APPENDIX A: RESEARCH REPORTS INCLUDING REGULATORY, GOVERNANCE, AND MARKET/ECONOMIC OUTLOOK

The administrative function for the ports, known as the Ports Program, is primarily within the state’s Infrastructure Finance Division of the Oregon Business Development Department (known as “Business Oregon”). However, the ports must conform to a number of federal and state regulations.

As part of the Strategic Port Plan development process, current state and federal regulations and agreements that apply to Oregon’s port system were reviewed. Since each port falls under the planning and land use jurisdiction of a municipality (city, county or regional government), local land use regulations apply to ports; however, the review of land use and planning regulations were only conducted at the state level.

This Appendix, which focuses on Oregon’s ports in general and not each specific port, will:

1. Summarize the State’s interest in the system including transportation, economic development, maintaining navigation access and core missions;
2. Identify the statutory role, responsibilities and powers of Oregon ports;
3. Give an overview of federal and State statutes and regulations and how they relate to the ports’ statutory role and responsibilities (including how state rules regarding comprehensive planning may affect ports);
4. Identify examples of intergovernmental agreements that involved ports;
5. Discuss examples of regulatory conflict that may be able to be addressed by this Strategic Plan; and
6. Summarize the governance relationship between the ports and Oregon state government, and compare it to how ports are regulated in other states.
7. Include a background report prepared by BST on the market and economic outlook for Oregon’s ports.
1. State’s Interest in the Ports

Oregon Revised Statutes (ORS)

Ports are mentioned a number of instances in the Oregon Revised Statutes (ORS). The following summarizes where ports are referenced in ORS as well as administrative code.

Title 58 of the ORS, Shipping and Navigation, applies to all maritime navigation and shipping related facilities and operations in Oregon. This title includes the port enabling statutes (777 and 778), which are described in more detail later in this appendix; Chapter 776, which establishes Oregon’s bar and river pilotage grounds as: The Columbia River bar pilotage from the “uppermost dock or wharf at the Port of Astoria or Knappton to the open sea in at least 30 fathoms of water, the Columbia and Willamette River pilotage ground ... from the lowermost dock or wharf at the Port of Astoria to the head of navigation on the Columbia and Willamette Rivers and their tributaries, the Coos Bay bar pilotage ground ... from the head of navigation on Coos Bay and its tributaries to the open sea in at least 30 fathoms of water, and the Yaquina Bay bar pilotage ground ... from the head of navigation on Yaquina Bay and its tributaries to the open sea in at least 30 fathoms of water.

Chapter 776 also establishes maritime pilots and pilotage rules, including establishing the Oregon Board of Maritime Pilots, which is responsible for a number of shipping and navigation and pilotage rules and fees, including:

- Pilotage service qualifications and standards, as well as licensing rules, terms, testing, training requirements, and fees
- Establishing and fixing the boundaries of pilotage grounds which are not specifically called out in this chapter (see above)

During the development of this Strategic Plan, a few of the ports noted concerns about how the fees were being set, the level of fees which they believed jeopardized their ability to cost-effectively compete with ports in other states for goods movement, as well as pilotage requirements and where pilots are located.
Other sections of ORS related to ports include:

- Chapter 285A — Economic Development I: Assigns state managerial assistance to ports to the Economic and Community Development Department (revised to Oregon Business Development Department in 2009) and establishes commission and departmental functions, along with requirements to coordinate with other state departments including the Department of State Lands; the State Marine Board; and the Sea Grant College and marine extension services at Oregon State University; defines approval process required for creation of new ports needs to include the Oregon Business Development Commission; authorizes the Port Program to coordinate, plan and conduct research on international trade; authorizes the Port Planning and Marketing Fund and how it is used; requires ports to develop strategic business plans before they can use state funding; establishes the Oregon Port Revolving Fund (PRF) and its requirements; and allows net proceeds from the PRF to be transferred to the Port Planning and Marketing Fund.

- Chapter 285B — Economic Development II (state economic and business development functions and regional entities): includes ports as eligible members of regional economic development associations and authorizes their eligibility for seeking state economic development funds; and includes among Economic Infrastructure Project Fund priorities the Columbia River Channel Deepening Project, defined as “necessary to allow newer, larger steamships access to Oregon and Washington deep draft ports. A deeper shipping channel will allow the Columbia River to continue as a world leader in agricultural exports and as a key trade corridor for farms and businesses throughout Oregon and the region”;

- Chapter 184: Sets duties of the Oregon Transportation Commission in preparing and implementing state transportation policy and requires the development and maintenance of a statewide transportation plan which “shall include, but not be limited to, aviation, highways, mass transit, pipelines, ports, rails and waterways”. Also included is a Legislative finding on ports and establishment of state transportation policy which includes:
  - “Ports in Oregon provide effective local assistance to state transportation development efforts;
  - “The ports in this state develop and market facilities and services to support important existing industries in this state, such as aviation, maritime commerce, international trade, tourism, recreation and transportation;
“Port facilities, including roads, railroads, airports, harbors and navigation channels, are an integral element of the transportation infrastructure of this state.

Therefore, the Legislative Assembly declares that it is the policy of this state to include Oregon’s ports in planning and implementing transportation programs. To that end, the Department of Transportation and the Oregon Department of Aviation may work to: coordinate with the Economic and Community Development Department to facilitate port planning and development; promote local cooperation in statewide planning and development of the ports; promote long-term economic self-sufficiency of the ports; encourage cost-effective investments with prudent financial consideration of port development projects; and facilitate the efforts of the ports to expand and respond to greater domestic and international market opportunities.”

- Chapter 307, Property Subject to Taxation; Exemptions: exempts port-owned property from property taxes.

- Chapter 308, Assessment of Property for Taxation: allows ports to assess taxes on ocean-going ships and other watercraft using port facilities.

**Oregon Transportation Plan (OTP)**

As noted above, ORS 184 requires the Oregon Transportation Commission, and thus ODOT as a state agency, to include ports in the development of, and components of, the Oregon Transportation Plan (OTP). In its preface, the OTP is “the state’s long-range multimodal transportation plan. The OTP is the overarching policy document among a series of plans that together form the state transportation system plan. The OTP considers all modes of Oregon’s transportation system as a single system and addresses the future needs of Oregon’s airports, bicycle and pedestrian facilities, highways and roadways, pipelines, ports and waterway facilities, public transportation, and railroads through 2030.” It was last updated in September 2006.

A review of the modal plans within the OTP indicates that while there are statewide system plans for aviation (2000), bicycles and pedestrians (1995), highways (reaffirmed 2006), public transportation (1997), rail (2001) and transportation safety (action plan adopted 2004 and amended in 2006); however, there is no Marine modal system plan in the current OTP.
The OTP includes policies and “key initiatives” that mention ports, including a statement to “Preserve access to Oregon ports: work with the Northwest Congressional delegations, federal agencies and the Army Corps of Engineers to assure funding is available for needed dredging and for maintenance and repair of jetties that protect shipping lanes and harbors. The state, local governments and the railroads should work to maintain and improve access to marine facilities. Oregon should support improved funding for cargo-handling capacity.”

Currently, ODOT is working toward a freight modal plan to be incorporated into the OTP. Ports have been included in this process through development of an updated commodity flow forecast as well as participating in studies of economic impacts of freight and transportation infrastructure in Oregon.

There is a section of the OTP, “Ports and Waterways”, which describes Oregon’s 23 port districts and identifies nine ports which have intermodal freight marine terminals (as of 2006). It mentions Coos Bay, Newport, Astoria, St. Helens, and Portland as having deep-draft freight terminal facilities, as well as the Columbia-Snake River System being navigable by barge above Portland as far as Lewiston, Idaho, with shallow-draft ports at The Dalles, Arlington, Morrow and Umatilla. The OTP also discusses ports being involved in Oregon’s freight and goods system, and it notes that “port authorities operate with user fees and relatively modest tax bases, including property taxes...major capital improvements often are funded with grants, loans or other revenues from federal, state or local sources. The section further describes the ports and relationship to rail and highway systems in the state.

The OTP identifies $56.9 million in annual infrastructure needs for ports and includes an assessment of different investment levels. It does not specifically mention where annual port infrastructure funds would come from beyond existing funding sources: port funds (local revenues including taxes), state and federal transportation funds for which ports must compete with other entities. The OTP does discuss the implications to Oregon’s economy and jobs if additional port investments are not made.

**Oregon Business Plan**

The Oregon Business Plan is a four-part framework providing a statewide vision for Oregon’s business and economic development future. The four parts identified in the Business Plan include:

- The Goal: Quality Jobs. The Oregon Business Plan supports the vision of Oregon Shines II, in particular the key goal of creating more quality jobs for all Oregonians statewide. Learn more about the goal of quality jobs.
• The Vision: Importance of the Traded-Sector Industry Clusters. To achieve this goal, we must pay special attention to the primary sources of Oregon's prosperity - our traded-sector industries. Businesses in these industries sell their goods and services primarily outside the state, creating jobs and bringing in new dollars that benefit local communities. Learn more about traded-sector industries.

• The Strategy: Four Ps, the Ingredients for Success. The ability of Oregon's traded-sector industries to produce economic prosperity and quality jobs for Oregonians calls for creating an economic climate with the right mix of education and workforce capabilities, an attractive quality of life, reasonable business costs, and an innovative, entrepreneurial spirit statewide. We call these ingredients the four Ps - people, place, productivity, and pioneering innovation. They serve as a way to think about Oregon’s economic assets and liabilities, and potential strategies for our economic future. A fifth P, public finance, is also vital to our long-term success. We must find a way to fund public services that enable Oregon’s industries to thrive. Learn more about the four Ps.

• The Initiatives: The Action Items for the Plan. The challenge of the Oregon Business Plan is to identify the best mix of the four Ps - and to craft policy recommendations to move the economy forward. The Oregon Business Plan Steering Committee currently has nine initiatives that it supports and tracks. The initiative agenda is developed and refined by talking directly with representatives of Oregon’s traded sector industry clusters. Learn more about the initiatives.

Although ports are not specifically mentioned in the Plan nor are they represented on the Steering Committee, the elements of the Plan are closely aligned with economic and job development visions and missions of Oregon’s ports.

Navigation

As mentioned earlier, a number of ORS as well as citations in the OTP emphasize the need to maintain waterway navigation and access in Oregon. Although Oregon does not have a Marine Transportation or Marine Navigation Plan, it is a supporter of the Marine Highway System that is maintained by the Maritime Administration (MARAD) of the US Department of Transportation. The US DOT/MARAD published an interim final rule on Oct. 9, 2008, establishing a framework to provide federal support to expand the use of America's Marine Highway, and identified a framework of four primary components:

• Marine Highway Corridors: Designating Corridors will integrate the Marine Highway into the surface transportation system and encourage the development of multi-jurisdictional coalitions to focus public and private efforts and investment.

• Marine Highway Project Designation: Designating Marine Highway Projects is aimed at mitigating landside congestion by starting new or expanding existing services to provide the greatest benefit to the public in terms of congestion relief, improved air quality, reduced energy consumption and other factors. Designated Projects will receive direct support from the Department of Transportation.

• Incentives, Impediments and Solutions: The Maritime Administration, in partnership with public and private entities, will identify potential incentives and seek solutions to impediments to encourage utilization of the Marine Highway and incorporate it, including ferries, in multi-state, state and regional transportation planning.

• Research: The Department of Transportation, working with the Environmental Protection Agency, will conduct research to support America’s Marine Highway, within the limitations of available resources. Research would include environmental and transportation benefits, technology, vessel design, and solutions to impediments.
The Columbia River and Snake River system, plus the Willamette River up to Portland Harbor, and Pacific Ocean are considered by MARAD as part of the Marine Highway System (see map below).²

² http://www.marad.dot.gov/ships_shipping_landing_page/mhi_home/mhp_map/mhp_we-n_map/mhp_wc-n_map.htm.
OBDD’s Ports Program as well as many of Oregon’s ports are members of the Pacific Northwest Waterways Association (PNWA), which was founded in 1934, and is an advocate for “federal funding of our region's navigation projects and public policy to improve the economic efficiency and environmental sustainability of the Pacific Northwest”3. The PNWA helped secure federal funding for the Columbia River Channel Deepening Project, and has helped ports in both Oregon and Washington advocate for continued federal funding for dredging and other navigational improvements, as well as jetties at the mouth of the Columbia River.

2. Statutory Role, Responsibilities and Powers of Oregon Ports

The following summarizes Oregon Revised Statutes (ORS), planning rules, regulations, and regional intergovernmental agreements that pertain to Oregon's ports.

ORS 777 & 778 Port Enabling Statutes

ORS Chapter 777 enables the formation of port districts in Oregon, and defines their expected purposes, activities and financial abilities. ORS 777 includes a subsection specifically for the Oregon International Port of Coos Bay, and Chapter 778 describes the Port of Portland’s powers in addition to those granted within ORS 777. The statutes provide expansive powers to Oregon port districts by providing broad venues within which ports may acquire, own, and operate facilities and services that accomplish their purposes. For example, ports can own and operate transportation facilities (water, rail and air), act as utility providers (water and electric power) for their industrial customers, and own/operate as businesses (fuel distribution; processing facilities for fish, meat and agriculture; and industrial parks). This broad leeway is emphasized in ORS 777.258, which states that a port “may, in general, do such other acts and things, not mentioned [in relevant statutes], as tend to promote the maritime shipping, aviation and commercial interests of the port.” Except for the Port of Portland and Oregon International Port of Coos Bay, which have board members appointed by the Governor, all ports have locally-elected port commissions.

3 http://www.pnwa.net/new/
ORS 198: Special Districts

All of Oregon’s ports are defined as “Special Districts” within the meaning of ORS 198, which provides additional (and sometimes, overlapping) regulations in administrative areas. These include formation, modification, mergers and dissolution of districts; and adoption of port ordinances and regulations.

ORS 198.010 allows the formation of the following types of special districts that pertain to operations and services currently or potentially provided by Oregon’s port system:

- Utility district organized under ORS chapter 261.
- A park and recreation district organized under ORS chapter 266.
- A port organized under ORS 777.005 to 777.725 and 777.915 to 777.953.

3. Federal and State Statutes and Regulations

The following are brief summaries of federal and state statutes and regulations which affect Oregon’s port system.

National Environmental Policy Act (NEPA)

The NEPA process consists of an evaluation of the environmental effects of a federal undertaking including its alternatives. The NEPA process is triggered when federal funds are to be used or may be used in project implementation, or where federal actions or coordination such as wetlands permitting are included. Since federal funding is available to ports for cargo, recreational, transportation access, or marine facilities, ports are more frequently becoming involved in the NEPA process.

There are three levels of analysis depending on whether or not an undertaking could significantly affect the environment. These three levels include: categorical exclusion determination; preparation of an environmental assessment/finding of no significant impact (EA/FONSI); and preparation of an environmental impact statement (EIS).

At the first level, an undertaking may be categorically excluded from a detailed environmental analysis if it meets certain criteria which a federal agency has previously determined as having no significant environmental impact. A number of agencies have developed lists of actions which are normally categorically excluded from environmental evaluation under their NEPA regulations.
At the second level of analysis, a federal agency prepares a written environmental assessment (EA) to determine whether or not a federal undertaking would significantly affect the environment. If the answer is no, the agency issues a finding of no significant impact (FONSI). The FONSI may address measures which an agency will take to reduce (mitigate) potentially significant impacts.

If the EA determines that the environmental consequences of a proposed federal undertaking may be significant, an EIS is prepared. An EIS is a more detailed evaluation of the proposed action and alternatives. The public, other federal agencies and outside parties may provide input into the preparation of an EIS and then comment on the draft EIS when it is completed. If a federal agency anticipates that an undertaking may significantly impact the environment, or if a project is environmentally controversial, a federal agency may choose to prepare an EIS without having to first prepare an EA.

After a final EIS is prepared and at the time of its decision, a federal agency will prepare a public record of its decision addressing how the findings of the EIS, including consideration of alternatives, were incorporated into the agency's decision-making process.

**Rivers and Harbors Act**

The geographic jurisdiction of the Rivers and Harbors Act of 1899 includes all navigable waters of the United States which are defined (33 CFR Part 329) as, "those waters that are subject to the ebb and flow of the tide and/or are presently used, or have been used in the past, or may be susceptible to use to transport interstate or foreign commerce." This jurisdiction extends seaward to include all ocean waters within a zone three nautical miles from the coast line (the "territorial seas"). Limited authorities extend across the outer continental shelf for artificial islands, installations and other devices (see 43 U.S.C. 333 (e)). Activities requiring Section 10 permits include structures (e.g., piers, wharfs, breakwaters, bulkheads, jetties, weirs, transmission lines) and work such as dredging or disposal of dredged material, or excavation, filling, or other modifications to the navigable waters of the United States.

**Clean Water Act**

The Clean Water Act uses the term "navigable waters" which is defined (Section 502(7)) as "waters of the United States, including the territorial seas." Thus, Section 404 jurisdiction is defined as encompassing Section 10 waters plus their
tributaries and adjacent wetlands and isolated waters where the use, degradation or destruction of such waters could affect interstate or foreign commerce.

Activities, requiring Section 404 permits are limited to discharges of dredged or fill materials into the waters of the United States. These discharges include return water from dredged material disposed of on the upland and generally any fill material (e.g., rock, sand, dirt) used to construct fast land for site development, roadways, erosion protection, etc.

**Marine Protection Research and Sanctuaries Act**

The geographic scope of Section 103 of the Marine Protection Research and Sanctuaries Act of 1972 is those waters of the open seas lying seaward of the baseline from which the territorial sea is measured. Along coast lines this baseline is generally taken to be the low water line. Thus, there is jurisdiction overlap with the Clean Water Act. By interagency agreement with EPA, the discharge of dredged material in the territorial seas is regulated under the Section 103 criteria rather than those developed for Section 404.

**Other Federal Legislation**

There are a number of other federal regulations that each port must accommodate in their operations. These are listed below. Since it is beyond the scope of this Strategic Plan to recommend changes to federal regulations, these will just be listed without a lot of discussion.

- Coastal Zone Management Act (administered by NOAA)
- Harbor Maintenance Tax (HMT): As a result of the 1986 Water Resources Development Act, users of federal navigation channels pay into a trust fund an ad valorem tax currently at 0.125 percent on goods moved to provide a source of non-federal revenue to perform maintenance dredging. The tax is currently paid on export and domestic cargoes only.
- Maritime Transportation Security Act of 2002 (MTSA)
- SAFE Ports Act of 2006 and 9/11 Recommendations Act of 2007: the SAFE Port Act codified into law a number of programs to improve security of U.S. ports, such as additional requirements for maritime facilities, creation of the Transportation Worker Identification Credential (TWIC) System, Establishment of interagency operational centers
for port security, Port security grant program, Container Security Initiative (CSI), Foreign port assessments, and Customs-Trade Partnership Against Terrorism (C-TPAT). In addition, the Act created the Domestic Nuclear Detection Office within the Department of Homeland Security and appropriated funds toward the Integrated Deepwater System Program, a long-term US Coast Guard modernization program.

- Tribal treaties and federal regulations involving native American tribal fishing rights;
- Eastern Pacific Tuna Fishing Act, 16 U.S.C. 972;
- Marine Mammal Protection Act, 16 U.S.C. 1362;
- Magnuson Fishery Conservation and Management Act, 16 U.S.C. 1802;
- River and Harbor Act, 33 U.S.C. 403;
- Longshore Workers Compensation, 33 U.S.C. 902;
- Ports and Waterways Safety Act, 33 U.S.C. 1223;
- Deepwater Ports Act, 33 U.S.C. 1501, 1502;
- Shore Protection from Municipal or Commercial Waste, 33 U.S.C. 2601;
- Superfund, 42 U.S.C. 9601;
- Jones Act [requiring use of U.S. vessels], 46 U.S.C. 883; and
- Captain of the Port, 50 U.S.C. 191.

**Statewide Planning Goals & Guidelines**

Since 1973, Oregon has maintained a strong statewide program for land use planning. The foundation of the program is a set of 19 statewide planning goals. The goals express the state’s policies on land use and on related topics such as natural resources, economic development and transportation. The goals are mandatory and have been adopted as Oregon Administrative Rules Chapter 660; all comprehensive, land use, and transportation system plans must adhere to these goals. Oregon’s cities and counties are responsible for complying with Chapter 660 by assuring that their Comprehensive Plans and Development Ordinances fulfill the requirements of the Rule for each Goal. Each port’s
The following planning goals are applicable to ports:

- **Goal 5 - Open Spaces, Scenic and Historic Areas and Natural Resources**: To conserve open space and protect natural and scenic resources. Where no conflicting uses for such resources have been identified, such resources shall be managed so as to preserve the original character. Where conflicting uses have been identified, the economic, social, environmental and energy (EESE) consequences of the conflicting uses shall be determined and programs developed to achieve the goal. The EESE analysis is often a difficult and somewhat abstract standard to meet when balancing the development of a site for Port uses against its original character. This is especially true for the “social and environmental” components of the analysis.

- **Goal 9 - Economic Development**: To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon’s citizens. The Oregon Administrative Rule Chap.660.009.0000 DIV.9 Economic Development was amended in 2008 and specifies the requirements for complying with the goal. Cities and counties are required to assess the national, state and local trends and inventory their commercial and industrial zoned lands. Based on an assessment of future economic opportunities, the jurisdiction must identify and plan for the number and types of sites that will be required to accommodate the need. The Goal 9 planning process is an opportunity for a port to incorporate its vision into the city’s Comprehensive Plan. By coordinating the port’s long range plans with the city, future regulatory issues related to commercial and industrial development, have an improved standing with the state and federal agencies. The Department of Land Conservation and Development has been very aggressive in the past two to five years in providing funds to communities to update this section of their Comprehensive Plans.

- **Goal 12 – Transportation**: To provide and encourage a safe, convenient and economic transportation system. Goal 12 refers to “transportation” as the movement of people and goods. The Oregon Administrative Rule Chap.660-012-0000 Division 12 Transportation Planning (filed in August 2002) is directed at all modes including port facilities, airports, railroads and regional pipelines. The rule requires jurisdictions to prepare Transportation
Systems Plans (TSPs) that are composed of transportation system planning and transportation project development.

- **Goals 16-19 - Estuarine Resources, Coastal Shorelands, Beaches and Dunes and Ocean Resources.** These goals focus on the unique characteristics of Oregon's land mass interface with the Pacific Ocean, estuaries and wetlands. Goal 17 specifically identifies the need to conserve, protect, where appropriate, develop and where appropriate restore the resources and benefits of all coastal shorelands. It is this goal that identified “water dependent uses” as “Shorelands in urban and urbanizable areas and in rural areas built upon or irrevocably committed to non-resource use especially suited for water dependent uses shall be protected for water-dependent recreational, commercial and industrial uses.”

OAR Chap.660.037-0010 Water Dependent/Related Zoning was filed in August 2002 to recognize the significant economic changes experienced by coastal communities from the early 1980s to 2000. The water dependent shorelands that had been designated in estuary plans in the early 80s continued to remain vacant. As result, the term water dependent use was more specifically defined and a new formula was created for determining the amount of water dependent shoreland that should be protected by each community.

**Oregon State Marine Board (OSMB)**

The Oregon State Marine Board is Oregon’s recreational boating agency, dedicated to safety, education and access in an enhanced environment. The Ports are most interested in the “access” emphasis of the Board’s mission statement. The OSMB provides grants and engineering services to local governments (cities, counties, park districts and port districts) to develop and maintain accessible boating facilities and protect water quality. The Ports typically rely on the Marine Board to provide preliminary engineering and funding especially for launch ramps, boarding floats, transient tie-up, restrooms and other boating amenities.

4. **Intergovernmental Cooperation Agreements**

Port districts engage in economic development, and as such they compete on behalf of their communities to attract new business opportunities to their respective regions. At the same time, many ports understand that achieving successful projects often requires discovering and formalizing areas of mutual interest with competitors.
In the first example that follows, five port districts and the U.S. Army Corps of Engineers cooperate to achieve the ports’ goals for Columbia River dredging improvements as well as resource agencies’ goals (represented by the Corps as a regulatory agency) for ecosystem restoration. In the second example, the cooperating competitors are two port districts separated by a state border who share the same metropolitan labor force that, in turn, reaps benefits from the job-creation activities of either port district.

- **Columbia River Dredging Agreement**: In order to achieve their mutual goals of deepening the federal navigation channel within the Columbia River, the Port of Portland joined four Washington State port districts in signing a cooperative agreement with the U.S. Army Corps of Engineers ("the Corps"). The agreement provides detailed definitions of terms, obligations for the parties and a general description of funding expectations. The ultimate result is a document that helps achieve the ports’ goals for Columbia River dredging improvements while also accomplishing certain goals of state and federal resource agencies (represented by the Corps as a regulatory authority) for ecosystem restoration.

- **Ports of Portland and Vancouver USA Cooperative Agreement**: Since the early 1990’s, the Port of Portland and the Port of Vancouver USA (Washington) have worked diligently, through the evolution of several agreements (the latest beginning in 2004), to find and develop avenues for mutual cooperation. The agreement’s stated purpose is simple and direct: “to promote cooperation through openness and joint action.” The suggested areas of cooperation are primarily joint marketing and joint pursuit of facility development, together with formulae for cost sharing and revenue sharing. The document names the expected staff participants, requires regular periodic meetings of the parties, requires setting of mutual goals, priorities and strategies for action, but also provides an easy termination clause.

5. Recent Regulatory Issues

Through the background research for the Strategic Plan, there were some recent examples of where regulations under one program conflicted with another. These include:
• Newport, where the port is attempting to reconstruct a cargo dock at the request of the Army Corps. of Engineers and is experiencing environmental regulatory and permitting issues
• Arlington, who at one time had an Army Corps. permit to begin construction of a new, waste off-loading and cargo dock east of Arlington. The Corps. put the permit on hold after construction was initiated due to a tribal historic fishing site claim. The case is now in litigation.
• Port of Portland, who are attempting to plan for and develop a marine industrial terminal on West Hayden Island but are experiencing constraints from the local planning process.
• Pilotage: based on prior agreements and practice, ships sailing the Pacific Ocean and calling into Oregon’s ports must utilize “double piloting”. The captain of the international leg of the trip must yield command to a captain who pilots through the “bar” (such as the Columbia Bar offshore from mouth of the Columbia River). That pilot then yields command to another who pilots the vessel along the Columbia River.
• The State has a Pilotage Commission that control the rates charged by the three Pilot Associations in the State of Oregon. The ports’ concern is the high percentage of vessel entry and berthing costs for pilotage fees when compared to the total cost of bringing a vessel into port. For example- Coos Bay’s pilotage fees are 55% of the total costs associated with bringing a vessel to berth. All three associations are attempting to raise their rates this year and the ports are seeking some sort of relief from these increased costs as a competitiveness issue.

6. Oregon’s Port Governance

Oregon’s state government port program is currently housed in the Infrastructure Finance division of the Oregon Business Development Department (“Business Oregon”). It has been within this department (previously named the Oregon Economic and Community Development Department) since 1973. Between 1969 and 1973, the state port governance structure was through a ports commission with the Oregon Department of Transportation.

Since 1973, there have been a number of efforts which discussed or requested transfer of the state ports program back into the Department of Transportation. None of these efforts has resulted in that transfer; this Strategic Plan process also was charged with examining that relationship and making recommendations on whether the current institutional organization should be changed.
There are currently some functions within state government which administer programs in which the ports play a role. These include:

- **ODOT**: ODOT administers the ConnectOregon funding program, for which ports are eligible to apply. Projects cannot be highway projects, however. ODOT also administers and staffs the Oregon Freight Advisory Committee, which is charged under state statute with advising ODOT on multimodal freight issues and planning.

- **Marine Board**: this Board is charged with statewide capital facilities planning and funding programming for boat launches/ramps, marinas, and water-based law enforcement. Ports which operate these functions must coordinate with the Marine Board, and often use Marine Board funding for rehabilitation, reconstruction, or new facilities.

- **NEPA**: Unlike its neighbors Washington and California, Oregon does not have an environmental policy act. Therefore, any process which triggers NEPA requires the lead agency (the port in this case) to coordinate with and obtain reviews and permitting from appropriate local, state, and federal resource agencies.

Oregon’s ports work for advocacy and support through the Oregon Public Ports Association (OPPA). The OPPA is a private, non-profit company headquartered in Salem. The OPPA is supported through member dues, and is affiliated with the Special Districts Association of Oregon (SDAO) for dues collection, office space, and insurance.

**Port Governance and Oversight Examples from Other States**

Port governance is rapidly becoming a major topic of discussion for all west coast port authorities and state legislatures. The Washington and California state legislatures have been considering bills that would substantially revise governance of the port system in those states. The recent discussions of port governance are due to a combination of the state of the economy as well as the lack of available funds to support port growth and capacity issues. Also playing into these discussions is the subject of port consolidation. The context for the Oregon review is a general lack of knowledge by the general public on the role of a port authority as well as the state of Oregon in oversight or governance of the state’s port system.
Both the State Legislatures of California and Washington have very recently introduced bills in their respective bodies that call for a State Port Authority or, lacking that entity, a regional port authority by combining the administrative bodies of local ports into a common and more centralized functional body. The prime reason given is the cost structure of a separate entity and the perceived duplicative nature of the functions required by neighboring but competing ports. The focus in this effort is also the reduction of the competitiveness where the public perceives that one port is always attempting to “steal” customers away from their local competing port authority and by doing so; they are “giving away the store”.

