

Port of Brooking Harbor Strategic Business Plan



Volume 2. Plan

Draft 2020 5-Year Mid-Point Update



July 2020

Strategic Business Plan 5-Year Mid-Point Update

Prepared by

Port of Brookings Harbor Staff

Acknowledgements

This strategic business plan was updated by the Port of Brookings Harbor. For more information about the Port of Brookings Harbor, please visit www.portofbrookingsharbor.com

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STRATEGIC BUSINESS PLAN

Port of Brookings Harbor Strategic Business Plan

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PORT OF BROOKINGS HARBOR STRATEGIC BUSINESS PLAN

1.0 STRATEGIC PLAN DEVELOPMENT PROCESS

This strategic business plan was developed to meet the requirements of Business Oregon, the state's Economic Development Department. BergerABAM led the consultant team in the development of this plan in conjunction with the Port of Brookings Harbor (Port) Commissioners, staff, and community members. A kickoff meeting with Port staff and Commissioners and staff, eight stakeholder interviews and a strengths, weaknesses, opportunities, and threats (SWOT) analysis, and two public meetings/Port Commission workshops were held while the plan was being developed. Meeting and interview summaries are included as Appendix A to this report.

The public and members of the Port Commission reviewed the draft updated plan as part of the second round of public meetings in May 2014. Following the May 2014 Port Commission meeting, the release of the final updated plan was delayed by the State in order to address dredging operational and financial analyses (see section 5.5). Public, Port Commission, and State comments, as well as the dredge analysis, are incorporated in this final June 2015, Port of Brookings Harbor Strategic Business Plan.

2.0 PORT MISSION

The existing mission of the Port of Brookings Harbor is:

- 1. To preserve and enhance its economic activities.*
- 2. To facilitate, through the creation of local, state, and federal partnerships, the full economic potential of the Port of Brookings Harbor and Curry County.*
- 3. To develop a course of action, that over time, ensures the self-sufficiency of the Port district.*

3.0 PORT OVERVIEW

The Port of Brookings Harbor is Oregon's southernmost port, and is located just a few miles from the California border in Curry County, Oregon. The Port occupies approximately 60 acres of marine and related property at the mouth of the Chetco River on the Pacific Ocean. The Port district covers approximately 400 square miles from the mouth of the Pistol River, south to the Oregon-California border, and east to the Curry-Josephine county line (see Appendix B).

The Port offers more than 650 boat slips on the south bank of the Chetco River, just south of the City of Brookings. This sportsman's paradise is located midway between Coos Bay, Oregon and Humboldt Bay, California. Based on proximity, Brookings Harbor fisheries – as well as economics and political context – extend into California, including the areas of Crescent City and Trinidad.

The Brookings area experiences mild climate, is surrounded by natural beauty, and offers one of the safest bar crossings on the West Coast. Year-round hunting, camping, and fishing attract visitors from the southern Willamette Valley in the Medford area, while others arrive from Portland, San Francisco, and beyond. Many come to fish for snapper, salmon, and albacore tuna and others come for the easy access to inland rivers and mountains and for the local restaurants, beaches, and hotels.

Brookings Harbor is also a working port, offering commercial and recreational boat basins. The commercial fleet fishes for Dungeness crab, tuna, snapper, and shrimp, and has access to the boatyard, commercial docks, ice house, and cold storage facilities. Fishing is a critical part of the Brookings area economy and Port-generated activities contribute significantly to the Oregon state economy.

3.1 Port History

Before its creation as a Port district and the appointment of the first five Port Commissioners in 1956, the Port was a deep-water harbor constructed by the Brookings Lumber & Box Company. Throughout the early 1900s, Port land was occupied by various lumber and mill companies. The final company left the Port in 1925, and for many years, the land and mill pond were all that remained. As the Oregon coast highway was constructed and improved throughout the 1920s, the area became more accessible and its popularity for recreational uses grew.

The Rivers and Harbors Act of 1945 authorized the improvement of the harbor at the mouth of the Chetco River and the construction of rock jetties. That project was not funded until 1956 and the U.S. Army Corps of Engineers (USACE) completed construction in 1957. The first boat basin at the Port was constructed in 1958 with private funds and was expanded in 1959 onto property purchased by the Port. Throughout the late 1900s and into the early 2000s, the Port continued to develop as a commercial and sport fishing port and became one of the most active ports on the Oregon coast.

In 2011, the Port was hit with the tsunami that had resulted from a 9.0 magnitude underwater earthquake off the coast of Japan. The tsunami caused over \$7 million in damage to Port property and destroyed several private vessels. With federal and state assistance, since 2011 the Port has focused its efforts on tsunami relief and repairing damaged facilities and infrastructure. See Photo 1 for an example of Port infrastructure reconstructed in conjunction with tsunami relief.¹

¹ Information contained in section 3.1 drawn from the Port of Brookings Harbor History webpage, www.port-brookings-harbor.com, accessed April 18, 2014.

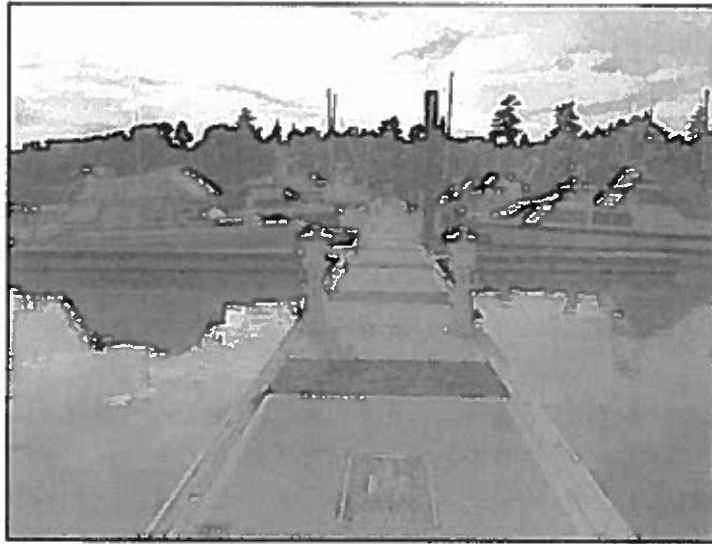


Photo 1 – New Walkway at Sport Basin

3.2 Commission

The five-member Port Commission is composed of elected officials who serve 4-year terms as governed by ORS Chapter 777. The Commission meets on the third Tuesday of every month and perform their duties as unpaid volunteers.

3.3 Staff/Professional Development

In 2014, the Port's staff consists of 18 employees, including a Chief Executive Officer/Executive Director, Chief Financial Officer/Finance Director, an Operations Supervisor, three administrative staff, and 12 maintenance/operational staff. Staff members participate in the following professional development activities and/or trainings:

- Safety training, held monthly with all staff
- Forklift and crane training and certification, held annually
- Boiler/pressure vessel training and licensing
- Powered industrial truck operator training
- Accounting and administrative training
- Hazardous Waste Operations and Emergency Response Standard (HAZWOPER) training

3.4 Financial and Market Conditions

The Port, the southernmost port in Oregon, is located approximately 5 miles from the Oregon-California border. Known as the busiest recreational Port on the Oregon Coast, the Port manages a 650+ slip marina for recreational and commercial boating.²

² Information in section 3.4 provided by FCS GROUP.

3.4.1 International and National Overview

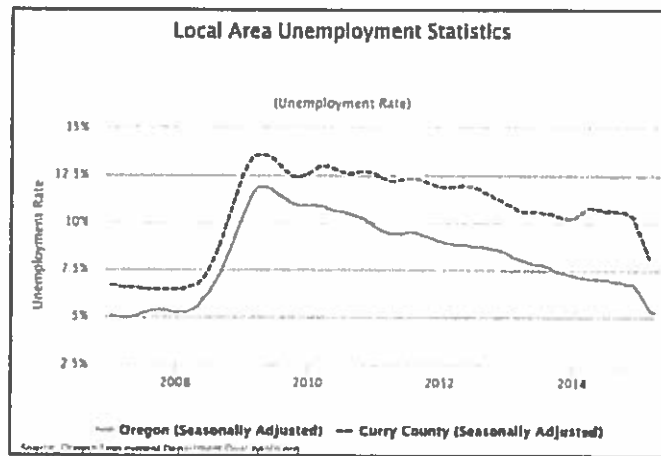
As of 2015, moderate economic expansion is occurring nationally and in Oregon. According to the U.S. Bureau of Economic Analysis, real gross domestic product (GDP) – the measure of the value of all goods and services produced annually – increased by 2.4 percent during 2014, compared with an annual rate of 2.2 percent in 2013 and 2.3 percent in 2012.

The future GDP outlook for the United States is promising. According to recent projections by the Federal Reserve Open Market Committee, national real GDP is expected to grow between 2.1 percent and 3.1 percent in 2015 and between 2.2 percent and 3 percent in 2016.

3.4.2 Oregon and Curry County Overview

Oregon posted a year-over-year overall gain of 55,900 jobs between April 2014 and April 2015, which was an improvement over the prior year's gain of 44,800 jobs. During the same time, the state's seasonally adjusted unemployment rate continued to fall from 7 percent in April 2014 to 5.2 percent in April 2015 (slightly lower than the 5.4 percent unemployment rate for the United States).

As of March 2015, the unemployment rate in Curry County remained well above the Oregon average at 8.1 percent (see Figure 1) although, since 2012, the unemployment rate in Curry County has started to edge lower. It should be noted that Oregon and Curry County also experience a high level of underemployment, which is not reflected in these data trends.



Data provided by FCS GROUP

Figure 1 – Unemployment Rates in Oregon and Curry County

3.5 Port Facilities

The Port owns approximately 60 acres of marine property at the mouth of the Chetco River in Curry County. The Port operates and maintains a sport basin that accommodates approximately 375 recreational vessels and a commercial basin that accommodates approximately 250 vessels. In addition to the boat basins, Port facilities include receiving and fuel docks, ice house and cold storage facilities, a boatyard, a boardwalk, an RV park, and numerous commercial buildings (see Photo 2). A facilities assessment conducted on April 1-2, 2014, included a visual reconnaissance and reviewed available technical reports and drawings. The facilities condition assessment memorandum is included as Appendix C.



Photo 2 -- Marina Overview

The Port-owned Green Building is a 10,613-square foot, two-story, wood-framed structural shell that was built in 2003, but did not include any interior improvements. It has never been occupied, now has broken windows, and, according to Port staff, would require substantial upgrades in order to meet current building and fire codes. The Port continues to evaluate options for improving and utilizing the building for commercial lease space. According to a 2013 inspection report, the building would require just over \$1 million in improvements to gain occupancy.

4.0 DEFINING THE PROBLEM AND OPPORTUNITY

The following sections discuss demographic and market conditions within the Port district as well as potential target industries and development opportunities. A market analysis is included as Appendix D.³

4.1 District Population Profile

In 2015, Curry County's population was 22,355. Over the 2000 to 2015 timeframe, the average annual population growth rate for the County was well below the statewide average (see Table 1).

Table 1 – Population Trends

	2000 Census	2010 Census	2014 PSU	Annual Growth Rate	
				2000-2010	2010-2014
Curry County	21,137	22,364	22,355	0.6%	-0.0%
Brookings	5,447	6,336	6,535	1.5%	0.8%
Gold Beach	1,897	2,253	2,275	1.7%	0.2%
Port Orford	1,155	1,133	1,135	-0.2%	0.0%
Oregon	3,421,399	3,831,074	3,962,710	1.1%	0.8%

Source: 2000, 2010 U.S. Census; Portland State University (PSU) College of Urban and Public Affairs Annual Population Estimates (data provided by FCS GROUP).

The Oregon Office of Economic Analysis (OEA) expects moderate population growth in Curry County for years to come. As shown in Table 2, Curry County is projected to add 2,119 people between 2015 and 2030. This level of population growth would be expected to support about 815 new dwelling units in Curry County (assumes current Census average of 2.6 persons per household). These housing demand forecasts do not include the additional demand that could be created by seasonal (second home) investments.

Table 2 – Population Trends in Oregon and Curry County

	2015 OEA	2020 OEA	2025 OEA	2030 OEA	Annual Growth Rate 2015-2030
Curry County	22,321	23,087	23,854	24,440	0.6%
Oregon	4,001,600	4,252,100	4,516,200	4,768,000	1.2%

Source: Office of Economic Analysis, Department of Administrative Services, State of Oregon Forecasts of Oregon's County Populations and Components of Change, 2010-2050 (data provided by FCS GROUP).

4.2 District Income Profile

In spite of two national economic recessions, income levels within Curry County have increased over the past decade. In 2013, the median household income level for the County was approximately \$37,469, up from \$30,117 in 1999. The median income level in Curry County is about 24 percent lower than the Oregon statewide average. This income disparity has not changed much over the past decade (Table 3).

³ Information contained in section 4.0 provided by FCS GROUP.

Table 3 – Income Trends In Curry County

Median Household Income	1999	2013	Annual Growth Rate
Coos County	\$31,542	\$37,491	1.2%
Curry County	\$30,117	\$37,469	1.6%
Oregon	\$40,916	\$49,260	1.3%
Washington	\$45,777	\$57,244	1.6%
Per Capita Income			
Coos County	\$17,547	\$22,239	1.7%
Curry County	\$18,138	\$23,972	2.0%
Oregon	\$20,940	\$26,809	1.8%
Washington	\$22,973	\$30,742	2.1%

Source: 2000 U.S. Census (1999 dollars) and 2009-2013 ACS (2013 dollars), (data provided by FCS GROUP).

4.3 Employment Forecasts

According to the Oregon Employment Department (OED), in 2014, Curry County had 6,060 jobs covered by unemployment insurance. The current level of employment is down from the recent peak of 7,110 jobs in 2005. The employment sectors in Curry County that grew the fastest between 2010 and 2013 were mining and logging, education and health services, and manufacturing (see Table 4 and Table 5).

Table 4 – Non-Farm Employment Trends by Sector In Curry County

	2001	2006	2010	2015	Annual Growth Rate 2010-2015	
					Change	Percentage
Industrial Trades*	1,420	1,660	1,240	1,150	(90)	-1.50%
Retail Trade	1,080	1,070	970	910	(60)	-1.27%
Services	2,520	2,940	2,630	2,690	60	0.45%
Government	1,430	1,400	1,350	1,290	(60)	-0.91%
Total	6,450	7,070	6,190	6,040	(150)	-0.49%

*Includes construction, manufacturing, wholesale trade, transportation, utilities and mining/logging businesses.

Note: Employment includes workers "covered" by unemployment insurance.

Source: OED; compiled by FCS GROUP.

Table 5 – Curry County Employment Trends by Sector

Sector	2001	2006	2010	2015	Annual Growth Rate 2010-2015	
					Change	Percentage
Total Nonfarm Employment	6,450	7,070	6,190	5,790	(400)	-1.33%
Total Private	5,020	5,670	4,840	4,500	(340)	-1.45%
Mining and Logging	170	150	100	120	20	3.71%
Construction	390	660	390	270	(120)	-7.09%
Manufacturing	660	640	540	580	40	1.44%
Wood product manufacturing	480	480	380	410	30	1.53%

Sector	2001	2006	2010	2015	Annual Growth Rate 2010-2015	
					Change	Percentage
Trade, Transportation, & Utilities	1,280	1,280	1,180	1,090	(90)	-1.57%
Retail trade	1,080	1,070	970	910	(60)	-1.27%
Information	140	100	80	60	(20)	-5.59%
Financial Activities	300	490	410	330	(80)	-4.25%
Professional & Business Services	320	400	430	320	(110)	-5.74%
Educational & Health Services	540	630	570	680	110	3.59%
Healthcare	430	510	480	560	80	3.13%
Leisure & Hospitality	1,030	1,130	990	900	(90)	-1.89%
Arts, entertainment, and recreation	80	60	50	40	(10)	-4.36%
Accommodation & food services	960	1,070	940	860	(80)	-1.76%
Other Services	190	190	170	150	(20)	-2.47%
Government	1,430	1,400	1,350	1,290	(60)	-0.91%
Federal Government	130	100	110	70	(40)	-8.64%
State Government	270	250	220	180	(40)	-3.93%
Local Government	1,030	1,060	1,030	1,040	10	0.19%
Local education	-	440	400	370	(30)	-1.55%
Local gov. excluding educational service	-	610	630	670	40	1.24%

Source: OED, compiled by FCS GROUP.

