

**PORT OF NEWPORT
MINUTES
December 17, 2013
WORK SESSION**

I. CALL TO ORDER

Commission President JoAnn Barton brought the Work Session of the Port of Newport Board of Commissioners to order on Tuesday, December 17, 2013 at 12:00 p.m. in the South Beach Marina Activities Room, the same being within the boundaries of the Port District.

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

Port of Newport Management and Staff: Don Mann, General Manager; Pat Albaugh, Finance Director; Patty Benjamin, Administrative Assistant.

Others: Yale Fogarty and Pat Ruddiman, ILWU Local 53.

II. YAQUINA BAY FRUIT PROCESSORS (YBFP) LEASE RENEWAL

Harry Noah, YBFP, had been scheduled to attend the work session to present a business plan to the board and discuss extending his lease with the Port. However, he had cancelled due to illness. The General Manager said he would ask Noah to send the documents he had prepared electronically so they could be forwarded to the commissioners. Rick Fuller, NOAA Facilities Manager, had prepared a conceptual repair estimate at the Port's request for the three buildings leased by YBFP. The total estimate for maintenance and repairs to restore the buildings to serviceable was approximately \$60,000, but that figure did not include upgrading the service transformer from 75KW to 150KW. When the NOAA MOC-P facility was built, the power was moved and cut back from 150KW to 75KW, based on YBFP's needs at that time. Noah had since indicated that he was nearly at the capacity of the 75KW transformer, and a question remained as to whether the expense of a transformer upgrade would fall to the lessee or the lessor. Commissioner Barton noted that if Noah expanded his business at the lease site, that would be a negotiable item.

In reference to the vacant land adjacent to YBFP, General Manager Don Mann reported that he had met with Bob Cowen, Executive Director of the Hatfield Marine Science Center (HMSC), and Oregon State University (OSU) has plans to invest in expanding its Newport campus, to include laboratory and office space and inside storage. Part of that investment could be on Port property, although it was not immediately clear whether OSU/HMSC would expect the same lease terms (\$1 per year) as they currently enjoy. There were no design plans as yet and Mann said it could take longer than two years for the campus expansion to move forward. Rogue Ales and NOAA had also approached the Port about plans for expansion and their future needs for storage space. Mann said that there are two years left on Noah's lease, so the Port could offer an extension of three years for a total of five years, and then do something else with the property. Commissioner Barton said it was her recollection that Noah wanted to know "sooner rather than later" if the Port intended to renew his lease, but she was not comfortable in making a definitive decision yet. The other commissioners agreed. In answer to a question from Commissioner Jincks, the Finance Director said approximately \$30,000 per year is realized in lease revenue ifrom YBFP. Jincks said he would like to see what the life expectancy of the buildings would be after a \$60,000 investment. Commissioner Barton noted that Fuller's report mentioned interior maintenance issues that had not been addressed by the tenant, and Mann added that complaints had been received from other tenants relating to fruit flies during the YBFP's peak cherry season. Commissioner Jincks said this was a "learning lesson" for the Port to incorporate more into its leases as far as housekeeping, inspections, and management. A brief discussion followed about Noah's request for a zoning variance from the City.

Commissioner Chuck said he would like a tour of the YBFP site, and the General Manager said he would arrange that with Rick Fuller.

It was the consensus of the commission to reschedule the work session with Harry Noah for February 25, 2014, when the new General Manager is in place.

III. PUBLIC COMMENT

Yale Fogarty, ILWU Local 53, suggested that the Port have an assessment done on the property leased by YBFP to determine its value before extending YBFP's lease or negotiating with a new tenant.

IV. OTHER

Commission President JoAnn Barton was appointed as the primary representative to the Cascades West Area Commission on Transportation. Commissioner David Jincks was appointed as the alternative representative. Their terms begin on January 1, 2014.

General Manager Don Mann distributed three estimates for new hardware and whalers for repairs on F-Dock at South Beach. The estimate total was \$22,800. A discussion followed about whether to fund the project from maintenance operations, which Mann said would be "tight" between now and the end of the fiscal year, or from the Maintenance Reserve Fund, which stands at approximately \$170,000. In answer to a question from Commissioner Jincks, Finance Director Pat Albaugh said there was a savings of approximately \$60,000 in salaries from two recently retired employees that could be transferred from personal services into materials and services. However, Albaugh's recommendation was there were ample funds available in the Maintenance Reserve Fund, and the F-Dock project would be an appropriate use of that fund. He added that big strides had been made to fill the marina on weekends and most small boats prefer F-Dock. The dock is currently in use but is in poor condition and insurance claims have been made as a result of accidents on the dock.

It was the consensus of the commission to make the necessary disbursement from the Maintenance Reserve Fund, not to exceed \$22,800, for new hardware and whalers for maintenance and repairs on F-Dock.

V. UPCOMING MEETINGS/EVENTS

- A. Regular Meeting, South Beach Marina Activities Room, December 17, 6:00 p.m.
- B. Marina Users Meeting, South Beach Marina, December 18, 8:30-9:30 a.m.
- C. Christmas Holiday, December 25, Port Office Closed

VI. ADJOURNMENT

The Work Session was adjourned at 12:55 p.m.

ATTEST

JoAnn Barton, President

Walter Chuck, Secretary