Virtually all ports in the United States were established under state legislative authority in the early 1900's for the specific economic benefit of the region to be served by the port. In the early 1900’s most “ports” were in the middle of a city and vessels would go from port to port even if they only travel a short distance as they would primarily be delivering local cargo and passengers. Thus “competition” was not as prevalent then as it is today. During the 1930’s and up to World War II, the majority of US Port Authorities were given charters to conduct international commerce activities via the sea and, in addition, develop a regional economic base of activity that included industrial land development, economic enterprises and with the popularity of aviation travel, airport jurisdiction. Several ports were also given the authority and responsibility to manage public transit, bridges and other transportation infrastructure.

**Washington State**

In Washington, ports are independent county authorized public entities as established by state legislation in 1911. There are 75 port districts in Washington, with a number being “dry” or land-based ports. In Washington state government, the port program is administered by the Washington State Department of Transportation. There is no port-related program within the Department of Commerce, which is Washington’s equivalent of OBDD.

Port districts in Washington are governed by an elected commission, independent of other local jurisdictions, including cities, counties and state. Commissioners are elected to either four- or six-year terms. The Ports of Seattle and Tacoma have five members of a commission and they hold office for four years. The rest of the Port Districts have three members with a term of six years. Commissioners may hold either district-specific or at-large positions, depending on port district policy. Port commissioners establish long-term strategies for a port district, and create policies to guide the development,
growth, and operation of the port. They are also responsible for a port's annual budgets, approving tax levy rates, and hiring the professional staff members responsible for a port's daily functions.

Advocacy, coordination and training are provided through the Washington Public Ports Association (WPPA), which has 69 members out of 75 Port Districts in the State on its roster. The WPPA was created by the State Legislature in 1961 to promote the interests of the port community through effective government relations, ongoing education, and strong advocacy programs. They have a full time staff of seven and they have recently completed several major studies for its members and the State Legislator such as the 2009 State Marine Cargo Forecast, the State Rail Capacity Study (with WSDOT) and key legislative policy reports.

**California**

The California Association of Port Authorities (CAPA) was formed in 1940 to promote the interests of California's ports and to maintaining the state's role in the global maritime industry. CAPA is comprised of the state's eleven publicly-owned, commercial ports: the Humboldt Bay Harbor District, the Port of Hueneme, the Port of Long Beach, the Port of Los Angeles, the Port of Oakland, the Port of Redwood City, the Port of Richmond, the Port of Sacramento, the Port of San Diego, the Port of San Francisco, and the Port of Stockton. CAPA members are all public agencies and each is organized and managed independently.

Five of California’s ports are special districts and six are departments of their respective host-cities. Each is governed by a separate board of commissioners responsible for setting policy and managing port operations. Commissioners are either appointed by local jurisdictions or in some cases, directly-elected. Most of California’s ports manage state tidelands on behalf of all Californians through agreements with the State Lands Commission. Subject to specific direction contained in each agreement, tideland properties and resources must be used for maritime purposes, including navigation, fisheries and commerce.

On behalf of its members, CAPA maintains an association office in Sacramento with about eight full time staff who primarily manage the governmental relations with California’s legislative and administrative branches of state government. CAPA monitors legislative and regulatory proposals related to goods movement and the maritime community, and provides educational leadership and advocacy on issues relating to transportation, trade, the
environment and other subjects relevant to port operations. In addition, CAPA maintains formal agreements on behalf its member ports with the Federal Maritime Commission (FMC) and provides regular communication with the FMC and other national interests.

**Canada**

**Canada Port Authorities (CPA):** After the Canada Maritime Act of 1996 came into force, letters of patent (the official grants of authority) were issued for 19 port authorities. That number was reduced to 17 on January 1, 2008, with the amalgamation of the Vancouver, Fraser River and North Fraser port authorities into a single entity, the Vancouver Fraser River Port Authority, also known by its marketing name as Port Metro Vancouver.

Under the law, a CPA is a federal entity or, more precisely, “an agent of the Crown for port activities related to shipping, navigation, the transportation of passengers and goods and the storage of goods to the extent that these are specified in the letters patent.” CPA’s may engage in “other activities deemed in the letters patent to be necessary to support port operations” but only with the prior approval of the federal government before letters of patent. Unlike many of their U.S. counterparts, they may not engage in activity unrelated to their maritime functions such as airport, rail or toll bridge operations. Other activities not expressly covered by the letters patent are subject to taxation in the same way that they would be if the port authorities were private corporations.

The CPAs are also required to be financially self sufficient and “no recourse to the federal treasury to discharge any obligation or liability of the port authority, with the exception of payments provided under legislation covering emergencies (e.g. disaster relief assistance) or other grant programs that apply generally to other companies and institutions.” Port authority borrowing for port purposes will be obtained from private-sector lenders, based on the CPA’s future revenues. The Canadian Government will not guarantee such loans, and a CPA would not be able to borrow money as an agent of the Crown.

Each CPA must pay an annual charge to the Crown based on a formula that would be included in its letters patent. Surpluses at each port will not be distributed, since there would be no shareholders, but may be re-invested in the ports. For the purpose of operating the port, a CPA is permitted to lease or license any federal real property that it manages, subject to the limits specified in its letters patent. CPA governing boards consist of 7 to 11 directors who “shall have
generally acknowledged and accepted stature within the transportation industry or the business community and relevant knowledge and extensive experience related to the management of a business, to the operation of a port or to maritime trade." Directors are selected in the following manner by appointment from a variety of federal and provincial sources.

CPAs are also held to rigorous disclosure requirements. Additionally, federal law requires compliance with open meetings regulations, financial statements, disclosure of any conflicts of interest as well as remuneration and expenses of board members, chief executive officers, and employees whose remuneration exceeds a prescribed threshold, disclosure of details of port income and operating expenses, and adoption of a public land use plan. Every year, CPAs must also submit a five-year business plan to the Minister.

Other States

- Alabama: the Alabama State Port Authority owns and operates the Alabama State Docks in Mobile, the state’s only cargo port. State funding is based on the state’s legislatively-approved budget.

- Florida: Florida’s seaports are represented by a trade association known as the Florida Ports Council (FPC). The FPC is made up of port directors from the 14 seaports, the executive director of the Office of Tourism, Trade, and Economic Development, and the State Secretaries of Transportation and Community Affairs. The FPC does not provide funding for port capital projects; instead, ports compete for funding through the Florida Seaport Transportation and Economic Development Council (an average of $15 million annually in grants and $10 million annually in loans and bond guarantees), Florida Department of Transportation’s Strategic Intermodal System, and federal transportation funding through regional planning bodies.

- Hawaii: the Hawaii DOT Harbors Division, otherwise known as “Port Hawaii”, operates ten commercial ports on six major Hawaiian islands: Oahu, Maui, Molokai, Lanai, Hawaii (the Big Island), and Kauai. Port charges are paid to the Harbors Division which forms the basis for most of the state ports funding. Port Hawaii also governs the 24-hour per day pilotage into and out of Hawaii’s harbors.

- Indiana: the quasi-public entity, Ports of Indiana (formerly the Indiana Port Commission), created in 1961, owns and operates its three ports - one on Lake Michigan and two on the Ohio River. Ports of Indiana is run by a seven-member commission, and each port operates as a cost center and is a regional taxing authority. Louisiana: administrative oversight of ports and harbors falls under the Louisiana Department of Transportation and
Development’s (LDOTD) Ports and Flood Control Unit. The trade association is the Ports Association of Louisiana, which is funded by its members on a level similar to the WPPA. LDOTD provides funding on a needs- and priority basis through the Port Construction & Development Priority Program, which averages approximately $37 million per year.4

- Mississippi: oversight of Mississippi’s 16 commercial ports is split between the Mississippi Development Authority and the Mississippi Department of Transportation. The State of Mississippi owns two ports while the other 14 are local port districts. There is no dedicated state funding source for ports; ports must compete for federal funding programs through state and regional programs with transportation agencies.

- South Carolina: The South Carolina Ports Authority is a state port authority that operates terminals at two seaports, Charleston and Georgetown. Funding is through tariffs and other fees, and the state budget process for capital projects.

- Texas: administrative assistance to Texas’ 16 ports falls under the Texas Strategic Economic Development Planning Commission for administrative assistance and planning. The Texas Port Association is their equivalent to OPPA; very little state funding is allocated to Texas’ ports.

- Port Authority of New York/New Jersey is one of the few bi-state port authorities and operates through interstate agreements.

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## State Governance Structures

<table>
<thead>
<tr>
<th>State</th>
<th>Agency/Organization</th>
<th>Structure</th>
<th>Governance</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Northeast</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Connecticut</td>
<td>Connecticut Bureau of Aviation &amp; Ports</td>
<td>DOT Bureau</td>
<td>14 Port FTE; Maritime Manager</td>
<td>Ferry and New London State Pier operations; planning &amp; coordination; Pilot Comm.</td>
</tr>
<tr>
<td></td>
<td>Connecticut Maritime Commission</td>
<td>15-member Policy Board</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delaware</td>
<td>Delaware River &amp; Bay Authority</td>
<td>Bi-State Regional Port Authority</td>
<td>Delaware/N.J. – 6 GA from each state</td>
<td>Independent Regional Transportation Agency</td>
</tr>
<tr>
<td>Maine</td>
<td>Office of Freight and Business</td>
<td>DOT Office/Port Authority/Operator</td>
<td>5 FTE; 5 GA, Trade Center President, DOT Commissioner (chair)</td>
<td>Freight planning including Marine Transportation Planning and Coordination; manages Portland and Seaport facilities</td>
</tr>
<tr>
<td></td>
<td>Maine Port Authority</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maryland</td>
<td>Maryland Port Administration</td>
<td>DOT Division/Operator</td>
<td>6 GA, DOT Director (chair)</td>
<td>Manages Port of Baltimore</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>Massachusetts Port Authority</td>
<td>State Port Authority/Operator</td>
<td>7 Governor Appointees</td>
<td>Port of Boston/Logan International Airport</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>New Hampshire Division of Ports &amp; Harbors</td>
<td>Division of Port Development</td>
<td>State-chartered Development Agency; 1 GA, 2 LA, 4 Municipal Appointees</td>
<td>Planning, coordination, financing, Manages Market Street cargo terminal; Foreign Trade Zone</td>
</tr>
<tr>
<td>New York</td>
<td>Freight and Passenger Rail Bureau</td>
<td>Bi-State Regional Port Authority</td>
<td>N.Y./N.J. – 6 GA from each state</td>
<td>Freight Planning including Marine Transportation Independent Agency/Facility Operator est. 1921</td>
</tr>
<tr>
<td>New Jersey</td>
<td>New Jersey Office of Maritime Resources</td>
<td>DOT Office</td>
<td>N.J./N.Y. – 6 GA from each state</td>
<td>Independent Agency/Facility Operator est. 1921</td>
</tr>
<tr>
<td></td>
<td>Delaware Port Authority</td>
<td>Bi-State Regional Port Authority</td>
<td></td>
<td>Independent Regional Transportation Agency</td>
</tr>
<tr>
<td></td>
<td>Delaware River &amp; Bay Authority</td>
<td>Bi-State Regional Port Authority</td>
<td></td>
<td>Independent Regional Transportation Agency</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>Philadelphia Regional Port Authority</td>
<td>Regional Port Authority/Operator</td>
<td>7 GA, 4 Legislative Appointees</td>
<td>Independent State Agency/Operator</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>Rhode Island Economic Development Corp.</td>
<td>Economic Development Agency</td>
<td>21 GA, Governor, House Speaker, Senate Majority Leader, Ex. Director</td>
<td>Formerly the Rhode Island Port Authority</td>
</tr>
<tr>
<td></td>
<td>Quonset Development Corporation</td>
<td>RIEDC Freestanding Subsidiary/Operator</td>
<td>11-member board (G7)</td>
<td>Manages Port of Davisville, Quonset Business Park</td>
</tr>
<tr>
<td><strong>Southeast</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alabama</td>
<td>Alabama State Port Authority</td>
<td>State Port Authority/Operator</td>
<td>8 GA, 1 ex-officio</td>
<td>Est. 1928, Port of Mobile Bay, Various Inland Docks Promotes development use of Inland Waterways</td>
</tr>
<tr>
<td></td>
<td>Coalition of Alabama Waterway Associations</td>
<td>Industry Advisory Council est. 2004</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Florida</td>
<td>Florida DOT Seaport Office</td>
<td>DOT Office</td>
<td>3 FTE</td>
<td>Planning, project management, coordination, financing, FSTED Seaport Mission Plan</td>
</tr>
<tr>
<td></td>
<td>Florida Seaports Transportation &amp; Economic Dev. Council</td>
<td>FSTED - Statutory Planning Council</td>
<td>4 Port reps, 3 state agency reps.</td>
<td>Planning and Project Prioritization</td>
</tr>
<tr>
<td></td>
<td>Florida Ports Finance Commission</td>
<td>State Port Financing Agency</td>
<td>***</td>
<td>Port Infrastructure Financing</td>
</tr>
<tr>
<td></td>
<td>Florida Ports Council</td>
<td>Strong Port Association</td>
<td>14 Deepwater Port Directors</td>
<td>Advocacy and Coordination</td>
</tr>
<tr>
<td>Georgia</td>
<td>Georgia Ports Authority</td>
<td>State Port Authority/Operator</td>
<td>13 Governor Appointees</td>
<td>Est. 1942; Ports of Savannah, Brunswick, Bainbridge, Columbus</td>
</tr>
<tr>
<td>Mississippi</td>
<td>Mississippi State Authority</td>
<td>State Port Authority/Operator</td>
<td>3 GA, 1 County, 1 City of Gulfport</td>
<td>Port of Gulfport &amp; another port facility; 14 other public ports in state</td>
</tr>
<tr>
<td></td>
<td>Freight, Rail, Ports &amp; Waterways Division</td>
<td>DOT Division</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Carolina</td>
<td>North Carolina State Ports Authority</td>
<td>State Port Authority/Operator</td>
<td>10 governor and legislative appointees</td>
<td>Est. 1945, Ports of Wilmington &amp; Morehead City, two inland terminals Advocacy and Public Education</td>
</tr>
<tr>
<td></td>
<td>North Carolina Ports Advisory Council</td>
<td>Industry Advisory Council</td>
<td>31 Maritime &amp; Trade Industry reps</td>
<td></td>
</tr>
<tr>
<td>South Carolina</td>
<td>South Carolina State Ports Authority</td>
<td>State Port Authority/Operator</td>
<td>9 Governor appointees</td>
<td>Est. 1942, Ports of Charleston &amp; Georgetown</td>
</tr>
<tr>
<td>Texas</td>
<td>Port Authority Advisory Committee</td>
<td>DOT Advisory Committee</td>
<td>1 Port of Houston, 3 upper coast and 3 lower coast Trans. Comm. Appointees</td>
<td>Coordination Public and Legislative Advocacy</td>
</tr>
<tr>
<td></td>
<td>Texas Port Association</td>
<td>Strong Port Association</td>
<td>All ports eligible for representation</td>
<td></td>
</tr>
<tr>
<td>Virginia</td>
<td>Virginia Port Authority</td>
<td>State Port Authority/Operator</td>
<td>11 Governor Appointees &amp; State Treasurer</td>
<td>Est. 1952, Ports of Newport News, Norfolk, Portsmouth, Virginia Inland Advocacy and Public Education</td>
</tr>
<tr>
<td></td>
<td>Virginia Maritime Association</td>
<td>Strong Maritime Industry Association</td>
<td></td>
<td></td>
</tr>
<tr>
<td>West</td>
<td>Agency/Organization</td>
<td>Structure</td>
<td>Governance</td>
<td>Notes</td>
</tr>
<tr>
<td>------</td>
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<td>-----------</td>
<td>------------</td>
<td>-------</td>
</tr>
</tbody>
</table>
| Alaska | Ports and Harbor Section  
Alaska Association of Harbormaste... | DOT Section  
Strong Port Association | 3 Engineering FTE | Technical Assistance, Design & Engineering, Grant Financing  
Advocacy, Coordination and Public Education; Alaska has many municipally-owned ports and harbors, including the Port of Anchorage |
| California | California Association of Port Authorities  
California Marine Affairs and Navigation Conference | Strong Port Association  
Strong Port Association | 3-member executive board  
30-member board | Represents and advocates for state’s 11 public cargo port, some of which are special districts and others, such as Los Angeles, are municipally owned.  
Advocacy and Coordination; membership includes small harbor districts, municipalities with city-owned marina facilities as well as the larger cargo ports. |
| Hawaii | Hawaii Harbors Division  
Hawaii Harbors Users Group | DOT Division/Operator  
Industry Association | Harbors Division Deputy Director  
4-member executive board | Planning, coordination, financing, operation of 10 state commercial harbors  
Advocacy, Coordination, Compliance Assistance and Public Education |
| Oregon | Oregon Business Development Department  
Oregon Public Ports Association | Economic Development Agency  
Port Association | 1 Port FTE; IFA and OBDD Boards  
3-member executive committee | Advocacy, Coordination, Technical Assistance, Funding Legislative Advocacy, limited coordination |
| Washington | WSDOT State Rail and Marine Office  
Washington Public Ports Association | DOT Office  
Strong Port Association | 6-member executive committee, Board of Trustees | Planning and Coordination  
Advocacy, Coordination, Professional Training, Public Education |

<table>
<thead>
<tr>
<th>Great Lakes/Other</th>
<th>Agency/Organization</th>
<th>Structure</th>
<th>Governance</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indiana</td>
<td>Ports of Indiana</td>
<td>State Port Authority/Operating</td>
<td>7 Governor Appointees</td>
<td>Ports of Burns Harbor, Jeffersonville, Mount Vernon</td>
</tr>
</tbody>
</table>
| Minnesota | Minnesota Ports and Waterway Section  
Minnesota Ports Association | DOT Section  
Ports Association | Represents 5 Public Port Authorities | Planning, coordination and financing  
Advocate for funding and improvements to port and navigational facilities |
| West Virginia | West Virginia Public Port Authority | DOT Division/Operating | Planning | Planning; coordination & technical assistance; operates Point Pleasant Rail Terminal |
| Wisconsin | Bureau of Railroads and Harbors  
Wisconsin Commercial Ports Association | DOT Bureau  
Strong Port Association | 4-member executive committee | Planning and coordination  
Advocacy, Public Education, Coordination |
7. Market and Economic Outlook

One in six Oregon jobs, excluding construction jobs, is in some way directly or indirectly dependent on ports. Oregon’s ports carry much of Oregon’s imports and exports: one in every five imported or exported goods produced or consumed in Oregon flows through Oregon’s ports in some way, shape, or form, with value of over $50 billion a year.\(^5\)

In wages alone, jobs related to Oregon’s ports contribute over $4.5 billion annually to the state’s economy. This number is much larger when indirect and induced jobs are also taken into account. The Port of Portland and its partners operating in Portland Harbor generate over $3.2 billion a year in direct, indirect, and induced job wages and contribute almost $6 billion annually to the Portland region’s economy.\(^6\)

Oregon’s economy is highly dependent on its exported goods, and Oregon’s ports serve as international gateways. The Port of Portland captured this in their statement: “Ask a wheat farmer in eastern Oregon, a crab fisherman on the coast or a sportswear manufacturer in the Portland area, and we think they will tell you that their ability to get their products through Port of Portland facilities to national and international markets is key to their business viability.”\(^7\)

Based on the recently-completed Oregon Commodity Flow Forecast (2002-2035),\(^8\) marine cargo comprises approximately 12 percent of the total commodity flow to, through, and within Oregon. By adding in commodities transferred at ports and using other modes, such as air, rail and truck, yields almost 20 percent of total commodity flow in Oregon. This is equivalent to over 80,000 tons per year shipped, with goods valued at over $50 billion.

Oregon’s ports offer services beyond the handling of cargo. Most of Oregon’s ports also provide land- and marine-oriented recreational activities at campgrounds, recreational vehicle (RV) parks, boat launches, and marinas. A 2003 report of recreation use, visitor spending, and regional economic effects found that 18 of Oregon’s 23 ports provided

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\(^{5}\) Based on information from the “Oregon Commodity Flow Forecasts, 2002-2035”, Parsons Brinckerhoff for Oregon Department of Transportation, October 2009. Includes water, rail, truck, and air modes.


\(^{7}\) Port of Portland Annual Meeting statement, November 2008.

\(^{8}\) Oregon Commodity Flow Forecast, Parsons Brinckerhoff for ODOT, October 2009.
for over 700,000 recreation visits in one year (2002), resulting in $75 million in trip spending and $31 million in purchases of boat-related goods and services. The spending by port visitors was even more significant, resulting in $109 million in sales, which translated to $41 million in wages and 1,670 jobs for Oregon's economy.\(^9\)

Oregon’s ports support coastal and Columbia River commercial and recreational fishing. Of the 90,000 metric tons of commercial fish landed in 2008, 99% were brought in using port-owned or operated facilities (marinas, docks, boat launches, and moorage).\(^10\) The estimated annual value of commercial fish landings at Oregon’s ports is approximately $100 million.

**COASTAL PORTS**

This section will be to summarize the recent trends and future outlook for the coastal, non-cargo ports. Summary data will be included where it is available; trends and outlook will be qualitatively described. Included will be commercial fishing; recreational fishing (related to vessels and economy of the industry that relies on ports or port-owned boat ramps-launches or docks); marinas (rate trends, financial status, summary of recent Marine Board grants); and generalized industrial land availability and lease/sale trends and outlook. Additionally, ports are seeing a decline in commercial fishing fleets but emerging industries such as eco-tourism, transport of live seafood, etc. There also are considerations for wave energy which would require on-shore industrial land for energy collection and distribution. A summary of recent wave energy trends/studies (if available) and the future outlook will be made.

**Fishing industry trends**

**Commercial**

Over the past two decades the commercial fishing industry in Oregon has experienced both years of steady harvest as well as wide fluctuations in the amount of fish caught. At the same time the value of this harvest has risen steadily while


the number of vessels has dropped substantially. Finally, there has been a substantial shift in the species harvested by commercial boats.

_Harvest_

In recent decades the commercial fishing industry in Oregon has fared much better than that in Washington or California. In 1984, Oregon's commercial fish harvest amounted to approximately 40,000 metric tons. For the next five years the harvest increased steadily, to approximately 70,000 metric tons in 1989. After a small decline in 1990 the volume of fish harvested jumped to more than 110,000 in 1992, and between 1992 and 2000 the volume dropped below 100,000 metric tons just once, in 1993.

After 2000, the volume of fish harvested commercially began fluctuate widely. From 2001 through 2003 the volume fell to around 80,000 metric tons. Both 2004 and 2005 saw a return to the 110,000 ton level, while 2006 saw the volume of fish harvested jump to more than 130,000 metric tons. In both 2007 and 2008, however, the volume dropped sharply, with only 84,000 metric tons harvested in 2008.

In comparison to Oregon, the commercial fishing industry in both Washington and California has fared poorly, with California hit especially hard. In Washington the volume of fish harvested held steady throughout the 1980's, before started a slow, steady decline. Washington's commercial fish harvest averaged approximately 75,000 metric tons during the 1980's, which was a much higher volume than Oregon's. In 1991 both Oregon and Washington saw commercial harvest of approximately 65,000 metric tons, and Washington's harvest continued to decline through 1999. The next few years saw some recovery in Washington, but the harvested volumes in 2007 and 2008 were the lowest in three decades.

The decline in the California fishing industry has been dramatic. From a high of 356,000 metric tons in 1981, the volume of fish harvested in California dropped to less that 100,000 metric tons in 2007, and in that year Oregon's harvest surpassed that of California for the first time.

Steady growth in the Oregon combined with declines in neighboring states has made Oregon a key player in the West Coast commercial fishing industry.
The value of the commercial fish harvest in Oregon has fallen slowly over the past two decades, when adjusted for inflation. The value declined faster in both Washington and California, though, and in 2007 the value of fish harvested was essentially equal in all three states.

In both Washington and California, the value of the commercial fish harvest declined in most years between 1987 and 2007. In California the inflation-adjusted harvest value fell from $340 million in 1987 to less than $70 million in 2007. During the same period the value of the harvest in Washington dropped from approximately $300 million to $65 million, while Oregon’s value fell from $150 million to $73 million. However, since 1991 Oregon’s value has averaged $90 million per year while fluctuating up or down $20 million. (see Figure A7-2)
One of the most dramatic changes in West Coast fisheries is in the types of fish that are harvest commercially.
In 1990 only one species, chub mackerel, was harvested in a volume exceeding 30,000 metric tons, and no single species dominated the harvest. The top 10 species account for 58% of total volume in 1990. However, by 2008 the top 10 species accounted for 88% of the total harvest, and the types of fish on the list had changed dramatically. One of the main drivers of this change has been the sardine fishery.

The growth in the sardine fishery has been stunning. In 1990 only 1,500 metric tons of Pacific sardines were harvested coast-wide, and sardines were not one of the 10 largest-volume species. By 2008 the 80,000 metric tons of sardines harvested made this species the largest-volume fishery. (See Figure A7-3)
The Pacific sardine fishery has been especially important to Oregon. In 1998 there was essentially no commercial harvest of sardines in Oregon. By 2000 more than 9,500 metric tons was harvested, and by 2005 the volume had grown to nearly five times that level, or 45,000 metric tons. The volume of sardine remained high in both 2006 and 2007, although it fell substantially in 2008.

Pacific whiting is the other key commercial species in Oregon, although it has seen both dramatic declines and dramatic growth over the past decade. When the volume of whiting exceeded 70,000 metric tons between 1996 and 1999, this species accounted for approximately two-thirds of the Oregon harvest. In 2001, however, the harvest collapsed, and by 2003 had fallen to just 22,000 metric tons. A recovery that began in 2004 lasted through 2006, when the harvest exceeded 61,000 metric tons, but by 2008 the volume had fallen to less than 26,000 metric tons.

The remaining 25% to 40% of the harvest was accounted for by a variety of species, including Dover sole, pink shrimp, Dungeness crab, albacore tuna, sablefish, arrowtooth flounder, skates, and Petrale sole (See Figure A7-4).
The Oregon commercial fish processing industry is concentrated in the north, in Lincoln County and Coos County. The share of the harvest landed in the north has steadily increased from 60% in 1990 to 90% in 2007 and 2008. During this period the volume landed in the north increased sharply, while the volume landed in the south decreased slowly. (See Figure A7-5)
Fleet

The number of vessels in the Oregon commercial fishing fleet fell dramatically during the 1990’s, from more than 5,400 boats in 1990 to less than 1,300 boats in 1998. Most of this decline occurred in 1991 and 1992, but the decline continued for several years after that. (See Figure A7-6)
The drop in the fleet was split evenly between the north and south coast, with each losing approximately 2,000 boats between 1991 and 2007. Along the southern coast the fleet fell from 2,600 boats to less than 600, or a decline of 77%. In the north the fleet fell from 2,800 vessels to 800, or a decline of 72%.

Along the south coast Douglas County and Lane County were hit especially hard, and the remaining fleet is concentrated in Coos County and Curry County. In the north the largest share of the fleet is in Lincoln County, with Clatsop County not far behind. The Tillamook County fleet is approximately half the size of the Lincoln County fleet.

**Recreational / Charter**

During the 1980s, the Oregon Coast charter industry diversified from complete dependence on salmon to other species including bottom fish and now tuna and other species. This shift in focus was the result of a decrease in available salmon.
Oregon Department of Fish and Wildlife statistics show that anglers caught not only 50,000 albacore, they also landed blue-fin tuna, thresher shark and the first Dorado ever documented in Oregon. The shift in fisheries has reduced the harvest of rockfish. However, salmon is still a very important draw to the Oregon Coast.

As shown in Table A7-1, salmon accounts for nearly two-thirds of recreational saltwater fishing trips on the Oregon Coast. Salmon is especially important for the north coast, accounting for 73% of trips, and the central coast, accounting for 67% of trips.