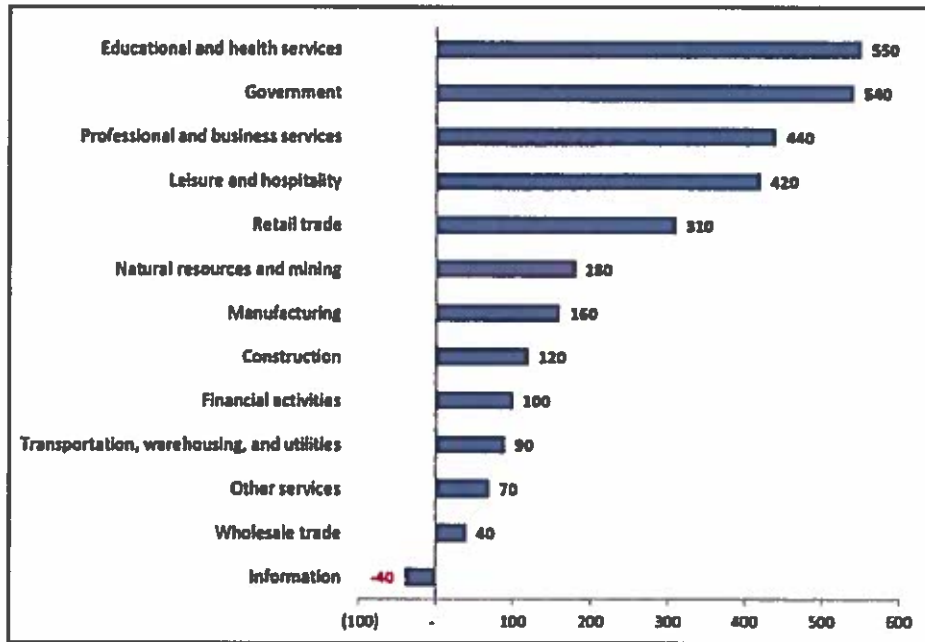
Table 6 identifies the top employers within the Port district as of 2012.

Table 6 -Top Employers in Port District, 2012

Name	Location	Employment
Pacific Wood Laminates Inc.	Brookings	250 to 300
Kroger Group Cooperative Inc.	Brookings	200 to 250
Curry Health District	Brookings	150 to 200
Tidewater Contractors Inc.	Brookings	100 to 150
C & K Market, Inc.	Brookings	100 to 150
South Coast Lumber Co.	Brookings	50 to 100
Brookings-Harbor High School	Brookings	50 to 100
Good Samaritan Soc-Curry Village	Brookings	50 to 100
Kalmiopsis Elementary School	Brookings	50 to 100
Sea View Senior Living Community	Brookings	50 to 100

Source: Port of Brookings Harbor and FCS GROUP.

The OED forecasts an 11 percent increase in employment in the South Coast region (Coos and Curry counties) over the 2010 to 2020 period. A net increase of 2,980 jobs is forecast over the next 10 years. The largest increases in job growth are expected in education and health services and professional and business services. Sectors gaining jobs also include leisure and hospitality (hotels, motels and restaurants), retail trade, natural resources (farming, fishing, aquaculture, and mining), and manufacturing (see Figure 2).



Note: Fisheries are included in natural resource and mining category, seafood processing is included in manufacturing, wholesale trade, and/or warehousing.

Source: OED, region includes coos and Curry counties (data provided by FCS GROUP).

Figure 2 –Employment Forecast for South Coast Region, 2010–2020

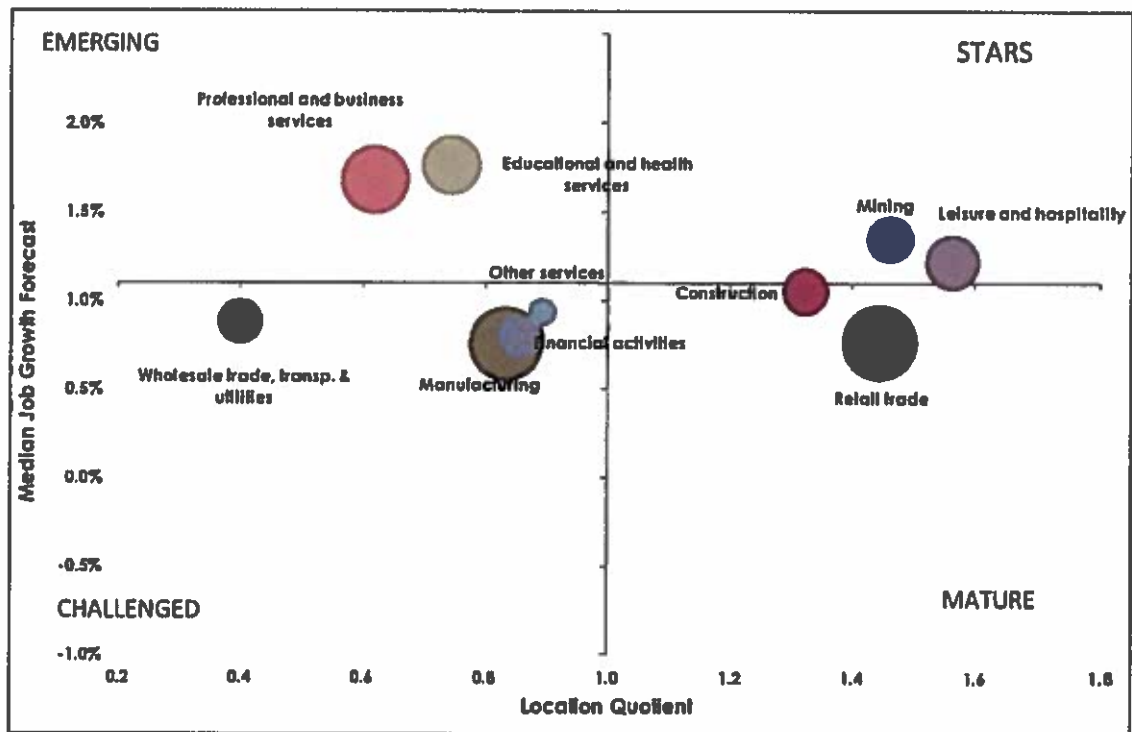
4.4 Industry Cluster Analysis

FCS GROUP prepared an employment clusters analysis for Curry County based on growth projections for the South Coast region to identify existing and emerging industry market opportunities. Most economic development professionals agree that employment clusters are the primary force driving local economic currents and business location decisions. Clusters of economic activity go well beyond mere concentrations of industry or employment types. They represent unique competitive market advantages with regard to employment, work force, creativity, entrepreneurship, business costs, and supporting natural resources.

The employment clusters analysis helped identify potential industry sector candidates and entailed:

1. Obtaining 2012 employment security wage and salary employment data from OED for Curry County and Oregon;
2. Conducting a location-quotient (LQ) analysis to evaluate business and industrial clusters in Curry County relative to the state; and
3. Evaluating business clusters within the Port area with regard to their LQ, projected growth rates, economic size, and average and aggregate wages.

The employment cluster analysis is summarized in Figure 3, which shows business and industrial sectors by their LQ, size (aggregate wages paid annually), and 10-year growth forecast (derived from OED information).



Source: FCS GROUP based on OED data.

Figure 3 – Employment Clusters in Curry County, 2012

FCS GROUP sorted business clusters into four classifications.

- **Stars** – includes businesses with high LQ (propensity to locate in the region) and higher than average projected growth rate compared to other locations in Oregon. Business types include:
 - Leisure and hospitality (resorts, hotels, motels, restaurants)

- Natural resources and mining
- **Opportunities** – includes businesses with low LQ and high average growth rates (possible pent-up demand or emerging cluster). Business types include:
 - Education and health services
 - Business and professional services
- **Mature** – includes businesses with high LQ but lower than average growth rates. Business types include:
 - Retail trade
 - Construction
- **Challenged** – includes businesses with low LQ and lower than average growth rates. Business types include:
 - Financial services
 - Manufacturing
 - Wholesale trade, transportation, and utilities
 - Other miscellaneous services

4.5 Target Markets

The industrial clusters within the Port district that appear most viable for long-term expansion are based on an analysis of existing enterprises that are already concentrated in the region. Potential target market opportunities for the Port include:

- Commercial fishing
- Seafood product storage and preparation
- Specialty manufacturing
- Marine research (possibly in conjunction with Southwest Oregon Community College)
- Retail (general merchandise, clothing, shoes, electronics, etc.)
- Automotive-related retail (fuel sales and auto care)

4.6 Development Potential

FCS GROUP evaluated two long-term employment growth forecasts for the South Coast region. It is anticipated that the Port would have some responsibility in addressing most of the potential light industrial demand and perhaps a portion of the retail demand required to serve this regional need. The Port may also consider a role in developing sites for commercial development to meet local needs.

The average annual growth rate forecasts have been applied to current employment estimates using 2012 as the base year to derive a future 20-year job growth forecast. The growth forecast scenarios include:

- **Scenario 1:** Low forecast is based on the extrapolated OED 2010–2020 job growth forecast for employment sectors in Coos and Curry counties, and a slightly lower growth rate for service sector businesses.
- **Scenario 2:** Upper forecast is generally consistent with the OED forecast for service and government jobs, but assumes a slightly higher retail and industrial growth rates.

Based on these two growth scenarios, the South Coast region is expected to add between 6,440 and 7,457 private jobs and about 1,090 government jobs over the next 20 years. The employment sectors that are expected to generate the most job growth in the South Coast region over the next 20 years include:

- Industrial (1,241 to 2,003 jobs)
- Retail trade (751 to 1,005 jobs)
- Services (3,206 to 4,448 jobs)
- Government (1,093 +/- jobs)

The forecasted lower and upper levels of development potential for the Port are shown in Table 7. The identified market supportable development program for the Port district includes the following:

- Industrial (20,000 to 64,000 square feet of floor area)
 - Potential frozen storage/warehouse
 - Potential buildings for seafood processing,
 - Potential flex buildings for specialty manufacturing
- Retail (23,000 to 40,000 square feet of floor area)
 - Medium general merchandise establishment
 - Possible auto-related services
- Services (58,000 to 103,000 square feet of floor area)
 - Possible new hotel/motel
 - Possible research and development office

Table 7 –Projected Private Employment Land Need - 20 year Forecast

Lower-Growth Forecast						
Job/Use Type	20-Year Forecast Job Growth ¹	Jobs/Acre ³	Building Floor Area/Job ²	20-Year Land Need (net acres)	Building Floor Area Need	Percentage Capture of South Coast Region
General Industrial/flex	25	14	800	2	20,000	2%
Retail trade	45	18	500	3	23,000	6%
Services	192	38	300	5	58,000	6%
Total	262			9	101,000	

Upper-Growth Forecast						
Job/Use Type	20-Year Forecast Job Growth ²	Jobs/Acre ³	Building Floor Area/Job ³	20-Year Land Need (net acres)	Building Floor Area Need	Percentage Capture of South Coast Region
General industrial/flex	80	14	800	6	64,000	4%
Retail trade	80	18	500	4	40,000	8%
Services	343	38	300	9	103,000	8%
Total	504			19	207,000	

Notes:

¹Derived from lower-growth forecast for private "covered" employment in south coast region (includes Coos and Curry Counties). Assumes 10-percent work at home adjustment for service jobs.

²Derived from upper-growth forecast for private "covered" employment in south coast region (includes Coos and Curry Counties). Assumes 10-percent work at home adjustment for service jobs.

³Assumptions for job densities reflect "covered jobs" and are generally consistent with Oregon Department of Land Conservation and Development, Industrial and Other Employment Land Analysis Handbook, 2001.

Source: FCS GROUP based on assumptions provided above.

5.0 POLICY CONTEXT AND SITUATIONAL ANALYSIS

5.1 Curry County

The approximately 60 acres of marine and related property owned by the Port are located south of the City of Brookings, within the urban growth boundary (UGB) and governed by Curry County land use laws. The Port's economic development opportunities are affected by the County's Comprehensive Plan and Zoning Ordinance. The County's comprehensive plan identifies goals and policies consistent with the requirements of Oregon Statewide Planning Goals.

5.2 Zoning

The Port owns property in two Curry County zoning designations, Light Commercial (C-1) and Industrial (I). Table 8 and Table 9 are overviews of the uses allowed in the commercial and industrial zones (see Appendix B for a Curry County zoning map).

Table 8 - Allowed Commercial Uses

Light Commercial (C-1) Uses	Permitted	Conditional
Multiple-family dwelling	X	
Hotel or motel	X	
Dinner-entertainment club, lounge or tavern	X	
Hospital, sanitarium, medical or dental clinic	X	
Retail or service establishment of a light commercial character and conducted within a building which will not be detrimental or obnoxious to the neighborhood in which it is to be located.	X	
Recreational vehicle trailer park/rural or urban, or campground	X	
Church, school or community building for public or non-profit organizational use.	X	
Single family dwelling or manufactured home		X

Light Commercial (C-1) Uses	Permitted	Conditional
Trailer, camping or recreational vehicle temporarily used as a residence during construction of a permitted use or to temporarily provide watchman security for material that cannot be reasonably stored in an established commercial storage facility.		X
One manufactured home in conjunction with an existing dwelling as a temporary use for the term of a hardship suffered by the existing resident or a relative of the resident.		X
Television, microwave, and radio communication facilities and transmission antenna towers.		X
Utility facilities necessary for public service, (e.g. fire stations, utility substations, parks for public use, etc.) except commercial facilities for the purpose of generating power of public use by sale.		X
Planned Unit Development restricted to the uses and dwelling density allowed by the zone.		X
Automobile service station		X
Repair garage provided there is no outside storage of vehicles or equipment being repaired.		X
Marine or automotive sales, service, or storage		X

Table 9 – Allowed Industrial Uses

Industrial (I) Uses	Permitted	Conditional
Retail and service establishment, including outside storage of heavy equipment	X	
Automobile or truck service station	X	
Building material storage	X	
Plumbing, electrical, or paint contractor's storage, repair or sales shop	X	
Tire retreading or vulcanizing shop	X	
Wholesale trucking and storage establishment	X	
Machine shop	X	
Manufacturing, processing, assembling or fabricating plants, but not including processing facilities for the processing of offshore oil, gas, or marine resources	X	
Single family dwelling or manufactured home which is subordinate and accessory to a permitted use		X
Trailer, camping or recreational vehicle temporarily used as a residence during construction of a permitted use or to temporarily provide watchman security for material that cannot be reasonably stored in an established commercial storage facility		X
One manufactured home in conjunction with an existing dwelling as a temporary use for the term of a hardship suffered by the existing resident or a relative of the resident.		X
Television, microwave, and radio communication facilities and transmission antenna towers.		X
Utility facilities necessary for public service, (e.g. fire stations, utility substations, parks for public use, etc.) except		X

Industrial (I) Uses	Permitted	Conditional
commercial facilities for the purpose of generating power of public use by sale.		
Junkyard, automobile wrecking yard, or scrap metal yard which must comply with all relevant requirements of ORS Chapters 377 and 822.		X
Rendering plant or slaughterhouse		X
Pulp or paper mill		X
Quarry, gravel pit, subsurface or surface mining, including crushing, screening, or washing of extracted materials.		X
Commercial feed lot or stock yard		X
Cement or asphalt plant		X
Airport or heliport		X

5.3 Statewide Planning Goals

Projects planned by the Port must comply with the Oregon Statewide Planning Goals. The goals that most influence Port policies and development potential are Goal 8 – Recreation; Goal 9 – Economy; Goal 11 – Public Facilities; Goal 12 – Transportation; Goal 17 – Coastal Shorelands, Beaches and Dune Areas, and Goal 19 – Ocean Resources. A summary follows of the statewide planning goals that are most applicable to the Port’s planning efforts.

