



ANNUAL GOAL SETTING

DATE: 04/27/2021
RE: 2021-22 Commission Annual Goal Setting
TO: Board of Commissioners
ISSUED BY: Paula J. Miranda, General Manager

INTRODUCTION

Last year the Port's goal setting included the following:

- Budget Priorities
 - Including Capital Improvements
- Port's Values, Mission & Vision
- Strategic Business Plan Summary
- Other financial items

As mentioned on last years' goals, the Port Values, Mission & Vision should only be evaluated every 5 years, unless commissioners decide to make additional changes. Most other financial items, including capital improvements and other budget items were discussed in earlier meetings this year.

I have included in this packet an update on the following:

- Strategic Business Plan Summary
- Strategic Business Plan – Capital Improvement Information Update

I will be happy to discuss these items if commissioners wish to do so, as well as add new goals for the coming year.

For the next Goal Setting, I would like to plan it for December right before we start our budget planning, as it would make more sense to have the goal setting be included in the budget process.

STRATEGIC BUSINESS PLAN SUMMARY

These industries are summarized below, including market trends, constraints, and opportunities for growth.

1. COMMERCIAL FISHING

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

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

2. MARINE RESEARCH AND EDUCATION

- a. Offshore Energy. *“The Port has continued to work with offshore energy as they look into the transportation of cables and other items from our terminal related to the OSU project. Contractors will be selected for the work during this Summer. At that point we should better understand their needs and how the Port can play a part of the project. From conversations with contractors, once the project is completed, we foresee a continued need of the terminal for regular maintenance of the project.”*
- b. Aquaculture. *“In recent past the Port has entertained a couple possibilities with oyster and dulse. Since COVID we haven't heard much on this sector, but will continue to pursue if opportunities are available.”*

3. TOURISM AND RECREATION

- a. Recreation Vehicle Camping
Combined, these four parks saw the number of overnight guests grow from 364,000 in 2011 to 438,000 in 2017, an increase of more than 20 percent. *“As you may see on the staff capital budget, we are requesting some funds to move forward with the SB RV park Annex Conceptual Design and reconfigure and ROI analysis plus some other small improvements. The RV Park is a good fund generator for the Port and we should maximize on it.”*
- b. Recreational Boating
Between 2014 and 2017, the number of boats grew to nearly 166,000. There was an increased especially in the number of registered boats longer than 20 feet. *“Likewise, the marina business has continued to increase, therefore we continue to make improvements and major repairs as needed.”*

4. MARINE CARGO

a. Breakbulk

Since the 1970s, most breakbulk cargo has been converted to containers. As a result of this shift, the breakbulk trade has become far more specialized, targeting certain high-volume commodities, such as logs, lumber, wood pulp, paper, fruit, lumber, and some steel products. West Coast foreign imports of breakbulk/neobulk cargo dropped by more than half between the peak year of 2004 and 2016. West Coast exports of breakbulks/neobulks are led by fruits and vegetables, pulp and paper, wood products, and rice. There is also a small amount of fish exported in breakbulk form. Exports of breakbulks/neobulks have grown substantially since 2000; however, volumes peaked from 2011 through 2013 and have dropped substantially since then.

Challenges: *“Lack of rail, deep water beyond -30’, infrastructure and general transportation. Some customers contacted. We are still researching this market.” During this pandemic year, cargo in general has been greatly affected. We are starting to see some of them coming back. The Port has posted a marketing ad in the APP annual magazine. They also will have the ad on their website for few months. A grant request has been made to USDA to address a marketing plan for NIT, specifically related to cargo.”*

b. Logs

Currently, Coos Bay and Astoria are the only ports in Oregon that handle log exports. A recent forecast projected that Pacific Northwest log exports are likely to grow slowly through 2035, assuming that Chinese demand continues to grow. The timber harvest in the Newport region is less than half of what it was during the mid-1960s, but has seen growth since bottoming out in 1998. Lincoln County’s share of the regional harvest averaged 8.5 percent from 1962 to 2017. Log shippers have demonstrated interest in using the International Terminal to ship logs, and the Port should consider accommodating log shipments.