<table>
<thead>
<tr>
<th>Region</th>
<th>Salmon</th>
<th>Other Marine</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>North Coast</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overnight</td>
<td>64</td>
<td>11</td>
<td>76</td>
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<tr>
<td>Day (50+ miles)</td>
<td>68</td>
<td>35</td>
<td>103</td>
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<tr>
<td>Local (&lt;50 mi)</td>
<td>4</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td><strong>Central Coast</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overnight</td>
<td>49</td>
<td>33</td>
<td>82</td>
</tr>
<tr>
<td>Day (50+ miles)</td>
<td>89</td>
<td>40</td>
<td>128</td>
</tr>
<tr>
<td>Local (&lt;50 mi)</td>
<td>11</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td><strong>South Coast</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overnight</td>
<td>13</td>
<td>19</td>
<td>31</td>
</tr>
<tr>
<td>Day (50+ miles)</td>
<td>26</td>
<td>38</td>
<td>64</td>
</tr>
<tr>
<td>Local (&lt;50 mi)</td>
<td>4</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td><strong>Statewide Total</strong></td>
<td>126</td>
<td>63</td>
<td>189</td>
</tr>
<tr>
<td>Overnight</td>
<td>182</td>
<td>113</td>
<td>295</td>
</tr>
<tr>
<td>Day (50+ miles)</td>
<td>20</td>
<td>11</td>
<td>31</td>
</tr>
<tr>
<td>Local (&lt;50 mi)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Trips</td>
<td>328</td>
<td>186</td>
<td>514</td>
</tr>
</tbody>
</table>

North Coast - Clatsop, Tillamook; Central Coast - Douglas (West), Lincoln, Lane (West); South Coast - Coos, Curry
Source: Dean Runyan Associates

The number of vessels in the recreational fleet in Oregon has dropped in recent years, for coast and Columbia River regions. This fleet is concentrated on the south coast and Lower Columbia. In 2000 there were a total of nearly 83,000 boats in the fleet, which dropped to 76,000 boats in 2008. The south coast accounted for approximately 37,000 boats in 2000, a number that dropped to 33,000 in 2008. The Lower Columbia fleet was 31,000 vessels in 2000, which declined to 27,000 in 2008.
Table A7-2: Growth in Recreational Fleet by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>27' and Under</th>
<th>Over 27'</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Coast</td>
<td>36,495</td>
<td>32,641</td>
<td>296</td>
</tr>
<tr>
<td>North Coast</td>
<td>8,814</td>
<td>8,259</td>
<td>197</td>
</tr>
<tr>
<td>Lower Columbia</td>
<td>30,004</td>
<td>25,222</td>
<td>1,220</td>
</tr>
<tr>
<td>Upper Columbia</td>
<td>5,575</td>
<td>7,465</td>
<td>70</td>
</tr>
<tr>
<td>Total</td>
<td>80,888</td>
<td>73,587</td>
<td>1,783</td>
</tr>
</tbody>
</table>

Source: Oregon Marine Board

Most of the decline in the recreational fleet was in vessels that are small enough to be trailered. The total number of vessels 27 feet long or less, and that are located on the coast and river, dropped from nearly 81,000 in 2000 to less than 74,000 in 2008.

In contrast the number of boats that require moorage grew from approximately 1,800 in 2000 to 2,700 in 2008. Half of this growth in longer boats was in the Lower Columbia Region, a total of 576 boats. The number of long recreational boats on the coast grew by nearly 300, while the Upper Columbia saw growth of 69 boats.
**Deep Draft Ports**

The following section summarizes cargo trends and projections for the deep draft ports in Oregon, including the lower Columbia River ports of Portland, St. Helens, and Astoria, as well as the coastal deep draft ports of Newport and Coos Bay. Also included will be the outlook for how cargo trends may spur off-shoot or support uses (or spur more privatization of cargo facilities), in general, qualitative trend terms.

**South Coast**

The only deep draft cargo port on the southern Oregon coast is Coos Bay. Coos Bay was once one of the largest forest products ports in the United States, but cargo volumes dropped sharply during the 1990's. Several other ports on the south coast occasionally report cargo movements, but this typically consists of dredge spoils moving by barge.

In 1990 the volume of cargo moving in and out of south coast ports totaled nearly 5.8 million metric tons, led by 4.4 million tons of foreign exports. In addition to the export cargoes there were also approximately 500,000 metric tons each of coastwise receipts and coastwise shipments, as well as nearly 750,000 metric tons of local movements.

By 2001 the total volume of cargo had dropped to just 1.6 million metric tons, due primarily to a steep drop in foreign exports. On the positive side, coastwise shipment began to climb in 2001, as did foreign imports.

![South Coast Cargo Trends](image-url)
Cargo movements have always been dominated by forest products, including wood chips, wood in the rough (i.e. logs), lumber, and other wood products. In 1990 nearly 2.8 million metric tons of wood chips were shipped, along with more than 1.9 million metric tons of logs and nearly one-half million tons of lumber.

Between 1990 and 2000 the volume of wood chips dropped from 2.8 million to less than 1.4 million. Between 2001 and 2004 the volume dropped to 1.1 million metric tons, but by 2005 the region recovered from that decline and the volume has remained relatively steady since.

Shipments of logs have seen a deeper and more sustained decline. Between 1990 and 2000 the volume of log shipments dropped by nearly 80%, and since 2000 the volume has fluctuated between 300,000 and 475,000 metric tons. Lumber volumes have fluctuated between 110,000 and 180,000 metric tons since 1998, following a decade of decline.

Movements of sand and gravel fluctuate depending on local projects, but tend to range between 150,000 and 200,000 metric tons per year. With the exception of a small volume of primary wood products, no other cargoes move through southern Oregon ports.
Table A7-3
South Coast Cargo Trends by Commodity
(1,000 Metric Tons)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4161</td>
<td>Wood Chips</td>
<td>2,799</td>
<td>2,018</td>
<td>1,379</td>
<td>1,454</td>
<td>1,337</td>
</tr>
<tr>
<td>4170</td>
<td>Wood in the Rough</td>
<td>1,915</td>
<td>601</td>
<td>392</td>
<td>376</td>
<td>292</td>
</tr>
<tr>
<td>4331</td>
<td>Sand &amp; Gravel</td>
<td>190</td>
<td>191</td>
<td>217</td>
<td>171</td>
<td>170</td>
</tr>
<tr>
<td>4189</td>
<td>Lumber</td>
<td>488</td>
<td>245</td>
<td>166</td>
<td>180</td>
<td>111</td>
</tr>
<tr>
<td>5540</td>
<td>Primary Wood Prod.</td>
<td>68</td>
<td>16</td>
<td>50</td>
<td>22</td>
<td>14</td>
</tr>
<tr>
<td>2340</td>
<td>Residual Fuel Oil</td>
<td>70</td>
<td>44</td>
<td>5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2211</td>
<td>Gasoline</td>
<td>58</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2330</td>
<td>Distillate Fuel Oil</td>
<td>43</td>
<td>40</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5190</td>
<td>Paper Products NEC</td>
<td>37</td>
<td>12</td>
<td>5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4327</td>
<td>Phosphate Rock</td>
<td>28</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>98</td>
<td>318</td>
<td>10</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>5,793</td>
<td>3,485</td>
<td>2,223</td>
<td>2,206</td>
<td>1,923</td>
</tr>
</tbody>
</table>

Source: US Army Corps of Engineers

North Coast & Lower Columbia
The volume of cargo shipped through Oregon ports on the northern coast and Lower Columbia River has grown relatively steadily over the past decade. With the exception of 2001, the volume of cargo grew from 500,000 metric tons in 2000 to more than 600,000 metric tons in both 2004 and 2006. (See Figure A7-8)

Prior to 1996 the volume of waterborne cargo moving through this region experienced wild swings, dropping from nearly 1.3 million metric tons in 1990 to less than 600,000 metric tons in 1993. In 1994 the volume recovered to 1.3 million metric tons and then dropped below 400,000 metric tons in 1996.
The North Coast / Lower Columbia Region has seen a major shift in the types of cargo movements handled. Prior to 2001 the largest share of cargo movements was accounted for by foreign exports during most years, but a drop in exports also caused most of the drop in total traffic. In 2001 the Port of St. Helens saw the start of gypsum imports for the new US Gypsum wallboard plant in Rainier, and since that time foreign imports of gypsum have accounted for an increasingly large majority of the region's cargo.

As with the South Coast, the most important reason for declining cargo volumes in the North Coast / Lower Columbia Region was the drop in exports of forest products. In 1990 737,000 metric tons of wood in the rough (i.e. logs) were shipped from the region, accounting for nearly 60% of all cargo movements. By 1995 log exports had dropped to 188,000 metric tons, and by 2000 they had ceased. Lumber experienced a similar decline, dropping from 192,000 metric tons in 1990 to just 1,000 metric tons in 1995, before stopping completely.
The only forest product still moving in measureable quantities is wood chips, which continue to average approximately 50,000 metric tons per year. (See Table A7-4)

### Table A7-4
North Coast / Lower Columbia Cargo Trends by Commodity
(1,000 Metric Tons)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4323</td>
<td>Gypsum</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>561</td>
<td>558</td>
</tr>
<tr>
<td>4161</td>
<td>Wood Chips</td>
<td>77</td>
<td>9</td>
<td>71</td>
<td>53</td>
<td>33</td>
</tr>
<tr>
<td>4170</td>
<td>Wood in the Rough</td>
<td>737</td>
<td>188</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4189</td>
<td>Lumber</td>
<td>192</td>
<td>1</td>
<td>-</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>2340</td>
<td>Residual Fuel Oil</td>
<td>92</td>
<td>62</td>
<td>7</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>6344</td>
<td>Corn</td>
<td>55</td>
<td>324</td>
<td>203</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6241</td>
<td>Wheat</td>
<td>25</td>
<td>167</td>
<td>180</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5120</td>
<td>Paper &amp; Paperboard</td>
<td>24</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6134</td>
<td>Fish (Not Shellfish)</td>
<td>23</td>
<td>85</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6136</td>
<td>Shellfish</td>
<td>13</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>35</td>
<td>152</td>
<td>64</td>
<td>14</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,260</td>
<td>987</td>
<td>524</td>
<td>638</td>
<td>591</td>
</tr>
</tbody>
</table>

Source: US Army Corps of Engineers

**Portland**

Portland is the center of waterborne cargo movements in Oregon, handling volumes far greater than those moving through other regions of the state.

The volume of cargo moving through Portland has seen several periods of growth as well as several periods of decline since 1990. Between 1990 and 1995 volumes grew steadily, but then declined steadily between 1995 and 1999. In 2000 there was a major increase in cargo movements, but the next two year saw big declines. Since 2002, however, the volume of cargo moving through Portland has grown in all but one year. (See Figure A7-9)
Foreign exports account for the largest share of Portland’s cargo, and these are closely tied to the receipts of grain by barge (i.e. “Internal & Coastwise Inbound”). Internal & coastwise outbound traffic has remained fairly steady since 1990, while foreign imports have shown a slow but steady increase.
Deep Draft Forecasts

PB Forecasts
Forecasts developed by PB as an earlier deliverable of this project anticipate that the volume of ocean cargo moving through Oregon ports will grow over the next few decades. According to these forecasts, outbound ocean freight is projected to grow at an annual average rate of 0.8%, while inbound freight is projected to grow at an annual average rate of 1.4%.

Table A7-6 presents these forecasts for inbound cargo, by individual commodity type. According to this data, the single largest-volume inbound commodity type consists of petroleum and coal products, including gasoline and other fuel. This commodity group accounted for approximately two-thirds of inbound ocean freight in 2000 but is projected to account for
just over half of inbound freight by 2010. Despite inbound volume growing at a very slow 0.1% per year, the share of total freight accounted for by this commodity is projected to continue to decline through 2035, to less than 39%. The reason that petroleum and coal is projected to account for a decline share of inbound cargo is that several other commodities are projected to grow at much faster rates. These commodities include nonmetallic minerals, nonmetallic mineral products, vehicles, metallic ores, and metals.

- Nonmetallic minerals are projected to grow by 3.5% per year, on average, with total volume climbing from 689,000 short tons in 2000 to more than 2.5 million short tons in 2035.
- Nonmetallic mineral products are projected to grow at an annual average rate of 3.0%, growing from 532,000 short tons in 2000 to 1.6 million short tons in 2035.
- Imports of vehicles are projected to grow by 3.4% per year, on average, with total volume rising from 523,000 short tons in 2000 to more than 1.4 million short tons in 2035.
- Metallic ores are projected to grow more slowly than the previous three commodities but at a much faster rate than petroleum and coal products. Total volume of metallic ores is projected to grow from 879,000 short tons in 2000 to 1.3 million short tons in 2035.

Table 2-5 presents commodity projections for outbound ocean cargoes. Outbound ocean cargoes consist primarily of dry bulk commodities, including grains, animal feed, chemicals, and fertilizers. The rate of growth of outbound ocean cargo is driven by the projected growth rate for grain exports. Grain accounts for nearly two-thirds of outbound ocean tonnage, and this share is not projected to change substantially by the year 2035.

The total volume of outbound ocean cargo is projected to grow from 16.8 million short tons in 2000 to 21.5 million short tons in 2010, and to 26.4 million short tons in 2035. The annual growth rate between 2010 and 2035 is projected to average 0.8% per year.

Grain exports amounted to 10.7 million short tons in 2000. This volume is projected to reach 14.5 million short tons in 2010 and nearly 16.9 million short tons in 2035. The annual growth rate between 2010 and 2035 is projected to average 0.6%.
Base chemicals accounted for nearly 13% of outbound tonnage in 2000. Exports of base chemicals are projected to grow faster than exports of grain, and by 2035 they are projected to account for more 13% of outbound tonnage.

Fertilizer also accounts for a substantial share of outbound ocean cargo, with 11.6% of total tonnage in 2000. Very little growth is expected for this group, however, with total tonnage growing at just 0.1% per year, growing from 1.9 million short tons in 2000 to 2.2 million short tons in 2035.

<table>
<thead>
<tr>
<th>SCTG</th>
<th>Description</th>
<th>2000</th>
<th>2010</th>
<th>2020</th>
<th>2030</th>
<th>2035</th>
<th>AAGR 2010-2035</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.18.19</td>
<td>Gas, fuel, petroleum/coal products</td>
<td>7,525</td>
<td>6,050</td>
<td>6,220</td>
<td>6,224</td>
<td>6,225</td>
<td>0.1%</td>
</tr>
<tr>
<td>13</td>
<td>Nonmetallic minerals, n.e.c.</td>
<td>689</td>
<td>1,062</td>
<td>1,588</td>
<td>2,151</td>
<td>2,503</td>
<td>3.5%</td>
</tr>
<tr>
<td>31</td>
<td>Nonmetallic mineral products</td>
<td>532</td>
<td>795</td>
<td>1,113</td>
<td>1,454</td>
<td>1,661</td>
<td>3.0%</td>
</tr>
<tr>
<td>36</td>
<td>Vehicles</td>
<td>523</td>
<td>628</td>
<td>883</td>
<td>1,237</td>
<td>1,464</td>
<td>3.4%</td>
</tr>
<tr>
<td>14</td>
<td>Metallic ores</td>
<td>879</td>
<td>1,182</td>
<td>1,301</td>
<td>1,328</td>
<td>1,342</td>
<td>0.5%</td>
</tr>
<tr>
<td>32</td>
<td>Base metal in primary or semifinished forms and in finished basic shapes</td>
<td>428</td>
<td>504</td>
<td>602</td>
<td>660</td>
<td>691</td>
<td>1.3%</td>
</tr>
<tr>
<td>16</td>
<td>Crude Petroleum Oil and Oil from Bituminous Materials</td>
<td>312</td>
<td>370</td>
<td>415</td>
<td>437</td>
<td>448</td>
<td>0.8%</td>
</tr>
<tr>
<td>35</td>
<td>Electronic and other electrical equipment and components, and office equipment</td>
<td>23</td>
<td>41</td>
<td>96</td>
<td>218</td>
<td>329</td>
<td>8.7%</td>
</tr>
<tr>
<td>33</td>
<td>Articles of base metal</td>
<td>98</td>
<td>136</td>
<td>195</td>
<td>270</td>
<td>318</td>
<td>3.5%</td>
</tr>
<tr>
<td>26</td>
<td>Wood products</td>
<td>83</td>
<td>116</td>
<td>165</td>
<td>213</td>
<td>243</td>
<td>3.0%</td>
</tr>
<tr>
<td>------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>----------</td>
</tr>
<tr>
<td>40</td>
<td>Miscellaneous manufactured products</td>
<td>50</td>
<td>80</td>
<td>129</td>
<td>192</td>
<td>233</td>
<td>4.4%</td>
</tr>
<tr>
<td>20</td>
<td>Base chemical</td>
<td>183</td>
<td>194</td>
<td>201</td>
<td>206</td>
<td>209</td>
<td>0.3%</td>
</tr>
<tr>
<td>25</td>
<td>Logs and other wood in the rough</td>
<td>60</td>
<td>67</td>
<td>77</td>
<td>82</td>
<td>84</td>
<td>0.9%</td>
</tr>
<tr>
<td>7.8</td>
<td>Foodstuffs and alcoholic beverages</td>
<td>39</td>
<td>42</td>
<td>56</td>
<td>72</td>
<td>81</td>
<td>2.6%</td>
</tr>
<tr>
<td>24</td>
<td>Plastics and rubber</td>
<td>20</td>
<td>32</td>
<td>47</td>
<td>61</td>
<td>69</td>
<td>3.2%</td>
</tr>
<tr>
<td>34</td>
<td>Machinery</td>
<td>11</td>
<td>17</td>
<td>26</td>
<td>42</td>
<td>52</td>
<td>4.5%</td>
</tr>
<tr>
<td>30</td>
<td>Textiles, leather, and articles</td>
<td>10</td>
<td>16</td>
<td>25</td>
<td>38</td>
<td>46</td>
<td>4.4%</td>
</tr>
<tr>
<td>22</td>
<td>Fertilizer and fertilizer materials</td>
<td>96</td>
<td>90</td>
<td>68</td>
<td>50</td>
<td>43</td>
<td>-2.9%</td>
</tr>
<tr>
<td>28</td>
<td>Paper or paperboard articles</td>
<td>14</td>
<td>20</td>
<td>26</td>
<td>32</td>
<td>35</td>
<td>2.2%</td>
</tr>
<tr>
<td>39</td>
<td>Furniture, mattresses and mattress supports, lamps, lighting fittings, and illuminated signs</td>
<td>3</td>
<td>6</td>
<td>12</td>
<td>24</td>
<td>34</td>
<td>7.5%</td>
</tr>
<tr>
<td>2</td>
<td>Cereal grains</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>0.4%</td>
</tr>
<tr>
<td>6</td>
<td>Milled grain products and preparations and bakery products</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1.3%</td>
</tr>
<tr>
<td></td>
<td>Totals</td>
<td>11,634</td>
<td>11,500</td>
<td>13,311</td>
<td>15,073</td>
<td>16,208</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

Source: PB
### Table A7-7
PB Waterborne Cargo Forecast
Outbound Ocean
(1,000 Short Tons)

<table>
<thead>
<tr>
<th>SCTG</th>
<th>Description</th>
<th>2000</th>
<th>2010</th>
<th>2020</th>
<th>2030</th>
<th>2035</th>
<th>AAGR 2010-2035</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Cereal grains</td>
<td>10,723</td>
<td>14,538</td>
<td>15,267</td>
<td>16,320</td>
<td>16,873</td>
<td>0.6%</td>
</tr>
<tr>
<td>20</td>
<td>Base chemical</td>
<td>2,135</td>
<td>2,457</td>
<td>2,879</td>
<td>3,302</td>
<td>3,537</td>
<td>1.5%</td>
</tr>
<tr>
<td>22</td>
<td>Fertilizer and fertilizer materials</td>
<td>1,941</td>
<td>2,175</td>
<td>2,217</td>
<td>2,230</td>
<td>2,236</td>
<td>0.1%</td>
</tr>
<tr>
<td>4</td>
<td>Animal feed and feed ingredients, cereal, straw, and eggs and other products of animal origin, n.e.c.</td>
<td>635</td>
<td>554</td>
<td>591</td>
<td>675</td>
<td>721</td>
<td>1.1%</td>
</tr>
<tr>
<td>13</td>
<td>Nonmetallic minerals, n.e.c.</td>
<td>196</td>
<td>286</td>
<td>409</td>
<td>519</td>
<td>585</td>
<td>2.9%</td>
</tr>
<tr>
<td>24</td>
<td>Plastics and rubber</td>
<td>69</td>
<td>113</td>
<td>177</td>
<td>260</td>
<td>314</td>
<td>4.2%</td>
</tr>
<tr>
<td>3</td>
<td>Agricultural products, except live animals, cereal grains and forage products</td>
<td>214</td>
<td>241</td>
<td>257</td>
<td>281</td>
<td>294</td>
<td>0.8%</td>
</tr>
<tr>
<td>17.18.19</td>
<td>Gas, fuel, petroleum/coal products</td>
<td>228</td>
<td>274</td>
<td>283</td>
<td>285</td>
<td>286</td>
<td>0.2%</td>
</tr>
<tr>
<td>41</td>
<td>Waste and scrap</td>
<td>115</td>
<td>185</td>
<td>222</td>
<td>243</td>
<td>254</td>
<td>1.3%</td>
</tr>
<tr>
<td>35</td>
<td>Electronic and other electrical equipment and components, and office equipment</td>
<td>24</td>
<td>43</td>
<td>81</td>
<td>164</td>
<td>234</td>
<td>7.0%</td>
</tr>
<tr>
<td>7.8</td>
<td>Foodstuffs and alcoholic beverages</td>
<td>63</td>
<td>107</td>
<td>150</td>
<td>174</td>
<td>188</td>
<td>2.3%</td>
</tr>
<tr>
<td>31</td>
<td>Nonmetallic mineral products</td>
<td>68</td>
<td>96</td>
<td>123</td>
<td>140</td>
<td>148</td>
<td>1.8%</td>
</tr>
<tr>
<td>6</td>
<td>Milled grain products and preparations and bakery products</td>
<td>72</td>
<td>83</td>
<td>103</td>
<td>129</td>
<td>145</td>
<td>2.3%</td>
</tr>
<tr>
<td>23</td>
<td>Chemical products and preparations, n.e.c.</td>
<td>31</td>
<td>50</td>
<td>74</td>
<td>104</td>
<td>123</td>
<td>3.7%</td>
</tr>
<tr>
<td>40</td>
<td>Miscellaneous manufactured products</td>
<td>32</td>
<td>48</td>
<td>65</td>
<td>81</td>
<td>90</td>
<td>2.5%</td>
</tr>
<tr>
<td>14</td>
<td>Metallic ores</td>
<td>51</td>
<td>59</td>
<td>62</td>
<td>64</td>
<td>65</td>
<td>0.4%</td>
</tr>
<tr>
<td>5</td>
<td>Meat, fish, seafood, and preparations</td>
<td>30</td>
<td>41</td>
<td>48</td>
<td>55</td>
<td>59</td>
<td>1.5%</td>
</tr>
<tr>
<td>32</td>
<td>Base metal in primary or semifinished forms and in finished</td>
<td>37</td>
<td>43</td>
<td>49</td>
<td>49</td>
<td>50</td>
<td>0.5%</td>
</tr>
<tr>
<td></td>
<td>basic shapes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>------------------------------------------------------------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>34</td>
<td>Machinery</td>
<td>14</td>
<td>19</td>
<td>26</td>
<td>37</td>
<td>44</td>
<td>3.5%</td>
</tr>
<tr>
<td>39</td>
<td>Furniture, mattresses and mattress supports, lamps, lighting fittings, and illuminated signs</td>
<td>11</td>
<td>16</td>
<td>23</td>
<td>34</td>
<td>41</td>
<td>4.0%</td>
</tr>
<tr>
<td>27</td>
<td>Pulp, newsprint, paper, and paperboard</td>
<td>25</td>
<td>28</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>0.1%</td>
</tr>
<tr>
<td>36</td>
<td>Vehicles</td>
<td>10</td>
<td>12</td>
<td>16</td>
<td>21</td>
<td>25</td>
<td>3.0%</td>
</tr>
<tr>
<td>33</td>
<td>Articles of base metal</td>
<td>9</td>
<td>11</td>
<td>14</td>
<td>17</td>
<td>20</td>
<td>2.4%</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>40</td>
<td>47</td>
<td>52</td>
<td>58</td>
<td>61</td>
<td>1.1%</td>
</tr>
<tr>
<td>---</td>
<td>------------------------------------------------------------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>16,771</td>
<td>21,525</td>
<td>23,217</td>
<td>25,271</td>
<td>26,421</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

Source: PB
Other Forecasts

BST Associates recently completed the Marine Cargo Forecast for the Washington Public Ports Association (WPPA) and Washington State Department of Transportation (WSDOT). This report includes forecasts for goods moving through all ports on the Lower Columbia River, including those in both Washington and Oregon. This forecast calls for imports to Oregon ports on the Columbia River to reach 4.3 million metric tons. For the Columbia River as a whole, imports are projected to reach 6.8 million metric tons in 2030.

Imports and exports on the Lower Columbia River increased during between 2002 and 2007, with imports volumes at Oregon ports rising by 5.6 percent per year and exports by 2.4 percent per year. Import growth rates for Oregon Columbia River ports are forecast to grow by an average of 2.6 percent per year through 2030, and exports to grow by 0.8 percent per year.
Table A7-8: WPPA Waterborne Forecast
Columbia River Oregon (1,000 Metric Tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports</th>
<th>Exports</th>
<th>Domestic Receipts</th>
<th>Domestic Shipments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>3,945</td>
<td>10,790</td>
<td>3,292</td>
<td>24</td>
<td>18,051</td>
</tr>
<tr>
<td>2003</td>
<td>4,363</td>
<td>9,975</td>
<td>2,846</td>
<td>2</td>
<td>17,185</td>
</tr>
<tr>
<td>2004</td>
<td>4,452</td>
<td>9,373</td>
<td>3,395</td>
<td>-</td>
<td>17,220</td>
</tr>
<tr>
<td>2005</td>
<td>4,594</td>
<td>9,548</td>
<td>3,427</td>
<td>7</td>
<td>17,577</td>
</tr>
<tr>
<td>2006</td>
<td>5,320</td>
<td>11,066</td>
<td>3,732</td>
<td>-</td>
<td>20,119</td>
</tr>
<tr>
<td>2007</td>
<td>5,178</td>
<td>12,135</td>
<td>3,452</td>
<td>-</td>
<td>20,765</td>
</tr>
<tr>
<td>2010</td>
<td>5,240</td>
<td>12,145</td>
<td>3,452</td>
<td>-</td>
<td>20,837</td>
</tr>
<tr>
<td>2015</td>
<td>6,130</td>
<td>12,894</td>
<td>3,435</td>
<td>-</td>
<td>22,460</td>
</tr>
<tr>
<td>2020</td>
<td>7,100</td>
<td>13,570</td>
<td>3,429</td>
<td>-</td>
<td>24,099</td>
</tr>
<tr>
<td>2025</td>
<td>8,133</td>
<td>14,331</td>
<td>3,429</td>
<td>-</td>
<td>25,892</td>
</tr>
<tr>
<td>2030</td>
<td>9,241</td>
<td>14,996</td>
<td>3,428</td>
<td>-</td>
<td>27,665</td>
</tr>
</tbody>
</table>

Average Annual Growth Rates

<table>
<thead>
<tr>
<th>Period</th>
<th>Growth Rate Imports</th>
<th>Growth Rate Exports</th>
<th>Growth Rate Domestic Receipts</th>
<th>Growth Rate Domestic Shipments</th>
<th>Growth Rate Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-2007</td>
<td>5.6%</td>
<td>2.4%</td>
<td>1.0%</td>
<td>-100.0%</td>
<td>2.8%</td>
</tr>
<tr>
<td>2007-2010</td>
<td>0.4%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-100.0%</td>
<td>3.5%</td>
</tr>
<tr>
<td>2010-2015</td>
<td>3.2%</td>
<td>1.2%</td>
<td>-0.1%</td>
<td>NM</td>
<td>1.5%</td>
</tr>
<tr>
<td>2015-2020</td>
<td>3.0%</td>
<td>1.0%</td>
<td>0.0%</td>
<td>NM</td>
<td>1.4%</td>
</tr>
<tr>
<td>2020-2025</td>
<td>2.8%</td>
<td>1.1%</td>
<td>0.0%</td>
<td>NM</td>
<td>1.4%</td>
</tr>
<tr>
<td>2025-2030</td>
<td>2.6%</td>
<td>0.9%</td>
<td>0.0%</td>
<td>NM</td>
<td>1.3%</td>
</tr>
<tr>
<td>2007-2030</td>
<td>2.6%</td>
<td>0.9%</td>
<td>0.0%</td>
<td>NM</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

Source: BST Associates, IHS Global Insight

As shown in Table A7-8, imports to Oregon Columbia River ports are projected to grow slowly between 2007 and 2010, and then to grow at a much faster rate between 2010 and 2030. According to the WPPA analysis, Oregon Columbia River ports handled 5.2 million metric tons of imports in 2007. This figure is projected to grow to 5.2 million metric tons in 2010, representing average annual growth of 0.4%. After 2010 the import growth rate is projected to average between 2.6% and 3.2% per year, and total import volume is projected to reach 9.2 million metric tons in 2030.
Exports from Oregon Columbia River ports are projected to remain flat between 2007 and 2010, and then to grow between 2010 and 2030. According to figures from the Foreign Trade Division and the Bureau of the Census, the export volume from these ports totaled 12.1 million metric tons in 2007. The WPPA report projects essentially the same figure for 2010, but with total volume reaching 15.0 million metric tons in 2030. Between 2007 and 2030 export volumes are projected to grow by an average of 0.9% per year.

**Comparison of Forecasts**

The forecasts produced by PB as part of this project differ from the recent WPPA forecasts in several key areas. It is somewhat difficult to compare the two forecasts head to head, because the PB forecasts are for all ocean moves, including from coastal ports, while the WPPA forecasts focus on foreign cargo moving through Lower Columbia River ports.

For inbound moves, the PB forecast projects that total volume will grow from 11.5 million short tons in 2010 to 15.1 million short tons in 2030. In contrast, the WPPA report projects foreign imports to Oregon Columbia River ports growing from 5.8 million short tons to 10.2 million short tons during the same period. The PB forecasts average annual growth of 1.4% between 2010 and 2030, while the WPPA report projected average annual growth of 2.9%.