5.3.1 Statewide Planning 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.

Oregon requires local jurisdictions to maintain a 20-year supply of employment lands suitable to meet the needs of existing businesses and industries likely to relocate to the area during the planning horizon. The City of Brookings completed an economic opportunities analysis (EOA) in 2009. The EOA estimated a need for approximately 66 acres of commercial land, with a land area of less than 1 acre for most of the 67 commercial sites needed. The EOA estimated approximately 43 acres of industrial land, with a land area of less than 2 acres for most of the 30 industrial sites needed. The EOA found that the current urban growth boundary (UGB) is suitable to supply the needed employment land through the year 2029.

The Port’s existing land ownership is entirely within Brookings’ UGB. In conjunction with the development of this strategic business plan, FCS GROUP completed a market analysis (see Appendix D) that identified 20-year employment growth forecasts for the South Coast region. As noted in section 4.6, the Port is positioned to meet most of the light industrial demand and a portion of the retail demand to serve the regional need. The capital facilities plan in section 6.1 identifies Port project opportunities to address this regional need.

5.3.2 Statewide Planning Goal 12 – Transportation

To provide and encourage a safe, convenient and economic transportation system.

Oregon requires local jurisdictions to complete transportation system plans. The City of Brookings and the County have completed transportation system plans, which include projects within the Port district. The following improvement options were evaluated in the County transportation system plan (TSP):

- Improve east-west connection between the South Coast and I-5;
- Develop alternative routes to U.S. 101 for when the highway is closed;
- Improve the intersection of Benham Lane and Ocean View Drive in Harbor;⁴
- Improve the intersection of Lower Harbor Road and Shopping Center Road at the entrance to the Port; and
- Implement transportation demand management strategies.

The project from the County TSP list above that affects the Port most directly is the option to improve the intersection of Lower Harbor Road and Shopping Center Road at the entrance to the Port. The transportation system plan recommends maintaining the existing two-way stop control at this intersection because signal or all-way stop control warrants, as identified in the *Manual on Uniform Traffic Control Devices*, could not be met. Through the process of developing this strategic business plan, the Port identified this intersection as a Port entryway. Future improvements are not anticipated to affect traffic movements, but instead, as shown in the concept plan in Figure 4, the Port will provide signage and/or other aesthetic features to create a sense of arrival.

The Port owns and maintains commercial and recreation marine facilities. As noted in the facilities condition assessment included as Appendix C, these marine facilities are generally in fair to good condition. One dock in the Sport Basin and four docks in the Commercial Basin were rebuilt in 2012 as a result of damage sustained during the 2011 tsunami. Additional improvements needed for marine facilities are noted on the concept plan (Figure 4) and the boatyard relocation plan (Figure 5).

5.3.3 Statewide Planning Goal 17 – Coastal Shorelands

To conserve, protect, where appropriate, develop and where appropriate restore the resources and benefits of all coastal shorelands, recognizing their value for protection and maintenance of water quality, fish and wildlife habitat, water-dependent uses, economic resources and recreation and aesthetics. The management of these shoreland areas shall be compatible with the characteristics of the adjacent coastal waters; and

To reduce the hazard to human life and property, and the adverse effects upon water quality and fish and wildlife habitat, resulting from the use and enjoyment of Oregon's coastal shorelands.

⁴ Harbor is an unincorporated community that generally includes the Port area.

The Port maintains water-dependent uses at the mouth of the Chetco River, adjacent to the Pacific Ocean. This strategic business plan identifies facility improvements to support the continued use of the Port's water-dependent property. Improvements include:

- Boatyard relocation plan
- Receiving dock upgrades and fish processing facility
- Commercial marina expansion
- Ongoing dredging

The capital facilities plan in section 6.1 includes planning-level cost estimates and additional details. All future development activities affecting coastal shorelands will meet Goal 17 policies.

5.3.4 Statewide Planning Goal 19 – Ocean Resources

To conserve marine resources and ecological functions for the purpose of providing long-term ecological, economic, and social value and benefits to future generations.

The Port is an Oregon Marine Board-certified clean marina and maintains operational policies to protect ocean resources. The Port follows all applicable local, state, and federal environmental policies, and future development activities on Port property must be evaluated for their compliance with Goal 19. Additional environmental policies and procedures are identified in the environmental plan in section 6.4.

5.4 Statewide Port Strategic Business Plan

This Port of Brookings Harbor strategic business plan meets the requirements of the state template included in the statewide ports plan, *Ports 2010: A New Strategic Business Plan for Oregon's Ports*. The development of this strategic business plan is intended to meet the recommendations of the state plan and was partially funded by Business Oregon's Infrastructure Finance Authority.

5.5 Local and Regional Plans

To implement this strategic business plan successfully, the Port must coordinate with local and regional planning efforts. Table 10 lists local and regional plans that affect the Port.

Table 10 – Local and Regional Plans

Local Plans	Relevance to Port Strategic Business Plan
Curry County Transportation System Plan	Supports regional transportation improvements; adopted in May 2005; 20-year planning horizon.
Curry County Comprehensive Plan	Guides land use and development; updated through 2009.
Curry County Zoning Ordinance	Implements zoning and development codes in unincorporated areas of Curry County (see section 5.2).

Local Plans	Relevance to Port Strategic Business Plan
City of Brookings Economic Opportunities Analysis	Developed to meet Statewide Planning Goal 9 (Economic Development); includes an analysis of commercial and industrial land needs and supply in the City and the UGB.
City of Brookings Transportation System Plan Update	Update of City transportation system plan scheduled for completion in June 2015.
City of Brookings Comprehensive Plan	Addresses land use and development in City and UGB; Port is in City UGB.
Public Facilities Plan for Urban Growth Expansion: Brookings and Harbor Study Areas, updated 2008.	Identifies public facility needs in City and UGB.
Storm and Surface Water Facilities Plan for Brookings Harbor Area, 2007.	Developed as supplemental section to Public Facilities Plan.
City of Brookings Parks Master Plan, updated 2011.	Identifies capital improvements for existing park facilities and future park facilities needed throughout community; analysis includes Port-owned facilities.
Harbor Area Transportation System Refinement Plan, 2009.	Developed to address transportation issues south of Chetco River within Brookings UGB. This area includes the Port and is generally described as Harbor.
Regional Plans	Relevance to Port Strategic Business Plan
Dredge Equipment Operational Analysis and Business Plan	Port is coordinating with other southern Oregon ports on developing dredging operational analysis (see section 5.5 above).
U.S. 101 Corridor Plan	Developed to explore necessary improvements, including pedestrian and bicycle facilities; study area extends from southern edge of City to Oregon/California border; estimated completion: summer 2014.
Economic Benefits of Oregon Public Ports	Developed in 2013/2014 to analyze regional economic benefits of Oregon ports and port-related businesses (see section 5.6 above).

5.6 Dredging Analysis

In 2014, Coast & Harbor Engineering (CHE), in association with BergerABAM, was hired by the Oregon Infrastructure Finance Authority to evaluate the feasibility of an Oregon State-funded purchase of dredging equipment to serve seven ports along the Oregon coast (Port of Siuslaw, Port of Umpqua [Salmon Harbor Marina], Oregon International Port of Coos Bay [Charleston Marina Complex and Boatyard], Port of Bandon, Port of Port Orford, Port of Gold Beach, and Port of Brookings Harbor). A summary of CHE's analysis, *Dredge Equipment Operational Analysis and Business Plan Technical Report*, is included in Appendix E. Details related to the Port of Brookings Harbor's dredge requirements are summarized in the tables below.

Table 11 – Port of Brookings Harbor Dredging Requirements

Dredge Location	Annual Maintenance Dredging Volume (cubic yards)	Sediment Type	In-Water Work Windows	Permit Summary
Port of Brookings Harbor Marina	7,200	Silty sand and sandy silt (silt)	<ul style="list-style-type: none"> Department of State Lands (DSL) Permit (October 1 to May 31) U.S. Army Corps of Engineers (USACE) Permit (November 15 to February 15) 	<ul style="list-style-type: none"> USACE permit expires in 2015 DSL permit expires in 2015

Table 12 – Port of Brookings Harbor Disposal Sites

Dredge Location	Distance to In-Water Disposal Site (miles)	Available Disposal Sites	Disposal Method
Port of Brookings Harbor Marina	0.9	<ul style="list-style-type: none"> Chetco River Ocean Dredged Material Disposal Site offshore site located southwest of the entrance to the Chetco River, 1,800 by 1,800 feet with an average depth of 70 feet. A nearshore deposition site lies in close proximity to the beach. Boat basin dredged material must be placed in the offshore site. 	Hydraulic and clamshell

In order to serve the dredging requirements of each of the seven study ports, CHE evaluated three dredge equipment alternatives. Based on the technical requirements, as well as operational costs, dredge equipment purchase cost, and production rates, a 12-inch hydraulic cutterhead dredge 370 HP with a discharge pipeline of 12 inches and an 8-inch Toyo pump dredge were selected as the preferred alternative to meet the needs of each of the study ports. Considering the operational costs and ownership cost of the preferred dredge equipment alternative, the report concluded that the cost per cubic yard of dredged material for an annual maintenance dredging volume of 63,000 cubic yards would be approximately \$7.20 per cubic yard. The study did not take into account mitigation costs that might be associated with securing dredging permits or costs associated with securing or retaining upland disposal sites.

As a follow up to CHE's report, FCS GROUP completed a financial analysis to evaluate the ability of individual ports to contribute to the cost of annual maintenance dredging (Appendix F). This analysis recommends that the Port of Brookings Harbor contribute 15 percent of general fund ending fund balances to a Dredging Maintenance Reserve Fund to support dredging activities. This recommendation is included in the Port's Financial Plan (see section 6.3 and Appendix G, Financial Plan).

5.7 Economic Benefits Analysis

FCS GROUP analyzed the regional economic benefits of the Port of Brookings Harbor and its Port-related businesses as part of a statewide study: *The Economic Benefits of Oregon Ports, March 2014* (managed by Business Oregon Infrastructure Finance Authority). The economic analysis concluded that periodic channel dredging at the inlet and within the marina harbor area is critical to the local and regional economies along the South Coast and has measurable economic benefits at the local, regional, state, and national levels. At least 54 existing businesses are directly affected by dredging and related visitation activities. These local businesses support 860 jobs (including 706 direct jobs and 154 indirect/induced jobs). The permanent annual economic impact of the Port includes the following annual benefits:

- Total Port-related Oregon employment of 860 jobs (706 direct and 154 indirect/induced)
- Oregon output (gross sales) of nearly \$67.9 million (\$40.9 million direct and \$27.0 million indirect/induced)
- Oregon GRP of \$39.4 million (\$22.65 million direct and \$16.78 million indirect/induced)
- Oregon labor income of \$23.93 million (\$12.89 million direct and \$11.05 million indirect/induced)
- Annual local and Oregon tax revenue/payments of \$4.21 million (\$1.26 million in local and \$2.95 million in state tax revenues)
- Annual federal tax revenue/payments by Oregon enterprises and employees of \$5.12 million⁵

5.8 Local and Regional Partners

Collaboration and coordination with strategic partners enable the Port to leverage its resources and fulfill its mission. Maintaining relationships with the following public and private entities is key to the Port successfully managing its assets.

- Curry County
- City of Brookings
- Brookings Harbor Chamber of Commerce
- Commercial Fishing Industry
- Southwest Oregon Community College
- South Coast Ports Coalition
- Oregon Coastal Caucus
- Special Districts Association of Oregon
- Oregon Public Ports Association
- Ports of Gold Beach, Port Orford, Bandon and Coos Bay
- Oregon Marine Board

⁵ Information in section 5.9 provided by FCS GROUP.

- South Coast Watershed Council
- Southern Oregon Visitors Association

5.9 Identify Strengths, Weaknesses, Opportunities, and Threats

BergerABAM facilitated a strengths, weaknesses, opportunities, and threats (SWOT) analysis in conjunction with the kickoff meeting for the development of this plan. The SWOT analysis included Port Commissioners and staff. Table 13 is an overview of the SWOT analysis and Appendix A contains a full summary.

Table 13 – SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Safe harbor/bar • Quality of life - remote location • Schools • Communication infrastructure - fiber redundancy • Vocational training for high school students through local businesses and in partnership with Southwest Oregon Community College • Climate/geography/location • Proximity to California markets - central West Coast location 	<ul style="list-style-type: none"> • Transportation infrastructure • Labor pool - unskilled workers • Lack of worker training and substance abuse intervention • Youth population decline
Opportunities	Threats
<ul style="list-style-type: none"> • Port and Southwest Oregon Community College partnership • Capture value of products crossing the docks • Commercial fish processing • Private cold storage operator • Market rate for leases • Kite field • Commercial boat basin expansion • Oregon Marine Board grants • Marketing and promotion of sustainable fisheries • Pedestrian infrastructure • Rebuilding of dock at Eureka fisheries site • Improved operating efficiencies and policy enforcement • Workforce training 	<ul style="list-style-type: none"> • Low lease rates that do not support maintenance costs • Lack of infrastructure to support larger vessels • Fishing regulations • Grant stipulations of RV park (stipulations should be researched for potential change) • Remoteness - substandard healthcare and services • Poor stormwater drainage infrastructure

6.0 STRATEGIC BUSINESS PLAN

The state template identifies five elements that must be included in a local Oregon port strategic business plan. The following sections identify the Port's goals and policies related to capital improvements, management, finance, environment, and marketing. These goals and policies will help guide the Port's economic development activities over the 20-year planning horizon.

6.1 Capital Facilities Plan. The Port has identified short-, mid-, and long-term capital improvement projects to facilitate the continued success of its operations and facilities. Table 14 lists potential projects, their timeframes, and planning level cost estimates for them.

Table 14 - Capital Improvement Plan

		Capital Improvements	2019 Cost Estimates	Timeline	2020 Priority	Fund Source	Priority Project Category
1	Fuel Dock Access Pad Replacement, Fuel Tank Site Restoration, Transient and Work Dock Repairs	Reconstruct marine fuel dock station & repair docks	\$600,000	2019-20	Extreme	State Lottery - Port	Commercial / Marina facility upgrade
2	Basin 2 Embankment Repair - Reconstruction	Repair slopes to original conditions	\$775,000 to \$1,500,000	2021-22	Extreme	FEMA - HMAP - Port / Business Oregon	2019 Storm related damage
3	Basins 1 and 2 Dredging	Basins 1 and 2 dredging	\$1,000,000 to \$1,700,000	2021-22	Extreme	FEMA - HMAP - Port / Business Oregon	2019 Storm related damage
4	RV Park Facility Improvements	Demolish existing restroom shower facility, laundromat foundation; construct new laundromat, showers and restroom; construct new pull-thru sites & upgrade electrical	\$700,000	2020-21	Extreme	Port Private Bank Loan	Recreation improvements / public amenities
5	Wastewater Treatment Plant	Construct wastewater treatment plant for Port industrial and commercial facilities	\$2,225,000 to \$5,000,000	2023	High	USDA Rural Grant / Port / Curry County / Grants	Commercial facility upgrade
6	Stormwater Drainage and Paving Zones 1 Commercial Storage Area	Stormwater improvements; grading, paving and curbs	\$2,500,000	2025	High	NHMP - PDM / Port	Commercial facility upgrade
7	Receiving Docks	Demolish existing timber docks and concrete bulkhead; construct new concrete docks; install concrete pavement; install storm drainage facilities.	\$2,500,000	2025	High	NHMP - PDM / Port	Commercial facility upgrade
8	Stormwater Drainage and Paving Basin 2 East Parking Area	Stormwater improvements; grind / overlay parking lot; curbs; striping	\$1,000,000	2025	Medium	NHMP - PDM / Port	Commercial facility upgrade / public amenities
9	Stormwater Drainage and Paving Basin 2 West Parking Lot and RV Park	Stormwater improvements; grind / overlay parking lot; curbs; striping	\$1,000,000	2026	Medium	NHMP - PDM / Port	Commercial facility upgrade / public amenities
10	Green Building Area	Develop site for covered storage units for all types of equipment, gear, vessels, vehicles, etc.	\$1,000,000	2026	Medium	Port	Commercial facility upgrade
11	RV Park Protection Wall	Install protective seawall	\$500,000	2026	Medium	NHMP - PDM / Port / Grant	Recreation improvements / public amenities
12	Boardwalk Expansion / Replacement	Repair / restore piling; secure slope; replace wood planks with concrete surface	\$292,500	2027	Medium	NHMP - PDM / Port	Marina facility upgrade / public amenities
13	Basin 2 Docks	Replace old docks from C thru H and N thru P; reconfigure spaces to accommodate larger vessel;	\$2,500,000	2030	Medium	Port - Grants	Commercial / Marina facility upgrade
14	Commercial Center Upgrade	Commercial building and site repairs or building third retail building	\$1,500,000	2030	Medium	Port - Grants	Commercial facility upgrade / public amenities
15	Development Potential of Port Bare Ground	Examine opportunity site for potential development - hotel / condo / business center		2030	Low	Port - Grants	Public-private partnership opportunity

Cost estimates are based on similar projects in other locations and are not based on detailed engineering plans or analysis. Final engineering and construction costs may vary.