Challenges: *“The market for logs is still a bit weak as far as exporting goes. However, there may be some interest in using the terminal for some local market. The Port has been talking to interested parties.”*

c. Dry Bulk

For the most part, the dry bulk commodities that move in and out through West Coast ports are transported to or from inland point by rail or by barge, with smaller volumes moving directly into or out of plant or moving by truck. Because the Port is not served by rail or by river barge, the Port is unlikely to attract a substantial volume of most dry bulk cargo. Woodchips are a major dry bulk cargo handled by ports in the Pacific Northwest. The Georgia-Pacific (G-P) mill in Toledo may represent a potential market for receiving woodchips through the International Terminal. The G-P mill has been in operation for approximately 60 years, and at one time, it received woodchips by barge, but now receives woodchips only via truck and rail. The International Terminal may be able to attract some of the G-P woodchips if the economics of the combination barge/truck move are competitive. The Port should consider approaching G-P to determine if this is feasible.

Challenges: *“Just like breakbulk, the market has been greatly affected by COVID and there wasn’t much to go after this past year. There are few prospects to target that would be interested in our region. There is still no opportunity for G-P at the moment.”*

d. Liquid Bulk

Challenges: Newport does not have a large population base, and does not have industries that use or produce liquid bulks. *“The Port is unlikely to attract liquid bulk cargoes.”*

e. Containers

Challenges: Smaller ports face a number of issues attracting container trade due to trends toward larger ships in the trans-Pacific trade and the fact that port alliances control almost 90 percent of it. Because Newport lacks water depth, rail access, and a large population base, it is unlikely to play a significant role in West Coast container markets. *“As explained by consultants, its is very unlikely this Port will ever be home for large amounts of containers.”*

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

The forest products industry represents an opportunity for the Port. Newport may be able to attract logs to the International Terminal, either for loading onto ship for export, or loading onto oceangoing barges for transport to another port for export, such as Astoria, Coos Bay, or Longview. As noted above, log shippers have demonstrated interest in using the International Terminal to ship logs.

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

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

Because of these limitations, inland cargoes do not represent as strong an opportunity for the Port as do forest products.

“Again, because of COVID, the cargo business has pulled back all over this past year. In the near past, the Port has contacted some of the regional industries such as fisheries, forest products and wineries to see if there are some opportunities locally. We have share some of those efforts with the Board. We haven’t been successful yet, but we still believe the International Terminal may eventually be one of the great sources of revenues for the Port we will continue to pursue opportunities, which we believe may be viable.”

5. OTHER MARKETS AND INDUSTRY OPPORTUNITIES

a. Rogue

- i. There are approximately 500 feet of dock in front of the brewery that could be used for transient moorage.
- ii. Potential opportunities that Rogue is considering include producing dulce and/or salt – some is used to produce gose, a fermented beer.

“We are just starting our work with the consultant to check on the Rogue Seawall. No improvement will be able to proceed until we know the condition of the wall. Once we have a better idea, we will proceed accordingly.”

Rogue has discussed some investment in Newport within the brewery and possibly expanding its Sunset Bar, but those items are still under discussion. It seems like the initial investment may be within the footprint of the lease at this point.”

b. Cruise Ships

- i. Newport could attract cruise ships as a port of call during repositioning trips. The Alaska cruise market is based in Vancouver, BC, and in Seattle, Washington. At the beginning and the end of the Alaska cruise season, each vessel must be repositioned (moved) from or to its winter homeport, and these repositioning cruises present an opportunity for coastal ports such as Newport. Air draft under the Highway 101 bridge is a more important limitation. Most of the large cruise ships that operate in the Alaska market cannot pass under the bridge. Several smaller ships operate in that market, however, and they may present an opportunity for Newport. In order to explore this opportunity, the Port and the community should make contact with the industry group, Cruise the West, as well as with cruise directors from lines that operate small vessels.

“The Port has made some contacts and evaluation of cruise opportunities. As stated on the Strategic Business Plan, the bridge clearance is the biggest challenge. For instance, most cruise ships that call on Astoria are over 184’, the Newport bridge has a clearance of 133’. We will continue to look at small cruise opportunities in the future, but that may have to wait until COVID is no longer a threat for this kind of business.”

