

Port of Newport Harbor News

Plans in place to remove problem boats

When 17 vessels are removed from the Port of Newport's marinas this summer, the immediate problem presented by these derelict and abandoned vessels will be solved, but not without considerable cost.

Thanks to a Boat US grant, the Oregon Department of State Lands is assisting with the cost of removing the vessels, which could cost as much as \$365,000 to safely transport the vessels to the Port of Toledo. From there, the boats will be dismantled and disposed of, all in accordance with state and federal environmental standards.

Last November, after soliciting and receiving proposals, the Port Commission voted unanimously to sign a contract with the Port of Toledo for the removal of those vessels. That removal is expected to happen in August or September. Observers may see vessels, aided by a tugboat, as they travel upriver.

An emergency situation with one vessel prompted an earlier resolution. On Christmas Eve, the F/V Eclipse took on water and sank at the dock in the commercial marina. The 82-foot wood



F/V Eclipse

boat had been abandoned a couple of years ago and was awaiting removal. The sinking also took a toll on the dock and required significant investment in staff time to monitor and respond until the boat could be removed.

In January, Ballard Marine Construction was contracted for the salvage operation and proceeded to lift and then tow the vessel to Toledo, where

it was dismantled. The cost for that single vessel was \$97,900, which doesn't reflect Port staff time or the expense of dock repairs. Thankfully, a DSL grant will cover the contractual costs.

Meanwhile, every abandoned vessel is occupying valuable space at the recreational and commercial marinas, reducing moorage revenues that could otherwise be garnered from working vessels.

"There are environmental and economic reasons why abandoned vessels must be removed from our marinas," explained Executive Director Paula Miranda. "That's why we are strictly enforcing insurance requirements, seaworthy standards, and other requirements in our facilities code that will hopefully prevent future instances of abandoned or derelict vessels."

Earlier this year, a determination by the Bureau of Labor and Industries (BOLI) that ports would have to pay prevailing wage for the removal and disposal of derelict vessels set off alarm bells, given the number of vessels in need of removal and the limitations of budgets. Thankfully, BOLI reversed its decision after many impacted parties questioned the use of prevailing wage laws, which are applied to the construction and demolition of "structures."

Port financial challenges

By Gil Sylvia, Port Commission President

In last summer's *Harbor News*, I wrote about the challenges the Port faces. In this column I will take a deeper dive on what is arguably our greatest challenge – paying for critical infrastructure needs.

When I joined the Port Commission six years ago, I learned that even though

we are considered a local public "service district", less than two percent of our revenue is derived from property taxes. I was even more surprised to discover that, not unlike every other Oregon port, we rely primarily on government grants

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MOVING ON UP: Two promoted to assistant harbormaster roles

More than just the Port's eyes and ears around the marinas, the two assistant harbormasters play pivotal roles in the operations and maintenance of port facilities. At the Port of Newport, assistant harbormasters are stationed at the recreational and commercial marinas. In the past month, two people were appointed to those roles after, coincidentally, both of the previous assistants relocated outside the state.

At the South Beach marina, Chris Kowarko was promoted from a maintenance position to the assistant role on March 16. He has been employed by the Port since 2023.

"Chris has an excellent background, previously working in law enforcement and in contracting. He's a good fit as a supervisor and has the skills to train



Kowarko

Little

other staff members," explained Port Harbormaster Kody Robinson.

At the commercial marina, David Little was promoted to the role of assistant harbormaster on March 5. He has been a Port employee since 2020, celebrating his five-year anniversary last summer.

"With his experience gained at the port and his overall character, he was the right person for the job. He has an excellent personality for the job and a willingness to move forward and thrive here," Robinson noted.

Port Executive Director Paula Miranda said she was pleased to promote two existing employees.

"As an organization, we like to present employees with opportunities to move up in their positions. As long as they are qualified, we are proud to promote from within," she said.