6.1.1 Project Opportunities. Table 15 is an overview of the Port's capital improvement and opportunity projects, and includes brief project descriptions, existing zoning designation, and potential conflicts with land use and development regulations. Project locations are shown on the concept plan (Figure 4).

Table 15 - Project Opportunities

Table 14 Reference Number	Project and Description	Existing Zoning Designation	Potential Conflicts with Land Use and/or Development Regulations
1	Fuel Dock Access Pad Replacement, Fuel Tank Site Restoration, Transient and Work Dock Repairs	C-1	Permitted use; County, State and Federal permits needed for repairs and In-Water Work.
4	RV Park Facility Improvements - new restroom, laundry buildings, additional pull-thru sites and electrical upgrade	C-1	No zoning conflicts anticipated; County permits will be required
5	Port and/or Harbor Wastewater Treatment Plant	C-1	Zone change may be required; County, State and Federal permits needed for development and In-Water Work
7	Receiving Dock Upgrades - repair existing receiving docks and relocate Ice House	C-1	Permitted use; County, State and Federal permits needed for repairs and In-Water Work.
6, 8 - 10	Green Building & Gear Storage - stormwater drainage, utility relocation, street and paving improvements, self-storage units development	C-1 and I	No zoning conflicts anticipated; SHPO permits may be required; County permits will be required
12	Boardwalk Expansion / Repair - repair damage boardwalk and expand entire length of Basin 1 towards Zola's on the Water	C-1	Permitted use; County, State and Federal permits needed for repairs and In-Water Work.
14	Commercial / Retail / Event Center Expansion - build third building at existing retail facility, demolish and/or remove manufactured buildings	C-1	Retail and Service establishments are permitted uses; no conflicts anticipated; County permits will be required
15	Professional / Sheriff Substation / Port Offices - develop vacant land across Lower Harbor Road for business, County and Port offices	C-1	No zoning conflicts anticipated; County permits will be required
	Ongoing Dredging - initial dredging to be coordinated with FEMA, maintenance dredging coordinated with Business Oregon	C-1 and I	Permitted use; County, State and Federal permits needed for In-Water Work.

The Marine Activity (MA) zoning designation in Curry County would be a more appropriate zoning designation for the marina and support facilities. Permitted uses in the MA zone include, but are not limited to, boat launch and moorage facilities, marine fuel storage and sales, fish processing facilities, public watercraft access facilities, boat service, repair and storage, and dredging. A zone change request should be considered in conjunction with capital improvement projects that require other permits/approvals.

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- 1 Third Retail / Professional Building
- 2 Professional / Sheriff / Port Offices
- 3 Boardwalk Expansion
- 4 Public Parking / Boat Rinse / Playground
- 5 Self-Storage Buildings
- 6 Receiving Dock Upgrades / Relocate Ice House
- 7 Port Wastewater Treatment Plant
- 8 Boat Shop Relocation
- 9 Boat Yard Upgrade
- 10 Public – Private Partnership
- 11 RV Park Development/Improvements

--- Pedestrian Sidewalks



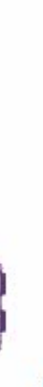
Round-Abouts Entryways



Roads / Utility Easements



Public / Private Partnership



Commercial / Marine Improvements



Facility Upgrades



RV Park Development/Improvements



Public Amenities



Port of Brookings Harbor – Project Opportunities
 Curry County, Oregon | Concept Plan – Figure 4 | July 2020

Map Summary

Completing the sidewalk along Lower Harbor Road would provide better public access and enhance the look for the Port and community.

Building internal roads would be essential for future development of Port property. The roads would allow for easements to contain the utility (water, power, sewer, gas, communication, etc.) infrastructure needed for the development and access to the new and existing facilities. The roads and utility infrastructure should be completed prior to any site developments in this area.

A round-about intersection could help with access into the boat launch parking lot and could provide a safer intersection. A new Port sign could be placed in the center of the round-about. This also would as fall in line with the original plan for a Port Entryway.

1 Third Retail / Professional Building

Keeping the original plan to expand the retail space with a third retail building, but this building could be designed to include a convention center with restaurants and retail space.

2 Professional / Sheriff / Port Offices

The land across Lower Harbor Road could be developed into professional offices, County Sheriff Substation and Port Office.

3 Boardwalk Expansion

Keeping the original plan for increasing public amenities. Repairing the existing boardwalk could be completed at the same time while extending the boardwalk to cover the entire Basin.

4 Public Parking / Boat Rinse / Playground

Existing Boat Shop would be relocated into the Boat Yard, see No. 8. Playground and picnic area could be installed for public amenities. Boat rinse facility could be relocated with additional public parking space. Approximately 2 acres.

5 Self-Storage Buildings

Self-Storage Buildings with a wide variety of uses. Boat/trailer, crab pots, RV's, etc. Area should also include crab pot cleaning and net repair area. Approximately 5.5 acres.

6

Receiving Dock Upgrades / Relocate Ice House

Receiving Dock Upgrades / Relocate Ice House – repair damaged receiving docks. Pave surfaces for employee parking, equipment gear staging and product transportation.

7

Port Wastewater Treatment Plant

In order for economic development to occur at the Port or in Harbor a wastewater treatment plant will be needed in Harbor. The location of this wastewater treatment plant is in an ideal location for the Port and/or Harbor. Filling in the barge area will require environmental offsets. Creating an ecosystem in that area for the effluent could be a possibility. Approximately 2.8 acres

8

Boat Shop Relocation

The Boat Shop from area No. 4 could be relocated in the existing boat yard. This would keep all boat work in one area of the Port and access would be ideal for customers.

9

Boat Yard Upgrade

Demolish existing warehouse and develop a new warehouse building that would encompass existing tenants and expand to house the Port travel lift and equipment. Housing of Port equipment would extend the life span tremendously. Paving roads, work areas and parking areas with proper stormwater drainage and treatment may be required under Clean Water Act. Rebuilding the travel lift ramp would also be needed.

10

Public – Private Partnership

This area is in prime location for development that could include RV Park expansion or hotel / resort. Approximately 2.3 acres

11

RV Park Development / Improvements

New restroom/shower and laundry building, nine new pull-thru sites and electrical upgrades are in the works for construction. Other improvements for additional restrooms, paving and seawall should be planned.

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6.2 Management Plan

Goal 1: Develop a management plan that enables Port Commissioners and staff to achieve the Port's mission and increase the economic development potential of the district.

Policy 1.1: Identify target businesses most likely to locate on Port property and pursue partnership opportunities with public and private entities that will leverage the Port's resources.

Strategy 1.1.1: Review standard lease rates and terms and develop rates and terms that will meet market demand and cover ongoing maintenance costs.

Strategy 1.1.2: Partner with private businesses to develop industrial/commercial facilities that meet market demand and provide greater economic development opportunities within the district.

Strategy 1.1.3: Develop policies that enable the Port to capture a greater percentage of revenue crossing the docks.

Strategy 1.1.4: Integrate the strategic business plan as a planning tool and review it annually in conjunction with budget meetings.

Policy 1.2: Port Commission members and staff will participate in inter-governmental forums related to target industry development.

Strategy 1.2.1: Continue to work with regional ports and state and federal agencies to support dredging and aids in navigation that enhance fisheries and support industries.

Strategy 1.2.2: Seek to support and diversify the existing fisheries industry, including support and processing facilities, boutique canneries, and new markets.

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

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

Strategy 2.1.1: Plan and budget for periodic training opportunities including those provided by the Special Districts Association of Oregon to allow Port Commissioners and staff to gain knowledge relevant to their positions.

Strategy 2.1.2: Encourage Commissioner and staff participation in professional organizations (e.g., Pacific Northwest Waterways Association, Oregon Public Port Association, Southwest Area Commission on Transportation, and Special Districts Association of Oregon).

Policy 2.2: Require all hoist/crane operators to obtain and maintain proper certifications.

Strategy 2.2.1: Plan and budget for certification programs and licensure.

6.3 Financial Plan

In conjunction with the development of this strategic plan, the consultant team prepared a financial plan. A summary of key recommended goals, policies, and strategies follows and the full financial plan is included as Appendix G.

Goal 1: Maintain Port operations while maximizing monies available to transfer out of the General Fund for capital projects.

Policy 1.1: Maintain a General Fund operating reserve of 90 days of expenditures in addition to any reserve required by debt covenants.

Strategy 1.1.1: Work with lending partners, particularly the Oregon Economic and Community Development Department and the Oregon Infrastructure Finance Authority, to restructure debts owed.

Strategy 1.1.2: Pursue public/private partnerships that result in long-term land lease or land sales revenue to generate positive revenue streams to support operations and debt service obligations.

Policy 1.2: Continue to charge rates and lease fees that recover 100 percent of the full cost of each service being provided.

Strategy 1.2.1: Perform a cost of service analysis and identify the level of cost recovery currently being achieved for each Port service.

Strategy 1.2.2: Ensure adequate fees are charged to support certified hoist/crane operators and to maintain ongoing certification and licensure.

Strategy 1.2.3: Study and potentially implement a tariff on the volume of seafood product landings to help strengthen operating revenues.

Policy 1.3 Support annual maintenance dredging in collaboration with the State and the South Coast Ports Coalition.

Strategy 1.3.1 Establish a Dredging Maintenance Reserve Fund.

Strategy 1.3.2 Contribute 15 percent of each year's General Fund ending fund balance to the Dredging Maintenance Reserve Fund.

6.4 Environmental Plan

Goal 1: Partner with local, regional, state, and federal agencies to meet environmental regulations for the Port's existing operations and future development.

Policy 1.1: The Port will work to maintain statutory environmental compliance for all operations on its property.

Strategy 1.1.1: Work with local representatives to address issues and engage community input as needed for special projects.

Strategy 1.1.2: Share resources, funds, and opportunities toward common goals and projects, as appropriate.

Strategy 1.1.3: Adopt best management practices and update as appropriate, based on Oregon Clean Marina guidelines.

6.5 Marketing Plan

Goal 1: Market the Port district, its services, assets, opportunities, innovations, and communities to local, regional, national, and international prospects and partners.

Policy 1.1: The Port will work to develop marketing materials that focus on the Port district and local community assets, resources, job opportunities, and land availability.

Strategy 1.1.1: Increase the Port's visibility and access with improved signage and gateway enhancements on Lower Harbor Road and Highway 101.

Strategy 1.1.2: Partner with local entities, such as the City of Brookings, the Brookings Harbor Chamber of Commerce, and Curry County to promote employment opportunities, tourism, and recreational amenities.

Strategy 1.1.3: Partner with district communities to ensure the promotion of distinct market advantages, assets, opportunities, and synergies in marketing efforts.

Strategy 1.1.4: Continue to market the Port's events and pursue additional promotional efforts such as greater social media marketing and event brochures for events, as appropriate.

Strategy 1.1.5: Create a distinct Port "brand" to promote recreational amenities, facilities, and events.

Strategy 1.1.6: Partner with the ports of Gold Beach and Port Orford to promote Curry County and create a regional brand that supports the commercial fishing industry and recreational opportunities.

Strategy 1.1.7: Continue to promote the Port to West Coast markets in Oregon, California, and where appropriate beyond to increase visitation, capture industrial users, and optimize facility use.

7.0 Implementation and Action Plan. The Port's strategic business plan is designed to be a working document and will require ongoing review and updates to complete the planned capital, marketing, and maintenance projects successfully. Table 17 sets out an action plan for the Port's identified short-, mid-, and long-term projects. This action plan will be updated annually.

Table 17 - Action Plan

Project		Timeline	Priority	Potential Funding Sources	Action Plan
1	Fuel Dock Access Pad Replacement and Restoration; Transient and Work Dock Repairs	1 - Year	Extreme	Business Oregon - Lottery Funds	Contractor selected, waiting for In-Water Work period Oct thru Feb to complete project
2	Basin 2 West, South and East Embankment Repair - Reconstruction	1 - Year	Extreme	FEMA - Port - Business Oregon	FEMA approval; Bid Package development, permitting requirements with County, State and Federal agencies
3	Basins 1 and 2 Dredging	1 - Year	Extreme	FEMA - Port - Business Oregon	FEMA Approval; Bid Package development, permitting requirements with County, State and Federal agencies
4	RV Park Facility Improvements	1 - Year	Extreme	Port Private Bank Loan	Bid Package development, permitting requirements with County, State and Federal agencies
5	Wastewater Treatment Plant	1 - 5 years	High	USDA Rural Grant / Port / Curry County / Grants	Identify funding sources for engineering and construction; obtaining permits from County, State and Federal agencies
6	Stormwater Drainage and Paving Commercial Storage Area (Infrastructure Upgrade)	1 - 5 Years	High	Port - Business Oregon	DEQ stormwater testing for 2-years; tests results will determine direction of Commercial Storage Area. Identify required permits, obtain cost estimates for project development
7	Receiving Docks	1 - 5 Years	High	Port - Private Investment - Business Oregon	Work with existing tenants and identify potential upgrades; obtaining permits from County, State and Federal agencies
8	Stormwater Drainage and Paving Basin 2 East Parking Area	1 - 5 Years	Medium	Port	Identify funding sources for engineering and construction
9	Stormwater Drainage and Paving Basin 2 West Parking Lot	1 - 5 Years	Medium	Port	Identify funding sources for engineering and construction
10	Stormwater Drainage and Paving RV Park	1 - 5 Years	Medium	Port	Identify funding sources for engineering and construction
11	Green Building Area	5 - 10 Years	Medium	Port - Business Oregon - Grant	Identify funding sources for engineering and construction; obtaining permits from County, State and Federal agencies
12	RV Park Protection Wall	5 - 10 Years	Medium	Port - Business Oregon - Grant	Identify funding sources for engineering and construction; obtaining permits from County, State and Federal agencies
13	Basin 2	5 - 10 Years	Medium	Port - Business Oregon - Grant	Identify funding sources for engineering and construction; obtaining permits from County, State and Federal agencies
14	Boardwalk Expansion / Replacement	5 - 10 Years	Medium	Port - Business Oregon - Grant	Identify funding sources for engineering and construction; obtaining permits from County, State and Federal agencies
15	Commercial Center Upgrade	5 - 10 Years	Low	Port - Business Oregon - Grant	Identify funding sources for engineering and construction; obtaining permits from County, State and Federal agencies
16	Development Potential of Port Bare Ground	5 - 10 Years	Low	Port - Private Investment - Business Oregon - Grants	Identify funding sources for engineering and construction; obtaining permits from County, State and Federal agencies

Additional potential grant sources include: the Department of Land Conservation and Development Technical Assistance Program, and Infrastructure Finance Authority Port Planning and Marketing Fund, the Economic Development Administration (EDA) Public Work and Economic Adjustment Program; EDA Planning and Technical Assistance Program; and the US Department of Transportation INFRA (Transportation Investment Generating Economic Recovery) grants. INFRA grants are highly competitive for road, rail, transit and port projects that achieve national objectives.