MANAGEMENT PLAN

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

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

- a. Strategy 1.1.1: Annually review and update the capital facilities plan and develop a list of priority projects in conjunction with the budget development process. Strategy 1.1.2: Pursue partnership opportunities with private businesses to develop industrial/commercial facilities that meet market demand and provide greater economic development opportunities within the District.
- b. Strategy 1.1.3: Integrate the strategic business plan as a planning tool and review its key projects and policies annually in conjunction with budget meetings.
- c. Strategy 1.1.4: Expand the Port's portfolio by targeting and pursuing new industries identified in the market analysis, such as seaweed and oyster cultivation, log exports, and attracting small cruise ships as a port of call.
- d. Strategy 1.1.5: Incorporate the strategic business plan into the Port Commission's decision making to ensure continued alignment with the Port's mission and commitments to its funding partners, other agencies, its stakeholders, and the Port district.

Status: "We have evaluated our capital facilities during our budget, as we ticked items off our list, we should consider what else we want to see in the future. We are currently trying to evaluate the interim use of Port Dock 7 until the actual replacement is made. We have consistently work with Rondys on possibilities for NIT. We are also engaged with the Oregon Ocean Innovation HUB, formerly Maritime Innovations Center on the blue economy opportunities. Item b is exactly what we are doing through this effort. Again, marketing efforts are being made within reason considering the pandemic that we have been dealing with."

Policy 1.2: Maintain and optimize marine assets.

- a. Strategy 1.2.1: Develop a set of metrics to evaluate projects and properties, including underutilized and vacant properties.
- b. Strategy 1.2.2: Lease marine facilities, but do not sell marine assets.
- c. Strategy 1.2.3: Develop a mitigation plan to address impacts of capital projects and streamline future permitting.
- d. Strategy 1.2.4: Develop an International Terminal Plan to study a mix of uses and opportunities, required transportation improvements, and the maximization of terminal space at the International Terminal.
- e. Strategy 1.2.5: Develop a North Commercial area plan to develop and evaluate solutions to address service, infrastructure, capacity, and long-term financial sustainability issues.
- f. Strategy 1.2.6: Develop additional business unit plans for Newport International Terminal, NOAA, and South Beach
- g. Strategy 1.2.7: Adhere to and periodically update the Ports strategic business plan to determine priorities and provide for long-term efficiency and financial sustainability.

Status: "We still have some work to do on items a and b. We have budgeted on initial inspections of our properties to better understand our needs and future permitting"

needs and financial impacts. We are waiting for a marketing plan grant from the USDA to implement item d. Item e goes along with item c. We have few plans under work for this budget year, including the marketing plan for NIT, the RV Annex at South Beach, a possible Expo Center building plan for festivals such as Seafood and Wine. We are working on starting conversations with NOAA regarding their future on the current site, as we hear they are looking for options.”

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

- a. Strategy 1.3.1: Sustain and leverage current partnerships for inter-governmental coordination needed to develop projects, even if the Port is not the lead agency.
- b. Strategy 1.3.2: Maintain focus on the Port’s vision, mission, and target industries in the pursuit of partnership opportunities.
- c. Policy 1.4: Maintain Port operations and pursuit of market opportunities through staff and management changes.
- d. Strategy 1.4.1: Develop a staffing strategy and succession plan to account for employee turnover and future employment needs.

Status: “The Port is currently a member of several boards within the Port District that target industries and opportunities to the area (i.e.: YBEF, City of Newport Vision 2040, Economic Development Alliance of Lincoln County, the new formed Oregon Ocean Innovation HUB etc.). We have been working and have made improvements on ongoing issues with employee turnover and will continue addressing issues that arises in order to address such changes.”

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

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

- a. Strategy 2.1.1: Plan and budget for periodic training opportunities to allow Port Commissioners and staff to gain knowledge relevant to their positions, as well as existing protocols and policies.
- b. Strategy 2.1.2: Encourage Commissioner and staff participation in professional organizations (e.g., Pacific Northwest Waterways Association, Oregon Public Ports Association, Association of Pacific Ports, Special Districts Association of Oregon, and other entities).

Status: “The Port has budgeted for training for Commissioners and staff on an annual basis. Those trainings include attending conferences, SDAO trainings and various other professional trainings needed for individual positions. We continuously encourage staff to take appropriate trainings to better their skills.”

FINANCIAL PLAN

Goal 1: Develop a financial plan that enhances the Port's long-term financial stability.