For outbound moves, the PB forecasts project ocean cargo volume from all Oregon ports to grow from 21.5 million short tons to 25.3 million short tons between 2010 and 2030. The WPPA report projects that foreign exports from Oregon Columbia River ports will grow from 13.4 million short tons to 16.5 million short tons during the same period. The PB forecast projects slower growth than the WPPA reports, 0.8% per year versus 1.1% per year.
SHALLOW DRAFT PORTS

The Columbia/Snake River System begins at the mouth of the Columbia River and extends to Lewiston, Idaho at the confluence of the Snake and Clearwater Rivers.

There are eight dams and navigational locks in the Columbia and Snake River that facilitate barge traffic movements. The Columbia River locks are located at the Bonneville, The Dalles, John Day and McNary Dams. The Snake River locks are located at Ice Harbor, Lower Monumental, Little Goose and Lower Granite Dams.

As shown in Table A7-9, the shallow draft Oregon ports are located in the McNary, John Day, the Dalles, and Bonneville pools.
Table A7-9: Cargo Facilities on the Columbia/Snake Shallow-Draft Navigation Channel

<table>
<thead>
<tr>
<th>Pool/River Mile</th>
<th>Facility</th>
<th>Commodities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lower Granite</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Lewiston, ID</td>
<td>Grain, logs, containers, peas, lentils</td>
</tr>
<tr>
<td>138</td>
<td>Clarkston, WA</td>
<td>Grain, containers, logs</td>
</tr>
<tr>
<td>135</td>
<td>Wilma, WA</td>
<td>Grain, wood, cement, petroleum</td>
</tr>
<tr>
<td><strong>Little Goose</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>104</td>
<td>Almota, WA</td>
<td>Grain</td>
</tr>
<tr>
<td>83</td>
<td>Central Ferry, WA</td>
<td>Grain, fertilizer</td>
</tr>
<tr>
<td>83</td>
<td>Garfield, WA</td>
<td>Grain</td>
</tr>
<tr>
<td><strong>Lower Monumental</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>61</td>
<td>Lyons Ferry, WA</td>
<td>Grain</td>
</tr>
<tr>
<td><strong>Ice Harbor</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>Windust, WA</td>
<td>Grain</td>
</tr>
<tr>
<td>29</td>
<td>Sheffler, WA</td>
<td>Grain</td>
</tr>
<tr>
<td><strong>McNary</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Burbank, WA</td>
<td>Grain</td>
</tr>
<tr>
<td>328</td>
<td>Pasco, WA</td>
<td>Petroleum, chemicals, fertilizer, plate glass</td>
</tr>
<tr>
<td>328</td>
<td>Kennewick, WA</td>
<td>Chemicals, petroleum</td>
</tr>
<tr>
<td>314</td>
<td>Wallula, WA</td>
<td>Grain</td>
</tr>
<tr>
<td>412</td>
<td>Port Kelley, OR</td>
<td>Grain</td>
</tr>
<tr>
<td>293</td>
<td>Umatilla, OR</td>
<td>Containers, logs, woodchips, general cargo</td>
</tr>
<tr>
<td><strong>John Day</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>275</td>
<td>Morrow, OR</td>
<td>Grain, containers, logs, wood chips</td>
</tr>
<tr>
<td>240</td>
<td>Roosevelt, WA</td>
<td>Grain</td>
</tr>
<tr>
<td>240</td>
<td>Arlington, OR</td>
<td>Grain</td>
</tr>
<tr>
<td>278</td>
<td>Hogue—Warner, OR</td>
<td>Containers, logs, woodchips, general cargo</td>
</tr>
<tr>
<td><strong>The Dalles</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>208</td>
<td>Biggs, OR</td>
<td>Grain</td>
</tr>
<tr>
<td><strong>Bonneville</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>190</td>
<td>The Dalles, OR</td>
<td>Wood chips, grain</td>
</tr>
<tr>
<td>190(a)</td>
<td>Klickitat, WA</td>
<td>Lumber, grain, aggregate</td>
</tr>
</tbody>
</table>

Source: U.S. Army Corps of Engineers
Grain moving downstream is the lifeblood of the barging system on the Columbia/Snake River System. According to statistics from the Corps of Engineers, from 1993 through 2007, grain accounted for an average of 53 percent of all commodity tonnage moving on the Columbia River portion of the system, as measured at the Bonneville Lock and Dam. Upbound movements of petroleum products are also key, accounting for an average of 20 percent of cargo movements at Bonneville. Other commodities, such as forest products, sand and gravel, chemicals and fertilizer, and garbage made up the remainder.

Between 2002 and 2007 the volume of grain shipped by barge on the Columbia River grew steadily, from 4.3 million metric tons to 4.8 million metric tons. Petroleum products also saw strong growth, with total volume rising from 1.8 million short tons in 2002 to 2.1 million short tons in 2007. Forest products, on the other hand, did not fare as well.

Paper and pulp volumes dropped from 232,000 metric tons to 165,000 metric tons, while other wood products remained essentially flat at 1.4 million metric tons.

<table>
<thead>
<tr>
<th>Year</th>
<th>All Grain</th>
<th>Paper and Pulp</th>
<th>Petroleum Products</th>
<th>Wood Products</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>4,335</td>
<td>232</td>
<td>1,820</td>
<td>1,440</td>
<td>106</td>
<td>7,934</td>
</tr>
<tr>
<td>2003</td>
<td>4,244</td>
<td>174</td>
<td>1,951</td>
<td>1,324</td>
<td>662</td>
<td>8,355</td>
</tr>
<tr>
<td>2004</td>
<td>4,811</td>
<td>170</td>
<td>1,689</td>
<td>1,237</td>
<td>785</td>
<td>8,691</td>
</tr>
<tr>
<td>2005</td>
<td>4,358</td>
<td>92</td>
<td>1,738</td>
<td>1,593</td>
<td>733</td>
<td>8,515</td>
</tr>
<tr>
<td>2006</td>
<td>4,344</td>
<td>143</td>
<td>2,003</td>
<td>1,471</td>
<td>583</td>
<td>8,543</td>
</tr>
<tr>
<td>2007</td>
<td>4,811</td>
<td>165</td>
<td>2,072</td>
<td>1,446</td>
<td>594</td>
<td>9,089</td>
</tr>
</tbody>
</table>

Note: Cargo volumes as measured at Bonneville Lock
Source: BST Associates, IHS Global Insight
The freight forecasts produced for the current analysis rely on data from the Freight Analysis Framework produced by the US Department of Transportation. Table A7-11 presents detailed information from these forecasts, which shows the volume of cargo moved by barge through Oregon ports, including commodity type and direction of move.

According to this data, the volume of cargo moving inbound by barge was 7.2 million metric tons in 2000. The volume moving outbound was 4.7 million metric tons, and the volume moving internally was 1.7 million metric tons.

Inbound moves were dominated by cereal grains. According to this data, the volume of grain moving inbound by barge grew from 4.4 million metric tons in 1997 to 5.0 million metric tons in 2000. The volume of grain is projected to continue growing at an average rate of 1.8% per year, reaching 8.6 million metric tons in 2035.

Gravel and crushed stone is the other main commodity moving inbound by barge. The volume of gravel is reported to have dropped between 1997 and 2000, from 1.6 million metric tons to 1.2 million metric tons. The volume is projected to climb slowly between 2000 and 2020, reaching the 1997 level by 2020, and then remaining flat after that.
### Table A7-11: Oregon Shallow Draft Trends – All Ports
(1,000 Metric Tons)

<table>
<thead>
<tr>
<th>SC TG</th>
<th>Description</th>
<th>1997</th>
<th>2000</th>
<th>2010</th>
<th>2020</th>
<th>2030</th>
<th>2035</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Inbound</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Cereal grains</td>
<td>4,420</td>
<td>5,023</td>
<td>5,496</td>
<td>6,433</td>
<td>7,807</td>
<td>8,617</td>
</tr>
<tr>
<td>12</td>
<td>Gravel and crushed stone</td>
<td>1,577</td>
<td>1,226</td>
<td>1,373</td>
<td>1,570</td>
<td>1,576</td>
<td>1,560</td>
</tr>
<tr>
<td>60</td>
<td>Empty Containers, etc</td>
<td>186</td>
<td>201</td>
<td>234</td>
<td>309</td>
<td>391</td>
<td>441</td>
</tr>
<tr>
<td>16</td>
<td>Crude Petroleum Oil and Oil from Bituminous Materials</td>
<td>36</td>
<td>18</td>
<td>34</td>
<td>48</td>
<td>86</td>
<td>120</td>
</tr>
<tr>
<td>28</td>
<td>Paper or paperboard articles</td>
<td>41</td>
<td>48</td>
<td>56</td>
<td>74</td>
<td>93</td>
<td>105</td>
</tr>
<tr>
<td>33</td>
<td>Articles of base metal</td>
<td>21</td>
<td>25</td>
<td>27</td>
<td>35</td>
<td>38</td>
<td>40</td>
</tr>
<tr>
<td>3</td>
<td>Agricultural products, except live animals, cereal grains and forage products</td>
<td>35</td>
<td>33</td>
<td>34</td>
<td>29</td>
<td>23</td>
<td>21</td>
</tr>
<tr>
<td>4</td>
<td>Animal feed and feed ingredients, cereal, straw, and eggs and other products of animal origin, n.e.c.</td>
<td>38</td>
<td>36</td>
<td>29</td>
<td>25</td>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>6</td>
<td>Milled grain products and preparations and bakery products</td>
<td>6</td>
<td>7</td>
<td>6</td>
<td>8</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>25</td>
<td>Logs and other wood in the rough</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>22</td>
<td>Fertilizer and fertilizer materials</td>
<td>16</td>
<td>19</td>
<td>13</td>
<td>8</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>41</td>
<td>Waste and scrap</td>
<td>10</td>
<td>11</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>13</td>
<td>Nonmetallic minerals, n.e.c.</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>667</td>
<td>611</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td></td>
<td><strong>Total</strong></td>
<td>7,059</td>
<td>7,264</td>
<td>7,310</td>
<td>8,545</td>
<td>10,052</td>
<td>10,938</td>
</tr>
<tr>
<td></td>
<td><strong>Outbound</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17, 18, 19</td>
<td>Gas, fuel, petroleum/coal products</td>
<td>2,302</td>
<td>2,763</td>
<td>2,927</td>
<td>2,843</td>
<td>2,942</td>
<td>3,048</td>
</tr>
<tr>
<td>12</td>
<td>Gravel and crushed stone</td>
<td>1,389</td>
<td>1,328</td>
<td>1,488</td>
<td>1,701</td>
<td>1,707</td>
<td>1,691</td>
</tr>
<tr>
<td>60</td>
<td>Empty Containers, etc</td>
<td>158</td>
<td>171</td>
<td>199</td>
<td>262</td>
<td>332</td>
<td>375</td>
</tr>
<tr>
<td>26</td>
<td>Wood products</td>
<td>103</td>
<td>133</td>
<td>127</td>
<td>116</td>
<td>96</td>
<td>87</td>
</tr>
<tr>
<td>22</td>
<td>Fertilizer and fertilizer materials</td>
<td>110</td>
<td>136</td>
<td>113</td>
<td>107</td>
<td>90</td>
<td>83</td>
</tr>
<tr>
<td>41</td>
<td>Waste and scrap</td>
<td>88</td>
<td>95</td>
<td>68</td>
<td>74</td>
<td>68</td>
<td>66</td>
</tr>
<tr>
<td>27</td>
<td>Pulp, newsprint, paper, and</td>
<td>30</td>
<td>33</td>
<td>35</td>
<td>38</td>
<td>37</td>
<td>36</td>
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</table>
Empty containers are moved in relatively limited volume now, but this volume is projected to more than double between 2000 and 2035, growing from 201,000 metric tons to 441,000 metric tons.

Outbound barge moves are dominated by two commodities, gas, fuel, and petroleum/coal products, and gravel and crushed stone. These two commodity groups account for 87% of outbound moves, and this share is not projected to change throughout the study period.

Outbound moves of gas, fuel and petroleum/coal products grew from 2.3 million metric tons in 1997 to nearly 2.8 million metric tons in 2000. It is projected to continue growing slowly, at an average rate of 0.3% per year, exceeding 3.0 million metric tons by 235.

Outbound moves of gravel and crushed stone fell slightly between 1997 and 2000, but are projected to grow at an average rate of 0.7% per year between 2000 and 2035.
These same two commodity groups account for essentially all internal barge moves. The forecast growth rate for gravel and crushed stone is 1.5% per year, and total volume is projected to grow from nearly 1.2 million metric tons in 2000 to more than 1.9 million metric tons in 2035. However, during this period the volume is actually projected to fall to just 747,000 metric tons in 2010, before rising again.

The volume of gas, fuel and petroleum/coal products shipped by barge through Oregon ports is projected to grow throughout the period, from 508,000 metric tons in 2000 to nearly 1.0 million metric tons in 2035.

**Marinas**

Historically, ports and other quasi-public agencies are asked to provide services that were needed by society but were not profitable and therefore could not be provided by private enterprise. Examples include airports, marinas and public docks, and even some cargo facilities. Ports were allowed to establish a tax base to work from to fund these facilities and programs as over time communities realized there is insufficient (or non-existent) private revenue available. Some of the ports try to take a business-like approach but recognize that they can’t charge enough to replace the facility. In addition, there has been competition between the ports (and private operators) to keep their rates competitive. All of the ports consider marina operations to be an element of their contributions to the local community and its economy, and in some cases consider marinas and other recreational business lines to be an obligation to the community.

From the interviews and data assessment, the financial and economic viability of Port-owned and operated marinas is mixed. In a number of instances, they do not generate enough revenue to cover all of their long term expenses, including debt service, maintenance and operations, and replacement. In order to make marina operations profitable, ports would need to charge rates that are market-compatible and ensure a high percentage (such as 75 percent or more) of the slips are rented on an ongoing basis. A review of the results of the data assessment indicates that many of the smaller ports are struggling financially as a whole, with a minimal operating reserve cushion to continue to operate marinas profitably. Many of the south coast ports are facing some major overhaul of their marinas.

Marina moorage rates in the Pacific Northwest, including Oregon’s ports, vary widely. The highest rates are found in the densest urban areas, with much lower rates found on the coast. Rates are charged in order to be competitive with other
ports’ marinas as well as those owned and operated by private interests. The docks and floats in marinas typically have expected life spans of 30 to 40 years, and when they reach the end of their useful lives they must be rebuilt. A key issue with marina rates is whether or not they are high enough to cover costs, and the issue of costs raises a second key issue. Many marinas charge rates that are sufficient to cover operations and maintenance costs, but few marinas charge enough to cover the cost of facility replacement.

The financing of replacement is typically handled through the issuance of bonds. If the moorage rates are sufficient to cover operations and maintenance as well as bond payments then revenue bonds may be issued. If the marina rates are not sufficient then general obligation bonds backed by the port district, municipality, or other type of marina owner will likely be required.

A review of moorage rates at port-owned marinas indicates that these rates are likely not sufficient to cover replacement costs. Several recent projects in the Pacific Northwest have demonstrated that the moorage rate required to cover construction costs for marina docks and floats can amount to $10.00 or more per foot per month. In contrast, rates at port-owned marinas run between approximately $1.50 and $6.00 per foot per month.

The moorage market on the Oregon coast and on the Columbia River is probably not strong enough to allow marina operators to raise rates to a level that would cover operating costs; however, these facilities are a key component to the local economy in many areas, and in order to preserve those economies the cost of replacing moorage facilities must be financed through tax revenues or grant programs.
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APPENDIX B: CURRENT PORT FUNDING AND FINANCE STRUCTURE

Appendix B summarizes key local, state and federal funding sources available to ports.

Local
Oregon’s ports are allowed under Oregon statute to assess property taxes. Port district rates ($ tax per $1,000 of assessed value) range from $0.0256 in Cascade Locks to $0.6119 in Coos Bay. When factoring in local bond issues, which are assessed on top of the annual property tax, rates range from $0.0256 in Cascade Locks to a high of $.8738 in Port Orford. Property tax revenues tend to account for less than half of port revenue in most instances.

Two ports own and operate toll bridges (Cascade Locks and Hood River), and realize a substantial portion of their annual revenues from bridge toll receipts.

Most ports receive revenue from tenant/user fees, leasing and sales of property, which tend to form the majority of operating revenue.

State
On the infrastructure funding side, there are a number of programs:

- ConnectOregon: this is a biennial program which funds projects that promote job creation and retention, access to Oregon’s key industries, and economic growth. Marine, air, and rail projects are eligible but highway projects are not. There is currently $100 million available in ConnectOregon III from the Lottery Fund for the 2009-2011 biennium. Rankings are recommended by a variety of modal and economic development advisory groups, and funding targets are based on geography. The Oregon Transportation Commission approves the list of projects to be funded. During the first two rounds of ConnectOregon, ports or their partners (private rail or terminal operators) received funding for approximately one-third of the program’s total awarded projects.
• Marine Board: the Oregon State Marine Board is funded entirely through fees and penalties; it does not receive funding from the General Fund. The Boating Facilities program under the Marine Board has developed a six-year capital facilities plan (2005-2011) and uses the six-year plan to allocate Boating Facility Grants. There is approximately $5 million per biennium available in this program. These grants, for which ports are eligible, are funds available to governmental agencies to for acquisition and construction of public recreational motorized boating facilities, such as: boat ramps, boarding floats, restrooms, access roads, parking areas, transient tie-up docks, dredging and signs. The six-year plan also provides guidance to the Oregon Department of Fish and Wildlife (ODFW) in allocating federal Sport Fish Restoration funds for motor boat access. Port-sponsored projects account for 7 of the 44 (approximately 16 percent) projects awarded funding in the 2009-2011 biennium and project sponsors must provide a 25% match.

• Federal Boating Dollars Clean Vessel Act Funds: these are federal funds distributed to the State Marine Board by the US Fish and Wildlife Service based on a national competitive grant process. Because this is a national competition, there is no set funding amount. Eligible projects include boat waste collection facilities, such as signs, pumpouts, dump stations and related support facilities. The projects which receive this funding must make them free to the public (no charge for public use). Ports are eligible participants. Project sponsors must provide a 25% local match.

• Marine Navigation Improvement Fund (MNIF): A port loan and grant financing program that provides funding for projects that either a federally authorized project that needs matching funds, or a non-federally authorized project that directly supports or accesses an authorized navigation improvement project. Only ports incorporated under ORS Chapter 777 or 778 are eligible. Funding for projects is limited to money set aside by the Oregon Legislature. Federally authorized projects include projects designed and operated by the U.S. Army Corps of Engineers; the federal government provides 75 percent of the funding; the state Legislature provides the 25 percent match. These projects must be authorized by Congress; large enough to have a positive national cost/benefit ratio; sponsored by a port; and listed in the port's business or strategic plan. Non-federally authorized projects are smaller and cannot qualify for federal assistance. The proposed project must support a certain level of commercial or recreational activity in order to qualify for state funding. These projects must meet the criteria of a freight project or a commercial/recreation project; be a new water project that directly supports, or provides access to, a
federally authorized navigation improvement or navigation channel project; be ready to begin in the biennium funding is requested; and be listed in a port's business or strategic plan. When a local match is required, it may be in the form of cash or a combination of cash and in-kind services. If cash and in-kind services are used for the required match, the in-kind services may not be more than 10 percent of the total project cost. Ports must secure, and be able to provide upon request, a land use compatibility statement from the appropriate jurisdiction(s) where the project is located. Grants must meet at least one of the criteria as established by the Oregon Legislature: job creation and/or retention as a direct result for the project, deals with critical public safety issues and the IFA's financial analysis determines the port's borrowing ability cannot finance the project, or there is an imminent threat that the port will lose permits and the IFA's financial analysis determines the port's borrowing ability cannot finance the project. In 2003, the Oregon Legislative Assembly approved $3.5 million in funding for non-federally authorized projects.

- Port Revolving Fund is a loan program to assist Oregon ports in the planning and construction of facilities and infrastructure. Any port incorporated under ORS Chapter 777 or 778 may apply for funding. Each applicant is limited to a total loan amount from this fund of no more than $3 million at any one time. The following are the criteria that must be met to be eligible for funding: the proposed project is feasible and a reasonable risk from practical and economic standpoints, the applicant has received all necessary permits required by federal, state or local agencies, there is a need for the proposed project, and the applicant's financial resources are adequate to provide the working capital needed to ensure success of the project and the loan has reasonable prospect for repayment. Funds may be used for port development projects (facilities or infrastructure) or to assist port-related private business development projects. The variety of eligible projects is very broad and may include, but are not limited to: water-oriented facilities; industrial parks; and airports and commercial or industrial developments. Projects must be located within port district boundaries.

- Port Planning and Marketing Fund: this grant program helps ports fund planning or marketing studies related to expanding their trade and commerce activities. This includes developing and marketing facilities and services that support important industries in the state, including: agriculture, aviation, fishing, maritime commerce, transportation, tourism/recreation, and wood products. Any port incorporated under ORS Chapter 777 or 778 may apply for funding. Funding is provided through a transfer of the interest earned on the Oregon Port Revolving
Fund and is primarily a grant program. Grants from the Port Planning and Marketing Fund are capped at $50,000 or 75 percent of the total cost of the project, whichever is less. A 25 percent local cash match is required for all projects. Half of the funds available annually in the Port Planning and Marketing Fund are reserved for high-priority projects. These funds are reserved for the first four months of the state fiscal year, after which any remaining funds may be made available for other eligible projects. To be eligible, projects must: enhance the port's ability to conduct trade and commerce; lead to economic diversification, development or new or emerging industry, or redevelopment of existing public facilities; be consistent with any applicable county or city comprehensive planning; not unnecessarily duplicate the marketing efforts among ports; not be used to subsidize regular port operating expenses; and not require or rely on continuing subsidies from the IFA. The following are considered to be high-priority projects by the IFA: development of strategic business, marketing or financial plans for ports; updates to such plans that are required to keep the plans current for a period of five years; regional or cooperative projects that benefit more than one port; projects that leverage other marketing and development efforts by the state or other government units.

- Special Public Works Fund: loan & grant assistance to eligible public entities for the construction of public water & sewer systems, roads, rail lines, docks and airport facilities leading to business location or expansion and the creation or retention of jobs. Loans and a small amount of grant funds are also available to help construct publicly-owned “community facilities.” Port districts are eligible. Infrastructure must be needed primarily to support economic development, 30% of jobs created or retained must be family wage jobs.
Appendix C: Port Market and Business Profiles

Appendix C provides individual overviews of Oregon’s 23 ports. As available, a summary of the following information is included for each port:

- Key Facilities and Market Portfolios
- Areas of Emphasis
- Key Business Issues and Competition
- Emerging Markets and Trends
- Financial Condition
- Transportation Access
- Regulatory Challenges
- Needs from the Statewide Strategic Port Plan
Port of Alsea

The Port of Alsea was established in 1910 and includes the communities of Waldport, Yachats, and Tidewater. Port offices are located in Waldport on the central Oregon coast. Commercial fishing at the port was closed in 1957, but the area still remains popular for sport fishing and crabbing.

**Key Facilities and Market Portfolios:** The Port has a marina, boat ramp and crab dock. The Port's primary markets include eco-tourism and fishing (e.g. crabbing, sport fishing, salmon, and water tours of Alsea River). The Port provides building and land leases for a restaurant, kayak store and bait shop and supports economic development in the district. Restaurant, bait and tackle and kayak shops are private operations on port property.

**Emphasis Areas:** Because of its constituents’ environmental concerns, the Port must perform its mission in a non-industrial way, that is, with low environmental impacts. The bay is seen by tourists and locals first as a prime recreational crabbing area. A US Army Corps of Engineers study “Economic Impacts of Recreation Activities of Oregon Coastal and River Ports: August 2003” projects (page G-8) that the Ports launch ramp generated over $1 million of economic activity in 2002, of which over 75% was captured locally.

**Key Business Issues and Competition:** The Port owns many hundreds of acres of tidelands but has very little uplands (essentially a one-half acre parking lot). Another upland area owned by the Port, for which it proposed an RV park, was rezoned under public pressure to become a low intensity public park. There is no dredged channel into Alsea Bay or any protective jetties, and is considered a Conservation Estuary. The Port leases to a private marina of six boats, and there are roughly seven similar marinas up the river that cater to salmon fishing. The community and the Port promote the river as a non-motorized water trail.

The most significant uncertainties that the Port is trying to manage over the next several years are the length of fishing seasons and determining what kind of development projects will build capacity and financial stability.

**Emerging Markets and Trends:** Eco-tourism or sustainable tourism is the strong and growing trend. The Port needs infrastructure to capture additional tourism opportunities, such as putting a building on its half-acre parcel that might
house vacation rentals on an upper floor and a marine business on the first floor. There has also been some discussion and interest by private parties in developing oyster growing in Alsea Bay. The Port’s launch ramp revenue is up since they raised their fees to the maximum allowed by the State Marine Board.

**Financial Condition:** The Port is debt free. Principal revenue sources are the launch ramp and moorage fees, lease rents, and taxes.

**Transportation Access:** There are no serious access issues except that the floating dock for the launch ramp grounds out at minus tides; dredging in front of the ramp would help. The Port’s critical transportation priority is building capacity for capturing additional ecotourism businesses.

**Regulatory Challenges:** Objections have been voiced by Oregon Department of Fish & Wildlife and Oregon Division of State Lands to aquaculture development (specifically, commercial oyster culture).

**Needs from the Statewide Strategic Port Plan:** The Port feels that the Plan should recognize that: every port is different, but all ports have a mission of improving the health of their respective districts; each port accomplishes their mission in a different way; each port is of significant importance to its district and community; Ports need continued flexibility to go after opportunities – they don’t want to be put “in a box.”

**Latest Strategic Plan:** Interpretive Master Plan adopted in 2002; Strategic Business Plan updated in 1997. Total projected capital outlay of Interpretive Plan not available; five-year (1997-2002) capital outlay of the Strategic Business Plan approximately $178,000. Emphasis areas of the Interpretive Plan include developing a network of interpretive and orientation strategies for the Port District. Strategic Business Plan emphasis areas for the Port include promoting Waterfront (RV Park) and other Real Estate Development (office and business space development, restaurant and retail development, privately financed), Tourism, Environmental Setting Protection (including aquaculture development), and economic development opportunities in Waldport and the Port District.
Port of Arlington

The Port of Arlington was established in 1933. The Port district covers all of Gilliam County and is an upriver port located within the City of Arlington. Port is served by I-84 as well as Union Pacific Railroad. The major land use and employer in the area is the Arlington landfill.

**Key Facilities and Market Portfolios:** The port operates an RV park and a marina as well as a dock that is infrequently used for river cruise ship docking on land leased from the US Army Corps of Engineers. The Port also owns 64 acres at the Willow Creek area approximately 10 miles east of the City of Arlington, which is undeveloped. Other key markets include: tourism and outdoor recreation, support for City of Arlington’s economic development plans, and cargo (waste hauling). There is also a privately-operated grain elevator on port-owned land.

**Emphasis Areas:** There are a limited number of waterfront sites for barge dock, and need to resolve tribal fishing rights litigation. Need to identify funding sources for industrial development.

**Key Business Issues and Competition:** The Port’s short-term plan is to develop a barge dock at the Willow Creek site, providing for offloading of barge-hauled trash directly onto rail cars, for transportation to the landfill; currently the direct transfer is onto trucks. This dock has received funding from the State’s *ConnectOregon* program, but is currently in litigation due to a tribal fishing rights claim.

The Port has recently assisted the City in developing a business park plan for the airport area and is pursuing plans for a wind-turbine offload site.

**Emerging Markets and Trends:** The Port has identified the possibilities of biodiesel transport, rock crushing (4M tons of rock on site), and a 52 acre waterfront site that could be wind-turbine offload site as potential emerging markets.

**Financial Condition:** The Port is debt free. The marina and RV park are budget neutral. The Port used grant funding for improvements to create free public access.

**Transportation Access:** The Port considers its transportation access to be good with close proximity to the I-84 interchange, Union Pacific Railroad (siding), and the Arlington Landfill shortline railroad.
Regulatory Challenges: The Port has a permit from the US Army Corps of Engineers for a barge dock, and it has invested $2.5 million to date. However, the project is in litigation because the Umatilla Tribe has claimed a fishing site. The Port is concerned that this case will set legal precedence to stop most/all future Port efforts.

Needs from the Statewide Strategic Port Plan: The Port has identified state involvement in terms of funding/financing and assistance for economic development; engineering studies, utilities, infrastructure.

Latest Strategic Plan: Strategic Business Plan not available. Total projected capital outlay = estimated $10-20 million. Port-identified emphasis areas include extending developing cargo dock with rail service; developing industrial parks and working with City and County to develop business parks near airport and at other non-port-owned lands.
Port of Astoria

The Port of Astoria, founded in 1910, is located in Clatsop County in the extreme northwest corner of Oregon, where the Columbia meets the Pacific Ocean. Approximately 90 miles from Portland, highway access is via U.S. Highways 101 and 30. Rail access is available to Tongue Point via the Portland and Western Railroad.

The Port offers service to commercial and recreational boaters at its two marinas and boatyard and to commercial vessels, fish processing, cruise ships, and research vessels at its deep-draft marine terminals and operates the Astoria Regional Airport. The Port has industrial and commercial leasing opportunities on its properties at the Airport, Skipanon Peninsula, Tongue Point, and waterfront locations.