The Port of Brookings Harbor strategic business plan is presented for review and adoption by the Port Commission, with review and acceptance by the Oregon Business Development Department. Once adopted, the Port may request Oregon Ports Planning and Marketing funds for the projects discussed in the strategic business plan. The plan may be amended to accommodate changing conditions and new opportunities, and must be updated every 10 years, with a mid-point (5-year) review and annual updates for sub-plan components.

8.0 ATTACHMENTS AND EXHIBITS

**Port of Brookings Harbor
Strategic Business Plan
Curry County, Oregon**

**Appendix A
Meeting and Interview Summaries**

**Port of Brookings Harbor
Strategic Business Plan
Strengths, Weaknesses, Opportunities, and Threats, and
Stakeholder Interviews Summary**

The Port of Brookings Harbor is completing its 2014 Strategic Business Plan. This plan will be an update of previous planning efforts and will identify the Port's priority projects for the 20-year planning horizon, as well as capital improvements and financial, environmental, marketing, and management goals that will support those projects. As part of this effort, the Port's consultant, BergerABAM, completed a facilities site visit; conducted a strengths, weaknesses, opportunities and threats (SWOT) analysis; and held a series of stakeholder interviews with Port Commissioners, staff, tenants, and business leaders. Interviewers posed a total of 12 questions seeking to understand individual and organizational perspectives related to strategic planning goals and initiatives needed to enhance job creation in the region. The following provides an overview of the SWOT analysis and a summary of interview findings.

STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS

The following is a brief description and summary of discussion topics and bullet points generated during the SWOT.

Strengths – All agreed the Port has many strengths. The quality of life, natural setting, and climate in Brookings is unparalleled. Longtime residents, newcomers, and tourists from near and far identify these assets as key to their decisions to live, work, and/or play in Brookings. A safe bar crossing provides access to the Pacific Ocean for commercial and sport fishing. Business owners and employers do not find an abundance of skilled, motivated workers in the local workforce, but potential exists to expand vocational training for hard-working high school students. Their work ethic is reflected in the Brookings High School athletic programs, which are home to four recent state championships. Specific responses include:

- Safe harbor/bar, and central West Coast location
- Quality of life - remoteness
- Schools
- Communication infrastructure – fiber redundancy
- Vocational training through local businesses and in partnership with Southwest Oregon Community College (SWOCC) provide opportunities to hard working high school students
- Climate/geography/location
- Proximity to California markets

Weaknesses – The Port's primary challenges are related to its debt obligations, remote location, and lack of motivated, skilled workers. While the remote location is also considered a strength for the Port, the lack of transportation infrastructure available to move goods to larger markets

along the Interstate 5 corridor impacts costs and efficiency for businesses. The workforce challenges also impact the cost of doing business in Brookings and forces employers to look outside of the area to meet their employment needs. Workforce and the Port's debt obligations are also considered threats and are discussed further below. Specific weaknesses identified include:

- Transportation infrastructure
- Labor pool - unskilled workers and addiction problems
- Youth population decline

Threats – As described above, the greatest potential threats facing the Port are related to its debt obligations and unmotivated local workforce. The Port generates a substantial amount of revenue from its various business lines (approximately \$2 million annually), but its debt obligations hinder cash flow to fund key projects. Furthermore, low lease rates threaten the Port's ability to generate enough revenue to offset the expenses associated with marina and harbor maintenance. The local workforce is a challenge (and an opportunity) because without skilled, motivated labor, businesses are unable to grow. Many employers find that employees are unreliable and choose recreation (sport fishing, hunting, etc.) over work. Specific threats identified include:

- Low lease rates that do not support maintenance
- Lack of infrastructure to support larger vessels
- Fishing regulations
- Grant stipulations on RV park (stipulations should be researched for potential change)
- Lack of motivated workforce – labor must be imported
- Remoteness – substandard healthcare and services
- Poor stormwater drainage infrastructure

Opportunities – Despite the Port's challenges and threats, many opportunities were identified to increase economic development and secure a positive future for the Port. Capturing a greater percentage of the revenue that crosses the docks at the Port would promote business expansion and put more money into the local economy. Identifying market lease rates would offset the high cost of dock and facility maintenance. In addition, the Port has several opportunity sites, including expansion of the boat basin, expanded pedestrian infrastructure along the boardwalk, and the kite field adjacent to the RV Park. Specific responses include:

- Port and Community College partnership
- Capture value of products crossing the docks
- Commercial fish processing
- Private cold storage operator
- Market rate for leases
- Kite field
- Boat basin expansion

- Oregon Marine Board grants
- Promoting sustainable fisheries
- Pedestrian infrastructure
- Rebuild dock at Eureka fisheries site
- Improve operating efficiencies and policy enforcement

INTERVIEWS SUMMARY

1. **What is the geographic extent of your customer or client base? Are they strictly local, south coast, southwest Oregon, or beyond?**

Those interviewed indicated a draw from local to west coast, with a smaller percentage of visitors nationally and internationally. It appears that some businesses serve Curry County down to Crescent City, California; while others serve the broader Southern Valley regions. In addition, the secondary tourism draw includes a smaller percentage from San Francisco, Portland, Seattle, and Alaska. As an attractive and safe harbor, Brookings is a favorite place to base vessels for recreational and commercial fishing, so its west coast draw includes waterborne as well as Highway 101 visitors. Some in the fishing industry mentioned business connections from Mexico to Canada.

2. **What are the general location advantages of the Brookings Harbor area specific to your business in terms of the relative cost of doing business, attracting jobs, and other factors?**

Respondents noted that Brookings is a retirement community with an excellent climate. It is often called the “banana belt” with exceptional weather and a high quality of life. Its location along the Scenic Highway 101 corridor and small-town charm were cited as attractors fueling retirement activity, harbor growth, and potential business expansion. Available highway access and a safe harbor are pluses for business, along with available utilities and recent efforts to complete fiber redundancy.

3. **What do you feel are Brookings Harbor’s greatest assets for retaining and attracting businesses; e.g., access to local markets and customers, adequate infrastructure, access to transportation corridors, availability of skilled workforce, access to recreation, quality of life, etc.?**

The Port, City, and County have been working together to ensure a positive environment for business growth at Brookings Harbor. In addition to excellent weather, those interviewed noted the following positive assets in attracting businesses: police presence (although sometimes lacking at the Port after hours); a safe, clean town; and nearby restaurants and shops, including large box retailers, such as Home Depot and Walmart, within 20 miles (Crescent City). There were concerns about a lack of infrastructure, including additional facilities and maintenance needs at the Port to serve a growing market

potential. All agreed that better signage is needed on Highway 101, both northbound and southbound, to encourage visitors. The labor pool was noted as a challenge, and the need for additional vocational training was mentioned often. People interviewed told stories about good neighbor actions and remarked on the strong sense of local community. It was noted that Brookings Harbor typically sells gas for \$1 less than Crescent City, so there is considerable draw for fuel sales. Also, we heard that there are limited light industrial sites at the Port, and that most of this land is in Curry County or the City of Brookings. Proximity to industrial land that can support the harbor is also an asset.

The boatyard was also identified as an asset for the Port. Interviewees mentioned a need for a new hoist capable of moving larger vessels and a paved yard, and said the ability for fishermen to work on their own boats, using their own materials, is unique for a boatyard and an important feature of the Port's facility.

4. **The ports of Port Orford, Bandon, and Gold Beach are in the process of developing business plan updates. Do you see an advantage in the four ports incorporating regional cooperation and policy initiatives into their respective business planning process; e.g., coordinated lobbying for federal channel dredging, fisheries policies, fish waste handling, marketing, etc.?**

All of those interviewed felt that regional cooperation among south coast ports is essential – it provides a larger voice for lobbying efforts and assists with regional marketing. Examples included securing additional state and federal funds for dredging, and niche marketing efforts that help all of the southern coast ports, such as promoting fishing and tourism. It was noted that the southern coast is unique, and because of its remoteness, can capture longer stays and increased tourism dollars. One of the interviewees stated that the ports started cooperating more formally when they got involved with the Oregon Policy Advisory Council (OPAC) regarding the marine reserves program initiated by the legislature. Together the ports allowed Red Rocks Marine Reserve but fought four others in order to protect the fishing industry. It was noted by one interviewee that the south coast ports cooperative efforts to address dredging needs could be a national model and bring increased interest and positive press to the Port and region.

5. **The Port currently includes over 600 moorage slips and is one of the most active ports on the Oregon Coast, serving nearly 100,000 recreational and commercial fishing trips every year. Do you feel there are upgrades that could be made to the marina and surrounding area that would further enhance the experience for sport and commercial fishing and/or generate even greater usage and increase tourism? If so, what are those upgrades?**

There were a number of priority projects discussed during the interviews, including:

- Recreational Docks – Add larger slips (20-foot plus) to accommodate larger vessels in use today.
- Boat Basin – Expand commercial slips through expansion of the southern boat basin and relocation of the shipyard east along the barge slip near the cold storage and ice house and add restrooms. Dredge more areas for deep-water slips.
- Boardwalk Expansion – Expand the boardwalk westerly with a potential high deck overlooking active waterfront.
- Marine – Improve off-loading facilities, small scale canning facilities, and fish sales near boat launch. Consider a marina rate-split based on zip code to discount local fees.
- Gateway – Improve Highway 101 gateway and signage.

In addition to the priority projects, it was noted that there is a need to improve efficiency and enforcement of current port policies throughout port facilities. Examples included providing short- and long-term parking, ensuring boats in the boatyard are moved to boatyard storage when they are not actively being worked on, and hiring certified crane operators.

6. **The Port hosts a series of major events throughout the year, including a farmer's/artisan market from June to October, the Party at the Port in May, Bluegrass on the Boardwalk in July, and numerous other events. How familiar are you with these events? Do you have suggestions for how the Port can make these events even more successful? Are there additional events or festivals you would like to see?**

Among the many events held annually, Brookings Harbor hosts the Slammin' Salmon derby, which is the largest of its kind in the nation. Brookings had the best crab season on the west coast in 2013. The Port could consider additional festival promotions, giveaways, and further events to add value and success to the already popular event schedule. Hotel stays, fishing gear, and other items were mentioned to promote return visits. One stated goal was to achieve one event per month, extending into the shoulder/winter seasons. The Port is active in expanding events, and it was stated that they are approaching this goal of 12 per year, which is achievable by including more events, music, and, possibly, an indoor circus tent for winter festivals, boat shows, and fishing expos. Additional coordination with the City and Chamber of Commerce was suggested. Some see tourism success tied directly to infrastructure needs (boatyard, unloading area improvements, fish market, etc.).

7. **The Port's land holdings include a vacant piece of property east of the Coast Guard Building and north of the RV Park. The Port also owns the Green Building, which will be evaluated for reuse or replacement as part of this strategic business plan. This vacant land is currently used for parking and the Green Building is underutilized. What do you think would be the best use for these properties?**

The kite field that is undeveloped near the RV Park is a useful open space that may be an opportunity for future development. Some would like to see this redeveloped and some prefer it as open space, although it is presently zoned for industrial use. It was noted that the space north of the RV park is used for temporary RV overflow and tent camping. One idea is to consider selling or partnering for redevelopment of the site with controls to ensure it is used for “transient tourism” (hotels, recreational, and tourist serving) in order to both pay the Port’s debt and have additional income for improvements and operations.

The Green Building was generally considered as difficult to repurpose or save, with many preferring that the building be removed. It was noted that there is state funding (Oregon Infrastructure Finance Authority) and debt attached to the building that must be dealt with to achieve demolition. Some felt there may be an opportunity to attract a number of investors to repurpose the building, but it is unclear what the building could best accommodate, given that it is unfinished and has structural issues that would be expensive to repair. (Note that the strategic business plan process will include an economic assessment of the green building’s potential for reuse or demolition.)

8. **The Port’s current mission statement includes a commitment to preserve and enhance its economic activities and facilitate the full economic potential of the Port and Curry County. Do you have ideas or suggestions on what approaches the Port should consider to generate new revenue streams? What types of economic development actions or incentives are most needed in Brookings Harbor to nurture job growth and support new private investment?**

In general, those interviewed felt that the Port has recently achieved enhanced management and that the \$2 million gross revenue has been steady over the past 15 years. Staff has been doing a good job ensuring positive cash flow. There is a sense that new opportunities should be explored to enhance revenues, and that the Port is transitioning away from a broken business model to one that can bring further success. One respondent suggested a review of the Harbor Sanitary District System Development Charges, as they are perceived as high and a deterrent to growth. Another suggested increased investment in local youth, both through local hiring and vocational training with SWOCC and the Coos Bay Culinary School. Additional input regarding the marina was focused on accommodating larger vessels, reviewing leases for upgrades, balancing lease rates with improvement costs, and exploring port policies to support smaller fishing operations and encourage more revenue to stay in the community. As noted early in this summary, increased operating efficiency with regard to port facilities and enforcement of current port policies was suggested as a means to capture more revenue from existing facilities and services.

9. **If you are a tenant, business, or economic development interest tied to the Port’s business lines, do you have what you need to grow? What can the Port do to help you retain jobs or**

grow local business? For example, are there specific facility needs, such as shipyard upgrades, boardwalk improvements, or marina enhancements you would like to see? Do you envision new commercial or mixed-use areas at the Port?

Improvement needs mentioned during the interviews included a larger travel lift, paved boatyard, boardwalk improvements, better lighting, and security (card lock gates) for the marina, as well as new retail and marine support business and possible mixed use areas. The specific uses that were mentioned include a brewery, restaurants, shops, and condos, although not all of those interviewed agreed with condo development as a priority for the Port.

10. What are the primary industry types (including clusters of supportive businesses) the Port should focus on for marketing the Brookings Harbor area? How should the Port or other agencies strengthen these industries and clusters?

The following suggestions were made to strengthen existing businesses at the Port:

- Enhance infrastructure (parking, water and sewer, larger marine slips, lifts, and boatyard relocation)
- Address lack of industrial space (may include cooperation with City and County)
- Add boat wash and RV storage facility (enclosed)
- Improve restrooms for retail areas
- Continue to work directly with tenants to meet their needs (staff doing a good job)
- Increase directional signage at Port facilities
- Increase enforcement of existing Port policies and develop new policies to improve efficiency
- Address security and homeless issue after 5 p.m.
- Repair potholes in parking area
- Expand marketing efforts

11. Are there certain goods or services that you think are missing in this area of the coast?

Most felt that adequate retail and services are available in the area, but specific needs were also noted during the interviews, including:

- Improved medical facilities (small hospital or medical clinic)
- Improved security and lighting
- A large commercial freezer near cold storage facility
- A large moveable shed for emergency boat repairs under cover (charge a premium)
- Fish market and more fishing processing to increase local jobs
- Marine supply company
- Maintenance and/or dealers for heavy equipment and trucking

12. Is there anything else you'd like to add?

Most respondents felt that their interests and priorities had been addressed in previous questions, but a few additional comments included:

- The Port needs an updated Vision Statement and a roadmap for measurable progress. For example, consider a goal to enhance revenues from \$2 to \$5 million in five years.
- Debit reduction needs to be a priority.
- Population migration is a problem and should be dealt with proactively.

Stakeholder Input Provided by:

Howard Jones, Restaurant Owner
Roy Davis, Port Commission President
Jim Relaford, Port Commission Treasurer
Mike Manning, Port Commissioner and Business Owner
Al Cornell, Port leaseholder
Ted Fitzgerald, CEO and Port Manager
Katrien Mueller, CFO and Finance Director
Travis Webster, Operations Supervisor

12 May 2014

To: Ted Fitzgerald, Manager, Port of Brookings Harbor
From: Scott Keillor, AICP

Re: **Port of Brookings Harbor Strategic Business Plan
Planning Commission and Public Meeting No. 1 Summary**

ATTENDEES

Commissioners: Roy Davis, Sue Gold, Jim Relaford, Mike Manning, and Tim Patterson

Staff: Ted Fitzgerald, Katrien Mueller, Travis Webster, and Judy Mellus

Public: Al Cornell and Richard Heap

Consultants: Scott Keillor and Scott McMahon

INTRODUCTIONS

Scott Keillor and Scott McMahon introduced themselves and explained the materials they would be presenting. Tonight the Commission will receive a summary of the strengths, weaknesses, opportunities and threats (SWOT) assessment; stakeholder interviews; Port facilities assessment; and market study findings. Scott Keillor provided a slide show that summarized findings, asked if the Commission had questions, and solicited input to key project and policy priorities to assist the team in drafting the Port of Brookings Harbor Strategic Business Plan.