Policy 1.1: Develop a long-term cash flow model that projects the Port's anticipated financial performance in order to support and evaluate its strategic decisions.

Status: "A model has been researched and data input will allow us to develop a 5-year financial plan. As accurate forecasts of future "projects" are developed, we will be able to develop an accurate cash flow. As we wrap up long outstanding items there will be sufficient time to complete this task. The Port has recently released an RFP for a new financial system. One of the requirements includes the ability to provide what if analysis and forecasting of revenue/expenditure trends. This will eliminate the need for separate spreadsheets and data extracts/imports. The model will provide the Port will cash flows based on existing historical data and known upcoming changes."

Policy 1.2: Develop a finance manual that assists Port financial management.

- a. **Strategy 1.2.1:** Establish a set of investment and borrowing guidelines that define the expected rate of return of capital projects with all costs and economic benefits considered. Review the financial implications of capital improvement projects, prior to approval.
- b. **Strategy 1.2.2:** Continue set-asides of cash reserves to fund the match portion of future grants. It is likely that the proposed capital improvement plan will require grant funding.
- c. **Strategy 1.2.3:** Continually seek opportunities to refinance portions of the Port's long-term debt.
- d. **Strategy 1.2.4:** Continue efforts to streamline accounting processes including elimination of duplicative processes in the accounting office (integrate computer hardware and accounting software).
- e. **Strategy 1.2.5:** Review salaries and benefits for Port personnel.

Status: "The Port has a beginning model of the investment plan. First Interstate Bank has offered to assist the Port with development of this model. The structure for capital reserves and proper accounting for financial reserves has been implemented. The Ports balance sheet identifies reserves as required by GASB, anyone can review the balance sheets to identify reserve amounts and accounts. As a maintenance project occur, that funds have been set aside for payment for a portion or all of the project will come the reserve account."

Port staff identified a potential opportunity to offer a better benefits package, this would lower the maximum deductible from \$5,000 to \$750, reduce the out-of-pocket maximum and offer other benefits to staff, while keeping the cost within the budget of the Port. Because of timing, any changes in plan would not occur this year."

Goal 2: Continue to improve and enhance the financial performance of each line of business.

Policy 2.1: Improve the financial performance of the Commercial Marina. The Port is considering \$18.7 million in capital improvements to the Commercial Marina. Efforts should be considered to improve its financial performance.

- a. Strategy 2.1.1: Consider raising rates and/or reducing the rate discount for annual moorage at the Commercial Marina. Consider a moorage rate that increases progressively with boat length.
- b. Strategy 2.1.2: Expenses have grown very rapidly at the Commercial Marina. Consider ways to increase reimbursement for expenses by assessing the cost for provision of services.
- c. Strategy 2.1.3: Consider changing operations to improve net revenues, such as consolidating gear storage, in order to enable other lease activities.
- d. Strategy 2.1.4: Consider establishing a modest parking charge for tenants.
- e. Strategy 2.1.5: The accounting system at the Commercial Marina uses a different software system that is not fully integrated into the Port's accounting system. Consider integrating the systems in the near future.

Status: "The Port has been reviewing and progressively raising its rates to catch up with the cost of running the marina. We have also been evaluating all costs related to operations and services we provide to customers. We also made collections a priority. Since implementation, roughly 36 percent of Port customers were 90 days or more overdue, now that number is around 21 percent and dropping. The Port has also been looking into a new software to integrate all systems to create better efficiencies. The Port recently released an RFP for a new financial system. The RFP specifications include a fully integrated system for past due accounts, this system will allow the Port to track collections more closely. The Port is preparing a letter to marina users informing them of its intent to actively manage past due amounts.

A new financial system has the potential to better determine the cost of different lines of Port business. This will allow the Port to evaluate prices as compared to costs. The new financial system will also allow automation, improving financial performance. The new financial system should allow for the entry of service tickets as the service occurs, for monthly inventory of lot storage to occur electronically and for the inventory of vessels to occur electronically increasing the financial performance of the Port."

Policy 2.2: Continue to enhance the financial performance of South Beach facilities. The Port is considering \$5.3 million in capital improvements at South Beach. Efforts should be considered to improve the financial performance to assure that net revenues are available to recapitalize the South Beach marina when required.

