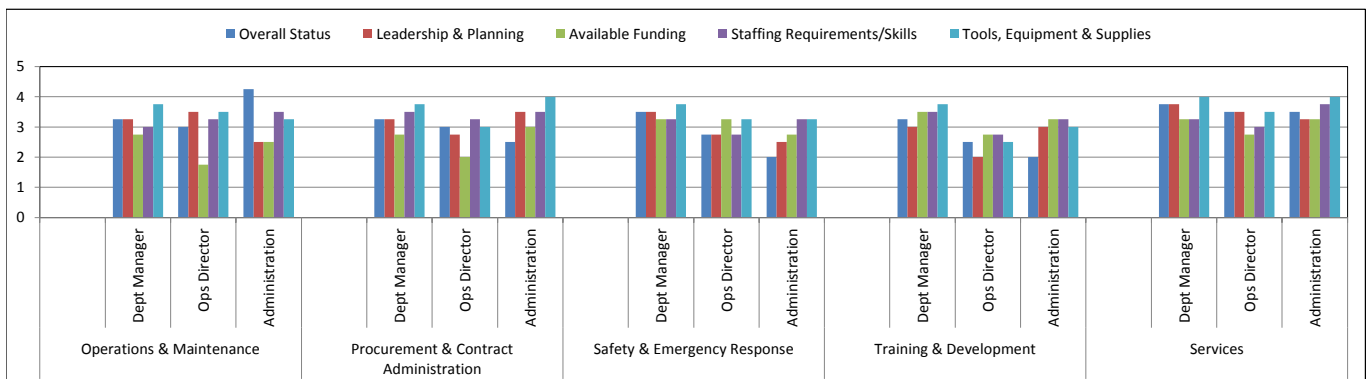
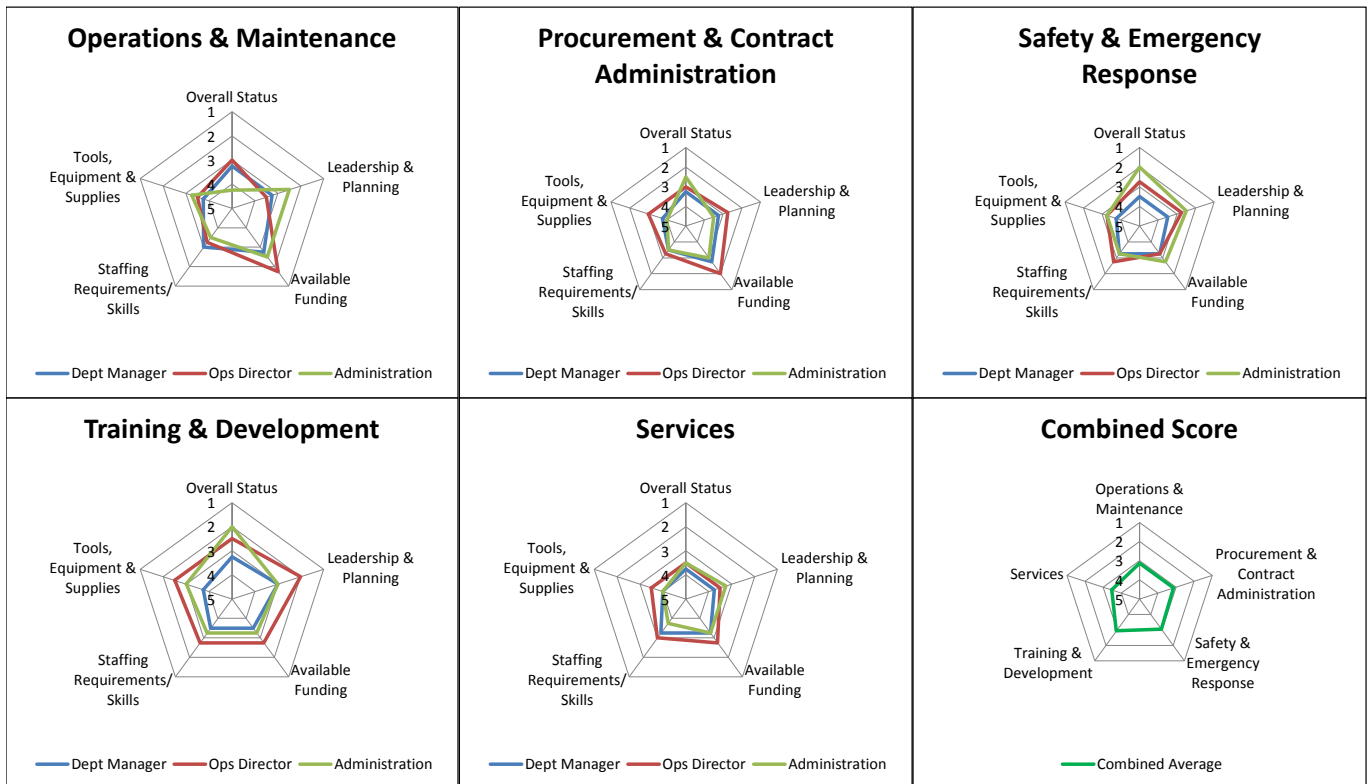