The Port’s two main revenue sources are:

- Operating revenues from Port-Owned resources. These revenues account for 58 percent of the Port’s total income.
- Taxes, grants, and other sources, which account for 42 percent of the Port’s income.

**Key Facilities and Market Portfolios:**

**Waterfront Properties**

The Port provides and maintains a number of waterfront facilities, including:

- Pier 1. Pier 1 is the Port’s primary deep-draft terminal, providing commercial ship and cruise berthing for ships up to 1,000 feet in length.
- Pier 2. Pier 2 supports the Port’s seafood processing industry and provides berthing and product off-loading facilities for the local fishing fleet. The port obtained funding to upgrade Pier 2 under ConnectOregon II.
- Pier 3. Pier 3 houses the Port’s Marine Service Center, providing boatyard and haul-out facilities (90-ton lift capacity) for commercial and recreational users.
• West Basin Marina. The marina provides recreational and commercial berthing and fueling services for 335 small-to medium-sized boats.
• East Basin Marina. This marina provides 82 slips for larger fishing fleet, commercial, and yacht berthing.
• Waterfront Properties. The Port’s waterfront properties support a mix of office, commercial, and maritime tenants, along with a hotel and public access facilities.

Tongue Point
In November 2009, the Port of Astoria entered into a long-term lease with the Tongue Point property owner, the Washington Group, with an option for the Port to purchase the property in the future. The Port will manage, lease and maintain the site’s approximately 50 acres of paved area, 145,000 square feet of interior space in two former aircraft hangars, and 15,000 feet of linear pier face. The existing piers were built for water depths of 15 to 20 feet and thus are not well suited for deep draft cargo activity. The Port plans to develop Tongue Point as a self-sufficient marine industrial and maritime services facility, with the goal of bringing family-wage jobs and economic development to the region.

Airport
The Port operates the Astoria Regional Airport, which offers scheduled flights to Portland, with connections to other destinations, as well as air freight and charter services for corporate and private customers. In additions, the Airport supports the U.S. Coast Guard Group Astoria and The Captain of the Port. The Airport also provides hangar space for private owners and a full range of aircraft maintenance and fueling services.

Additionally, the Port owns approximately 200 acres of undeveloped industrial property available for development on the Skipanon Peninsula. In addition, the Port leases 96 acres of adjacent property from the State and subleases it for development of a potential liquid natural gas facility. This land is the site of a controversial, privately-proposed Liquefied Natural Gas facility that has involved the port in ongoing litigation related to the port’s lease agreement with the company.

Key Business Issues and Competition: The Port’s key business issues are maintaining and strengthening the viability of its existing tenants, diversifying its revenue sources, and leveraging its properties to bring economic development to the region. The Port’s primary business lines include fish processing, commercial berthing, marinas, a boatyard, an
airport, and industrial properties. Seaport Air, funded by a ConnectOregon grant, is facing issues with low passenger demand between Portland and Astoria but continues to operate. The wooden causeway that provides vehicular access to the commercial fishing boat moorage facilities at the East End Mooring Basin has been closed to all traffic due to structural issues. The port is moving, as of early February 2010, to perform emergency repairs to the causeway to restore access to the facility.

**Emerging Markets and Trends:** The Port is evaluating strategic investments that will foster new and diversified business opportunities and create jobs at the Port. Emerging opportunities include:

- Biomass/co-generation.
- Tourism support, including continued growth and support of the cruise industry and hotel redevelopment.
- Trans-shipment and barge cargo potentials, including development of potential Short Sea Shipping facilities, at North Tongue Point.
- Increased boatyard and large vessel maintenance and support, including topside repairs.

The port is actively involved with a Liquefied Natural Gas terminal at the Skipanon Site through a private partner; the site was planned to be a golf course and RV site, but was rezoned. The LNG proposal, by the company Oregon LNG, faces community opposition. Most recently, the US District Court ruled that the Port is required to renew its state land lease with the Department of State Lands and in turn sublease the land to Oregon LNG (note: the Port may appeal this ruling).

**Financial Condition:** The Port has $45 million in assets but also has approximately $20 million in debt liabilities according to the FY2006 audit. The Port has a stable equity position which is the result of working to resolve past financial issues. The Port’s annual budget is currently around $21 million, including grant support, taxes, and construction budgets, with $4.5 million in operating revenues.

**Transportation Access:** The Port is served by the confluence of US 30 and US 101, as well as Portland and Western Railroad. State Rail spur money is available for installing switching to the Class II railroad. One- or two-car switch cost $2,000-$3,000 per car. The rail line conflicts with trolley line along waterfront. The Port of Astoria is a Port of Refuge for ocean-going ships. There is no tug serve at the Port; the closest is in Rainier, so it takes time to reach Astoria.

**Regulatory Issues:** The Port spent about $1 million between 2005 and 2007 to undertake area-wide contamination remediation. The Port has ownership of submerged lands which are currently not developable. The Port has experienced
permitting issues and cannot dredge, limiting the vessels it can serve. Port had recorded permit violations under its previous director who was prosecuted and convicted of felony that has left a “black mark” on the port.

**Needs from the Statewide Strategic Port Plan:** The Port feels that the State used to be more responsive and used to offer financing packages with tax benefits.

**Latest Strategic Plan:** Strategic Plan adopted in 2000; update underway; Waterfront Master Plan and Airport Master Plan also adopted (years unavailable). The Port of Astoria’s long-term strategic vision is to return the Port to its historic role as a significant contributor to the community’s and the State’s economic development by acting as a catalyst for the creation of new jobs and development of new businesses. Currently, the Port’s strategic Investment Plan will address this vision by:

- Investing in the roadway, rail access, and waterfront/pier improvements that will allow Tongue Point to become a self-supporting marine industrial facility.
- Investing in the maintenance and improvement of its existing infrastructure to better support existing business lines and tenants.
- Investing in specific new business opportunities to expand deep-draft terminal capabilities, support tourism, and market a variety of industrial properties.
Port of Bandon

The Port of Bandon was established in 1913. The Port is located on the central Oregon coast at the confluence of the Coquille River and the Pacific Ocean. The Port district includes the City of Bandon and extends upriver to the City of Coquille. Port offices are located in Bandon, Oregon.

**Key Facilities and Market Portfolios:** The Port seeks to stimulate the district’s economy; provide a user-friendly, clean facility with minimal staffing; and facilitate events throughout Bandon and the City of Coquille. The Port concentrates on making the waterfront as beautiful as possible to bring more tourists to the district. Although the 90-slip boat basin was built originally for the salmon fleet, it is now essentially a recreational harbor, with only five commercial boats in the basin that primarily serve purposes other than fishing. The Port is experiencing increased demand for moorage space by very large transient pleasure boats. Restaurants and retail uses are private functions on port-owned land. The port supports a thriving crabbing and sport fishing industry.

**Key Business Issues and Competition:** Tourism is the Port’s single driver, and the Port does not view it as impacted by the Bandon Dunes golf courses. The Port needs funds to re-build its marina to accommodate larger pleasure boats. The Port also wants to renovate the boat basin, including replacement of degraded steel sheet piles.

The Port competes with other ports principally for boat moorage. Moorage agreements/rates and the condition of steel piles in harbor (electrolysis eroding some) are the main issues the Port faces in this area.

Other key business issues include: the Port would like to donate Johnson Mill Pond to the Coquille Tribe; the Port is involved in a legal battle with Pacific Seafoods, and there is an “L-shaped” pile dike at the North Spit (the US Army Corps of Engineers has received $250,000 in stimulus funds to study it).
Emerging Markets and Trends: The Port has identified the increasing demand for service for larger recreational boats, but the Port is currently unable to serve this demand without making improvements to the marina. Additionally, the Albacore Tuna industry is experiencing growth, and additional, “micro-cannery” processing capacity is needed at the Port (and along the South Coast) to support this growth industry.

The Port also views the eco-tourism market, such as birders, as an emerging market. Eco-tourism organizations could be attracted by the Coquille River’s navigability all the way to the City of Coquille and their recently completed river walk.

Financial Condition: The Port is debt-free and has improved its financial situation by reducing its staff of six employees to only three. The Port has very limited funds for making necessary improvements to the boat basin; they have successfully used local inmate labor to help improve harbor’s appearance. While the small staff limits the ability of the Port to attend meetings in north and central Oregon, they do believe that minimizing labor costs has contributed to the port’s financial stability.

Transportation Access: Navigation is not an issue at the Port as long as the US Army Corps of Engineers dredge (Y A Q U I N A) comes to the harbor routinely. The port would like to see ConnectOregon expanded or revised to assist smaller, rural ports to effectively compete for funding.

Regulatory Challenges: The Port is currently involved in a lawsuit with Pacific Seafoods regarding their fish plant building lease. The Port needs to re-build its marina to accommodate large pleasure boats but may face environmental challenges with the in-water work. Additionally, the Port believes that expansion of the marine reserves could potentially have devastating financial and economic impacts on the community by eliminating the sport fishing industry and impacting the commercial fishing industry.

Needs from the Statewide Strategic Port Plan: The Port would like to see new, fresh, transparent information about how ports can interconnect, and would also like to share information with other ports about the Bandon community and their location on the Coquille River.

Latest Strategic Plan: Marketing and Development Study, January 2004. Emphasis areas include identifying new business opportunities for the waterfront and port land holdings, tourism and responding to deferred maintenance along waterfront. No identified capital facilities plan expenditure projections.
Port of Brookings Harbor

The Port of Brookings Harbor was established in 1956. The Port District covers an area of 400 square miles reaching from the mouth of the Chetco River south to the Oregon-California border, north to the drainage of the Pistol River, and east to the Curry-Josephine County line. The Port is classified as a shallow-draft harbor (14 feet or less depth).

**Key Facilities and Market Portfolios:** The Port provides marine services, access to waterways, and serves as an economic engine for the local area. The local economy is mainly driven by timber (harvest and production), retirement, fishing, and spinoffs from California’s Pelican Bay Maximum Security Prison, such as housing and retail. The Port runs the marina and boatyard, operates a cold storage facility, and is in retail management but would shift that to the private sector to focus the Port on marina and boatyard management. The Port also manages an RV Park on its marina uplands. Private operations on port-owned land include restaurants, retail and lodging.

**Key Business Issues and Competition:** The port has a relatively new cold storage building but the facility’s lack of a blast freezer hurts the local fishing industry. Although the Port recently repaired the 40-ton capacity travel lift for the boatyard, they want to increase it to a 60-ton capacity. Lumber barging no longer occurs; South Coast Lumber (the major regional mill) will probably shut down their lumber portion, although plywood and LDL production will likely continue. The Port faces little competition in most business areas except the RV Park, for which they are planning upgrades in order to continue actively competing against the five or six private RV parks nearby. There is no end-market competition in fish processing: Pacific Choice Seafoods is the only processor. Other key business issues include: fishing seasons (that is, uncertain limitations that are imposed on length of season and allowable catch), which they believe are “critical” to the local economy; general economic malaise; and fuel prices. In the near term, the Port’s plans include substantial upgrades to the two boat basins (sports and commercial), general dock and pile maintenance,
and getting a user(s) for the vacant retail commercial building (the “Green Ghost”). In the long term, if funding is available, the Port would like to: (a) substantially upgrade the RV Park (including construction of 3 modern restroom facilities); (b) create a Master Plan for the Port; (c) perform in-basin dredging (the Port is on track to get stimulus dollars for this); and upgrade the marina docks (all but two have no electricity).

**Emerging Markets and Trends:** The Port expects to see a continued degeneration of the commercial fishing fleet, and they plan to become more involved with pleasure yachting/fishing, and less involved with commercial fishing. The Port would like to see boat construction emerge as a local industry.

**Financial Condition:** The Port has increased its cash in the last fiscal year from $119,000 to $350,000; however, the Port will spend $50,000 more on maintenance this year for critical maintenance projects. The Port is working with various lenders to reassign collateral on each note so as to maximize the Port’s options for success. The Port plans to increase their payments to OBDD over the next three years so they can begin paying down the principal. The marina produces $500,000 in annual revenue, and the RV Park generates an additional $400,000. Without investment, Port revenues are unlikely to increase significantly as the marina is already approximately 90% full, and rates are 15% above Coos Bay (Charleston Marina) and higher than nearby Gold Beach rates. The RV Park could produce another $90,000/year with upgrades, such as restrooms (about $300,000 each).

**Transportation Access:** Highway access is to the Port is mediocre, with US Highway 101 only a two-lane road, and access to I-5 distant and difficult.

**Regulatory Challenges:** Marina dredging is needed, but there are no permits and no approved upland disposal site. DEQ has halted the Port’s open pit refuse burning. Stormwater management is another regulatory issue that the Port sees as an up and coming issue as well as marine reserves, which will likely reduce fishing opportunities. The Port is monitoring attempts by state and federal agencies to develop Pacific Ocean commercial fishing quotas and believes that the process will benefit commercial fishing along Oregon’s Coast.

**Needs from the Statewide Port Strategic Plan:** The Port would like to see four primary things come out of the Strategic Plan: (1) a clearer understanding by the State of the benefits ports provide and of the State’s responsibilities; (2) an understanding by the State of where it can invest in ports; (3) an explanation by the State of how Marine Reserves help the ports; and (4) a mechanism to ensure the recruitment of qualified people to serve on Port Commissions.
Latest Strategic Plan: Strategic Business Plan adopted prior to 2005; document not available. Total projected capital outlay not available; however, 2010 federal funding requests are approximately $2 million. Emphasis areas include marina rehabilitation project, RV Park Upgrade with commercial building for small businesses as well as office space, a meeting room, and maintenance shops for use by the Port.
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Port of Cascade Locks

The Port of Cascade Locks was established in 1937. The Port district comprises western Hood River County, with district boundaries as far south as Mount Hood, and includes the entire City of Cascade Locks.

**Key Facilities and Market Portfolios:** The Port owns the Sternwheeler, which is operated as a concession by Portland Spirit. The Port has a large industrial land bank with one tenant so far, and the Port has land available for sale or lease. The Port owns and operates a marine park, which is a profitable business line for the Port; and the Port has plans to expand it if public funding is available. There are no cargo operations at the Port of Cascade Locks.

There is no commercial fishing at the Port but there is quite a bit of recreational fishing activity and the Indian Tribe has fishing rights as well. The Port has also developed a site for the sailboat racing association which is hosting national and international sailboat championships. The Port also owns and operates an RV park adjacent to the marina, the cruise ship dock and the sailboat area. This also provides a positive revenue stream to the Port.

**Key Business Issues and Competition:** Park access is a major issue for the Port as large tour buses cannot fit under the railroad bridge. The Port will be receiving $860,000 for engineering for a new entrance using an earmark through SAFETEA-LU; the Port will also seek federal funds for construction costs. The Port is working on a trade with the US Forest Service for lane contiguous to other Port land which would yield a total, undeveloped site of 30 total acres. In addition, the Port needs more dock space - they would like to have a dock for oceangoing vessels. Jet boats come up river from Portland. The Port wants to attract a Cascade Locks to Astoria high-speed vessel for touring. The Port experiences some competition with the Port of Stevenson (Washington), but the Port generally feels that what’s good for Stevenson is also good for Cascade Locks.
Emerging Markets and Trends: The Warm Springs Tribe’s proposed casino is the big thing going on for the Port; the Tribe plans to buy land for the casino and lease land for a parking lot. Operators of the Sternwheeler have been talking about a hotel development, but the project is on hold due to the current economic situation. The CGRA is hosting an international sailing tournament, so the Port will need to expand its beach. Other opportunities in the future that are being considered include: a Pike Place market type development with the Warm Springs Tribe in the future; offseason niche hosting Alaska cruise ships - Cruise West has one summer cruiser along the river this season; and Nestle is considering developing a bottling plant in Cascade Locks (not on Port lands) and the Port could help facilitate this type of economic development.

Financial Condition: The Port is in good financial shape, with the Bridge of the Gods as its largest revenue source (90%). The Port’s marina is profitable and has a wait list. The Port coordinates with Port of Hood River to share maintenance staff, purchases, and other expenses. Currently, the Port does not have any funding requests to the state.

Transportation Access: The Port has access to I-84, and the Bridge of the Gods provides access to Highway 14 in Washington. Access to the Union Pacific Railroad is possible, and the Port has a boat dock that serves cruise ships.

Regulatory Challenges: The Port experiences regulatory challenges related to the Columbia Gorge National Scenic Area restrictions, local politics, and Friends of the Gorge and other public interest groups.

Needs from the Statewide Strategic Port Plan: The Port has concern about too much state control over ports as ports are local, unique, and laws are flexible for the most part. The Port feels that small to medium sized ports need local governance. Oregon provides better funding to ports than Washington does, but Oregon’s tax structure does not bring in very much money, and funding really depends on the individuals inside OBDD. The Port’s interactions with OBDD have been positive when certain individuals were assigned to take the lead. The Port believes that ports are not getting their message out to legislators and OPPA needs more funding and staff. They feel that WPPA does a better job “selling their message” compared to OPAA.

Latest Strategic Plan: Strategic Business Plan document not available but update is nearing completion; Master Plan for Development of the Industrial Park and Government Rock (1994). Total projected capital outlay of identified projects estimated at over $10 million. Emphasis areas include new entrance to Marine Park (railroad underpass) and the port offices; upgrades and maintenance of campground, marina, boat launch and boat dock, sail park, development of the business park, partnering with the proposed casino and changes to the I-84 interchange.
Oregon International Port of Coos Bay

The Coos Bay Port District was established in 1909. The Port is located on the central Oregon Coast, and its offices are located in Coos Bay, Oregon. The Oregon International designation was established by ORS 777 in 1987. The Port also has facilities and operations at Charleston and on the North Spit of lower Coos Bay.

Key Facilities and Market Portfolios: Cargo terminals in the Coos Bay harbor, primarily owned and operated by private-sector firms, handle outbound logs and wood chips. For the most part, the Port management staff serves in a facilitation and coordination role between regulatory and permitting agencies and private-sector terminal operators and marine services providers. The Port also markets the maritime commerce sector on behalf of the Coos Bay harbor. The Port’s primary role is regional economic development. ODFW tracks commercial fish and shellfish landings, and there are three plants in Charleston that process and package seafood before it is shipped to markets north and south.

Key Business Issues and Competition: Now that the Port has purchased the Coos Bay rail line, its highest priority is to reopen the line to freight rail operations. Another priority for the Port is to transform the marina and other operations (such as the shipyard) into self-supporting entities. International firms have looked at the Coos Bay harbor for development of major cargo terminals. The Oregon legislature recognized the significance of one opportunity for an intermodal container terminal and provided assistance for deep-draft channel modifications. The Port feels that, along with the Port of Portland, it needs to look to better business models. Many of the docks in the Coos Bay harbor are 50-60 years old and cannot handle the weight of newer cargo handling equipment and heavier commodities. The private sector has decided to stop operations at some terminals except for forest products and woodchips.

Emerging Markets and Trends: Inbound LNG (liquefied natural gas) to feed the west coast natural gas grid and LNG processing create byproducts that are rail-oriented commodities, such as propane and butane. The Port district believes
the harbor can accommodate an intermodal container terminal, a multipurpose bulk and breakbulk facility and an LNG terminal and processing plant, with a separate tenant/operator for each endeavor. While the Columbia River dredging cannot get much deeper than 43 feet because of environmental, geological, and cost constraints, the Coos Bay channel has the capability to be significantly deepened in order to handle deeper draft ships, which may present future growth opportunities.

Other potential emerging or future markets could include: industrial manufacturing that could utilize strategic permitted ocean outfall and cargo terminal development driven by the reopening of the Coos Bay rail line. In the seafood sector, Coos Bay is now the largest oyster-producing estuary in Oregon and has potential for future expansion.

**Financial Condition:** The Port is working to stabilize itself financially. Port management recognizes that they will need cash flow to help reopen the railroad line and keep it operating. Some recent land transactions have helped with this cash flow. The Port currently has limited debt capacity; they would like to see accountability with port systems statewide for use of state funds. Historically commercial operations at ports subsidized other operations; but as commerce has decreased, so have revenues.

**Transportation Access:** U.S. 101 provides good north-south access, but east-west highway access is circuitous. The Coos Bay rail line is currently out of service, but the Port intends to restore freight rail service within the next two years. The Coos Bay harbor and the south coast region is currently the westernmost rail-served location in Oregon.

**Regulatory Challenges:** The Port estimates that it spends approximately 75% of their time handling environmental issues.

**Needs from the Statewide Strategic Port Plan:** Construction of an inbound LNG terminal would likely have a greater chance of actually getting built with some type of state support. The Port would like to see the state re-elevate the ports to their past level of significance in the Oregon Business Development Department. The Port sees a cargo port advisory committee as a potential way to create a freight enhancement structure for Oregon’s cargo ports only if it does not limit the individual autonomy of ports to compete in the market place. The Port would like to see someone promote and champion Oregon ports, and the Port of Coos Bay would like to see Oregon’s commercial ports become more competitive.

**Latest Strategic Plan:** Strategic Plan document not available, but is being revised and updated; Feasibility Analysis for Marine Cargo Facility completed in 2003; Charleston Harbor Master Plan adopted 2007. Total projected capital outlay of
identified improvements approximately $40-50 million (includes private funding). Emphasis areas include Charleston Harbor enhancements; parking improvements; rip-rap repair; resurfacing Eel Avenue; drainage improvements; inner basin restroom building replacement with restroom and shower facilities; paving, parking, sidewalk and curbing to area around the Oregon Institute of Marine Biology’s interpretive center at the corner of Guano Rock and Boat Basin Road; pedestrian improvements to Boat Basin Road; continued expansion of activities at the Charleston Coastal and Ocean Life Complex. In the area of maritime commerce, the Port is seeking to develop a variety of cargo facilities: development of a new marine terminal in partnership with the LNG operator; development of deep-draft intermodal and bulk/breakbulk facilities; Coos Bay channel widening and deepening; and, restoration of freight rail service on the Coos Bay rail line.
Port of Coquille River

The Port of Coquille River was established in 1912. The Port is located near the Oregon Coast, in Coos County.

**Key Facilities and Market Portfolios:** Port owns and operates a seven-acre industrial park, adjacent boat ramp and Bryant Park, and owns the 2,700-foot runway Powers Airport (Hayes Field). As needed, the Port removes debris (mainly downed trees) from the Coquille River. Lessees include Car detail shop, Pacific Evergreens, Crab Pot construction, Livestock Loading Pens (cattle and sheep).

**Key Business Issues and Competition:** Need funds to build another building. Private building owners are competition.

**Emerging Markets and Trends:** Continued development of additional buildings for economic development.

**Financial Condition:** Financial condition is stable; port constrained by limited revenue.

**Transportation Access:** Port is principally an industrial building landlord; critical priority is funding for additional buildings to lease to small businesses; no transportation access issues.

**Regulatory Challenges:** Flood plain impacts on riverfront properties.

**Needs from the Statewide Strategic Port Plan:** No specific concerns or issues identified.

**Latest Strategic Plan:** Strategic Business Plan document not available; total projected capital outlay unknown.
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Port of Garibaldi

The Port of Garibaldi was established in 1910. The Port is located on the Oregon Coast, and the district encompasses the cities of Bay City, Garibaldi and Rockaway Beach. Port offices are located in Garibaldi. The Port is the closest seaport to Portland.

**Key Facilities and Market Portfolios:** The Port of Garibaldi is a catalyst for economic development and works to maintain, encourage, and support a diverse mix of business, industry, commercial and recreational activities by providing the infrastructure necessary.

The Port seeks to provide development opportunities for current and new businesses. The Port only owns four buildings; all other operations including fish processing, retail outlets, RV Park, motel, and restaurants are all operated by private parties on land leased from the Port. The Port's marina has moorage for 300 vessels.

**Key Business Issues and Competition:** The Port’s business is driven by natural resources (fishing and timber), weather (tourism and fishing), and regulations (e.g. land use and fish quotas). Other key business issues include: connectivity to downtown (pedestrian, visual, and circulation), collaborating with the City, impact of fish and marine preserves on the fishing industry, environment, communities, and businesses.

The Port is facing deferred maintenance of overall development and Port owned buildings. The Port has an inadequate number and size of boat slips and needs to expand the boat basin in order to protect the existing infrastructure and investment in the supporting facilities and increase revenues.

Garibaldi and the Port’s facilities are viewed as an authentic/quality place to visit. The Port faces competition from Mexico and Hawaii in this realm.

**Emerging Markets and Trends:** The Port sees wind and wave energy changing the economic framework of the coast in the future; however, the Port lacks industrial sites to accommodate wave energy facilities.
The Port feels that its community will become a “Destination” in the long run with its proximity to Portland but may have financial challenges improving transportation access to the area. Garibaldi is transitioning from industrial to service commercial and residential. The Port would like to improve signage to help develop as a destination.

**Financial Condition:** The ultimate loss of timber revenues will affect the Port’s financial conditions; the Port does not know where new revenues will come from to compensate for this loss. Rent from land leased by private parties provides revenue for the Port, and improving the boat basin to accommodate larger boats would increase revenues.

The Port believes that state lottery money should be re-directed to the ports in 2014 when the Oregon Legislature will be required to submit to a popular vote the continued provision of 15% of Oregon Lottery Funds for parks.

**Transportation Access:** Repairs to the jetties will improve ocean access and navigation to Garibaldi – removing the stigma of it being unsafe.

**Regulatory Challenges:** The Port faces regulatory challenges associated with Water Dependent Zoning (regulated by DLCD). In addition, the Port believes a more scientific methodology is needed for establishing fish quotas; the current process is viewed as too political. The Port is also affected by Coast Guard regulations for sports boats.

**Needs from the Statewide Strategic Port Plan:** The Port would like to seek greater recognition from the state. Every visitor that comes to Oregon has exposure to port facilities, by air (e.g. Portland International Airport owned by the Port of Portland), ship (piers and marinas – e.g. Port of Astoria), and car (e.g. Bridge of the Gods owned by Port of Cascade Locks). The Port thinks that the state needs to have an economic conduit to the ports and should foster connectivity between the ports.

**Latest Strategic Plan:** Strategic Business Plan was adopted in 2004. Total projected capital outlay unknown; FY2008-09 capital budget $82,000. Emphasis areas include increased waterfront facilities maintenance, jetty repair, development of port property with “fishing village” theme, development of Old Mill Marina site, revitalization efforts in conjunction with City of Garibaldi.
Port of Gold Beach

The Port of Gold Beach was established in 1955. The Port is located in Curry County on the southern Oregon Coast where the Rogue River meets the Pacific Ocean, with offices in Gold Beach.

**Key Facilities and Market Portfolios:** The Port forms a vital job-generating and economic development hub in Curry County and Oregon’s Wild Rivers Coast.

Port’s main facilities include a commercial (12-14 boats) and sport fishing (100 total slips) marina, a general aviation airport with airside industries, public recreational boating and fishing facilities (live fish crane), two large public recreational parks and multi-service camping sites, and commercial-retail properties and buildings leased to several successful water-dependent and water-related private businesses. The Port owns a crane which it rents to private users, and the Port has property available for lease.

**Key Business Issues and Competition:** Key business issues facing the Port include fish quotas and regulations, marine reserve, and tourism volumes. The Port’s highest priority is addressing deferred maintenance, especially the need to repair the high dock (old sheet piles are rusting through). The Port is working to retain existing retail tenants and the buildings leased to them rather than attracting new businesses.

Key economic drivers are county government (seat), tourism (e.g., hotels, river guides), regional US Forest Service office, high-end retirement income plus the expertise and volunteerism that comes with that, Freeman Marine (yacht accessories plus military market) and boating on Rogue River. The popularity of the Rogue River benefits the Port, but they see a need for better marketing of their facilities and site.

The Port faces competition driven by price and quality of facilities for marina moorage; the Port has only about 15% of the upriver moorage business.

**Emerging Markets and Trends:** The Port sees continued high-end retirement (e.g., housing construction), together with the sustained tourist draw of the Rogue River’s recreational fishing and ocean connection as the primary emerging
trends. There is the possibility of a major destination resort, with golf course, near Mack Arch at Pistol River. The port does not expect timber to return as a major industry.

**Financial Condition:** Marina tenants are the Port’s primary source of revenue. The Port’s intent is to maintain and improve what they have before investing in new projects.

**Transportation Access:** Harbor and channel access are in good shape; there are some moorage basin dredging needed, but the Port is building a capital reserve fund to help pay for it. The Port does not have rail access, but the airport does provide important access, and the Port recently repaired the runway with FAA grant funds.

**Regulatory Challenges:** The Port views the permits needed to remove clean river gravel on river side of marina jetty/breakwater that periodically block the entrance to the boat basin as a regulatory constraint. The Port is concerned about having a voice in how and whether Marine Reserves are recommended and designated; they participate in the “Four Ports Group” [Ports of Bandon, Port Orford, Gold Beach and Brookings Harbor] to help them provide community review and analysis of nominated sites.

**Needs from the Statewide Strategic Port Plan:** The Port would like to see the state and the governor advocate for federal dollars to support Ports. The Port also thinks that regional Port Boards should be considered.

**Latest Strategic Plan:** Strategic Business Plan document not available; Comprehensive Port Development Plan adopted in 1989; Mission Statement for the Port was adopted in 2008. Total projected capital outlay in FY2009-10 capital budget approximately $2,000,000. Emphasis areas include recognizing and protecting the Rogue River as a community and economic asset; supporting recreational and commercial development along the river; airport area development; High dock and South Jetty repair; new office building and shops.
Port of Hood River

The Port of Hood River was established in 1933. Port offices are located in Hood River along the Columbia River. The Port’s jurisdiction is the populated part of Hood River County.