- a. Strategy 2.2.1: Consider ways to improve the rate of return on leases (OSU and Oregon Aquarium) that were very generous (\$1 per year).
- b. Strategy 2.2.2: Consider reducing discounts or finding other ways to increase revenues from moorage at South Beach. Consider a moorage rate that increases progressively with boat length and/or reducing discounts for annual moorage.
- c. Strategy 2.2.3: Consider increasing revenues by improving facilities at the R.V. Park Annex and Overflow lots; and consider providing higher end R.V. facilities as a part of development plans.
- d. Strategy 2.2.2: Expenses have grown very rapidly at the Recreational Marina. Consider ways to increase reimbursement for expenses by assessing the cost for provision of services.

Status: "Unfortunately, there is not much we can do on ongoing leases with OSU and the Aquarium. The focus of those leases was to bring opportunities to Newport and the Port did just that. The lease terms are long and until then we have to abide by the term of the leases.

Meanwhile, we will just continue to work with those tenants as partners and mutual contributors to the community. We should start decreasing the annual discount on moorage and begin charging a fee for utilities, while also increasing minimally the rates in the marina. The Port reduced the discount for annual moorage holders in the South Beach Marina and began charging a utility fee to the liveaboards. The Recreational marina is having a banner year, and is nearly sold out for the summer months. Plans to invest on the RV Park will be included in the coming budget, as we do believe those will contribute to revenue increases. We have reduced off season expenses - we reduced the staff by one staff member and have been able to maintain a good service level, but this has been at the expense of staff not being able to take time off. So, we have added the position back. Pricing for the Main RV Park may be at its maximum for now. There are no other reimbursable expenses we can foresee at the moment.”

Policy 2.3: Seek ways to improve the financial performance of Newport International Terminal. The Port has invested \$26 million in capital improvements at the Terminal. The facility is in good condition and requires modest improvements (estimated at \$497,000) during the next five years.

- a. Strategy 2.3.1: Consider ways to attract and retain cargo operations (logs, wood chips etc.) under a plan that produces sufficient net revenue for the Port.
- b. Strategy 2.3.2: Consider ways to attract and retain uses for the 9-acre unimproved area toward the road (gear storage, other operations).
- c. Strategy 2.3.3: Seek ways to supplement and enhance efforts underway at the Rondys property.
- d. Strategy 2.3.4: Consider raising rates for moorage by commercial fishing boats.
- e. Strategy 2.3.4: Consider ways to increase reimbursement for expenses by assessing the cost for provision of services.

Status: “As recently provided to the Board, we have ongoing efforts to attract and retain cargo operations at NIT, including the use of the vacant 9 acres. We also had ongoing conversations with Rondys to maximize the efforts by both parties. The rates have been evaluated in the annual basis. We have increased services at NIT and will continue looking for ways to make our process efficient, so we can collect from our services provided at the facility. We are also currently entertaining prospects from the forest industry. Marketing material has been put out for the multi-use of NIT. We have also applied for a marketing plan grant for the site.”

Policy 2.4: Seek ways to assure the continued sound financial performance of the NOAA Facility. The lease for the facility is essentially a break-even enterprise.

- a. Strategy 2.4.1: Review NOAA reserve calculations to ensure that operating revenues will cover long-term capital needs as well as short-term needs (dredging, repair, etc.).

Status: “With the Refinancing of the Bonds, the NOAA facility is profitable, the additional revenues has been put aside for future use. We will soon start discussions with NOAA on the future of their lease.”

ENVIRONMENTAL PLAN

The Port's goals include being environmentally responsible in the management of operations and facilities.

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

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

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

- b. Strategy 1.1.1: Work with local representatives to address environmental concerns and engage community input as needed for special projects.
- c. Strategy 1.1.2: Share resources, funds, and opportunities with local and regional partners as appropriate to achieve common environmental goals and projects.
- d. Strategy 1.1.3: Achieve "Clean Marina" and "Clean Shipyard" certifications from the OSMB.
- e. Strategy 1.1.4: Develop a mitigation plan to address impacts of capital projects and streamline future permitting.
- f. Strategy 1.1.5: Complete a risk assessment that forecasts the potential cost of negative environmental impacts and recommends risk mitigation and avoidance measures.
- g. Strategy 1.1.6: Complete a comprehensive wetland mitigation strategy that identifies all wetlands on developable port property, as well as mitigation strategies (i.e., wetland enhancement, replacement, wetland bank) where avoidance is determined infeasible given site development programs.