Facility Operations Annual Scorecard

Dept: Port Wide Combined Overall

Date: 7/26/2015

Rating 1 (low) - 5 (high)	Overall Status	Leadership & Planning	Available Funding	Staffing Requirements/Skills	Tools, Equipment & Supplies	TOTAL
Operations & Maintenance						
Dept Manager	3.25	3.25	2.75	3	3.75	16
Ops Director	3	3.5	1.75	3.25	3.5	15
Administration	4.25	2.5	2.5	3.5	3.25	16
Procurement & Contract Administration						
Dept Manager	3.25	3.25	2.75	3.5	3.75	16.5
Ops Director	3	2.75	2	3.25	3	14
Administration	2.5	3.5	3	3.5	4	16.5
Safety & Emergency Response						
Dept Manager	3.5	3.5	3.25	3.25	3.75	17.25
Ops Director	2.75	2.75	3.25	2.75	3.25	14.75
Administration	2	2.5	2.75	3.25	3.25	13.75
Training & Development						
Dept Manager	3.25	3	3.5	3.5	3.75	17
Ops Director	2.5	2	2.75	2.75	2.5	12.5
Administration	2	3	3.25	3.25	3	14.5
Services						
Dept Manager	3.75	3.75	3.25	3.25	4	18
Ops Director	3.5	3.5	2.75	3	3.5	16.25
Administration	3.5	3.25	3.25	3.75	4	17.75
					Baseline Score %	62%



2015



**SPECIAL DISTRICT
BOARD PRACTICES ASSESSMENT**

**PORT OF NEWPORT
January 13, 2015**

**Board Members: Walter Chuck, Pres., Dean Fleck, Ken Brown, JoAnn Barton, David Jincks
General Manager: Kevin Greenwood**

KEY PERFORMANCE AREAS	RATING			ASSESSMENT
	Good	Caution	Danger	
Board Duties and Responsibilities				
Adherence to standards of good stewardship				Board members feel that in the course of their many projects they've had multiple opportunities to gauge how they're viewed by the public, that they are perceived as being "very accessible", and the public "is confident in us and the direction the Port is taking". Members feel that together they have grown as a board during the Port's "turnaround" and have become more attuned with the community.
Demonstration of good governance practices				The Board's development of new Bylaws is a "first" and constitutes "a more prominent policy document that will provide a road map for our future". The document was created with input from all Board members and with "one voice" will serve as the operating manual for commissioners and the Port.

Operational Compliance				
Overall regulatory compliance				The Port is “miles ahead of where we used to be” in it’s understanding of “the realities of compliance”. The Board feels it is in a more “mature” position on environmental matters and now willingly takes extra steps with additional expenditures to take ensure “higher levels of oversight”.
Timeliness of compliance reporting				“We do a good job” as a port of staying on top of reporting; “we trust Kevin to know and alert us on any reporting issues and have learned from experience that it sometimes pays to hire an outside firm to manage the permit process.”
Potential compliance challenges				The Board is “hawkish about mitigation” and continually scrutinizes Port priorities; the failed fuel line is an example of a situation that became a top priority through a lot of Board input and trust in staff.
Budget and Finance				
Consistency in budgeting to meet needs				The Board has “evolved and modernized the accounting practices” and as a result is able to better balance emergency and infrastructure needs.
Soundness of financial practices				“We are comfortable with our system of checks and balances.” The Board views their internal controls as “protection” for themselves and employees and feels they benefited from a recent change in the auditing process which involved them in reviewing and providing input to the audit draft before it was prepared in final form.