PUBLIC COMMENTS

- Al Cornell commented on the Port's proximity to California, with no sales tax as a draw for California residents. He suggested an increase in the size of marina slips to accommodate the larger boats commonly used today.
- Richard Heap gave a report on the Salmon Season. He indicated that Brookings needs commercial fishing to support the community. He urged attention to fishing regulations and dredging needs.

COMMISSION AND STAFF COMMENTS

- Ted Fitzgerald noted that to increase revenue the Port should consider a fee on the pounds of fish crossing the docks. He said that the Port is in the process of updating all of its leases to market rates. Ted would also like to see security cameras at the marina.
- Commissioner Patterson asked if the local market has capacity to support the new buildings shown in the market study. Scott Keillor said the market study forecast covers supportable building area over the next 20 years.
- Commissioner Gold asked if the plan considers the impacts of fishing regulations on fisheries opportunities. Scott Keillor said that fishing regulations can further impact fishing and related maritime businesses, such as fish processing. Regulations are an acknowledged “threat” in the SWOT analysis. It is important to recognize the impacts that fishing regulations have on economic development for the Port.
- Commissioner Manning commented that the fleet is moving north, near Newport, and moves south to Fort Bragg once the fish begin to bite. He continued that he is expecting a decline in fish for the next few years. He noted that buyers have trouble meeting market demand in Brookings, as the catch is small. He feels the commercial fisheries will suffer in Brookings over the next few years.

Scott Keillor indicated that input from the public, staff, and Commission gathered during the kickoff site visits, interviews, and this meeting would be considered in drafting the strategic business plan. There will be a second public and Commission meeting held in late May to present and receive feedback on the draft plan. Scott thanked the Commission for their time and Commission President Roy Davis concluded the meeting.

28 May 2014

To: Ted Fitzgerald, Manager, Port of Brookings Harbor
From: Scott Keillor, AICP

Re: **Port of Brookings Harbor Strategic Business Plan
Planning Commission and Public Meeting No. 2 Summary**

ATTENDEES

Commissioners: Roy Davis, Sue Gold, Jim Relaford, Mike Manning, and Tim Patterson

Staff: Ted Fitzgerald, Katrien Mueller

State of Oregon: Becky Bryant, Infrastructure Finance Authority

Public: Roger Thompson, Bill O'Grady

Consultants: Scott Keillor, BergerABAM and Todd Chase, FCS GROUP

INTRODUCTIONS

Scott Keillor introduced Todd Chase and himself and thanked Becky Bryant, grant sponsor from the Infrastructure Finance Authority for her attendance. The consultant team has prepared a draft strategic business plan, and would like the Commission and public to comment on the plan before it is completed in June. The IFA would like the Port to include the dredge operational analysis due for completion soon. Scott asked the Commission to provide any additional comments through Ted and Katrien over the next two weeks (by June 6th).

MARKET OVERVIEW

Todd provided a summary of the market conditions and opportunities. In summary, the Port of Brookings Harbor has significant opportunities in fisheries and support markets, and tourism. He gave a summary of the demographic conditions and financials. In response to the Commissioners' comment, Todd indicated that his figures for growth in tourism are not showing year over year gains, and do not include dollar values indexed to inflation. He can adjust the figures to account for inflation if necessary. In addition, the 100 new homes per year represents an average of the trend over the past 10 years, and not year over year growth. Ted pointed out that the business closures need to include the loss of C & K, which removed 70 jobs from the economy over the last year. Todd noted that South Coast Lumber is booming, even though there are fewer jobs. Health care and professional services are lagging in the local economy, but you would expect them to increase in the near future if the city continues to add population.

Todd stated that the Port will need to restructure its debt on the Green Building by 2016, to ensure ongoing financial stability.

PRIORITY PROJECTS

Scott summarized the priority projects and boat yard plan. The biggest ticket projects include a centrally relocated boat yard with a 100 ton lift near the ice house and cold storage. Nearby receiving docks/lease spaces and a new 8,000 square foot fish processing plant are envisioned. The next major item is expansion of the commercial basin. The Green Building and adjoining hotel and restaurants are shown as a new commercial development site east of the boat yard. Finally, public/private redevelopment opportunities are proposed on the kite field, and/or surrounding tent and RV sites. The plan can be refined and developed over time through grant and private funding. The port will need to focus on income generation, including near term tariff on fish crossing the dock, and continued lease upgrades as well as possible public/private partnerships.

COMMISSION AND STAFF COMMENTS

- Ted Fitzgerald said that as we look at improvements to the recreational boat basin, we need to consider adding larger (24' to 28') slips at the north end – they are in demand.
- Commissioner Gold said she does not want to sell land, but would consider a long term ground lease to generate a public/private development project.
- Commissioner Manning asked about the fish processing plant and how funding may be provided to assist. In summary, public grant funds could be secured by the Port with the match for the building generated by private investment – the key to getting many of these grants is job creation.
- Becky Bryant said the state offers a “One Stop Shop” meeting wherein the various State agencies can meet with the Port to discuss various funding options.
- The Port agreed to get behind the strategic business plan and move it forward.

PUBLIC COMMENTS

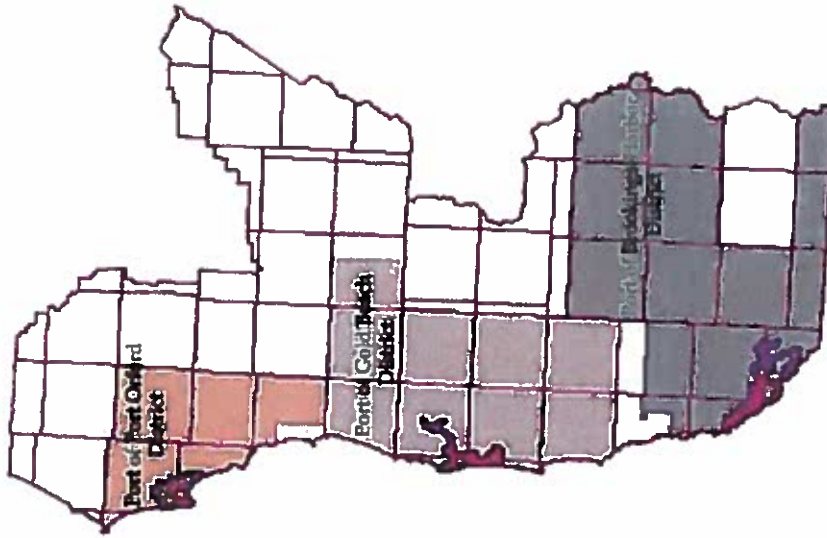
Other ideas for the Port include the idea of specialty niche canneries; as well as possibly assisting with development of hotel/boatel, housing and professional and health care services.

Scott Keillor thanked the public, staff, and Commission for their valuable input, and said the final plan will be prepared and delivered this summer.

**Port of Brookings Harbor
Strategic Business Plan
Curry County, Oregon**

**Appendix B
Maps:
Port District Map
Curry County Zoning Map**

Curry County Port District Boundaries



- Legend**
- Townships
 - City Limits
 - Urban Growth Boundary
 - 2021 Curry County Districts
 - Post-2021 Districts
 - Post-2021 Beach
 - Post-2021 District

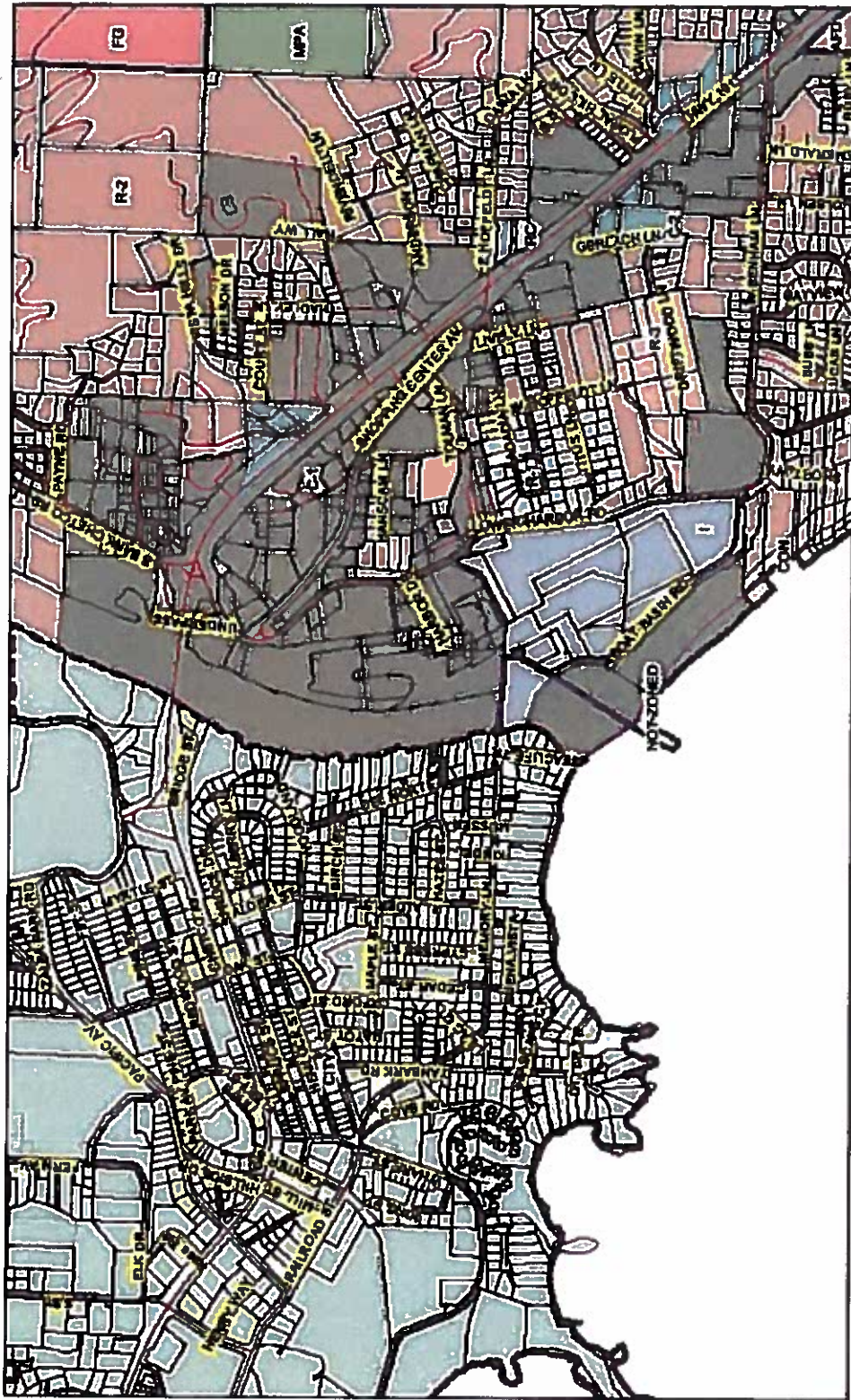
Scale: 1:800,000

Map center: 42°27' N, 124°5' W

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This map is a public resource of general information. Use at your own risk. Curry County makes no warranty of any kind, expressed or implied, including any liability or responsibility, for any particular purpose or any other matter.

Port of Brookings Harbor Zoning



- Legend**
- TOPOGRAPHY
 - ROADS
 - PARCELS
 - CITY LIMITS
 - URBAN GROWTH BOUNDARY
 - ROSELAND COUNTY, OREGON
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Scale: 1:10,000

Map center: 42° 2' 57" N, 124° 18' 11" W

1000 2000 3000 ft.

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**Port of Brookings Harbor
Strategic Business Plan
Curry County, Oregon**

**Appendix C
Facilities Condition Assessment Memorandum**

Memorandum

Date: 14 April 2014

Subject: Port of Brookings Harbor Facility Condition Assessment

From: Scott McMahon, PE, and Carissa Watanabe

To: Scott Keillor, AICP

OVERVIEW

The Port of Brookings Harbor (Port) owns approximately 60 acres of marine property in Curry County, Oregon. BergerABAM performed a facilities condition assessment on the majority of Port properties, including the commercial basin, sport basin, receiving dock, shipyard, RV park, and commercial facilities.

The assessment included a visual reconnaissance and review of available technical reports and drawings provided by the Port. BergerABAM did not perform any calculations or testing. Scott McMahon, Scott Keillor, and Nicole McDermott visited the port properties on 1 and 2 April 2014 with Port staff.

MARINA AREA

Overview

The marina is located at the mouth of the Chetco River adjacent to the Pacific Ocean in Curry County (see Photo 1). There are two rock jetties at the mouth of the Chetco River. The U.S. Army Corps of Engineers (USACE) constructed the rock jetties in 1957. Modifications were completed in 1969 to extend the north jetty 450 feet and improve the entrance channel to 14 feet deep and 120 feet wide. In 1970, a 1,800-foot-long and 18-foot-high protective dike was constructed along the south side of the Chetco River. A turning basin and small boat access channel were also completed in 1970. The turning basin is 650 feet long, 250 feet wide, and 14 feet deep. The commercial boat basin access is 200 feet long, 100 feet wide, and 12 feet deep.

SPORT BOAT BASIN – BASIN NO. 1

Sport Boat Basin Dock

The sport boat basin accommodates approximately 375 recreational vessels. The configuration of the floating docks includes a marginal walkway with eight main walkways (identified as A through H) and is of concrete construction supported by steel guide piles (see Photo 2). Walkways A through C have power available to the boats (see Photo 3). In 2011, a tsunami hit

the Port; Walkway A had to be rebuilt and is in good condition. The overall observed condition of the remaining dock is fair with minor deterioration.



Photo 1 - Marina overview

An issue with siltation was observed under the main north-south floating dock. At low water, the floats get hung up on high points, leading to damage to timber wales. This condition appears to be worse near the stormwater outfall.

Boardwalks

A boardwalk is located upland of the sport boat basin dock. The original boardwalk is of timber construction with a wood railing. The timber boardwalk is in satisfactory condition. A steel and concrete panel retaining structure below the original boardwalk appears to be in fair condition, with some apparent failure of the joints and broken concrete panels (see Photo 4). Immediately south of the retaining structure, there are very steep slopes with sloughing.

There is a newer concrete and steel boardwalk addition that appears to be in good condition (see Photo 5). The addition has a galvanized steel railing with cable infill. The slopes under the addition are very steep and failing (see Photo 6).

Boat Launch

A boat launch is located to the north of the recreational docks. The launch is a six-lane concrete ramp (see Photo 7). River debris was observed to collect on the surface of the boat ramps. The boat launch concrete pavement appears to be in satisfactory condition. Three boarding floats are located between the four launch ramps. The boarding floats are of wood construction and are

each secured with two steel piles. It was observed that portions of the timber decking are broken and unencapsulated foam flotation is visible under some of the floats. The center boarding float sits very low in the water at the transition point, which leads water onto the surface of the docks (see Photo 8). The steel piles and plastic caps appear to be in satisfactory condition; however, several guide rollers are broken. The overall observed condition of the floating docks is fair.

Boat Launch Parking Lot

An asphalt parking lot services the boat launch area (see Photo 9). The condition of the pavement appears to be fair, with some large potholes and pavement cracking. The pavement of the main launch drive appeared to be the most distressed with alligator cracking noted. There are catch basins in the parking lot; however, ponding water was evident at some locations. It was reported that the water drains east, away from the shore and toward the area adjacent to Sporthaven Marina. Currently, there is no collection of stormwater at the top of the boat ramp and the water sheet flows into the marina. The Port is currently seeking a grant from the Oregon State Marine Board (OSMB) to renovate the parking lot and create a more efficient circulation pattern.