Kowarko and Little filled roles previously occupied by Wyman Scarborough and Cameron Brockway. The Port thanks both for their time and work at the Port and wishes them success in the future.

International Terminal gets equipment boost

Funded by a grant from the U.S. Department of Transportation's Maritime Administration (MARAD), the Port's International Terminal is now home to two industrial log handlers.

It was November of 2023 when the Port learned it had landed the grant, which also included funding for grading nine acres of land adjacent to the terminal to create additional laydown and storage space. The time involved in finalizing the funding source, as well as the time awaiting the manufacture of the equipment all meant that delivery didn't occur until a few months ago.

The equipment serves as one tool in the Port's mission to diversify the use of the International Terminal. Previous efforts to attract cargo and log operations often were stymied by equipment limitations and the need for laydown space. Thanks to the \$3.4 million grant and the 20 percent match provided the Port, the equipment is now on hand and the grading work

is scheduled to occur in the coming months.

"We have begun entertaining some prospects and working more aggressively to market the terminal for additional customers," Port Executive Director Paula Miranda explained.

Coordination with the terminal's existing customer base, largely

consisting of commercial fishing vessels and occasional research vessels, will be key to accommodating all future customers.

"As a multi-use facility, it is important to us that we create a place where all of our customers, both current and future, can exist and thrive together," Miranda added.



Port of Newport At-A-Glance



Port Commission

- Gil Sylvia, President
- Kelley Retherford, Vice President
- Pat Ruddiman, Secretary/Treasurer
- Bob Dziak, Commissioner
- Larry Osborne, Commissioner



Management

- Paula Miranda, Executive Director
- Aaron Bretz, Deputy Director/ Director of Operations
- Mark Brown, Director of Finance



Port Facilities

- North Commercial Marina
- International Terminal
- RV Parks (South Beach)
- Recreational Marina (South Beach)
- NOAA Facilities
- Properties leased to OSU, Aquarium

Meet Your Port of Newport Commissioners

Since 1910, Port Commissioners have served as the governing body for the Port of Newport. In February, the Commission welcomed its newest member to the five-person panel. Port Commissioners are elected to four-year terms, however appointment can take place when a resignation creates a vacancy on the board. Given two new additions to the board in the past year, we take this opportunity to reintroduce your Port Commission.



Gil Sylvia, President
Serving since August 2019
Term expires June 2027



Kelley Retherford, Vice President
Serving since June 2020
Term expires June 2029



**Patrick Ruddiman,
Secretary/Treasurer**
Serving since July 2023
Term expires July 2027



Bob Dziak, Commissioner
Serving since July 2025
Term expires June 2027



Larry Osborne, Commissioner
Serving since February 2026
Term expires June 2029

With our thanks

The Port of Newport extends its thanks and appreciation to Jeff Lackey, Port Commissioner from July 2017 through January 2026. Jeff resigned his seat due to relocating outside of the Port District. Always engaged and dedicated to the Port's success, Jeff kept a sharp eye on the financial picture, ultimately leading him to his role as treasurer.

Port launches new reservation and billing system

An investment in Port-related infrastructure will result in significant cost savings, happier customer interactions, and greater efficiency, but it's not the usual in-water work that springs to mind. Over the past few months, the reservation and billing system at the heart of RV park and marina operations has been undergoing a massive overhaul.

For years, the Port utilized a software system that was more hindrance than help. As the customer climate for online reservations and the related management needs evolved, that software became outdated. Last July, Mark Brown, Port Director of Finance and Business Services, presented the Port commission with a better, more up-to-date option with a new vendor. The commission approved an expenditure of \$55,000 to make the change.

The transition to the new system is underway and is in the process of being implemented, which will be complete in

plenty of time for the upcoming summer season. Customers will be able to access more information online and have a smoother reservation and billing experience now that the new portal is fully launched. For each customer, a thorough review of transactions and balances is underway. Once completed, the online reservation system will go live.