Customer Relations				
Management of service problems				"A lot of room for growth" in this area with a need for a more professional demeanor and appearance by employees who routinely deal with the public.
Improvements to customer service				Kevin needs more time as the new GM to build relationships and establish trust with employees to develop the professionalism of those who have the most public contact. The Board feels employees need to have more "ownership" for customer relations.
Personnel Administration				
Staff morale and work climate				The Board feels that staff is well managed by the GM and that morale is good, an example of which is the positive adjustment made by a long time employee who was not selected for an opening.
Management of employee performance				The GM's performance is reviewed by the Board but the 16-year old personnel manual needs to be modernized to provide a better performance review system.
Alignment of positions with work assignments				There are alignment issues that Kevin is looking at and will be making changes over time for a better fit of personnel with job duties.
Policies and Procedures				
Soundness of administrative policies				The Board is very satisfied with the work the GM has done in instituting sound management policies and practices through the new Board Bylaws as well as the Port's Business Plan and Facilities Plan.
Consistency between work practices and policies				
Efficiency of staff and work systems				

PORT OF NEWPORT & PORT OF TOLEDO
MINUTES
October 30, 2014
JOINT WORK SESSION MEETING
2014-15 Goal-Setting

I. CALL TO ORDER

Toledo Commission President Rick Graff called joint work session to order at 5:50 pm at the Port of Toledo administration office.

Commissioners Present: Toledo: Rick Graff; Penny Ryerson; Gregg Harrison; Chuck Gerttula and Mike Kriz. Newport: Walter Chuck (Pos. #1); JoAnn Barton (Pos. #3); and David Jincks, (Pos. #2).

Commissioners Absent: Dean Fleck, Vice President; Ken Brown (Pos. #4), Secretary/Treasurer.

Management and Staff: Toledo: Bud Shoemake, General Manager; Leo Newberg, Boatyard Manager; Debbie Scacco, Office Manager. Newport: Kevin Greenwood, General Manager.

Others Present: None

II. Changes to Agenda: None

III. Goal of Having an Annual Joint Meeting:

- A. Ports have facilities that complement each other.
- B. Manager Shoemake outlined Port of Toledo's district boundaries.

IV. Identifying Areas of Mutual Interest:

- A. Building McCaffrey Island into a Marine Park
 - 1. Currently island for sale
 - 2. Check for available grants
 - 3. Suggestion that Jim Chambers could coordinate project
 - 4. Breakdown river into two or three stops for boat camping
 - 5. Develop wildlife trail.
 - 6. Great idea to increase water recreation opportunities
 - 7. Could be managed by Lincoln County, Port of Newport, State Parks or OMSI
- B. Market the River
 - 1. Develop water trails
 - 2. Develop landside boater's access
- C. Get DSL to take responsibility for abandoned river piling
- D. Dredging
 - 1. Importance of keeping Yaquina Boat Equipment accessible
 - 2. Depot Slough on a 10 year schedule – Dredge 3 years ago
 - 3. Securing Sediment Disposal Site a priority
 - 4. Toledo Airport was suggested for disposal site
- E. Joint Marketing of Facilities – Services
 - 1. Port of Toledo going to Fish Expo – will incorporate Terminal in marketing
 - 2. Marketing Newport Terminal for staging facilities before/after visit to Boatyard or YBE.
- F. Concern raised about vessels scuttled on Yaquina Estuary
 - 1. Look at Wreck Removal legislation in Alaska
 - 2. Start discussion at OPPA
- G. DOGAMI Tsunami preparedness – Pilot Program

1. Ports of Newport and Toledo have been approached

V. **Adding Canoe Jousting to the Yaquina Cup competition:**

A. Manager Shoemake would like to make jousting a big event-schedule and publicize challengers similar to the Cardboard Boat Ports challenge this year.