OSMB operates a restroom located in the boat launch parking area. The restroom appears to be in satisfactory condition.

Sport Basin Transient Dock

A transient dock is located to the west of the boat launch and runs parallel to the protective dike (see Photo 7). The dock is accessed via an aluminum gangway from the parking lot, and the gangway appears to be in satisfactory condition. The dock is of concrete construction and secured with steel guide piles. The landing float for the gangway appears to have insufficient flotation, as it sits lower in the water than the adjacent floats. The guides at the transient dock are a mixture of rollers and timber blocks, and several of these are missing or worn down. The dock offers a waste pump-out station that appears to be in satisfactory condition. The overall condition of the transient dock is fair.

Fish Cleaning Station

A fish cleaning station is located adjacent to the boat launch parking lot (see Photo 10). The fish cleaning station is a partially enclosed, one-story, wood-framed structure. It appears the structure is in satisfactory condition.

Public Fishing Dock

A public fishing dock is located at the end of the protective dike, adjacent to the entry into the boat basin (see Photo 11). The floating dock is of concrete construction with steel guide piles. The dock appears to be in good condition. At the time of our site visit, construction was ongoing for a new abutment. No gangway was in place to access the dock (see Photo 12).



Photo 2 - Sport basin dock



Photo 3 - Power available at sport basin dock



Photo 4 - Old boardwalk



Photo 5 - New boardwalk



Photo 6 - Falling slope below boardwalk addition

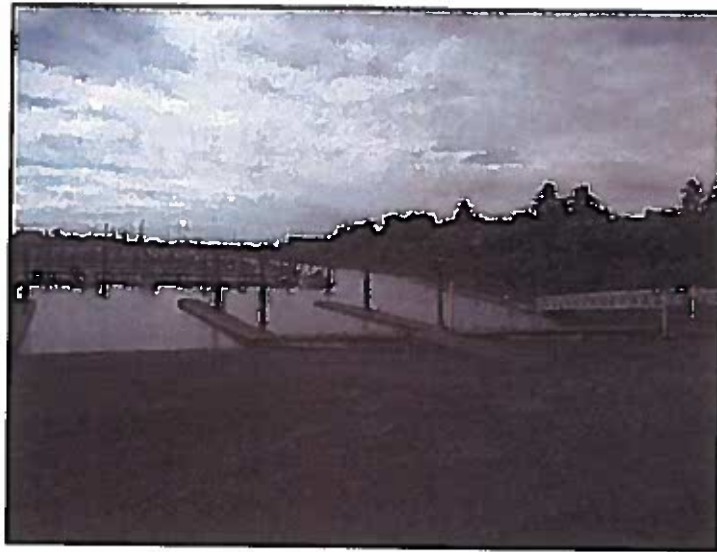


Photo 7 - Boat launch and transient dock



Photo 8 - Accumulated debris at boat launch



Photo 9 - Boat launch parking lot



Photo 10 – Fish cleaning station

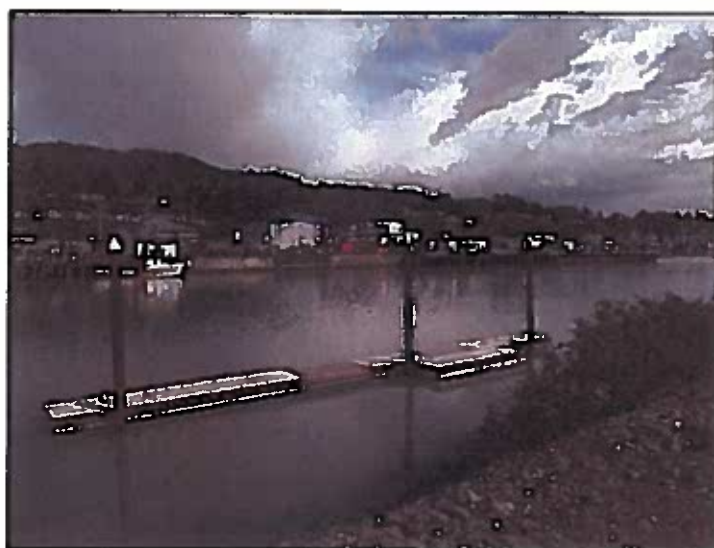


Photo 11 – Public fishing dock



Photo 12 - Public fishing dock, abutment under construction

COMMERCIAL BASIN - BASIN NO. 2

Commercial Basin Dock

The commercial basin dock accommodates approximately 250 vessels (see Photo 13). The floating dock has twelve main walkways (identified as C through Q) that extend from four separate marginal walkways. The floating docks are of concrete construction with steel guide piles. Docks H, I, J, and O were replaced in 2012 because of damage from the tsunami (see Photo 14). All of the docks provide electrical power. The commercial docks are accessed via gangways from parking lots on either side of the basin. The docks installed in 2012 are in good condition, while the overall observed condition of the older docks is fair.

Dredging

It was reported that the commercial basin needs 100,000 cubic-yards of material removed to provide the authorized -13-foot mean lower low water depth of water. The Port attributes much of the material in the basin to materials coming in from the County-owned stormwater outfalls.

Transient Dock

The transient dock is located between the commercial basin and the sport basin, south of the barge slip (see Photo 15). The floating dock is of concrete construction with timber wales and is supported by steel and timber guide piles. The dock appeared to be in fair condition, with some recent repairs evident where a vessel impacted the dock. Some of the pile hoops are in poor condition, and some of the piles are not connected to the dock with hoops. It was also noted that some of the timber guide piles of the east-west dock are significantly worn. The dock is accessed via an aluminum gangway from the asphalt parking lot above.

Fuel Dock

A marine fuel dock is located at the northeast end of the transient dock (see Photo 16). The floating dock is of concrete construction supported by steel guide piles. The fuel dock includes an attendant's station and the fueling station. The fuel dock is accessed via a 60-foot steel span gangway. The fuel is transferred from an upland storage facility through underground piping to the fuel dock. The overall observed condition of the dock is satisfactory, with minor levels of deterioration observed.

The upland storage facility is located in the parking lot above the transient dock and includes two 12,000-gallon, double-walled tanks on a concrete pad (see Photo 17). Each tank is mounted to the concrete pad and protected by bollards. Each fuel tank is split into 6,000-gallon sections. One tank contains premium unleaded fuel, and the other tank contains diesel fuel. The fuel tanks appear to be in good condition. An oil boom is stored adjacent to the tanks.

The upland area generally consists of dirt and gravel and is in poor to fair condition. There is poor surface drainage and potholes on the site.

Fisheries Dock

The fisheries dock is located between the commercial basin floating docks and the transient dock (see Photo 18). The dock has a timber substructure with a concrete deck. The dock appears to be in serious condition with split and broken piles. The timber bracing does not extend to the southernmost bents.

Embankments

The southeast corner of the commercial basin has significant slope failure in at least two locations. At the southeast corner outfall, the Port has established a toe with large riprap in order to arrest immediate concerns for erosion (see Photo 19). It has been reported that the riprap at the southern gangway to the transient dock has sloughed into the water. Several other embankment slides were observed.

Commercial Basin Parking Area

The commercial basin has asphalt parking lots on both sides of the basin that were observed to be in fair condition. The parking areas each have restroom buildings.



Photo 13 - Commercial basin docks



Photo 14 - New docks at commercial basin



Photo 15 - Transient dock

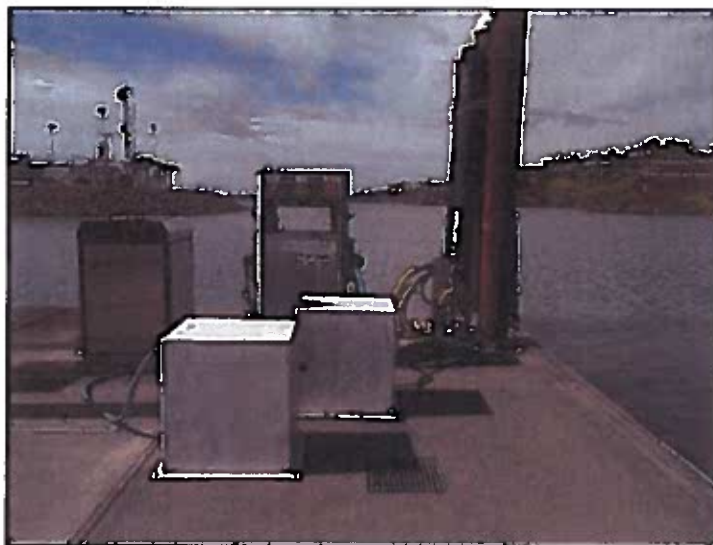


Photo 16 - Fuel dock



Photo 17 - Upland fuel tanks



Photo 18 - Fisheries dock

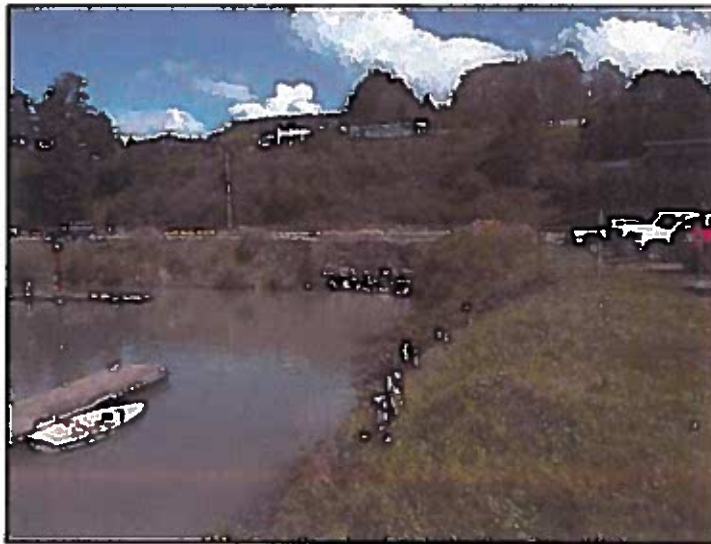


Photo 19 – Southeast corner embankment

RECEIVING DOCK AREA

The receiving dock area includes the receiving docks, barge slip, cold storage facility, ice house and dock, gear storage areas, and a boat storage yard (see Photo 20).

Receiving Docks

The receiving dock area is located between the commercial basin and the sport basin and consists of four distinct areas: the main receiving dock, Pac-Choice dock, collapsed concrete bulkhead, and northern receiving dock (see Photo 21).

The main receiving dock is located furthest south and is a new steel sheet pile dock with a concrete deck and steel pipe bollards. The dock has a concrete bullrail that was covered with a steel plate to prevent damage to the concrete. The new dock was built with the 2011 tsunami repair funds and is in good condition. The dock has two 600-pound capacity hoists. The Port owns the hoists, but the fisheries are responsible for maintenance.

The Pac-Choice dock is of timber construction with timber piles and a concrete deck. The Pac-Choice dock is reported to be in poor condition.

North of the Pac-Choice dock is a collapsed concrete bulkhead where an additional dock was previously located.

The northernmost receiving dock is of timber construction with timber piles. The dock was reported to be in poor condition.

Barge Slip

The barge slip is located adjacent to the fuel dock to the east. The barge slip is in critical condition. The walls of the barge slip appear to be in advanced stages of failure (see Photo 22). The barge slip is also in need of dredging.

Cold Storage Facility

The cold storage facility is approximately 50 feet wide by 80 feet long and according to the building plans, appears to be of concrete construction with metal corrugated siding. The facility is operated by the Port and is cooled by ammonia. We understand that the cold storage building was renovated in 2011 and is in good condition (see Photo 23).

Ice House

The Port owns and operates an ice house and ice dock located adjacent to the barge slip. The ice house is a two-story structure and has a reported capacity of 90 to 100 tons of ice. The ice dock is of timber construction with timber piles and is in poor condition (see Photo 24).

Gear Storage

The Port leases gear storage areas with 30- by 60-foot or 30- by 30-foot options (see Photo 25).

Boat Storage Yard

The Port leases secured boat storage spaces. The boat storage area has recently had new fencing installed around the yard.

Utilities

The Port installed a new 480 volt transformer with the capacity to supply 10 freezer trailers. The power to the site is supplied by overhead power lines by Coos-Curry Electric Cooperative, with one section recently buried to reduce potential conflicts with equipment.

Receiving Area Parking

The receiving area has an access road to parking. The access road has alligator cracking down the center of the roadway and is in fair condition. The parking area is in poor condition with observed alligator cracking, block cracking, and potholes. There is a ditch parallel to the roadway for drainage.



Photo 20 - Overview of receiving dock area



Photo 21 - New receiving dock

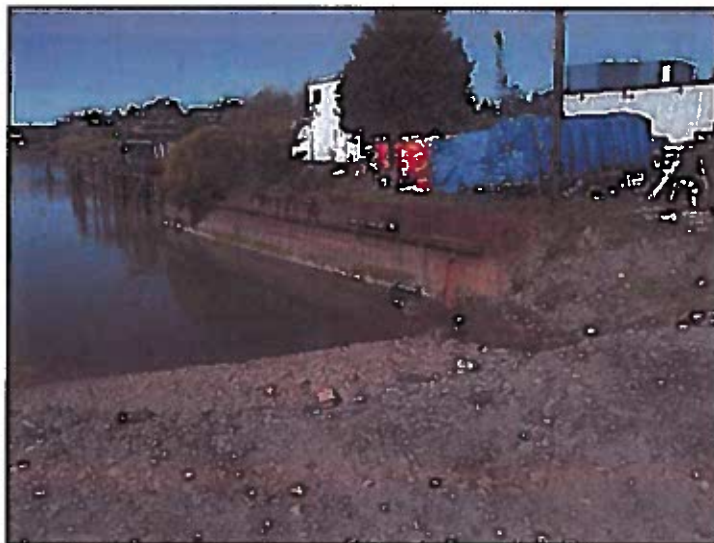


Photo 22 – Barge slip



Photo 23 – Cold storage



Photo 24 - Ice house and dock



Photo 25 - Gear storage

BOATYARD AND PORT SHOP

Overview

The boatyard area is an approximate 3-acre site secured with barbed wire fencing located at the southern end of the Port's property. It includes the port shop, boatyard lot with space for do-it-

yourself boat maintenance, an equipment storage area, and a straddle hoist. The boatyard lot has a dirt and gravel surface. Potholes and pooling water were observed (see Photo 26).

Port Shop

The shop building includes a two-story shop area with an attached one-story, wood-framed commercial structure. The shop portion has corrugated metal siding (see Photo 27). The shop building appears to be in fair condition, but may need new siding and a roof in the near future. A waste oil dump is located on the west side of the building.

Straddle Hoist

The Port owns the straddle hoist located on the boatyard dock (see Photo 28). The dock is of timber construction with timber piles. The condition of the dock is poor to fair. We understand from the Port that the dock will need to be replaced eventually. The straddle hoist has a capacity of 60 tons; however, the Port staff limit their lifts to 40 tons.



Photo 26 - Boatyard

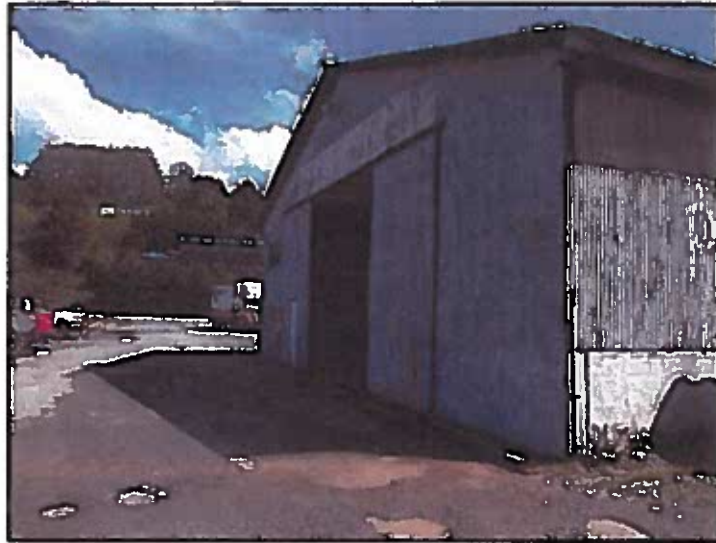


Photo 27 - Port shop



Photo 28 - Straddle hoist

COMMERCIAL FACILITIES

Overview

The Port's commercial facilities are located adjacent to the sport and commercial basins along Lower Harbor Road and include several retail, office, and restaurant buildings. The majority of the buildings are occupied and in good to fair condition.