As a significant contributor to Port revenues, investing in the RV park and marina operations is important for all Port operations.

Migrating to the new system "represents a strategic investment in the future of the Port," Brown explained. He added that, even during this implementation process, they are beginning to see time and cost savings. Not only will the new system address many challenges of the previous system, it also "provides a scalable platform for growth," he added.

UPDATE: Status of Rogue-related properties

Community members are understandably curious about the status of the Port-owned buildings previously occupied by Rogue Ales. Although the Port wants to share as much information as is possible, the situation is very fluid. As of mid-March, we can offer the following update:

- ☀ The Port of Newport does not yet have possession of the main brewery building. Bankruptcy administrators are working with Rogue, utilizing an auction and other methods, to get all Rogue property out of the building. Once that happens, the building will be back in the hands of the Port. That is anticipated to occur around the end of March or early April. Port leadership will be working with the Port Commission to determine future opportunities for that very important space.
- ☀ The building formerly known as the Sunset Bar has been returned to Port ownership. The Port will be soliciting proposals for lease of that space in the very near future.
- ☀ Some of the space previously occupied by Rogue's

distillery have been leased out. A small seafood buyer and a marine electronics company are now operating in that space.

- ☀ A portion of the distillery building is still occupied by Rogue product. The Port is working with the appropriate parties to formulate a plan for future use of that space.

- ☀ We are often asked about the status of the pub location on the bayfront, but the Port has never had any ownership connection to that property.

“The Port’s mission revolves around economic development and job creation. With our mission in mind, we will be exploring all options as we move forward with this iconic property,” said Executive Director Paula Miranda. She believes the vacancy represents enormous future opportunity.

“This is an opportunity for the Port to create its own destiny, so we will have very serious conversations with the Port Commission on what we should do with that space,” she said.



The former Rogue site was a hub of activity following an auction to sell off the company's equipment as part of the bankruptcy process.

Financial challenges, *continued from front cover*

to pay for long term maintenance and infrastructure costs, including dredging, docks, and piers. The fees we collect from our major customers including the commercial fishing industry, recreational fishing sector, RV campers, NOAA fleet, and rental tenants only cover annual operational costs including normal maintenance. If customers had to pay for all our true costs it would require that we double our annual fees.

Some of our major infrastructure projects cost between \$5 - 45 million dollars and require a 20 to 50 percent match. A large match requires state grant help. Aligning the timing of competitive federal and state grants can be tricky and may not always succeed, forcing us

to delay critical projects. Other costs, including project planning, regulation, and environmental mitigation, require millions more. And given the complex and dynamic marine environment, there are always major contingencies. Relatively healthy reserves are essential for the Port to responsibly address these realities.

Tackling these and other issues is a tricky fiscal balancing act. Improving our “balance” will require strategic and realistic long-term planning. Given lessons learned over the last six years I look forward to working with staff, commission, and stakeholders on ideas that will help us address these long-term fiscal needs.

Planning for the Port's future

Over the past 7 years, the Port has invested \$19 million in capital improvements to address facility needs, but the remaining “to-do” list is long and expensive.

In March, Port Commissioners approved an updated capital improvement plan that identified more than \$77 million in projects and repairs that fall beyond the scope of general maintenance. The target timeline for those projects is the next four years.

Investment in the commercial marina is anticipated to generate the highest cost, with a projected \$45 million to rebuild Port Dock 7.

In total, commercial marina improvements would top \$53 million, followed by the South Beach RV Park and Marina campus needing \$18 million, the International Terminal requiring \$3 million, and NOAA facilities requiring upwards of \$1.8 million in upgrades.

Accomplishing those goals will hinge heavily on successful grant applications. Taxpayers contribute roughly \$130,000 to the Port’s annual budget. Revenues from user rates and fees cover the majority of operational expenses but leave little for major improvements. Port officials are exploring all funding opportunities for these much-needed projects.