Key Facilities and Market Portfolios: The Port has owned and operated the White Salmon Interstate Bridge, a toll bridge connecting Oregon and Washington, since 1950. The Port also owns and operates the Hood River County Airport, which serves approximately 90 small aircraft based at the airport. The Port’s third major facility is its waterfront marina and beach, used primarily for recreation. Both the airport and marina generally break even, while the bridge provides a source of revenue for the Port. There is also a dock that has been used by cruise ships in the past but is no longer accessible to those vessels due to the formation of a large sand bar in recent years at the mouth of Hood River. The Port is looking to secure permits and approvals for removal of sand and expansion of the dock. The Port also owns a cruise dock in Marina Basin which is currently accessible; they receive visits through the summer and fall from cruise operators going as far upriver as Lewiston, Idaho.

Emphasis Areas: The Port of Hood River is focused on recreation and economic development and has no cargo operations. The Port provides many jobs in the small community of Hood River and contributes to the overall economy of the community.

Key Business Issues and Competition: The toll bridge, the main source of revenue for the Port has a remaining functional life span of about 15 years. The Port must determine how to secure funds to replace the bridge and also manage through the economic impact to the region in increased fees and decreased revenue to the Port. In addition, most existing buildings are older and will need replacement. The other looming issue is the inevitable conflict between recreational activities and wildlife habitat. There are many vocal stakeholders in the Port district. The Port owns the Hood River Delta out to the original water line. The Port manages much larger recreational facilities (63 acres) than the parks department does and uses the revenue from the bridge to cover the cost of these facilities. There are studies going on.
about the science of the Delta to help determine the balance between recreational uses and the environment. The Port experiences little competition from other ports.

**Emerging Markets and Trends:** There was a barge facility in the past in the Nichols basin, and there is a Corps of Engineers study which is determining the economic impact of dredging. The area is now owned by the Naitos and was scheduled for condo development but the market is currently depressed and the plans are on hold. The Port also owns small parcels of commercial and light industrial lands. Certain parcels may only be leased while other parcels could be sold if the circumstances warrant it. The Port owns approximately 90% of the developable property in town.

**Financial Condition:** The Port is financially sound. The majority of their $19.5 million dollar budget is generated by revenues from the toll bridge with contributions from lease revenues, marina operations and the airport. The Port received $250,000 from the immediate opportunities fund for street improvements but otherwise does not generally receive State funding. The Port is concerned with how to fund larger investments; the Port views the infrastructure bank as not being advantageous because the interest rates are close to banking rates.

**Transportation Access:** The Port is located close to I-84 and railroad service, both of which parallel the Columbia River. The Port is currently a partner in the I-84/Hood River Interchange Area Management Plan study being undertaken by ODOT. The toll bridge owned and operated by the Port also provides direct connection to Washington State Highway 14. The airport owned and operated by the Port provides another means of transportation access.

**Regulatory Challenges:** Gorge Scenic Act and Columbia River environmental policies may impact any dredging of the former boatyard and lagoon at the mouth of Hood River.

**Needs from the Statewide Strategic Port Plan:** The Port supports the strategic planning effort and views it as an opportunity to have ports and the State get on the same page. They do not feel like they are currently on the same team. The Port suggests that in order to elevate State governance of ports that an OBDD board member perhaps be a liaison to the Ports. They also believe that there ought to be more strategic and tactical thinking with regards to port governance.

**Latest Strategic Plan:** Strategic Business Plan updated in 2005. Total projected capital outlay = estimated $15-20 million. Emphasis areas include working with WSDOT and ODOT for long term replacement of the Hood River Bridge and eventually replacing the lost revenue from transfer of toll bridge ownership to another entity; complete development of Waterfront business park and seek new industrial lands for future development; upgrades to marina; continued economic development activities associated with water-based recreation.
Port of Morrow

The Port of Morrow was established in 1958. Port offices are located on the Columbia River near Boardman, Oregon. The Port of Morrow encompasses more than 12,000 acres of land and its jurisdiction is Morrow County.

Key Facilities and Market Portfolios: The Port is diversified in operations and has large amounts of industrial lands available. The Port’s container operation handled 22,000 containers in 2008. Tidewater Barge lines operates the terminal. There is also a pipe to the terminal from the ethanol plant located at the Port. The Port owns a wood chip operation, which is leased to Boardman chip company and Tidewater operates a chip reload facility. The Port has three industrial parks. The south side of the mainline is mostly food processing companies including Con Agra which owns the property. PGE leases port property under the cogeneration power plant. Pacific Ethanol, Reklaim Technologies and a Japanese snack making company among others are located in the East Beach industrial park. Cargill/Louis Dreyfus has a grain facility which they own but very little is currently being shipped from it. The Port owns and operates the local airport, primarily serving corporate planes and pleasure aircraft. There are 880 acres of industrial property by the airport. The port is looking for FAA grants this year to build hangars and provide fuel this fall. This is run as a public service and breaks even.

Key Business Issues and Competition: Containers are a key issue for the Port as this market is not profitable and is vulnerable to the market fluctuations at the Port of Portland. The Port is also challenged by the perception that rural areas do not have an adequate labor base, although the Port has stable and capable staff and management. Other challenges include: a lack of federal support with one new senator in Congress and the other one not well versed on upriver ports; and water issues pertaining to water use, river systems/dams, lowering of reservoirs, and irrigation limits. Port of Morrow cooperates with other upriver ports including the Washington ports on issues of common interest such as the river system and the dams.

Emerging Markets and Trends: There is one barge per week of ethanol transported via the Port, as well as rail moves of ethanol that transload to barges at the Port. The Port has a large amount of available acreage and has the opportunity
to continue diversification of its revenue sources and business base. The Port generally leases land but has sold on occasion when the market need is demonstrated. The East Beach industrial park is 2,000 acres of shovel ready sites.

**Financial Condition:** The Port is financially strong and stable, with only a very small portion of income from tax revenue. Port has received (or in the process of receiving) funding from FAA grants, the Governors Roads Initiative, ConnectOregon I and II, and stimulus funding.

**Transportation Access:** Access is considered good by the Port with strong connectivity to transportation corridors. There has been a high level of investment in infrastructure roads/rail/water/power.

**Regulatory Challenges:** The Port’s largest regulatory issues have to do with wastewater permits and land use. The state’s BOLI bill for prevailing wage requirements is also a challenge for the Port.

**Needs from the Statewide Strategic Port Plan:** Port Management believes that the Ports do not have a high enough profile in the Legislature, and that there is little understanding about the importance of ports. Morrow would like to see governance at a higher level than currently. Ports used to report up through the Governor’s office. Noted that they believe ports are continually needing to prove themselves worthy of funding requests and priority. Port of Morrow has had a great experience working with ODOT, but believes that OBDD is too bureaucratic and that the application and accountability process is cumbersome. The Port feels that ports that are financially sound do not get as much consideration for public funding, which feels punitive.

**Latest Strategic Plan:** Strategic Business Plan and Development Action Plan adopted in 2009; economic impact study of Port of Morrow Industrial Park completed in 2008. Total projected capital outlay of identified projects > $60 million (includes grants). Emphasis areas include development of industrial properties including biofuels factory and food processing facilities and warehousing; regional transportation hub expansion including upgrades to I-84 interchanges, new freight access and circulation routes within business park, access to marine cargo and rail facilities, transloading facilities, rail improvements; utility service development; tourism and recreation support; regional community and economic development support.
Port of Nehalem

The Port of Nehalem was established in 1909. The Port is located on the Oregon Coast, and its district encompasses the communities of Manzanita, Mohler, NehKahNie, Nehalem, and Wheeler.

**Key Facilities and Market Portfolios:** None identified.

**Key Business Issues and Competition:** There is no land suitable for industrial development in the Port District. However, the Port recently purchased a 20,000 square foot site for possible commercial development; the site also serves as buffer to other port properties. Channel maintenance and obtaining funds for dredging is another key issue facing the Port.

The Port faces very little competition except competing with other ports for federal funds for dredging and jetty maintenance.

**Emerging Markets and Trends:** The opportunity to build a commercial building on the recently acquired parcel is the Port’s only future development plan.

**Financial Condition:** The Port’s primary sources of revenue are: tax assessment, timber receipts, interest income, building rent/leases.

The Port is accumulating funds to dredge upon receipt of permits. Their current net assets are worth approximately $1.2 million.

**Transportation Access:** The bar and river channel need to be dredged in order to provide sufficient access; the Port has a consultant assisting with permit applications.

**Regulatory Challenges:** Regulatory challenges facing the Port include the need for permits and funds to dredge and maintain river channel, and fish season regulations – Nehalem is closed this season for Chinook, and the Coho season is limited to 30 days. The Port feels that state and federal permit requirements are too onerous – particularly for wetlands and endangered species (relative to cormorants and seals continued dining on salmon).

**Needs from the Statewide Strategic Port Plan:** The Port would like to see state assistance in dealing with the regulatory agencies (NOAA, the Fish Commission and DLCD).
Latest Strategic Plan: Strategic Business Plan adopted in 1991. Total projected capital outlay (five years) = $60,000. Emphasis areas include economic diversification within the Nehalem Bay area; economic development assistance within area; promotion of tourism industry; waterfront business development; navigation channel maintenance; bike route development.
Port of Newport

The Port of Newport was established in 1910. The Port is located on the central Oregon Coast, with Port offices located in Newport. The Port is one of only three deep draft ports on the Oregon Coast.

**Key Facilities and Market Portfolios:** The Port’s mission is to promote and support projects and programs in cooperation with other community organizations and businesses that will create new jobs and increase community economic development. The Port is a traditional exporter and importer of forest products. The entrance bar is dredged to 40 feet, and the turning basin located adjacent to the cargo berths is 900 by 1,200 feet wide. The Port’s cargo docks are about 1.5 miles from the ocean entrance buoy with transit time from pilot boarding to vessel tie up at less than 60 minutes. The Port has 20 acres of vacant industrial land with all utilities available for development and 30 acres of bulk cargo storage available adjacent to the terminal.

Commercial fishing is the Port’s biggest activity, and the Port is ranked as one of the biggest fishing ports in the nation. Commercial docks along North Bay provide moorage and storage. The Distant Water Fleet brings about $14 mil to Newport annually. The fuel dock is owned by the Port and operated privately. The Port has 16-18 leases. The Port owns and operates a moorage and RV Park at South Beach, near the Marine Science Center. It was recently improved and has become an income-generating operation.

**Key Business Issues and Competition:** Key issues for the Port include: 1) Maintenance of deep water ocean access; 2) Maintenance of adequate water depth at Port berths and moorage sites; 3) Adequate inventory of developable land; 4) Policy and regulatory climate that provides reasonable access to fishery stocks and natural resources; 5) Competitive Port facilities and services; and 6) Sustainable operations.
Port's international deep draft port dock is degraded, and the Port would like to get back into the cargo market. The Port passed a $15 million bond measure in 2006 and also received $3 million in ConnectOregon funding for two projects: 1) environmental remediation of the existing old cargo dock and 2) the rebuilding of the dock and associated structures. The total cost is estimated to be $32 million, and Port applied for $14 million in federal stimulus funding. The Port is waiting to see if it will be successful and able to proceed. Totally decontaminating the sunken ships (Paisley & Hennebeek vessels sunk in 1948) that form this dock is too expensive, so the Port is attempting to downsize the remediation/mitigation effort. The Port enjoys a good working relationship with the city of Newport, Port of Toledo, Lincoln County, and the Newport Chamber of Commerce. This is very important to the Port's current and future success.

Emerging Markets and Trends: The existing international dock is called occasionally by Newport’s distant water fleet and local vessels for purposes of provisioning, equipment and materials transfer, etc. The Port plans to use the renovated dock for cargo, focusing on wood products. The bay channel is generally 30-40 feet deep with 138 feet horizontal clearance under the bridge. Emerging markets identified in the Port's 2007 Strategic Plan include wood products, short-sea shipping, wave energy, scientific research, and containers.

Financial Condition: The Port has a $19 million annual budget with $3 million for operations. Commercial fishing is the Port’s largest source of income (20th in nation in fish landing poundage; 24th in value of landings; national and international market); and the South Beach Marina and RV park represent the second most significant revenue source. Cargo and cruise ships are another important source of income, with the additional potential once the deep draft dock is renovated. The Port's 2007 Strategic Plan states a long-term return objective of 8-10% of present fair market value on lease or investment sales of Port assets or real property, and the Port. Port business activities should be self-supporting.

The Port has some funding and has applied for additional funding for the cargo dock projects. The potential income from vessel calls at the international dock includes income from ships ($7,000-$10,000 per month) and from barges ($4,000-$5,000 per month). The Port’s goal is to service two ship calls per month.

Transportation Access: The City and County recognize that the Port is an asset to community and have made recent improvements to Highway 20 and city streets. The US Army Corps of Engineers maintains the inner channel satisfactorily. The Port is adjacent Englund Marine and shares access with a yacht club [share access]. NW Natural Gas has a LNG storage tank near the Port.
**Regulatory Challenges:** The Port sees ODFW’s requirements as a major issue; they feel caught between competing state agency priorities of economic development and environmental protection.

**Needs from the Statewide Strategic Port Plan:** The Port would like to see Port funding kept in place, separate and distinct at the state level. They feel there has been a loss of identity in past years at the state and legislature. Ports need funding to improve infrastructure, which is key to their operations, and the Port feels that the state legislature needs to recognize the importance of ports to communities.

The Port would like to see assistance in terminal redevelopment, expanding the Newport Fisheries Building, conducting a cruise ship feasibility study.

**Latest Strategic Plan:** Business Plan under development in 2009; Cruise Ship Strategic Plan process underway. Total projected capital outlay of identified projects > $40 million. Emphasis areas include development of marine facilities to support relocation of NOAA fleet; replacement of the Port’s international deep draft port dock and re-entering the cargo market; possible cruise ship facilities; moorage dock rehabilitation (five-year program); Newport Fisheries Center, a mixed-use facility which would act as a “hub” for fisheries-related activity as well as education and interpretation.
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The Port of Port Orford was established in 1911 (dock was completed in 1919) and is located on the southern Oregon coast just 75 miles north of California. The Port district encompasses about 146 square miles, and the Port office is located in Port Orford, Oregon.

**Key Facilities and Market Portfolios:** The Port serves as an engine for economic development for the community. There is no ocean bar to cross, resulting in more fishable days per year. Ocean access is gained by use of one of the Port's hoists, which can lift boats weighing up to 25,000 pounds. Moorage in the water is only possible for short periods during calmer weather so all commercial boats are kept on trailers on the dock.

The Port's principal activity is providing upland moorage and launch/retrieval by heavy hoists of a commercial fishing fleet. The fleet fishes for crab, sable fish (black cod) and near shore rock fish; increasing numbers of fish are kept live in tanks in a Port building to command higher market prices. The fleet is also doing some charter work for marine research. Private operations at the Port include fishing companies and lessees, such as the restaurant.

**Key Business Issues and Competition:** Key business issues for the Port include the price of fish, cost/revenue of upland moorage, and limited upland space for all uses, cash flow, and obtaining funds for the jetty study, a harbor dredging solution, and for multi-purpose building.

The Port faces the on-going issue of deterioration of protective breakwater and difficulty of keeping harbor dredged limits hours of dock use. The Port agreed to nearby location of marine reserve, but it is difficult to determine what effect that will have. There is an on-going trend of identifying new fish species, and the Port expects that continued buyouts of commercial fish permits is likely.
The Port’s highest priorities are: obtaining grant funding for multi-purpose building; funding (at least $500,000) for submersible pump, pipeline, and mobile crane as solution for harbor dredging; jetty repair (longer term).

**Emerging Markets and Trends:** Port Orford is rapidly engaging in live fish market (kept in tanks on dock after harvest) because revenue to fishers is 3 to 7 times higher than dead fish. Construction of a multi-purpose building on dock, if grant funds can be secured, would enable more efficient utilization of extremely limited dock area, including better and larger area for developing live fish market.

**Financial Condition:** The Port’s main revenue sources are taxes, hoist fees for launch/retrieval of boats, and dock leases. The Port has successfully gotten funding (GO Bond, loan and EDA grant) to modernize its high dock and its two cranes for commercial boat launch/retrieval. The Port’s main market (commercial fishing) looks generally stable over the next several years. Port revenues are slender but stable; the Port is one of the two biggest employers in town.

**Transportation Access:** US Highway 101 is a winding two-lane highway with very few passing opportunities between Bandon and Port Orford. The Port has been unable to “get to first base” with Connect Oregon transportation fund requests for help with their dredging situation (boats cannot go out or come in at low tide); the Port sees this as a freight transportation issue, since their fish are cargo waiting to get to market.

**Regulatory Challenges:** The Port faces challenges with the administrative restrictions on fishing, charging adequately for moorage costs, extreme environmentalism, jetty repair and dredging funding, and uncertainty of marine reserves impact on Ports.

**Needs from the Statewide Strategic Port Plan:** The Port would like to see a “Best Practices on Pricing” to help rationalize moorage charges coast wide and to help ports generally on financial management and practices.

**Latest Strategic Plan:** Strategic Business Plan was adopted in 2004, Facility Master Plan in 2009. Total projected capital outlay approximately $20 million (facilities master plan); FY2008-09 capital budget $82,000. Emphasis areas include installing high dock shoaling submersible pump; retaining high dock shoaling maintenance dredging efforts; installing high dock jetty modifications; expand port district boundaries; complete 5th & Washington property redevelopment; Cannery, High Dock upland redevelopment; increase Sport Fishing & RV camping activity; add sport boat ramp, parking, revise road access.
**Port of Portland**

The Port of Portland was established in 1891. The Port has facilities located on the Columbia River and the Willamette River. The Port has offices in Portland as well as overseas.

**Key Facilities and Market Portfolios:** The Port’s mission is to provide competitive cargo and passenger access to regional, national and international markets while enhancing the region’s quality of life.

The Port’s marine facilities include Terminal 6 on the Columbia River (386 acres owned and operated by the Port with berths, primarily serves containers and autos, seven gantry cranes); Terminal 5 on the Willamette River (159 acres, with berths, rapid handling grain elevator; Campotex exports potash from this terminal); Terminal 4 on the Willamette River (280 acres, slips, seven berths, redevelopment in progress, primarily serves autos, break-bulk, dry, liquid bulks, grain barging); Terminal 2 on the Willamette River (49 acres with berths, primarily serves break-bulk and project cargo, has a 330,000 square foot covered warehouse). The Port is the homeport for Dredge Oregon.

The Port’s air facilities include the Portland International Airport (22 passenger carriers, 30 cargo carriers, and numerous tenants), Troutdale Airport, and Hillsboro Airports. The Port is the largest industrial park owner in the Portland metro area with Portland Industrial Center, Rivergate Industrial District, Swan Island Industrial Park, and Troutdale Reynolds Industrial Park.

The Port does not operate commercial fishing or recreational facilities but maintains 15 mitigation sites. In addition, the Port has built or donated land for parks [i.e. Kelley Point Park] and given them to City for operation. In 2000, the Port sold its 57-acre shipyard on Swan Island to shipbuilder Cascade General for $30.8 million.

**Key Business Issues and Competition:** The Port owns a lot of assets and either operates or leases them. In addition, the Port serves as the ‘developer’ of industrial properties.
Key business issues for the Port include: 1) a lack of capital to maintain and invest in facilities; 2) marine industrial land supply; 3) costs to maintain navigation infrastructure and ability to dredge are not sustainable; 4) autos are very competitive on the Lower Columbia; and 5) redevelopment of Brownfield Sites is very daunting.

The Port’s key strategic initiatives include the Troutdale Industrial Park (200-250 acres) and West Hayden Island.

**Emerging Markets and Trends:** There is more cargo actually destined for the Portland region than comes through the Port, so there is an opportunity for the Port to do more; however, a lack of population in the served region affects container imports. There is also an opportunity to serve the niche container market with distribution in the region and shipping via rail for distribution in the Midwest.

The barging network is “green” and costs less; the Port has seen growth in barging, and the state’s barge and rail system serves the state’s rich hinterland at lower costs for users than rail or truck. There are opportunities for the Port to cooperatively market with Pasco, Lewiston, Boardman, and Umatilla.

**Financial Condition:** The critical challenge for the Port is funding capital investment with revenues from operations. They receive 8% of their revenue from the general fund from property taxes; the balance comes from services. The Port has the ability to issue GO bonds [with voter approval] and revenue bonds [without voter approval]. Port general fund revenues include marine, industrial lands, dredging/navigation services, and administrative services. PDX is its own cost center; PDX returned 25% of income to capital in 2008; General Fund returned 14%. Dredge Oregon is a revenue neutral operation.

In the current recession the Port is experiencing a lack of funding. The Port has received stimulus funds for a seismic retrofit at Terminal 6 and a stormwater management system to protect river. The Port’s ConnectOregon funds were used for future design plans, rather than plans that may have responded to today’s market.

**Transportation Access:** Port facilities have direct access to rail – including an on-dock yard with BNSF and UP. Inland rail through Columbia Gorge provides only the even-grade rail route through Cascades. The Port also has access to highway systems (I-5 and I-94) and the Willamette and Columbia-Snake River systems.

**Regulatory Challenges:** The Port is facing skyrocketing costs of permitting and environmental compliance, too often based on misapplied science and lack of justification. Brownfield remediation is time consuming and expensive, leading to missed opportunities.
Needs from the Statewide Strategic Port Plan: The Port feels that ports bear a disproportionate amount of responsibility for state economic growth, with little return, support or recognition. The Port has a state mandate, but does not feel recognized and valued by other state agencies; it is difficult to work with them to meet common objectives. The OBBD serves as the ‘manager’ of business leads, requiring lots of paperwork for individual ports to respond and resulting in a lengthy process; this does not allow ports to contact leads resulting in missed opportunities. The Port needs and supports the I-5/Columbia River Crossing improvements.

The Port does not feel that local communities and state agencies recognize the important role it plays for opportunities and economic viability in the Willamette Valley and Eastern Oregon. The state needs to tackle big issues: Port is a public investor in jobs, and needs more help and understanding from OBBD, legislature, Governor.

Latest Strategic Plan: numerous facility and economic studies through 2009, Strategic Plan updated in 2007. Total projected capital outlay = almost $300 million (2005 Plan, 5-year capital facilities plan, non-Portland International Airport projects) plus funding for the Columbia River Channel Deepening Project. Emphasis areas include seamless coordination across business lines, strengthening efforts to fund marine, road, air cargo and rail projects, retaining and attracting container shipping lines, continuing to emphasize existing bulk, auto, intermodal and international gateway markets; industrial land development and marine terminals at West Hayden Island;, land development at Troutdale and additional land acquisition; environmental remediation and redevelopment of brownfield sites along Lower Willamette River.
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Port of St. Helens

The Port of St. Helens was established in 1940 to support economic activities in the St. Helens and Columbia County region. The Port of St. Helens provides service to the areas of Scappoose, St. Helens, Columbia City, Rainier and Clatskanie.

**Key Facilities and Market Portfolios:** The Port of St. Helens serves the commercial, industrial, maritime, recreational, transportation, energy and distribution sectors of Columbia County. The Port owns a marina which is currently not in operation after sustaining significant damage during a December 2008 winter storm. The Port owns the rail and the dock that serve the property. The Port also owns and operates the Scappoose Industrial Airpark which is one of the busiest non-towered airports in the state, providing reliever capabilities to the Port of Portland’s Hillsboro and Portland International Airports.

**Key Business Issues and Competition:** Business issues at the Port of St. Helens focus around Industrial uses on port property, energy industry issues on port property by other companies and business associated with the airfield. Infrastructure improvements and upgrades could provide increased revenue and attract more tenants. Currently there is an ethanol plant at Port Westward and Dixieline Lumber Company in Columbia City that in the past moved some cargo through the Port of St. Helens; the plant is now closed. The Columbia City dock immediately downstream from the Port offices could use about $500,000 investment in new dolphins to allow operations. The 1,200-foot dock at Port Westward needs upgrades with improvements estimated to range from $3-6 million depending on the scope but would include the structure, decking and dolphins. PGE and until recently Cascade Grain both used the dock.

The Port is involved in many energy related industries. There is a PGE tank farm at Port Westward has capacity of 1.2 million barrels. PGE has a 99-year lease on Port Westward which began in the 1960’s. Additionally the Beaver
Generating Plant was built in the 1970’s. PGE agreed to a sub-lease allowing development of the Cascade Grain Ethanol Plant. This operation has since gone bankrupt.

The airport has good business potential but faces some institutional challenges to realizing this potential. It has approximately 9 industrial tenants and 100 hangar units. A runway extension would be helpful to allow operation of corporate jets. At the airport a significant amount of the land was purchased by a developer who has not yet received development approval from the Port, nor “through the fence” approval for industrial tenants to access airport facilities. The developer is also proposing to build homes with direct airport access and hangars as a mechanism to provide front-loaded financing for the overall development project, but has not yet received any approvals from the Port. At least one tenant of the airport industrial park believes the Port needs to develop an operations plan to keep the airport runway and taxi-way open during and just after snow events.

**Emerging Markets and Trends:** About 6-8 years ago an urban renewal district was created providing up to about $32 million in funding, of which about $28 million was used. Part of that funded engineering permitting and construction of the new industrial outfall that serves the ethanol plant and potentially several other facilities yet to be constructed. Port is looking to increase Port Westward through current option on 1100 acres. The Port has an understanding with Columbia County that the county will participate in building a road to serve the 1,100 acres.

The Port of St. Helens has more property than the Port of Portland. McNulty Creek Industrial Park has a wait-list for potential tenants. PGE considering a new 366 MW gas fired peaking plant. There is no navigation access although there is a rail spur. It would cost about $10 million to bring in power supply suitable for industrial development. The site already has sewer and gas but does not currently have access to water supply suitable for large industrial users.

Environmental studies have been conducted at the former Pope and Talbot Site (Railroad Corridor) that may become a federal Environmental Protection Agency issue; completion of these studies have not yet been funded, Pope & Talbot went bankrupt and the port now is seeking a conditional No Further Action (NFA) on part of the site for a current tenant with a need of about 3 to 8 acres. This location also has a power supply issue which will cost about $70k to fix. The site is currently served by a one-lane bridge rated at 40 tons. For the remainder of the 17 acre site the Port is seeking an NPDES permit and DEQ is requiring temperature mitigation. The Port is facing about $1.2 million in planting costs but having difficulty with DEQ in finding a suitable mitigation area where the plantings can occur. The Port has already proposed a site east of the Cascade Range and one in the Tualatin Valley both of which were rejected by DEQ. This is a significant issue for the Port and some direct guidance and alternatives from DEQ would be very helpful in process.
Rail access up to Port Westward for unit trains is limited to 10 mph; the Port is interested in rail improvements that would allow unit train speeds of up to 25 mph. Portland and Western RR provides service and is making some improvements. Multnomah Industrial Park needs rail improvements. The existing rail spur serves two separate businesses and limits their respective operations. A new rail spur to separately serve the McCormick Pilings plant is needed. Stakeholders include major tenants such as PGE, the Portland and Western Railroad, cities and Columbia County.

**Financial Condition:** The port is financially stable. The primary operations of the port consist of leases and associated revenue, the marina and airport. The Port needs more revenue and assets to be able to attract additional help in the Port office. Funding to construct necessary capital improvements and infrastructure is difficult to procure. Infrastructure typically needs to precede tenant deals and this is difficult given the tight capital markets. Very few stimulus projects have been proposed for Columbia County. To prepare and successfully get a bond package in place costs approximately one million dollars. The port prefers to roll preliminary development costs back into the bond to retain working capital as it is hard to procure. FAA funding is critical to keep operations going at the airport. Capital improvements through revenue bonds obtained by the Port are well-received by potential tenants, especially in today’s lending environment. Typical funding strategy is loans, Connect Oregon, and tenant revenue.

One thing that would be helpful especially for smaller ports on a state level would be a revolving loan fund. The Port needs access to capital to get initial site work and permitting underway to attract tenants as well as get positioned for funding opportunities such as Connect Oregon. For successful projects that get underway the loans could be loaded into the bond package to pay back the revolving fund. Ports in Washington have access to more capital generated from taxes which allows them to develop the infrastructure in advance of tenant deals which is a significant competitive advantage over Oregon’s ports. Connect Oregon III’s process, timeline and competition limits the ability to successfully get funding.

**Transportation Access:** The Port of St. Helens is located along U.S. 30 and has access via highway, railroad and airport. With respect to roads, the Ports along I-5 such as Ports of Portland, Vancouver and Kalama have an advantage primarily because of their access to I-5 and I-84 as well as Union Pacific and BNSF railroads.

**Regulatory Challenges:** The Port would like to see some changes in the way OBDD supports the Ports with potential developers. The OBDD application processes are cumbersome and often do not lead to efficient communication regarding what the Port has to offer. In some cases it would be much more efficient to speak with the potential developers to identify needs, constraints etc. in direct contact with the ports. The Port would benefit from a better understanding of port operations and capabilities on the part of OBDD for example the Ports bonding capability.
**Needs from the Statewide Strategic Port Plan:** The port foresees an opportunity to have a better understanding of the significant role that ports play within the community. Specifically an executive summary, indicating the most important roles that ports play and how the State will help fund Port efforts.