VI. **Yaquina Cup:**

- A. Everyone was in agreement to support the other Port's project
- B. Port of Newport's Port Dock 7 is an upcoming important project

VII. **MEETING RECESS:** at the discretion of the chair, no meeting recess was taken.

VIII. **OTHER:**

- A. Suggestion to schedule a joint work session again next October at Port of Newport
- B. Discussion regarding Terminals project
- C. Port of Newport highly recommended using Frank Berg as a Project Manager

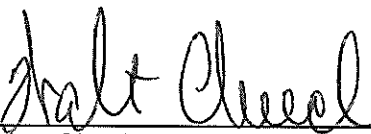
IV. **PUBLIC COMMENT:** None

X. **UPCOMING MEETINGS/EVENTS:** None

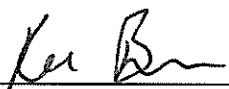
XI. **ADJOURNMENT:**

There being nothing more to come before the Commission, the meeting was adjourned at 7:45 pm.

ATTEST:



Walter Chuck, President



Ken Brown, Secretary/Treasurer

**PORT OF NEWPORT
RESOLUTIONS DIRECTORY**

2011 - CURRENT

Res. No.	Topic	Date Adopted	Supporting Document
2016			
2016-11	Amending the Port of Newport Facilities Code to Add Provisions for Fire Safety, Special Events and Public Art	09/27/2016	PONFC
2016-10	Amending the Commerical Fishing Users Group Committee Membership to Include a Distant Water Fishery Representative	09/27/2016	
2016-09	Establishing a Health and Safety Policy of Port of Newport Employees	08/23/2016	Personnel Manual
2016-08	Designating Bank Accounts and Authorizing Check Signers	08/23/2016	
2016-07	Amending the Personnel Policy Manual to Adopt a Revised Hiring Policy	07/26/2016	Personnel Manual
2016-06	Creating a Commercial Fishing Users Group Committee	07/26/2016	
2016-05	Adopting the 2016-17 Fiscal Year Budget	06/21/2016	
2016-04	Updating the Port of Newport's Capital Improvement Project Prioritization List	05/24/2016	CFP
2016-03	Adopting a Compensation Plan for Port Employees	05/24/2016	
2016-02	Setting Rates, Fees & Charges	05/24/2016	
2016-01	Authorizing the Issuance, Negotiated Sale and Delivery of General Obligation Refunding Bonds	03/22/2016	

Res. No.	Topic	Date Adopted	Supporting Document
2015			
2015-15	Setting Limits for Charter/Guide Vessel Insurance Coverage	09/22/2015	PONFC Personnel Manual
2015-14	Amending the Classification and Compensation Plan for Port Employees	08/18/2015	Personnel Manual
2015-13	Designating Bank Accounts and Authorizing Check Signers	08/18/2015	
2015-12	Adopting a Special Use Permit Policy	07/28/2015	PONFC
2015-11	Amending the Classification and Compensation Plan for Port Employees	07/28/2015	
2015-10	Budget Adoption	06/23/2015	
2015-09	Updating Capital Improvement List	06/23/2015	CFP
2015-08	Adopting Rules for Charter Fees	05/26/2015	PONFC
2015-07	Adopting a Compensation Plan for Port Employees	05/26/2015	
2015-06	Setting Rates, Fees, and Charges	05/26/2015	
2015-05	Amending Resolution 2007-07 on Procurements	05/26/2015	
2015-04	Adopting a Public Records Policy	04/28/2015	
2015-03	Amending Personnel Manual to Allow Donations of Sick Time to Co-Worker	04/28/2015	Personnel Manual
2015-02	Authorization Use of Background Checks for Long-Term RV / Slip Applicants	04/28/2015	PONFC
2015-01	Supplemental Budget	01/27/2015	