Status: "The Port has always work well with members of the environmental agencies and environmental groups. There have been no major violations that the Port had to address. The Port of Newport South Beach Marina is currently a Certified Clean Marina. We do not have a shipyard, therefore that comment does not apply to our Port. We have been working in developing mitigation plans as needed to address capital projects. Some of those along with risk assessment will be include in the plan process for each project as we are looking to budget for this incoming year. We have discussed banking some mitigations with some of the agencies. Although that may seem possible with some of the State agencies, that doesn't seem to be the case with the federal agencies. We would like to create a more comprehensive plan for wetland mitigation. Unfortunately, that takes a bit of funding and it is a bit harder to do without a project attached. This year we will be looking at addressing some wetlands at NIT."

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

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

Status: "We are always working with our partners, including the City, County, State, NOAA, OSU and other stakeholders for potential disasters. The Port has actually partnered on the purchase of the emergency storage boxes housed at the Safe Haven Hill in the event of a tsunami. The Department of Land Conservation and Development just started on a review of the Yaquina Bay Management Plan, which we have been invited to be on the steering committee."

MARKETING PLAN

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

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

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

- b. Strategy 1.1.1: Work with Discover Newport to capture the rise in tourism by marketing local facilities and amenities to trades groups.
- c. Strategy 1.1.2: Partner with CWEDD and the Economic Development Alliance of Lincoln County to promote the distinct advantages of the region and its assets, opportunities, and synergies in marketing efforts.
- d. Strategy 1.1.3: Market directly to target industries and businesses that could locate in the Newport area and where demand exists.
- e. Strategy 1.1.4: Identify opportunities to market the Port nationally and internationally.

Status: "We have been working with several charter companies on their needs, mostly at South Beach. That includes trying to bring in more fillet tables to the marina area. We have been working towards target industries and business that could locate in the Newport area and have shared with the Board some of those efforts. Again, we have applied for a marketing plan for NIT in an effort to increase cargo business. The Port has continued to work with Economic Development Alliance, the chamber and other partners to promote the region's assets and opportunities, including applying for one of Business Oregon project opportunities with the Economic Development Alliance. We are also now working with the Oregon Ocean Innovation HUB."

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

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

- a. Strategy 2.1.1: Host community events, such as barbecues, where the community can come and learn about the history of the Port and the projects that are underway or on the drawing board, and meet Port staff and Commissioners.
- b. Strategy 2.1.2: Partner with local businesses to give joint tours of research, education, and recreational facilities.
- c. Strategy 2.1.3: Establish a responsive single-point of contact, such as the marketing manager, for community inquiries, suggestions, or concerns.

Status: "We have continued working with Summit Communications on sharing our projects through Facebook, e-blasts, newspaper articles and newsletters." I have also attended a couple radio programs to share news of the Port. We have heard from several stakeholders and community members that they are quite pleased with all that is going on at the Port. Unfortunately, because of COVID we haven't been able to plan any gathering events. However, we are starting conversations on next year Seafood Cookoff. This is something that apparently has drawn a lot of people in the past. We are looking into August-October as a possible timeline. Hopefully, at that point COVID will be behind us."

