

**PORT OF NEWPORT
MINUTES
March 11, 2014
WORK SESSION MEETING**

I. CALL TO ORDER

Commission President JoAnn Barton called the Work Session of the Port of Newport Board of Commissioners to at 12:05 p.m. in the South Beach Marina Activities Room.

Commissioners Present: JoAnn Barton, President; David Jincks, Vice-President; Walter Chuck, Secretary; Dean Fleck, Assistant Secretary; and Treasurer, Ken Brown Treasurer.

Port of Newport Management and Staff: Kevin Greenwood, General Manager; Darlene Webster, Administrative Assistant.

Others: Yale Fogarty, ILWU Local 53; and Jim Cline, Rogue Ale & Spirits.

II. OREGON BREWING (ROGUE) DISTILLERY EXPANSION

Kevin presented to the commission a draft amendment of the lease to the Severn building that Rogue occupies for their distillery. This draft includes an additional 10,500 square feet of land for the expansion of the distillery operation and a landscaping plan. That would primarily focus on the removal of a traffic island. There has been an idea of having a moral on the south face side of the building as you are coming into South Beach and also discussion about Rogue taking over the maintenance of the outside of the old building. If the Port is extending onto a pre-existing building it seems unusual that we would be maintaining half of the outside of a building and not the entire building. Kevin suggested as an idea and since the rate is low based upon the market value of the property it may an option to propose to Rogue that they maintain the outside and inside of the entire building. Brett was sent an email before about reviewing Section 8.1 of the lease which covers this area but just called back prior to this meeting and needs time to review. As to the rate as discussed at the last work session it was suggested by the commission to review the ratio between the land and building values and then compare that to the 75 cent that we are seeing on the Serven building verses the 25 cents for the land on the brewery. As it turns out the ratio is 25 cents on the land. Overall, that is a big reduction on what the value of the land is. It is estimated that we could probably at 7-8 times that amount if you actually got an appraisal. And then do 10% of whatever the appraisal amount comes in at. But based on past history at the brewery, I propose to go with the 25 cent plus the annual CPI adjuster plus one. This is with the idea that the plus one would very slowly increase to bring this property to market value and in hopes that Rogue will agree to take on the outside maintenance of the older building at their expense. In summary this would make Rogue responsible as a Leaser to maintain the inside and outside of the entire facility. Currently Rogue is responsible for the maintenance to the inside of the building and the Port handles the outside. And if Rogue didn't accept the offer then the Port would need to budget funds to maintain the outside of the building. Discussion and concerns were made regarding if Rogue did accept to do the maintenance than to who's standard's of maintenance would they adhere too? A maintenance policy that would have to be drafted and that could bring more issues, for example the other leaser's etc and the Port would need more time to draft such a maintenance policy. Or to continue as we do with other leased properties that the Port maintain the outside of the building. Jim Cline could not speak for Brett regarding any of these ideas but was considering possibly that if they took on the maintenance of the building could they have a rent reduction? Rogue also wanted to combine both leases as one contract since its one building. David commented that if the Port develops a maintenance program that it should be part of the Ports budget. More conversation needs to occur with Brett and the Port regarding the terms of the whole lease. Kevin will continue talks with Rogue in order to make a final proposal to the board at the next meeting on March 25th.

III. BYLAWS ORDINANCE REVIEW

A summary was sent to commissioners for review prior to this meeting of different points to be discussed at this meeting. Highlights of changes or additions of the summary were reviewed section by section. Changes made to the bylaws were to bring the bylaws into governance to state statues. Other changes were relative to voyeur/name to the policies or any references to "Port Manager to be "General Manager. Included are the responsibilities of all Port personnel to notify the Board if anything is in violation of the bylaws and their required compliance of all bylaws as set forth by the broad. Noted was the structure of the board members as to process of election, qualifications, terms in office, oath of office, vacancies, filling of vacancies, etc all set

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to state statues. Reviewed the section of Commission powers and duties with enfases in making sure that the commissioners are meeting the needs of the Port district. Overview of required meeting attendance and in what forms it would comply with required attendance, required education and training within one year of office, costs of training to be included in the annual budget, and to what requirements does the board what of each new commissioner whether annually or other. Discussions were made to the repetitiveness that some of this training would be and the cost. Kevin noted that in some cases to receive certain funding that some education is required by the structure of the funding. Discussions in agreement to a possible one year with follow up education at a later date and use of education format via a CD to fit into the commissioner's schedule. Commission has the authority to form committees and the structure of the committees and the reporting to the commission. Establish guidelines of what defines a "committee" and to then develop a structure, responsibilities and compliance to statues requirements, section F may cover and fulfill all necessary requirements but further discussion may need to be done. Section G was discussed and the consensus was to eliminate this section. Kevin did remind the board by removing Sec G how do you get compliance if you eliminate this censor for example the required training? But it was still the consensus to eliminate Sec G. Review of whom is authorized to sign contracts was determined that it should be the general manager. Review of how contacts are made to outside professional services that would incur costs to the Port and how these contacts should be directed or authorized. Discussions regarding recordings of meetings, rules of order and structure of meetings were reviewed as highlighted in the summary. Balance of the summary was standard language structure.

SPECIAL MEETING

IV. Public Comment

Comment was made by Yale Fogarty to expedite the soil sampling process and what the impact would be for all parties involved if this is not expedited in order to not lose the current permit as it stands. All efforts need to be followed up in order to meet the July 1st deadline.

V. Contract with Advance Remediation Technology, Inc

Specifics were determined and defined to expedite this new soil sampling process. Recommendation was made to approve the cost of the new soil sampling and request approval of \$12,090.00. All efforts are being made to meet the current permit deadline of July 1st deadline.

Jincks motioned to authorize the General Manager to enter into a contract with Advance Remediation Technology for \$12,090.00 and no more and seconded by Walter (5-0).

VI. ADOPT BUDGET CALENDER, COMMITTEE & OFFICER FOR FY 2014-15

Only item of note is that Alan Brown's term had expired but he had submitted a letter to continue his term.

Fleck motioned to adopt the budget calendar, committee and officer for FY 2014-15. Jincks seconded (5-0).

VII. UPCOMING MEETINGS/EVENTS

- A. Regular Meeting, South Beach Marina Activities Room, March 25, 6:00 pm
- B. Annual Pacific Coast Congress Conference April 8-11
- C. Fisherman's Forum Port Dock 7 April 9, 2014 8:30-9:30 am

VI. ADJOURNMENT

The Work Session and Special Meeting was adjourned at 2:27 pm

ATTEST

JoAnn Barton, President

Walter Chuck, Secretary

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