**Latest Strategic Plan:** Business and Management Plan updated in 1999. Total projected capital outlay unknown; FY2009-2010 budget capital outlay (not including debt/loans/bonds) approximately $1 million. Emphasis areas include continued participation in the Columbia River Dredging Project; dock repairs, maintenance and improvements at Port Westward; industrial park and airport area development; upgrades to marina.
Port of Siuslaw

The Port of Siuslaw was established in 1909 with an economy built on fishing, canning and lumber. Fishing and lumber industries continue to be significant sources of revenue for the Port. Furniture building, value added lumber products such as mouldings, precision machine products and niche oriented plastic products all products coming through the port from the local economy.

Key Facilities and Market Portfolios: The Port of Siuslaw serves the commercial, industrial, maritime, recreational, transportation, and distribution sectors of the Oregon coast regional economy. The Port of Siuslaw operates a marina and an RV park. The Port is also the landlord for two restaurants and a marine construction company and oversees two large storage buildings. The Port recently accomplished its first harbor dredging in many years of both the sports and commercial basins; 104 slips are now fully available. Commercial fishing has declined, but the Siuslaw Fisheries Association has brought in a new ice machine that will help the fishing community (once an augur system is installed to get the ice to boats). An already funded dock project will bring in a 2-ton hoist enabling commercial boats to take (for example) a crab tank or motor out of a vessel. Recreational fishing and tourism are now the major draws. The Port also owns a “shovel-ready” 40-acre industrial park away from the marina that it intends to market, now that it has paid the County $250,000 to settle ownership questions.

Key Business Issues and Competition:

The uncertainty of fishing seasons affects revenue at the Port. Florence offers quick coastal access from the Willamette Valley (especially Eugene/Springfield). The Port is the only active moorage landlord. There are some private RV Parks in the area (the Port raised its rates recently, the first time since 2002). A main strength of the port is its proximity to the Willamette Valley, which attracts tourism and business. Competition is from other Ports along the coast. The main
weakness is overcoming deferred maintenance of infrastructure at the Port. The following are specific issues indicated by the Port:

- Fishing seasons, together with what impact marine reserves will have on the catch
- Forecast 10% drop in RV Park revenue
- Whether the Port will be able to attract more boats (back) to the marina now that it is dredged
- Height limitations imposed by the City Council on new development in the marina area (two-story maximum) after private developers built two four-story condos on private land within the marina environs.

**Emerging Markets and Trends:** Possibility of attracting new boats to the harbor. Port is now marketing via TV ads in the Eugene market to attract new/return users of the Port. There is a 40-acre industrial park that remains undeveloped that could be a major revenue generator for the Port.

**Financial Condition:** Finances are stable. The principal sources of revenues at the port are from marina leases, the RV Park and taxes.

**Transportation Access:** The Port of Siuslaw supports the Oregon International Port of Coos Bay’s attempts to retain rail service for the central and south coast. There are two spur lines to two mill sites east of Florence in Mapleton; both mills are inactive at present but are important industrial sites and potential employment opportunities for the future if rail is preserved or restored. The port supports the Port of Coos Bay’s efforts to secure funds to repair the rail line. Navigation at the Port is adequate.

**Regulatory Challenges:** The Port has identified issues with the marine reserve process and the uncertainties involved with that process. There is uncertainty that the political will and financial support of the environmental movement will continue to be a presence in that process. Additionally there is some resistance to industrial development in preference to a sole focus on tourism.

**Needs from the Statewide Strategic Port Plan:** The port foresees an opportunity to have a better understanding of the significant role that ports play within the community. Specifically an executive summary, indicating the most important roles that ports play and how the State will help fund Port efforts.
**Latest Strategic Plan:** October 2008, covers 2008-2013. Total projected capital outlay = over $4 million over that period. Identified limited staff and tax revenue, as well as lack of a diversified local economy as challenges. Emerging opportunities include the port's campground, waterfront property, Florence Urban Renewal District, cooperation of the tribes, and wine industry growth.
Port of The Dalles

The Port of The Dalles was established in 1933. Port offices are located in The Dalles on the Columbia River. The Port’s jurisdiction is from the Deschutes River to just east of Mosier and includes Dufur, comprising approximately 270 square miles.

Key Facilities and Market Portfolios: The Port of The Dalles currently owns and operates a marina and functions as an economic development entity. The marina is profitable for the Port and has a waiting list. There is a marine terminal rehabilitation project for a cruise dock. The Port owns the land and the water along with DSL. The City of The Dalles has an indefinite lease on the property and is leading the project. The grain elevators are privately owned and operated.

Emphasis Areas: The mission of the Port is to facilitate job creation and capital investment in the Port district. The commission wanted to get out of recreation, but it is difficult to do so due to the restrictions on selling the marina. The Port also created the Parks Master Plan for the town of Dufur.

Key Business Issues and Competition: The Port has sold all of its developable industrial lands, however it still owns 85 acres adjacent to the Google facility. Some of the land has basalt outcroppings, which will make development costly. The Port does not have funds available to purchase additional land.

The geography of the marina site makes expansion of the marina impossible. The Port would consider privatizing the marina, but the facility was originally built using grants from the Oregon State Marine Board. There are stipulations that any privatization requires repayment of the grants. This makes it financially unfeasible to sell to a private entity.

The Port of The Dalles communicates and cooperates with other ports along the Columbia River on both the Oregon and Washington sides. The Port sees little competition – there are no others doing industrial development, so there is more cooperation than competition. The Port is one of the only ports that sells land.
Emerging Markets and Trends: continued involvement in the energy market; working with the region to continue to identify and support economic development opportunities.

Financial Condition: The Port is financially sound. The Port has no current funding requests. In addition to marina revenues, the Port receives $250,000 per year from local taxes and also uses its savings account for economic development purposes.

Comments were made that in the past the process for applying for funds through the OBDD Port Planning and Marketing Fund became so bureaucratic over time that it became too difficult to apply. There was also the sense that fiscally responsible ports were at a disadvantage when competing for funds with ports which were struggling financially or had not been as prudent with funds. The Port prefers to apply for federal funds because the application process is easier.

Transportation Access: The Port is very close to I-84 and The Dalles Airport.

Regulatory Challenges: The biggest regulatory issues for the Port are working within the Columbia Gorge National Scenic Area and the fact that federal agencies restrict the amount of electric power which can be promised to a single user, which limits the Port’s ability to attract additional data bank operations such as Google.

Needs from the Statewide Strategic Port Plan: The Port believes that Oregon ports are not visible enough in the legislature and that the politicians are not well educated on the importance of ports to local and regional economies.

Latest Strategic Plan: Strategic Business Plan adopted in 2006; updated in 2009. Total projected capital outlay not included in Plan document but estimated at $10 million. Emphasis areas include extending port coverage and acquiring land to develop a new industrial site; continued encouragement of development and redevelopment within port district outside of port-owned lands; attract renewable energy industries; marina renovations; support of recreational industry and upgrades to port-owned parks and recreational facilities; upgrades to cruise dock.
**Port of Tillamook Bay**

The Port of Tillamook Bay was established in 1911 as the Port of Bayocean and then was recharted as the Port of Tillamook Bay in 1953. Much of the existing facility was constructed during World War II to accommodate the U.S. Navy’s Lighter than Air (a.k.a. Blimp) division. With the end of the war the Navy vacated the premises and handed it over to the Tillamook County Airport Commission. The Port covers over 1600 acres and includes the blimp hangar, airport and other buildings from the old Naval base. In addition to the blimp hangar, airport and buildings the Port gained jurisdiction over the Navy’s 5.5 mile rail spur connecting the Port to the Southern Pacific railroad facilities in Tillamook. Gradually the Port has acquired approximately 95 miles of the former Southern Pacific line which connected the Port to the Portland metro region before severe winter storms washed away significant portions of the rail line.

**Key Facilities and Market Portfolios:** The Port of Tillamook Bay serves the commercial, industrial, maritime, transportation, and distribution sectors of the Oregon coast regional economy. The Port is an important supporter of the economy of Tillamook County, with a large industrial park served by the Tillamook Airport which is owned and operated by the Port. The Port provides services to many businesses including dairy (digester), forest products, tourism (air museum) and septage receiving for the county.

**Key Business Issues and Competition:** The strategic direction of the Port is to identify opportunities for economic development. Grain delivery costs are now more expensive due to the loss of rail service due to slides along the rail
corridor connecting the port with the Portland metro area. This has affected the dairy industry as costs have risen as a result. Hampton lumber provides forest products for the housing industry. Due to the economic recession and collapse of the housing industry the company has been forced to eliminate one shift. Poorly maintained roads to the region have affected tourism. In addition gas prices and weather have also affected tourism negatively. The Port has no competitors in the region. Key business issues include deferred maintenance (roofing, siding and electrical) on existing World War II era buildings, specifically the Blimp Hangar and roads.

Emerging Markets and Trends: There are several emerging trends and markets that could affect the Port. The Port digester could be upgraded to yield new products and increase port revenue. Improvements to on-site infrastructure including roads, sewer and water lines could increase capacity. Increasing septage receiving capacity could generate more income for the port. Maximizing utilization of FEMA funds to repair the railroad and resume service would decrease costs for tenants and increase revenues for the Port.

Financial Condition: The Port’s principal sources of revenue are from leasing buildings and taxes. Financial trends have been consistent revenues and expenses.

Transportation Access: The Port is served by road with access to the northern Willamette Valley markets. The Port area is located two miles south of Tillamook on U.S. Highway 101, a coastal travel link between Washington and California. Connections to Portland via Highway 6, and Salem via Highway 22, are within a few miles. The Port also hosts its own airport, with twin runways, rental car service, and storage hangars, with a 5,000-foot main runway hosting private aircraft.

Regulatory Challenges: The Port as an operating utility must maintain certifications for its wastewater facilities operators, and has also had issues with the Water Resources Department, FAA airspace restrictions and environmental constraints such as wetlands.

Needs from the Statewide Strategic Port Plan: Access to comparative information from other ports in the state will help to learn about how to approach various issues.

Latest Strategic Plan: Strategic Business Plan was updated in 2009. Total projected capital outlay approximately $50 million over 5-year period (2010-2015). Emphasis areas include: developing the Port’s physical resources (land, infrastructure and services), including the Industrial Park, Airport and associated equipment, and preparing a Business Plan to analyze the feasibility of expansion of the Hooley Digester Facility.
Port of Toledo

The Port of Toledo was established in 1910 and covers 443 square miles, providing many services that support its mission of developing, promoting, and sustaining the economic base of the area. The Port supports the local maritime industry and other local businesses by providing or supporting moorages, shipping, repair facilities, and industrial space. The Port also supports the recreational desires of residents and visitors through recreational moorage, launch facilities, and recreational uses.

**Key Facilities and Market Portfolios:** The Port of Toledo serves the commercial, industrial, maritime, recreation, transportation, and distribution sectors of the Oregon coast regional economy.

The Port of Toledo has commercial docks that handle commercial fishing and industrial activities. They lease space to a commercial fishing plant that processes and freezes fish at sea for fresh delivery. There is also a custom cutting facility at the plant.

There are many industrial and manufacturing businesses at the Port. For example there is a company that constructs large catamarans; a shipyard specializing in commercial fishing deck gear and vessel renovation; a manufacturer of electrical ground-strap for the military, space program and for solar panels; and another company that manufactures high quality guns out of exotic materials. There are also several small building contractors.

The Port is in the final stages of purchasing the shipyard that was previously occupied by Fred Wahl Marine Construction, Inc. and will open as a publically run shipyard in early 2010. The Port has applied for a federal grant to expand the haul-out capabilities and make basic infrastructure upgrades which allow for environmentally responsible operations.

**Key Business Issues and Competition:** The strategic direction of the Port is to identify opportunities for economic development. The fishing industry is extremely important, bringing in approximately $90 million annually. Because of the size of the fishing and recreational fleet in Newport, the industry creates spin-off businesses for the Port, such as boat building and repair.
Additionally having affordable buildings for lease ($0.35/s.f.) is key to the Ports success. Affordable building space attracts business to the Port.

The Port of Toledo also faces competition from other coastal ports. For example, recently, the Port of Astoria has been trying to lure ship builders from the Port of Toledo. The Port hopes to build new infrastructure to retain ship building.

**Emerging Markets and Trends:** The Port has indicated that keeping up with demand has been a key trend and issue for the Port. For example demand for leasable buildings for the fishing industry and manufacturing industry has been increasing steadily over the years. The Port is renovating the former City of Toledo’s Public Service Building into leasable space.

To assist in keeping up with demand the Port of Toledo is conducting a joint planning exercise with the Siletz Tribe as part of a Tribal Enterprise Zone project of the Tribe’s 82-acre industrial site.

The Port believes it can do vessel haul-out, hull cleaning and environmental cleanup using the vacant Fred Wahl shipyard, while also offering opportunities to private operators to perform vessel construction, maintenance and repair.

**Financial Condition:** The Port’s principal sources of revenue are from leasing buildings and moorage space for the fishing and manufacturing industries and taxes. Financial trends have been positive as lease revenue continues to increase.

**Transportation Access:** Located along the Yaquina Bay the Port of Toledo has access by boat, rail and highway (US 20). Rail is hugely important to the region. Currently, rail accesses the area mainly to serve the Georgia Pacific mill and has the potential to serve the Port of Newport’s Terminal in the future. There is concern that rail service would cease if Georgia Pacific left the region.

Other issues for transportation access include highway US 20 accessing the port and moving goods outside of the area. Stimulus dollars have been identified to help complete the realignment and construction of the last 20 miles of US 20 between Newport and Corvallis, which will reduce travel times.

Additionally the Port plans to construct a new transient dock this autumn.

**Regulatory Challenges:** The Port has experienced an intensely negative attitude from NMFS (National Marine Fisheries Service) and ODFW regarding development on vacant property, especially where a fill/removal permit and mitigation are required. The community also suffers from a lack of identified mitigation sites or properties available for mitigation. The
Port has indicated that it needs to identify an upland disposal site, minimum of 10 acres, to store dredged materials from both the marina and the channel.

**Needs from the Statewide Strategic Port Plan:** The Port feels that an improved relationship between individual ports and the State needs to occur via the Statewide Strategic Port Plan. A good example of something that the State did was the hiring of Washington, D.C. attorney and lobbyist Peter Friedmann to help advocate for the Oregon ports with Congress.

**Latest Strategic Plan:** Strategic Business Plan adopted in 2003; Facilities Master Plan completed in 2006; Waterfront Development Strategic Plan adopted in 2007; Feasibility and Business Plan were completed for the acquisition and operation of the Boatyard in 2009. Total projected capital outlay of identified projects is approximately $6 million. Emphasis areas include: acquisition of, redevelopment and improvements to boatyard; rezone from Water Dependent to Light Industrial and development of three light industrial lots; public waterfront park trail system; large vessel and sport moorage facilities; relocation of boat launch; dredging and dredge materials disposal site; expansion of marina and transient moorage.
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**Port of Umatilla**

The Port of Umatilla was established in 1940. Port offices are located in Umatilla Oregon. The Port district is Umatilla County, covering approximately 3,200 square miles. Located on the Columbia River, the Port of Umatilla is “Oregon’s Inland Port.”

**Key Facilities and Market Portfolios:** The Port of Umatilla serves the commercial, industrial, agricultural, maritime, surface, transportation, distribution, and recreational sectors of the Eastern Oregon regional economy.

The Port of Umatilla has historically handled outbound grain barges and inbound fuel barges. The privately-owned Pendleton Grain Growers elevator is the largest inland grain terminal according to the Port. The fuel is currently distributed from Spokane to Boise and there is also a pipeline which goes directly to the Union Pacific Railroad at Hinkle Yard. Tidewater owns and operates a fuel tank at the Port.

The Port owns a container terminal which is state of the art. The terminal is paved, fenced and has a high capacity crane and plugs for refrigerated containers. The facility is underutilized having handled 1,600 containers last year. The container dock currently handles mostly dry cargos, with a few refrigerated shipments of frozen butter and french fries. CRIS, Inc. operates the terminal for the Port. The Port also owns a chip facility which is leased by Boise Cascade. There is a new warehouse on the terminal which is leased by Columbia River Logistics, minerals are brought in for use by the dairies. There is also a large pipe manufacturer located on Port property, ABS pipes. The Port operates the local RV park and marina which is located on US Army Corp of Engineers land. The Corp covenants place restrictions on length of stay which limits the market.

**Key Business Issues and Competition:** The strategic direction of the Port director is to try to develop a short sea shipping model. This would load containers onto barges and transport them to the ports of Seattle and Tacoma for
loading on to container vessels for export. The lack of container service at Port of Portland is the Port’s primary reason for expanding service to the Washington ports.

**Emerging Markets and Trends:** The Port is partnering with the Umatilla Indian tribe to develop a business park on 165 acres of tribal lands. The Port has developed and sold property in Hermiston, Pilot Rock, Milton Freewater and Umatilla. The Port now owns 40 acres in Hermiston directly adjacent to 300 acres of privately owned property. The port also owns 500 acres in Umatilla all on basalt rock without services. This land is difficult to develop, but the Port has plans to put a rail loop on this property. There may be an opportunity for the Port to increase its business and reduce the carbon footprint of the Walmart distribution center in Hermiston by using short-sea shipping, although fuel prices are still high.

**Financial Condition:** The Port is very active in pursuing public funds for capital investment. They currently are asking $20 million from MARAD for expansion of the barge facility to accommodate the short sea shipping volumes. In addition, Senator Patty Murray of Washington provided a grant to purchase the crane for $4 million. The Port is also seeking operating subsidies from Washington State for the short sea model ($8 million for the first year, $10 million for the second and $12 million for the third year of operation). The Port believes that Washington will support this initiative due to saving on truck wear and tear on roads between southeast Washington and the Puget Sound and also because it supports Washington deep water ports.

The port receives tax revenue of $560,000 per year and they also generate approximately $80,000 from leases. The Port loses about $100,000 per year on the RV park and marina operation.

The Port unsuccessfully sought a November 2009 ballot measure asking for an increase in taxing authority from $0.15 per 1,000 to $0.45.

**Transportation Access:** Located on the Columbia River in Eastern Oregon, the Port has access via barge (served by Foss Maritime, Shaver Transportation and Tidewater), rail (major rail switch yard), highway (I-84), and air.

**Regulatory Challenges:** The Port views the State regulatory environment as an impediment to economic development. There is also concern over water rights and the effect on the regional economy. The Port also views Oregon’s land use laws as constraining economic development by slowing it down as compared with other states.

**Needs from the Statewide Strategic Port Plan:** The Port feels that the process to get funding from OBDD is more cumbersome than getting funding from the federal government. There is too much accountability required. The director...
stated that he would like to see the ports housed within ODOT and not OBDD. The ConnectOregon initiative is viewed extremely positively (“a godsend”); the Port will apply for funds under ConnectOregon III for design and construction of the rail loop.

**Latest Strategic Plan:** Strategic Business Plan not available. Total projected capital outlay = estimated $30-40 million. Emphasis areas include extending developing industrial park; expanding cargo dock for short sea shipping; installing utilities at industrial park; construction of rail loop and acquiring rail service to the UP mainline.
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Port of Umpqua

Port of Umpqua was established in 1913. It was named for the Umpqua River, which flows through the District and is the second largest river in Oregon. Port offices are located in Reedsport (Douglas) County, Oregon. The Port district also includes the communities of Winchester Bay, Gardiner, Ash Valley, Scottsburg, Elkton and portions of the Smith River area and covers approximately 750 square miles. Located on the Umpqua River, the Port of Umpqua is one of Oregon’s coastal ports.

**Key Facilities and Market Portfolios:** The Port of Umpqua serves the commercial, industrial, maritime, transportation, and distribution sectors of the Oregon coast regional economy.

The Port of Umpqua has two commercial docks that handle commercial fishing and industrial activities. One of the docks is located on the Reedsport waterfront which is managed on behalf of the Port by Fred Wahl Marine Construction, Inc., who performs boat building and repair on adjacent privately owned land. The second commercial dock is located in Salmon Harbor Marina in Winchester Bay which is utilized by commercial fisherman and has a hoist for loading/unloading.

The Port of Umpqua leases land to Pacific Pride who distributes fuel via its facilities located at the Port. Other Port land is utilized for Port offices, vacant or used for wetland mitigation. At SHM, some land is leased to private entities that are privately owned and operated: two seafood processors (Sportsmen’s Cannery, Umpqua Aquaculture), and a vessel repair business (Reedsport Machine & Fabrication).

The Port is the local sponsor for federally authorized navigation projects maintained by the US Army Corps of Engineers including dredging the river entrance and access channel to Reedsport, the entrance and access channels at each of the two basins in Salmon Harbor Marina, and maintenance of the jetty system.
Salmon Harbor Marina (SHM) in Winchester Bay is on land owned by Douglas County and is jointly managed by the Port of Umpqua and Douglas County. This relationship is detailed through an intergovernmental agreement via the Salmon Harbor Management Committee (SHMC). The SHMC consists of one member appointed by the Port of Umpqua Board of Commissioners, one member appointed by the Douglas County Board of Commissioners, and a third member appointed jointly by the Port and County. SHM operates as an enterprise fund through Douglas County. SHM revenue sources include moorage fees, boat launch fees, dry camping & full hook-up camping fees, 24 commercial and industrial land leases, marine fuel dock sales, upland fuel station sales, and shortly from propane sales via a propane station that is scheduled to be completed by June 2010.

**Key Business Issues and Competition:** The strategic direction of the Port is to try to identify opportunities for economic development. Local businesses in Reedsport have been starting up; however they have a difficult time surviving. Relatively high gas prices can have a negative effect on the tourism industry to the area. The Port’s main sources of competition are other coastal ports.

**Emerging Markets and Trends:** Economic drivers for the Port of Umpqua have been identified as the Lower Umpqua Hospital, Fred Wahl Marine Construction, Inc., ODOT Regional Maintenance office, Lewis Transportation and Tractor Services and two construction companies. Key issues for the port have arisen from a general decline in the number of businesses in the region. Examples include the Knife River Corporation discontinuing dredging activities for aggregate and the Wickes Broadcast Solutions Company consolidating business out of state, thus putting its buildings up for sale.

**Financial Condition:** The Port’s principal sources of revenue are from land sales and monthly moorage receipts from commercial fisherman and Fred Wahl Marine Construction, Inc. Recently the Port incurred large expenses from improvements undertaken to the commercial dock facilities. Because of this the Port has been accumulating funds should the need occur to capitalize on economic activities. Other examples of economic concerns for the Port are the overall economy, funds dedicated to maintenance and repair of the rail lines accessing the port, and environmentalists restricting development projects that may be pursued by the Port. The Port has identified maintenance of the jetty as a key upcoming expenditure.
**Transportation Access:** Located on the Umpqua River along the Oregon coast, the Port has access for fisherman, rail and highway (US 101 and OR 38). Issues for transportation access include the distance of the Port from I-5 and Rail Repair and Maintenance to the Coos Bay Rail line.

**Regulatory Challenges:** The Port views the State regulatory environment as an impediment to economic development. The Port views environmentalists and special interest groups as an impediment to economic development via the regulatory environment. There is also concern over water rights and the effect on the regional economy.

**Needs from the Statewide Strategic Port Plan:** The Port feels that an improved relationship between Port projects/activities and the OBDD’s game plan for the Port system would benefit the Port. The Statewide Strategic Port Plan would help the Port to stay consistent with the State’s goals, objectives, etc.

**Latest Strategic Plan:** July 2005 (Business Plan), covers 12-year period. Total projected capital outlay = approximately $61,000,000 over that period (including $46,000,000 in substantial developer contributions for the Ork Rock Resort). Emphasis areas include development of a business park, RV service facility, Ork Rock Resort, Wifi/broadband, short sea shipping hub and warehouses, and catching up from deferred maintenance of existing facilities (marine dock).
MARINE TRANSPORTATION SYSTEMS (PACIFIC OCEAN AND COLUMBIA RIVER)

Emphasis Areas: Jetty repairs (Columbia River mouth/Astoria), Columbia River Dredging Project, navigation channel dredging projects (statewide), channel and lock repairs (Columbia River), increase anchorage capacity (Columbia River), expand marine terminal capacity and improve efficiency (Columbia River), revise Cabotage laws (requires US vessels to carry goods between US ports), revisions to Harbor Maintenance Tax to remove “double taxing”, improve customs security systems, produce overall west coast cargo forecast. Dredging/navigation priorities: Chetco (Brookings), Columbia River Deepening, Columbia River Lower, Columbia River Mouth, Coos Bay, Coquille (Bandon), Depoe Bay, Port Orford, Rogue River (Gold Beach), Siuslaw, Tillamook, Umpqua (Reedsport/Salmon Harbor), Yaquina Bay (Newport), Yaquina River (Depot Slough/Toledo).

Sources of Information: Army Corps of Engineers, Oregon Dept of Transportation (Oregon's Transportation System, Critical Needs Report, 2007); Port of Portland; Columbia River Dredging Project.

Estimated Capital Improvement Needs: >$400 million

- Columbia River Channel Deepening (completion, $34 million, FY2009)
- Lower Columbia River and Columbia River mouth dredging: $70 million (FY 2009-2010)
- Dredging/navigation (other ports/harbors): $20 million (FY 2009-2010)
- Columbia River mouth jetty repairs (Army Corps reports): >$100 Million
- Coos Bay Channel Deepening / Widening to support development of a container port ($100 million).
- Lower Coos Bay Turning Basin ($4 million to $7 million)
- Port of Portland's Terminal 6 - 800 foot dock expansion ($26 million)
- Terminal 6 - 3 post Panamax container cranes ($33.4 million)
- Umatilla Terminal Access Road ($1 million)
- Tillamook Bay jetties: $20 million.
Marine Board (Marinas, Boat Launches, Port-Owned Water Recreation)

This is based on the Marine Board’s five-year capital facilities plan.

**Emphasis Areas:** marina improvements (St. Helens, Bandon, Arlington, Cascade Locks, Hood River, Umatilla, The Dalles); mooring basins, dredging and sanitary facilities (Astoria, Brookings Harbor, Gold Beach, Brookings Harbor, Garibaldi); proposed marina, landing and launch facilities (St. Helens, Cascade Locks, Toledo, The Dalles); boat ramp/access and parking (Coquille River, Bandon, Port Orford, Gold Beach, Arlington, Cascade Locks, Siuslaw, Newport, The Dalles); dock and pier improvements (Siuslaw, Alsea).

**Estimated Capital Improvement Needs:** total of $11.3 million.
APPENDIX D: SUMMARY OF PUBLIC MEETINGS AND COMMENTS

A series of public meetings were held in the fall of 2009. This Appendix provides a summary of the highlights and public comments discussed at each meeting. Notes included are from the following meetings:

- May 12, 2009, Port Advisory Group – Meeting #1
- June/July, 2009, interviews with all 23 ports.
- August 13, 2009, Presentation of Strategic Plan process to OPPA
- August 19-20, 2009, Oregon Strategic Port Plan Project Core Team and Port Advisory Group Workshop
- September 8, 2009, Meeting with Rep. Dave Edwards
- September 25, 2009, Meeting with Susie Lahsene, Port of Portland
- September 25, 2009, Meeting with Sen. Betsy Johnson
- September 29, 2009, meeting with Todd Davidson, Travel Oregon
- September 29, 2009, Port Advisory Group workshop to develop draft Plan recommendations.
- October 1, 2009, meeting with Betsy Johnson and Dave Edwards to review draft Plan recommendations.
- October 21, 2009, presentation of draft Plan recommendations to Ken Armstrong and Annette Price of OPPA.
- October 28, 2009, Presentation of draft plan in Tillamook 10-28-09
- November 3, 2009, Presentation of draft Plan in Newport
- November 12, 2009, Presentation of draft Plan in The Dalles
- November 16, 2009, Presentation of draft Plan at Port of Portland
- November 20, 2009, Port Presentation to Business Development Commission
- December 10, 2009, Draft Port Plan Presentation to OPPA
- December 30, 2009, meeting with project Core Team and ODOT to discuss Marine Transportation Program recommendations
- January 15, 2010, presentation (scheduled) of Draft Plan to Infrastructure Finance Authority Board
May 12, 2009, Port Advisory Group – Meeting #1

Introductions and Role of the Project Advisory Group
- Dave H. noted that the committee role will be to review, advise, and participate in the planning workshops.

Overview of the Strategic Port Plan
- What is the purpose of the Port Plan?
  - It will not recreate the 1980 Oregon Ports Study.
  - It is an assessment of the current port system, financial status, function of smaller ports, current navigational aids, changes in the system since 1980, constrained port functions, whether or not the state should be involved in port functions, and if yes, how,
  - Look at other states that are operating ports and determine which operations have been successful.
  - Evaluate where current port functions should be housed in state government to best serve the state’s interest.
  - How have things changed and how do these changes affect the ports?
  - State funding/investment decisions should be guided by the plan. The Legislature would like to treat this as an investment plan.
  - When ports are in competition – what should the state’s role be?
  - Recreational ports – competition for funds and market.
- ConnectOregon brought out interesting desires/statements for freight mobility.
- Some ports are struggling to maintain their facilities, let alone invest in new ones, and are selling assets to maintain cash flow resulting in a slow but steady decline.
- A number of ports have been forced to move away from core port functions due to changing economic circumstances.
Some ports are doing a great job of serving their communities but are not functioning as a port in the traditional sense. Sometimes there is a conflict between short-term projects to yield income vs. long-term port functions.

