

**PORT OF NEWPORT**  
**MINUTES**  
**December 9, 2014**  
**Special Meeting**

**I. Call to Order/Introductions**

The Special Meeting of the Port of Newport to discuss Oregon Brewing Company ("Rogue") expansion plans was called to order by Walter Chuck, President, 9:02am in the South Beach Marina Activities Room.

**Commissioners Present:** David Jincks, Walter Chuck, Dean Fleck, Ken Brown, JoAnn Barton.

**Commissioners Absent:** none.

**Port of Newport Management and Staff:** Kevin Greenwood, General Manager; Chris Urbach, South Beach Harbor Master.

**Others Present:** Lorna Davis, Brett Joyce, Derrick Tokos, Janet Webster, Maryann Bozza, Dick Beemer, Dennis Anstine.

Chuck welcomed those in attendance to the Special Meeting. Greenwood explained that the purpose of the meeting was to review Rogue's request to expand their production facilities, site plan, building elevations, term and rate expectations. In addition, the Port and Rogue should discuss long-term expansion needs as the current site has reached its capacity. No decisions will be made at this meeting, but staff hopes to gain some clarity on how and where Rogue should expand. A proposed tour of the site was scuttled due to weather though individuals were invited to view markers indicating building footprint.

**II. Presentation by Oregon Brewing Company, Brett Joyce**

Joyce reviewed the history of expansion at South Beach and noted that they are requesting an additional 40,500 sf in warehousing east of the current warehouse. He also reviewed barrel production noting that in 1998 production was 18,000 and they are estimating 130,000 barrels in 2015. A rough estimate is that each additional 10,000 barrels equals about five new employees. Discussed brewery expansions to east coast locations for better distribution, but that Rogue does not have plans to leave Newport. The new \$1.7-million structure will relieve capacity issues related to increased bottling and would provide 5-10 year growth runway. Joyce also listed contributions that Rogue has made to community and that they have never requested municipal tax dollars or subsidies and that they rely heavily on local contractors. He also noted that this expansion would allow for a 5-10 year use by the Chamber to utilize – in part – the warehouse for the Seafood and Wine festival though it would not entirely eliminate the need for tents. Davis contributed a letter of support for the Rogue expansion and how it would benefit the festival, which is the Chambers biggest fundraiser annually. The requested rate and term would be 20-cents to coincide with the other Rogue leases through 2037 which would allow the business to recoup their investment of over \$2-million. Greenwood presented a breakdown on Rogue lease rates noting that the Port historically has charged Rogue 20-cents per sf per month for land and about 60-cents per sf per month for building space. This request is only for land.

Brief discussion about the Port's financial role in the effort. Chuck noted that the NFW had not asked the public bodies for financial assistance and their fundraising efforts have been fruitful. Greenwood noted that the Commission may consider financial assistance within budgetary restrictions at any time.

**III. Discussion**

Greenwood noted that four sites had been identified by staff and presented to Rogue including 3.5-acre Sportsman RV Park Annex ("Annex"), 4-acre Yaquina Bay Fruit Lot, 9-acre McLean Point lot and the 1-acre requested space. Jincks expressed concern about a lack of a Port vision plan for south beach which would take into account business expansion and traffic flow concern. Chuck wanted land to be properly appraised and Tokos noted that the City has some comparable appraisals that could be used. Barton asked about Rogue's long-term vision and Joyce indicated that this expansion takes into account their 10-year needs. Tokos noted that the City does not have immediate guidance other than forklift traffic would be prohibited across OSU Drive. Joyce noted that if the Sportsmen Park was used product would be trucked and not

forklifted. Webster expressed concern about traffic flow and view shed reduction. Tokos had a concern about 90-degree parking backing out into the truck traffic flow and that would need to be reconsidered. Could the building be moved to the north? Tokos indicated that this expansion would not required a Traffic Impact Analysis but would require a conditional use permit. Fleck noted that at a minimum if the requested site was approved Rouge would need to reconfigure the gangway to the Service Dock and backfill the space that previously had served as a boat launch in an effort to regain an acre in usable space. Joyce indicated that this proposed location would be the last expansion into the parking lot and that Rogue would need to identify a different location if expansion was needed past ten-years. Webster asked if waterfront is best use of waterfront land and that the access is challenging to the site. There has also been discussion by ODOT about closing Pacific Dr. Joyce indicated that he would identify the number of trucks and get the information to Greenwood. Brown insisted that Rogue expansion not be treated harsher than the OSU expansion efforts. Tokos indicated that the last remodel of Marine Science/OSU Drive was done to accommodate significant growth and that a traffic study would not be needed. Jincks indicated that a Port vision plan should include an internal traffic study. Greenwood agreed to present a scope of work for a southbeach vision plan, but that it would take 6-9 months in a best case scenario to finish. In light of the request from Rogue, he suggested that the Port pursue the vision plan, but also work to accommodate Rogue's immediate needs and not delay their expansion request. Barton indicated that she felt that the Sportsmen's Annex would be a great opportunity for development, but understands limitations on forklifts. There was some interest in seeing the boat launch filled in with the intent of gaining new usable space. Bozza noted HMSC's desire to be included in vision planning. Tokos noted that new Ferry Slip Rd. improvement would tie-in to the Annex location. There was some concern that the multi-use trail would conflict with truck traffic and that the trail be placed on opposite side of road. Brown supported expansion at current site with capital improvements. Jincks noted that the land is becoming more valuable and that each Rogue expansion becomes more difficult. His hope is that the Annex site would work. Joyce said he'd consider any site and the Commission appreciated Rogue's commitment to Newport. Chuck discussed adding a pole building in Annex for special events. Barton asked for criteria to be developed that would allow Commission to fairly consider/rank all issues. Criteria would include future expansion capabilities, value, zoning value, close to current use (loss/gain), interest in property, traffic issues, access to service dock, etc. Brown would prefer to keep Annex for future development and would like to see current site expanded. Jincks will consider internal traffic circulation and improvements to Marine Science Dr., access to service dock and parking and future vision for Annex.

#### **IV. Next Steps**

Greenwood noted that he'll (1) prepare notes from this meeting, (2) develop criteria for commission review at their December regular meeting, and (3) obtain some form of assessment for property in question.

#### **V. Adjournment**

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 10:25am

ATTEST:

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Walter Chuck, President

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Ken Brown, Secretary/Treasurer