2014			
2014-15	Adopting A Process for the Annual Performance Evaluation of the GM (Bylaws Part II, §6(K)(7). Amends Res. 2014-10	12/16/2014	Personnel Manual
2014-14	Opposing Closure of USCG Air Station		
2014-13	Public Contracting Exemption for Administration Building Construction		
2014-12	Authorizing Check Signers (Bylaws §6, Repeals Res. No. 2010-10/9)	09/23/2014	
2014-11	Adopting Parking Fines	09/23/2014	PONFC
2014-10	Requesting Lincoln County Enterprise Zone be Designated for Electronic Commerce	06/24/2014	
2014-09	General Manager Annual Performance Evaluation Process (Bylaws Part II, §6(K)(7).	06/24/2014	Personnel Manual
2014-08	Filling Commission Vacancies	06/24/2014	
2014-07	Budget Adoption	06/24/2014	
2014-06	Rates, Fees and Charges	06/24/2014	
2014-05	Compensation Plan	05/22/2014	
2014-04	Amending Facilities Code	05/22/2014	PONFC
2014-03	Establishing Tariffs (Adopting Int'l Terminal Tariff No1)	05/22/2014	PONFC
2014-02	Amending Enterprise Zone Boundaries	04/22/2014	
2014-01	Naming Registered Agent (ORS 198.340)	02/25/2014	

Res. No.	Topic	Date Adopted
2013		
2013-02	Budget Adoption	06/05/2013
2013-01	Authorizing Revenue Bonds	02/26/2013
2012		
2012-04	Traffic Safety Task Force	07/24/2012
2012-03	Loan from the Special Public Works Fund	06/26/2012
2012-02	Budget Adoption	06/26/2012
2012-01	Supplemental Budget	06/26/2012
2011		
2011-06	MNIF Dredging Grant Application for International Terminal	12/27/2011
2011-05	Supplemental NOAA Budget	10/25/2011
2011-04	Establish Short Form Investment Policy	07/26/2011
2011-03	Budget Adoption	06/28/2011
2011-02	Authorizing Transfers	05/24/2011
2011-01	Supplemental Budget	01/25/2011

2013 – 2015 PORT OF NEWPORT GOVERNING VALUES,
MISSION, VISION AND GOALS
(Strategic Business & Capital Facilities Plan January 14, 2013)

I. Governing Values, Vision & Mission (SBP pp. 3-5)

A. Governing Values

- 1) **Leadership.** The Port of Newport accepts **responsibility** for taking the lead role on behalf of the citizens of the Port District in actively pursuing **economic progress**, which we believe means building and maintaining an economically diverse and thriving community that is resilient in its ability to respond positively to changing conditions and circumstances.
- 2) **Service.** Our business is public service – to the commercial and recreational fishing fleets, to the tourist and marine industries, to our lessees and visitors, and to the citizens of the Port District. Our intent is to strive constantly for **quality** in all the services we provide.
- 3) **Collaboration.** We pursue and maintain mutually supportive partnerships with our neighbors, including the private sector and local, state and federal government agencies. In the Port’s experience, the greater Newport community owes a significant part of its success to the foundational belief of governments and citizens alike to work with determination toward common goals in a spirit of mutual respect and cooperation.
- 4) **Accountability.** The Port serves as a steward of public resources. We manage our properties in a responsible manner, and support our personnel – our human resources – through regular feedback and evaluations designed to improve competence and performance.
- 5) **Sustainability.** The Port recognizes that we must manage the resources of the built environment and the natural environment in a manner that does not compromise the ability of future generations to meet their needs. To that end, we will maintain our capital facilities in working order, we will manage the funds entrusted to us wisely, prudently and ethically, and we will maintain policies that guide us in helping nurture a healthy estuary that is the foundation of our working waterfront.
- 6) **Optimism.** We have confidence in the importance of our mission, and in our ability to overcome obstacles, seize opportunities, and pursue our vision through steadfastness of purpose, awareness of our core values, and persistent focus on achievement.

B. Mission Statement

Build and maintain waterfront facilities, and promote projects and programs in cooperation with other community organizations and businesses that will retain and create new jobs and increase community economic development.

C. Vision Statement

The Port of Newport will serve as the premier Oregon coast port for the commercial fishing fleets, for recreational fishing and tourism, and for ocean observation and marine research support. We will be one of the top two Oregon coast ports for waterborne commerce while protecting and enhancing the beauty and integrity of the natural environment which is the foundation of our working waterfront community.