CAPITAL IMPROVEMENT PLAN UPDATE

	Capital Improvements	2019 Cost Estimate	Timeline	Current Update
NTT	Planning project to identify a mix of uses/opportunities that will maximize use of the terminal and adjacent vacant port-owned properties, and increase net revenues to the Port. Project completion primarily by Port staff	\$15,000 (to cover cost of part time Port project manager for research and report preparation)	2019	The Port has budgeted \$30K for a marketing plan where we would use a consultant. An application was also made for a grant with the USDA.
Mitigation Plan	Planning project to address mitigation needs of future capital projects and potential inventory of mitigation sites. Anticipated to be completed by Port staff in partnership with the Port of Toledo, Yaquina Bay users, NOAA, ODFW, and the USACE. Project completion primarily by Port staff	\$25,000 (to cover cost of part time Port project manager)	2019-2021	We have looked at opportunities and discuss it with some of the permitting agencies. The issue is until we have a project and we know what the mitigation needs are, it is very difficult to bank for mitigation to happen in the future. There may be some opportunities with the State, but not on a federal level.
RV Park Annex Plan	Planning and conceptual design project to redesign and reconfigure the RV Park	\$120,000	2019-2021	Because of COVID we decided to hold off on this project for this budget period. However, the project is now included in our 2021-2022 budget.
Port Dock 5 Interim Improvements	Interim improvements to replace pier and improve dock. Approach pier replacement; replace 6 pilings; replace rods, whalers, rub boards, bumpers and triangles (PD 5C); replace rods, bumpers, rub boards and 6 whalers (PD 5B); replace rods and rub boards (PD 5x); new power pedestals	All PD 5 Interim Improvements \$3.5 Million	2019-22	The approach pier is currently under construction and the last four items are currently budgeted for our 2021-2022 budget. We are looking at installation of about 2 pilings, not 6. We will need to get a federal permit for this, which will take time to be granted. The plan is to work on the permit during this coming fiscal year and plan on replacing the pilings in 2022-2023.
Port dock 7 Interim Improvements	Interim improvements prior to reconfiguration /replacement: Miscellaneous float and pile improvements	\$348,000	2019-2021	We will need to replace 4 pilings, which just like PD5 we will need to work on the permit. Planning on replacing the pilings in 2022-2023. As to the interim improvements, staff is currently reassessing the needs of PD7 considering some recent losses.
Reconfiguration and Reconstruction of Commercial Marina	Complete reconstruction and reconfiguration of commercial marina, including Port Docks 3 and 7, Upland Improvements, Swede's Dock and Commercial Marina channel	\$14.75 Million	2019-2024	We are currently seeking funds for the Reconstruction plan, which would include engineering, design and permitting. We are working on a grant application with the EDA in the amount of \$200K to complete the plan. Without the plan we would be unable to access funds for the construction.
Fishing Pier Improvement	Identify replacement strategy and design new fishing pier	\$2.9 Million	2022	Since we intend to use some of the fishing pier replacement for the Port Dock 7 mitigation, we are trying to include parts of this plan on the Port Dock 7 Plan.

<p>Rogue Seawall Repair</p>	<p>Phase II study of Rogue seawall (geotech and repair alternatives). Rogue seawall repairs</p>	<p>\$1.36 Million</p>	<p>2019-2021</p>	<p>We are currently working with a consultant on the engineering inspection to understand the gravity of the problem and to find repair alternatives. The Port received a \$12,900 grant from Lincoln County and \$43,875 from Business Oregon.</p>
<p>Marina Safety and Security</p>	<p>South Beach Marina electric load centers; South Beach fuel tank replacement; relocate/replace hoist dock electrical lines; consolidate and upgrade total security camera network port-wide.</p>	<p>\$2.56 Million</p>	<p>2019-2024</p>	<p>Although the South Beach Marina electric load centers was set to be completed altogether in 3 years, the Port went ahead and is almost completed with the project. We plan on including the fuel tank replacement and the hoist dock electrical lines to our 2022-2023 budget. We have every year install new cameras to our facilities, including South Beach through a grant program from SDAO. We will continue to make improvements and upgrading our security efforts.</p>
<p>NIT Improvements</p>	<p>Grading of Port's 9-acre lot (does not include wetland mitigation); asphalt lot west of shop, behind shop, and near the east entrance; asphalt nw corner of laydown area; installation of waste oil collection tank; mutually beneficial project, as required by development agreement with McLean Point developer</p>	<p>Grading: \$153,000; Asphalt: \$234,000; Tank: \$45,000, Other: \$50,000. Total NIT \$482,000</p>	<p>2019-2023</p>	<p>We should be paving the asphalt lot west of the shop within the next couple months. We have budgeted to grade the 9 acres during the 2021-2022 budget; we will most likely pave the nw corner of laydown area in 2022-2023. We are still working with Rondy's on the mutually beneficial project. At this point the port has budgeted to remove the dredge sand from their property.</p>
<p>RV Annex</p>	<p>Final plans, new RV Annex; New RV Annex construction</p>	<p>\$2.62 Million</p>	<p>2019-2022</p>	<p>Due to COVID, the Port has postponed the plans for the RV Annex, because of funding sources. Once plans are completed we will better know how to proceed.</p>