Ports will later need to do their own master plans, which are consistent with the state plan.

Markets have changed drastically for the coastal ports.
- Barges – continued activity in Astoria and Coos Bay but no longer at Newport or other coastal ports that once had substantial traffic.
- Coastal ports and services have changed industrially in 25 years, i.e
  - Newport (Rogue Brewery)
  - Coos Bay - Public Port District with private terminals.

Port planning and marketing – small ports (OBDD program).
- Some ports are waiting for this plan.

Needs of the ports must be defined to facilitate determining how the state should be investing in the port system.
- Can we define what a port is?
- What can state do about managing competition between ports?
- Identify gaps and overlaps.

The Ports of Umatilla and Morrow may have overlaps but they have differences too – geography, topography, business, grain terminals, the differences between each operation need to listed

There was some discussion about whether to include private operations that serve a public function. The agencies want to include them to help demonstrate the importance of the overall marine navigation system to policy makers and the public.

Consultant team noted that the state plan will contain 3 basic elements: 1) market fundamentals, 2) local interests/objectives, and 3) state interests.

Connect Oregon is anticipated to roll out in November, 2009.

Commodity Flow Forecast data will be used for the Rail Plan and the Freight Plan. Information should be available in mid- to late-July.

Metro is conducting an industrial lands forecast and pertinent data from that forecast should be reviewed and included if appropriate.

Mission Statement

- What about institutional side – investment, etc.
- Private entity – goes with definition of port.
- Port of Coos Bay e.g. – prior to 7 years ago Port advocated channel deepening and infrastructure then it was blamed for loss of terminal business.
- Grain elevator – Umatilla.
- Port of Portland inventory of private facilities – include as part of marine infrastructure.
- How do the ports fit into freight multimodal system? – There are several port and marine representatives on the Oregon Freight Advisory Committee (OFAC)

Data Collection
- Can data be collected for WA, ID ports as part of inventory?
- Put things in terms of the “Port System” or the “Marine Transportation System.”
- Industrial docks (e.g. Schnitzer’s International Terminals, tank farms) should they be part of the inventory?
- Where do public and private shipments come together? Several times/locations – used to identify public and private entities as part of the system.
- The Merchants Exchange is a data source that be accessed. They keep records of vessel movements.
- Port of Toledo is considering acquiring a boat yard.

Stakeholders
- Email PAG the WOC #4 Scope of Work.
- Identify Port Authority role.
- What are the ties to declining industries? How does this affect health of each port?
- Port/private overlay - state overlay.
- PAG recommended dropping “Mission Statement” and replacing it with “Purpose Statement.”
- How should Coos Bay be handled since it serves multiple “business” functions?
- Remove “cruise ship terminals” from terminology.
- Commercial forecast – NOAA?
- COE (US Army Corps of Engineers) collects Columbia bar data.
- Wave technology? Other factors - topography of crabbing areas, port ability to sell slots.
- Mapping OCZMA (Oregon Coastal Zone Management Association) of potential wave energy sites.
- What to do about nonperforming assets?
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August 19-20, 2009

Oregon Strategic Port Plan Project Core Team and Port Advisory Group Workshop

Attendees:

Lynn Schoessler, Dave Harlan, Business Oregon (OBDD)
Teddie Baker, ODOT
Consultant team: Don Grigg, Margaret Johnson, Brian Winningham, Keith Liden, Mike Zachary, Chuck Green, Ann-Marie Lundberg, Al Benkendorf

Port Advisory Group:

Susie Lahsene, Port of Portland
Chuck Daughtry, Port of Cascade Locks
Tammie Dennee, Oregon Wheat Growers’ Association
Gary Caldwell, Northwest Container
Bill Cook, representing Port Operations and Marine Industry
Jerry Grossnickle, representing Columbia Tow Operators
Representative Dave Edwards
Bud Schoemake, Port of Toledo

August 19

Introductions, Workshop Outcomes, Format and Overview of Workshop
Summary of Port Interviews

Coastal Ports
- Ports feel that Oregon doesn’t recognize ports as part of the state’s economic development efforts.
- There is a general lack of sophistication and time for outreach/education with the smaller ports.
- OPPA’s outreach program is not well known to the ports. Dave Harlan indicated the ports generally don’t participate in OPPA because of staff and budget limitations, limiting OPPA’s political effectiveness.
- Community expectations are generally high and difficult, if not sometimes unrealistic to meet.
- Ports have a good understanding of their potential markets and roles.
- Ports are served by managers who are of high professional quality.
- Ports are generally financially stable. It was noted by the group that deferred maintenance enhances the current balance sheets, but will become a big issue in the future.
- Regulatory issues are difficult for the ports, and the lack of technical skills and finances to address them are related issues.
- Ports are innovative in trying to find new markets, business lines.
- Live fish industry has potential as a new, premium product to market.
- Eco-tourism has growth potential, especially in Bandon and Alsea. This includes land-based activities catering to private yachts.
- Some ports do not have sufficient moorage space for large yachts.
- Threats include lack of upland disposal sites for dredge material, loss of timber revenues, fluctuations in fish harvests, and deferred jetty repair by the Corps of Engineers.

Deep Draft Ports
- Newport/Astoria have a significant, but volatile fisheries industry.
- These ports have opportunities to handle cargo but need costly repair work on facilities.
- Chuck/Mike indicated that Coos Bay needed state/federal help for infrastructure (rail) improvements. TIGER grants are very competitive. LNG has Port of Coos Bay’s support.
- Noted that Portland is losing its market for container shipping. The POP had 2-4 carriers in the past and now ranges between 1-3 carriers.
- Prince Rupert has become a significant competitor with its direct CN railroad connection to Chicago for container cargo.
Columbia River Ports

- Columbia River corridor is a major gateway.
- Grain shipments are the lifeblood for commercial shipping, which makes shipment of other commodities feasible.
- Grain terminals and elevators are aging and represent a potential deferred maintenance issue in the future.
- Umatilla has underutilized docks, a desire to institute short sea shipping, and difficult land sites to develop.
- Morrow has significant amounts of developable land, leases/sells industrial land, and has a rail focus.
- Cascade Locks and Hood River have a strong recreational focus.
- The Dalles is focused on economic development rather than commerce or recreation.
- Arlington benefits from solid waste shipments.
- While the Bridge of the Gods is a financial benefit to the Port of Cascade Locks, the Hood River Bridge is a potential issue for the Port of Hood River because it will ultimately need to be replaced, and the new owner of the toll bridge may be an entity other than the Port. This would remove a significant revenue source from the Port of Hood River’s portfolio (but would also remove a significant liability).

Summary of Economic, Commodity, Market Studies

- Fishing fleet over the past 10-15 years has declined by half but has stabilized over the past 5 years or so.
- Fishing is cyclical between different species.
- Marinas are difficult to finance because generally the costs to build and maintain them exceeds the market rate of return on investment.
- The shipping forecasts on page 7 of the trends report was discussed, and the group acknowledged a need to better understand their significance related to the Strategic Ports Plan. The differences between the PB and WPPA forecasts were noted.
- The group noted that ports often have a competitive advantage of owning “cheap” land.

Governance

- Need coordination statewide.
- Identify the economic corridors and the need to link ports to them.
State involvement regarding navigation and transportation.
Port autonomy for local operations.
Visibility to the legislature is important.
Washington model is successful and largely outside of state government.
Should provide a template for local port plans to ensure integration with the state plan.
WPPA has a stronger advocacy program than OPPA. Its members have an excellent tax base to fund WPPA activities.
ConnectOregon is an example of a valuable, innovative funding program for needed infrastructure.
Identify where funding could be prioritized by characteristics – not creating “winners and losers”.
Need to evaluate how ports spend grant money to ensure it is being used for feasible projects, not speculative ones. Brookings Harbor cold storage was an example.
What should OPPA and OBDD do? Perhaps OPPA – training and advocacy and OBDD – regulatory assistance.
Could something similar to “Oregon, Inc” or the funding approach the legislature developed for the state’s community college system be considered? They receive a funding target, and a committee is charged with allocating the funding until it reaches the target amount. Beyond that point, funding is not allocated.

August 20: With Port Advisory Group

Port Consolidation Study

Tillamook, Garibaldi, and Nehalem were studied for potential consolidation.
Concluded there were no compelling reasons for or against. All had very different operations and staff skills and needs, offering little economy of scale.
Ports decided not to consolidate but agreed to look for ways to cooperate to reduce costs and collectively advocate for projects.

Strengths, Weaknesses, Opportunities, Threats Assessment

Strengths
- Columbia River corridor.
- Coast – natural environment, tourism, science and research, security, and emergency response.
- Number and diversity of ports.
- Large development sites available.
- Deep draft and rail access.
- Grain shipments support other commerce.

Weaknesses
- Lack of diverse revenue sources: Income tax but no sales tax.
- Lack of port advocacy.
- Inadequate intrastate rail system.
- Port of Portland has statewide significance, but is only supported by a 3-county tax base.
- Lack of sufficient staff capacity for most ports and OPPA.
- Limited ability to handle container cargo competitively.
- Ports’ statutory mission is not recognized by other state agencies and local jurisdictions Fundamentally small market served by Oregon ports.
- Markets are based on natural resources, which are declining.
- Lack of adequate infrastructure funding.

Opportunities
- Oregon can become the doorstep to California via rail/highway.
- Maturity of ports.
- Diverse products and services.
- West Coast/Pacific Rim location.
- Export orientation of the economy favors Oregon ports.
- Freight and rail plans are in process and it will be important to coordinate this planning effort.
- Green energy technologies.
- Sailing is an important recreation activity for some ports.

Threats
- Prince Rupert and CN rail.
- Rail rates – two railroads serving ports.
- Pilots (and requested rate increase) are a cost issue.
Lack of port advocacy at a statewide level.

**Port System Needs Assessment and What it Means**

**Themes**
- High community expectations
- Interest groups can affect port operations and development.
- Market functions don’t always support port operations.
- There is a wide range in port tax assessments.
- Costs are rising for environmental review.
- O&M costs are rising.
- Maximize the utility of the Columbia River corridor and north-south access of I-5.
- Base a port investment strategy on 1) market attractiveness and 2) port competiveness as illustrated. Investments should be focused in the shaded portions of the diagram and avoided in the lower left.

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**Institutional Framework**
- Fewer funding/assistance opportunities under ODOT.
- Ports currently receive assistance from aviation (for airports only; no co-mingling of funds for other operations is allowed), parks, Marine Board (for marine and dock repair), tourism, etc. Maritime cargo flow, commercial fishing, and land development are examples of port functions without a state regulatory or oversight agency home.
Beef up existing structure and find additional resources.
- Need to be able to address issues of statewide concern.
- Need to be able to influence facilities outside Oregon, and recognize that navigable waterways are part of the system (e.g., Snake River dams).
- Connect Oregon may be a good model to address at least some port needs.
- Need to foster inter-agency coordination and cooperation (e.g., education, regulation).
- Ports need access to funding for opportunities (infrastructure) and maintenance (especially to address deferred maintenance issues).
- Training and education for port commissioners and staff to promote best practices.
- Information availability, such as port trends and forecasts. WPPA report is a good example.

Plan Contents

- Provide a template for future port plans.
- Define the Oregon port system.
- Provide a system-wide analysis, including identification of the opportunities and deficiencies.
- Provide an existing conditions analysis *(KL note: appears to overlap with above and should be deleted).*
- Describe the benefits ports provide to local communities and the state as a whole.
- Provide governance options.
- Describe the recommended institutional framework, including the roles and functions of the players involved.
- Identify investment funding sources, from OEDD and other agencies, as well as the funding gaps.
- Include an education and training element.
- Be sure the plan fits within the statewide planning context, including the freight and rail plans.
Todd Davidson, Travel Oregon

The Plan’s Core Team met with Todd Davidson, director of Travel Oregon, an umbrella arm for Oregon’s tourism industry and staff to the Tourism Commission. The interview focused on Travel Oregon’s and the Tourism Commission’s mission and purpose as they relate to Oregon’s ports. Travel Oregon believes ports can expand their services by offering meeting and convention facilities or at least be local contacts and catalysts for local and regional activities, which Travel Oregon can assist in coordinating. This group has a tourism development division that provides matching grants up to $10,000. Travel Oregon has seven marketing regions, and the ports could work with each of those regions to secure marketing grants. This program is funded by a one percent statewide lodging tax, of which 15 percent is returned in revenue back to the regions for distribution. Travel Oregon’s website could house port-related information and tourism links, and this organization has a strong relationship with OSMB.

Other key issues or challenges to further development of ports’ services identified by Travel Oregon include:

- Ports hosting or facilitating meeting events with incentives have shown a substantial return on investment for Oregon’s tourism industry until the economic downturn and corporate cost-containment efforts. They would like to see that practice return.

- Positioning or port calls of cruise ships is an issue that they would like to see addressed in this strategic plan because it can benefit local tourism. The Port of Astoria currently benefits from cruise ships, but Travel Oregon sees that other ports can benefit as well, although some ports, such as Newport and Coos Bay, may be limited by bridge height restrictions. Note: The Jones Act as explained earlier under Regulations may be a constraint to cruise ships calling on multiple Oregon ports at the same time, as a number of cruise lines do not meet the requirements for US crews, ownership, construction, etc.

Ports provide support for tour operators and eco-tourism. Eco-tourism, as defined by Travel Oregon, is: experiential, exploratory, environmentally sustainable nature-based recreation, including hiking, adventures, and interpretive tours. Estuary kayaking out of Tillamook Bay is an example. Estuaries are included under eco-tourism, and ports are often located near estuaries. Ports also offer marinas and tie-ups for charter boats, RV
parks, and park facilities. Certain ports with airports such as Coos Bay (although the Port no longer owns that airport) can provide crucial scheduled and charter passenger connections with California, Portland, Seattle, etc. Additionally, the South Coast has been innovative with tourism and South Coast ports provide that link. Bandon Dunes has been rated the #2 golf course in the world – the Port of Bandon could help here with ensuring their marina can accommodate larger, personal vessels.

**Meeting with Susie Lahsene, Port of Portland**

- Agreed that ports should have audits, and state auditor should get more involved with review of audits (similar to WA model)
- PoP infrastructure needs beyond the 10-year plan should be included in roll-up of statewide port needs (Susie to send that to me)
- Make sure ports serve and preserve "core" functions
- Containers have a volatile market and are critical to PoP - need to show that in the report. She disagrees with those who think that post-Panamax fleets will eventually only consist of very large vessels that cannot call into the PoP - believes there will continue to be smaller, regional fleets that will bring containers in/out of PoP
- Susie does not want to see any recommendation that would lead to the conclusion that "Port of Portland needs to get out of the container business".
- Need to clarify problem statement and recommendations
- Should include "missed opportunities" in the discussion
- Need to identify reasons why a different institutional relationship is needed
- ODOT port/marine group (new) may not need to meet frequently, maybe once a quarter or less but good idea to have a coordinated, marine mode group within the multimodal freight group at ODOT (not as a separate group, though)
Meetings with Dave Edwards and Betsy Johnson

- Ports need training and it must be mandatory - too many non-compliance issues with open meetings laws, audits and use of funds, use of state funds, etc. (mentioned St. Helens).
- Could make training a mandate as part of SDAO insurance coverage
- Need to disclose conflicts of interest with port commissioners who also have business lines which may benefit from their decisions
- Funding especially in new areas must have a means test and ports should do their homework before requesting OBDD money.
- Community college presidents were forced by the legislature to "go into a room and not come out until they have an agreement on distributing funds". Not sure if the ports can do that but if they could, that would be a major event.
- Would like to see more consideration of port consolidation and port dissolution if they are not relevant. She's not sure if that's a state issue, unless the state continues to subsidize those ports. "Port of Lower Columbia" was a past consideration - maybe it should be reconsidered.
- Need to identify state functions of ports and what role Oregon's ports play in the state economy.
- If ports want to use state money, it should be for something the state has already identified as a state-significant industry.
- Dredging needs a state plan. OPPA should have more discussions about port priorities.
- New markets and research and development - questioned as to whether that's a role of ports (she mentioned Morrow). Ports would have to demonstrate why they should enter a new business line and probably should do the pre-studies themselves before asking for state grants (Umatilla and "wine-to-China" study was mentioned here).
- Condition of state investment is that ports need to develop a "means test" and demonstrate that they have the capability of operating and maintaining new capital facilities without state subsidies.
- Performance measures and accountability: we discussed the WSDOT model and Betsy liked it.
- Perhaps tier the ports vs. state function - similar to Aviation Plan model.
- Ports need to get buy in from local municipalities with land use planning jurisdiction before getting into new markets, new land uses.
- Ports are getting less now because they haven't been good stewards of their responsibilities, funding.
• Statewide Port Plan requirements must be imposed on individual port strategic plans.
• Ports need to stay with OBDD because of their business/economic function. ODOT doesn't want ports under them (or inherit their problems).
• Funding - should be tied to state significant industries, port tiering system. Could consider a "base level" for ports to especially assist smaller ports with state requirements, etc. Ports should not feel like they are "entitled" to funding but must demonstrate a state significant need.
• Look at the success of the Port of the Dalles/economic development catalyst and use that model for other ports.
• OBDD should be arbiter of state-significant business development opportunities. Port program in OBDD should be elevated so that individual ports can't do "end around" with legislators to overrule OBDD decisions.
• Need comprehensive study of Commercial fishing industry in Oregon and their capital needs. Some may involve ports, other components outside of port functions.
• Need an avenue for Business Development Commission endorsement of major port grant requests.
• Need to get OBDD stronger oversight role and partnership with DOJ to minimize predatory business practices inherent in some port economic development functions (St Helens again).
• Statewide and individual port plans need to have a refreshment date (similar to comprehensive and transportation system plans - CG note).
• Ports must resolve other debt before taking on new debt.
• She liked the idea about a mapped comprehensive plan approach where state investment in ports is tied to key industries in geographic areas of the state (map included in new ppt show).
October 28, 2009, Presentation of draft plan in Tillamook 10-28-09

1. Consider “Port of Refuge” need as a part of Marine Group in ODOT.

2. Won’t the Plan require legislative changes? And, OBDD will need more staff.

3. Need to include Work Force training in addition to training for commissioners and management. Consider link to Community College.

4. Concern about Marine Transportation group being located at ODOT (and becoming subservient to highway or other ODOT needs)

5. Coordinate Strategic Plans for individual ports with local jurisdictions in order to avoid land use/development issues as projects in the plan are implemented. Should local jurisdictions be part of the sign-off on each port strategic/business plan?

6. Strategic Plans for individual ports should be designed to be open to new ideas and not limited to the items/strategies in the Plan – flexible.

7. Noted that the state/OBDD is not the only source of money for Ports. There are other sources which the ports can use. Will the business agreement apply to these other sources of funds (non-OBDD)? Will ports be required to opt-in regardless of whether they are currently using OBDD money?

8. Suggested that the individual Strategic Plans for ports can also be used as a marketing tool to the State.

9. Commented that the ports are local and need to be able to respond to their constituencies. Possibly this was intended to note that the ports may be required to comply with state requirements but it needs to be recognized that the ports are local and need to respond to local requirements, also.
November 3, 2009, Presentation of draft Plan in Newport

1. Comment about Sand Island at Port of Astoria – could this be a new paradigm for ports (placement of dredge material, development, etc.)?

2. How does this proposal compare with the past program – i.e. when there was a Ports Division? (Response was that there are similarities from the 1980s port planning efforts because the Strategic Plan recommendations include what worked in the 1980s as part, but not all, of the recommended Plan).

3. Marine Navigation Improvement Fund – Where does it fit? (Response was that this loan and grant program has now been included under the Infrastructure Finance Authority and at least for the short term will continue to exist as a separate fund. In the longer term, when a centralized Port Investment Fund is created, there will need to be considerations as to whether or not to merge this into that fund or perhaps have the new Marine Transportation modal program under ODOT help make recommendations to the MNIF priorities).

4. Small ports go to the Counties now – are successful! (This includes the county and regional economic development entities). These are 20-25k requests and don’t take a lot of paperwork to get a project funded. How complicated is the new program going to be? (Response was that we will consider this comment in the draft plan. Subsequent to this meeting the Port Plan team met and added a recommendation to include a “small works” program in the proposed new funding program which would allow for reduced administrative efforts in seeking grants).

5. Set up a Board to review Port funding requests. Keep it simple!

6. We don’t want to get rid of what works, i.e. Port Planning & Marketing. (Response: we are recommending this program be kept and be a separate component from the centralized Port Investment Fund, which would focus on infrastructure development).

7. ConnectOregon needs to be modified for smaller ports.
8. Some comments supporting the recommendations presented tonight.

9. Port Day in Salem with the legislators was a good start. We’re the fingers of the state economy. Need to keep the momentum going.

10. Coordination with state agencies is a Problem.

11. Don Mann – NOAA’s discussions with the legislators found that they were interested in the Ports once they found out about this business opportunity.

12. (State legislator) We need to make the case for the Ports. 1 in 6 jobs – expand on it a “bunch”. Legislature is transitory and they don’t know about ports. Strengthen up-front importance of Ports. Many legislators don’t have port districts in their district and don’t understand ports. (Response: OBDD hasn’t done a good job of promoting ports either. We definitely will work to carry the Plan forward and also strengthen the “1 in 6 jobs” statement).

13. How do we rank with other Ports in the Nation? (Response: we looked in-depth at 11-12 other states, and Dave Harlan summarized all state port governance structures in a spreadsheet. Oregon ranks below average for port governance and administration compared to other states; adopting this Strategic Plan will move us up and may actually situate Oregon in front of Washington on the institutional scale).
November 12, 2009, Presentation of draft Plan in The Dalles

1. Define what type of “local” support is necessary relative to demonstrating that a project seeking state funds will not be compromised in the future by local permitting or political issues.

2. How does this plan connect with the Fed involvement in Port issues such as dredging, jetties, levees, etc.

3. Funding sources – Need to highlight “land development/infrastructure” in description of use of funds. Reduce emphasis on Marine Transportation. Increase upside dollar amounts for small/medium port group funding programs.

4. 1 in 6 jobs – Need to define i.e. Port employees, impacts on local economies, secondary impacts, etc.

5. Regulatory process. OBDD support needed at high level i.e. cabinet level reporting directly to the governor.

6. Prefers identifying the priorities at each Port rather than a “means test”. Use Strategic Plans as the basis for identifying top 2-3 priority projects for each Port.

7. Business Agreement with OBDD – Need to describe in more detail or give sample language.

8. When evaluating return on investment, the state should also use “Job Retention” – not just new jobs.

9. What’s the common thread/issue/problem regarding the 17 Ports that are having cash flow problems? Is this something the Ports could work on as a group – (OPPA?)

10. Concerned about changes at the political level in the future that could impact the proposed Port Plan i.e. being reduced or eliminated. Not unlike the past!
11. Marine Board grant requirements changed revenue stream for marinas/launches that impacted amount of funds available to maintain public facilities. Suggested the Board’s grant requirements are too restrictive.

12. One attendee identified National Boating Infrastructure Program as a good source of funds for marinas.

13. The Ports should be alert to recent changes in grant funding criteria happening in Oregon, and nationally. Be prepared to incorporate criteria such as how does the project reduce greenhouse gas emissions, improve operating efficiencies, use “green energy”, etc.

14. Pending court decision relative to Port of Arlington Native American fishing sites and port dock locations could have a major impact on all of the ports on the Columbia. Plaintiffs now claim all historical sites are sacred not just the “in lieu” sites which were developed to mitigate loss of historical sites in existing federal law.

15. The Ports of Hood River and The Dalles appeared before OBDD Commission last month and requested that one commissioner be designated as a regular liaison to the Ports. This idea was suggested as something that might also be considered for other state commissions, such as Parks, Tourism, ODOT, etc.
November 16, 2009, Presentation of draft Plan at Port of Portland

1. Container market is regional and also international and stable. Products are produced regionally but shipped to international destinations. Intermodal is more difficult. Not declining – just never been large volumes.

2. There are other brownfield sites besides T-4 – include Portland Harbor.

3. Offered that while PoP has lost service in the past, they remain very competitive for service. It was noted that K-Line pulled out of Umatilla when Simplot closed their potato processing plant there. Hanjin recently decided to serve Portland over LA and Seattle (last month).

4. Declining service but not the markets. Business changes affect service, too. When businesses close, the service is impacted and remaining volumes may not justify continued service. PoP would like to have more service to the Japan market.

5. The challenge for Portland and Oregon is the limited financial investment in Ports. Decisions like Ballot Measure 50 and the diversion of lottery funds from Economic Development have impacted state’s ability to compete with Washington, primarily. Washington has larger tax base at all ports.

6. Pilotage is an issue for PoP as it is for others. Rates, double-pilotage on the Columbia River and Bar. Negotiations with pilots tend to be long-term, sometimes exceeding tenure of volunteer positions on the Pilots Board (loss of continuity).

7. Has the study raised the profile of Ports with the general public?

8. How large are the new funds going to be? How much annually?

9. (Note: Gene Leverton was attending on behalf of the Port of Arlington): Port of Arlington was asked by the City of Arlington for help developing the airport industrial park – felt the port knew better how to do this than trying to
do it in-house. Example of how ports can facilitate local development. Additionally, the Port is helping the city apply for ConnectOregon funding for a rail spur with wind energy components.

10. What is the state’s interest? What are the state’s goals with respect to the ports? Make this a larger part of the presentation and report. Recognize what we have, the state’s location on the water relative to the nation as a whole. Make it compelling!

11. What is the state trying to accomplish? Increase the importance of Ports? What can be done to keep Oregon competitive in the global economy, since we’re already a global gateway? The answer to this will determine the dollar amounts of the new funds.

12. Human resources are important too. There are generations of skilled workers at the major ports that are a valuable component of the port industry, and Oregon’s strength is that the human resources element of port employment is still there.

13. The state would be poorer if Coos Bay and Astoria didn’t exist. What would the fisherman and wheat farmers do if there were no Ports? What are the implications of certain ports going out of business?

14. The Ports are the gateways to the state. We’re sitting on the edge of the Pacific and it’s transportation corridors.

15. Marketing – Design the report for the governor to share with other governors. This is not unlike Dave’s comments that the Ports should design their Strategic Plans as marketing tools for the legislature.
November 20, 2009, Port Presentation to Business Development Commission

1. Commissioner recommended using RTS rather than creating new agency coordinating group led by OBDD.

2. Commission Chair questioned BIOMASS program at Port of Morrow. Why are Ports involved in Biomass??

3. To Do: Send larger presentation to Commissioners.

4. Why wasn’t consolidation recommended? How about the Port’s that are operating off of 3-6 month cash reserves?

5. Commission Chair remarked: What can we do for the Port of Portland?
   Reply: West Hayden Island is an example, State needs to support projects that have state wide significance. Locals shouldn’t control projects that impact the state’s role in a key state industry.

6. Why do Port of Portland Commissioners need certification?

7. Is OBDD the right agency for this Plan (at least parts)?

8. Commission Chair – I thought we were moving away from OBDD being involved with Ports?? And, questioned state’s involvement with Ports when they are managed by locally elected officials??
Port Presentation to OPPA, December 10, 2009.

Presentations were made to OPPA’s management as well as the full OPPA on a number of occasions.

There were 4 RECOMMENDATIONS at the time of this presentation

1. Change the relationship between the Ports & State – The vehicle is establishing a Business Relationship
2. Elevate the Ports Program within State Government
3. Create Port Investment Fund and a Statewide Capital Improvement Program
4. Future changes to Ports – consolidation, elimination, business lines – Local Decision

COMPONENTS OF EACH

1. MOA or IGA between State and Ports – Describing each parties responsibilities – Tailored to each Port – “Opt In” program
   - Required if Port seeks technical assistance or funds
   - Components – Training Program
   - Increased accountability – use of state funds
   - Expanded “Homework” (market) for new/expanded project
   - Expanded Local coordination – support
   - Update or do a new Strategic Plan consistent with the states Strategic Plan.

2. OBDD – Lead/Coordinate State/Port related functions,
- Increase Port Program staff - ODOT, DLCD OSMB to provide interim support
- Next Session – get funds to expand OBDD staff
- Continue regulatory assistance
- Create Marine Transportation Program housed within ODOT’s Freight Mobility Group
- New Cargo Port Advisory Subcommittee – OPPA
- Similar to OFAC

3. New Port Investment Fund – Capital Improvement Plan
   - 5-6 Year Capital Facilities Plan – Ports Committee convene and identify highest statewide priorities.
   - Port Investment Fund - components
     - Small Works
     - Small/medium size Ports
     - Large Ports

4. Future of any Port District will continue to rest with the local officials and community.
General Public Meeting, Salem, January 21, 2010

No comments received from the public.

State Agency Meetings, March through May 2010

Meetings were held between OBDD and consultant staff, and state agency department heads, to review the draft Plan document and its recommendations, and receive comments with regard to each agency's role in port planning and project implementation. Meetings were held with: ODOT, Treasurer's Office, Marine Board, Department of Environmental Quality, and Department of State Lands. Each agency provided comments on the Draft Plan as well as input on rules, regulations, funding and governance that have been incorporated into the draft Plan document.