Former Cannery Buildings

The former cannery building is a one-story, wood-framed structure that appears to be in fair condition and is currently unoccupied (see Photo 29). There is an adjacent smaller building that is also currently unoccupied (see Photo 30). The building is a one-story, wood-framed structure and appears to be in poor to serious condition with broken doors and windows.

Green Building

The Green Building is a 10,613 square foot, two-story, wood-framed structural shell that was built in 2003, but did not include any interior improvements. It has never been occupied (see Photo 31). We understand that there is insufficient room around the building for parking. The building currently has broken windows and, according to Port staff, would require substantial upgrades in order to meet the current building and fire codes.

Office Buildings and Restaurants

The office buildings are wood framed structures and are in satisfactory condition (see Photo 32). Located between the office buildings is a one-story restroom building of masonry construction. The restroom building is observed to be in satisfactory condition.

The ice cream shop is a one-story, wood-framed structure and is in fair condition (see Photo 33).

The pizza building is a one-story, wood structure with possible attic (see Photo 34). The building is in fair to poor condition. The building has an addition that is in the worst condition, and wood rot was observed.

The Oceanside Diner building is a one-story, wood-framed building with metal siding (see Photo 35 and 36). The siding above the roofline is plywood. There may be possible roofing deterioration. Overall, the building condition is noted as fair.

Tidewind Charters, Tidewind Tackle, and the Book Dock are three detached, single-story structures of wood construction (see Photo 37). The buildings are in fair condition.

Commercial Building Area Parking Lot

The commercial building asphalt parking lot is currently in satisfactory condition.



Photo 29 - Former cannery building

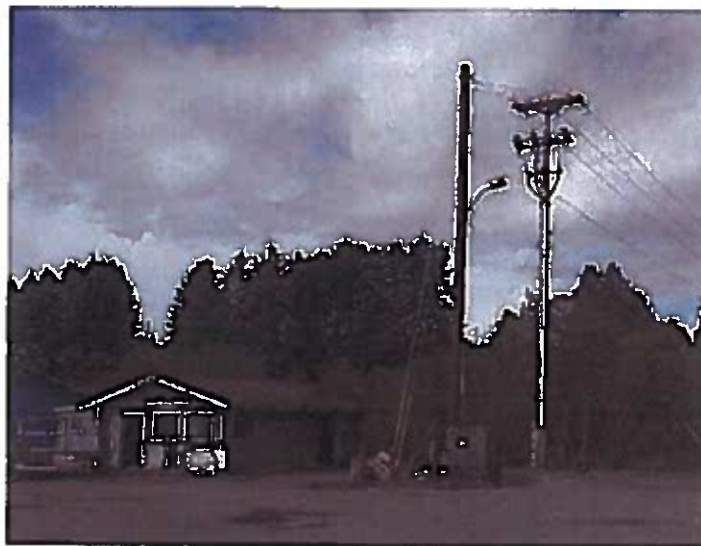


Photo 30 - Unoccupied building



Photo 31 - Green building



Photo 32 - Office and retail building



Photo 33 - Ice cream building

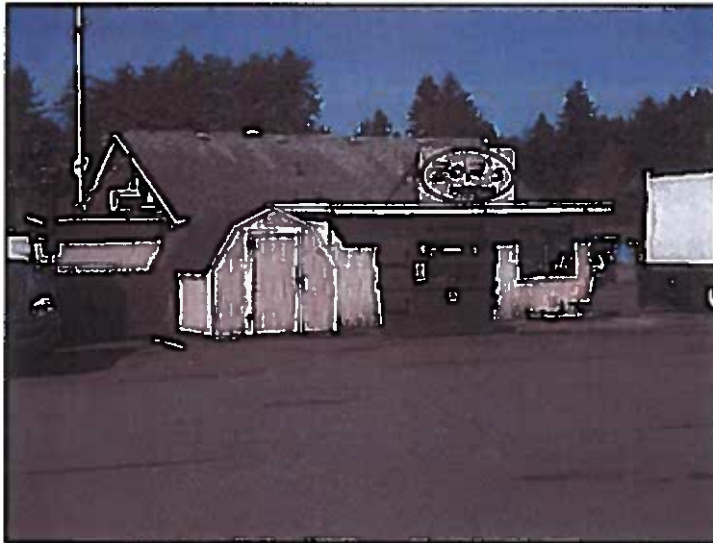


Photo 34 - Pizza building



Photo 35 - Oceanside Diner



Photo 36 - Oceanside Diner Building (South Elevation)



Photo 37 – Tidewind Charters, Tidewind Tackle, and Book Dock

RV PARK

Overview

The RV Park is located at the south end of the marina and backs onto the beachfront. The Port leases the property to Beachfront RV Park who operates the facility (see Photo 38). There are approximately 100 RV spaces and approximately 30 tent sites. All of the RV sites have full-service hookups with the exception of nine sites located near the jetty. There are six restroom facilities located throughout the park. The Port operates the Laundromat and has performed maintenance on the machines. The Laundromat building is due for renovation, including new siding, windows, and roof.

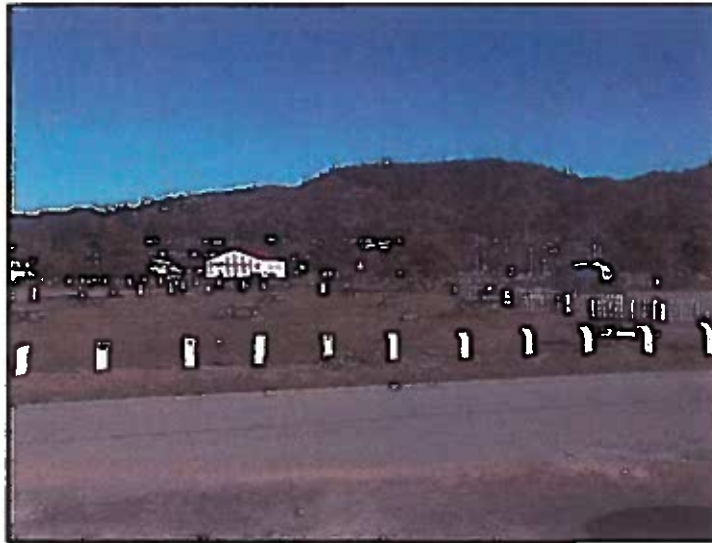


Photo 38 – RV Park

SOUTH JETTY AREA

U.S. Coast Guard

The U.S. Coast Guard (USCG) has a station on the southern bank of the boat basin entrance. The Port leases a floating dock to the USCG located in the commercial boat basin (see Photo 39). The floating dock is of concrete construction with steel guide piles and appears to be in good condition.

Public Fishing Pier

The fishing pier is located on the Chetco River adjacent to the RV Park and Coast Guard station (see Photo 40). The public fishing pier is of concrete and steel construction with concrete piles. It was reported that the supporting steel I-beams are deteriorated, and the structure will eventually need to be rebuilt. The pier is reported to be in poor to fair condition.



Photo 39 - USCG dock



Photo 40 - Public fishing pier

UTILITIES AND TRANSPORTATION

Public Street Access

The Port is easily accessible from Highway 101 (US 101), a principal arterial. Coming from the south, a left turn on Benham Lane, which then turns into Lower Harbor Road. Coming from the north, vehicles may take a right turn onto Lower Harbor Road immediately after crossing the Chetco River Bridge. Lower Harbor Road and Benham Lane are classified as Collectors in the City of Brookings' Transportation System Plan. Average daily traffic volumes on US 101 ranged from 5,200 to 18,000 vehicles per day according to Oregon Department of Transportation's 1996 Traffic Volume Tables.

Water

Potable water is supplied by Harbor Water, a County public utility district.

Wastewater and Sanitary Sewer

The sanitary sewer collection system is managed by Harbor Sanitary, a public utility district. Harbor Sanitary pumps the wastewater to the City of Brookings for processing.

Electrical Power

The Coos-Curry Electric Cooperative provides electrical power.

Communication

According to Port staff, fiber redundancy was recently completed in Curry County.

**Port of Brookings Harbor
Strategic Business Plan
Curry County, Oregon**

**Appendix D
Market Analysis**

MARKET ANALYSIS

This section identifies existing and emerging economic opportunities for the Port of Brookings Harbor. Findings from this work are intended to assist the Port and its local government partners and stakeholders as they identify existing and potential business activities that are consistent with the Port's vision. The goal of this section is to establish a clear economic development direction for the Port that is consistent with local, regional, and state market trends and planning policies.

The steps used to complete this work are described below.

1. Identify Port strategic advantages with regard to geographic location/proximity to primary and secondary trade areas, regional transportation infrastructure, and available amenities.
2. Review data on historical population and employment trends.
3. Describe national, state, and local economic trends.
4. Review information regarding existing and potential growth of major employers.
5. Compile wage and salary employment data for Curry County and conduct an industry clusters analysis to ascertain emerging economic development characteristics.
6. Identify tourism trends and related market opportunities.
7. Identify economic impacts of direct, indirect, and induced employment and economic activity attributed to the Port-related businesses.
8. Prepare market-supportable commercial and industrial development forecasts for the Port district and potential capture rates for Port-owned land and facilities.

As part of this work effort, the consultant team evaluated current economic plans, marketing plans, and statistics provided by local, state, and federal government agencies.

A. ECONOMIC OVERVIEW

The Port of Brookings Harbor is Oregon's southernmost Port, located at the mouth of the Chetco River just a few miles north of the Oregon-California Border. Known as the busiest recreational Port on the Oregon Coast, the Port manages a 650+ slip marina for recreational and commercial boating. The Port district generally extends from the mouth of the Pistol River to the Oregon-California border, and eastward to the Curry-Josephine County line.

International and National Overview

As of 2015, moderate economic expansion is occurring nationally and in Oregon. According to the US Bureau of Economic Analysis, real gross domestic product (GDP) – the measure of the value of all goods and services produced annually – increased by 2.4% during 2014, compared with an annual rate of 2.2% in 2013 and 2.3% in 2012.

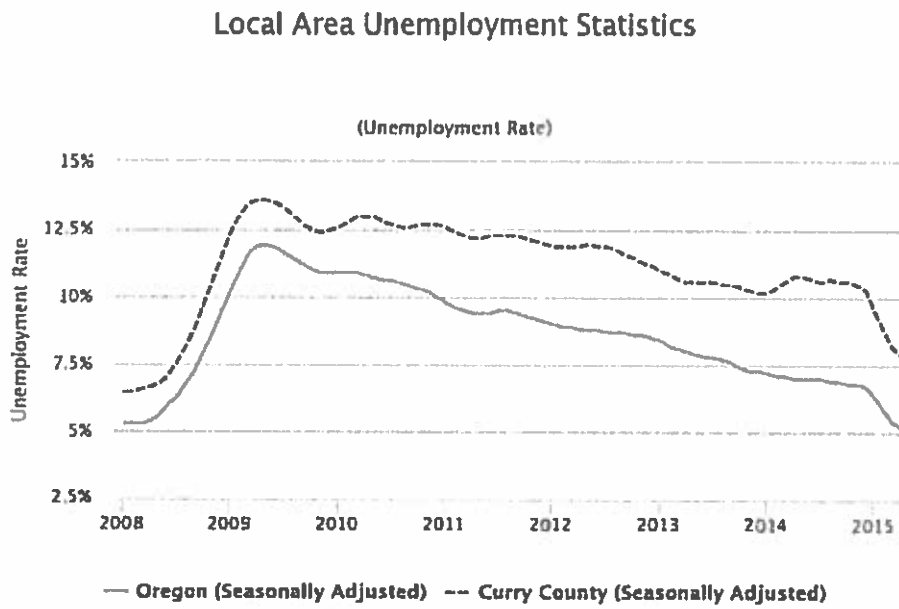
The future GDP outlook for the US is promising. According to recent projections by the Federal Reserve Open Market Committee, national real GDP is expected to grow between 2.1% and 3.1% in 2015 and between 2.2% and 3.0% in 2016.

Oregon Overview

Oregon posted a year-over-year overall gain of 55,900 jobs between April 2014 and April 2015, which was an improvement over the prior year's gain of 44,800 jobs. At the same time, the state's seasonally adjusted unemployment rate continued to fall from 7.0% in April 2014 to 5.2% in April 2015 (slightly lower than the 5.4% unemployment rate for the US).

The unemployment rate in Curry County remains well above the Oregon average at 8.1%, as of March 2015. The unemployment rate in Curry County has started to edge lower since 2012. It should be noted that Oregon and Curry County are also experiencing a high level of under-employment, which is not reflected in these data trends.

Exhibit 1 Unemployment Rates in Oregon and Curry County



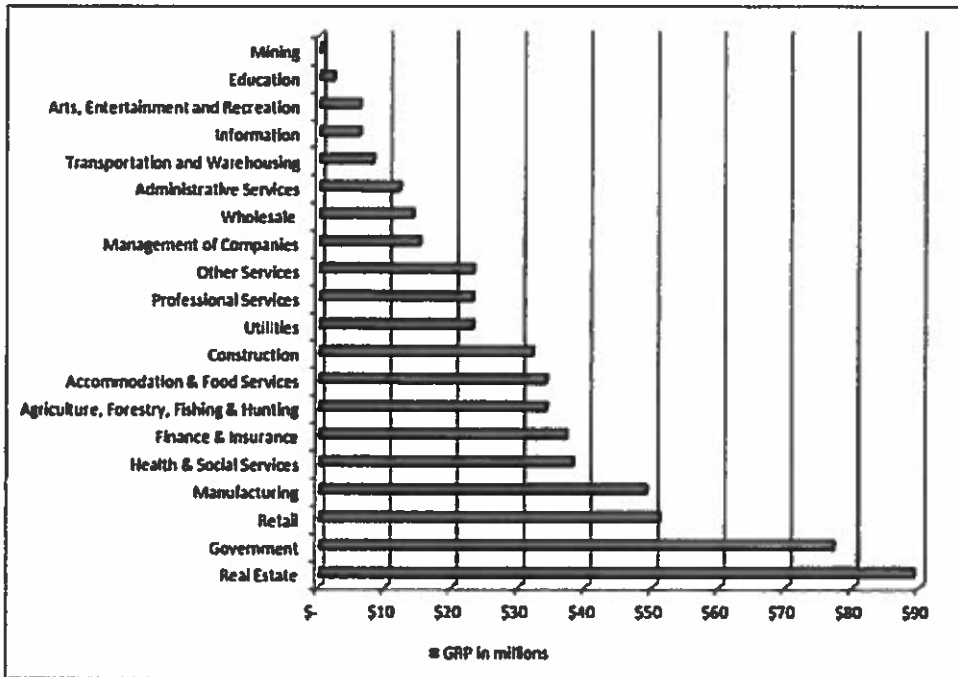
Source: Oregon Employment Department qual.info.org

Trade Overview

Originally established in 1956, the Port of Brookings Harbor focused on the development of fisheries and operational marine facilities. Over the past 60 years, the regional economic base has shifted slightly from commercial fishing to more diverse recreational and commercial markets.

Today, the gross regional product (GRP) of Curry County equates to approximately \$575 million. Curry County is now very diversified. As shown in Exhibit 2, the leading sectors that comprise the majority of the annual GRP in Curry County include real estate (\$89 million), local/state government (\$77 million), retail trade (\$51 million), manufacturing (\$49 million), and health care (\$38 million).

Exhibit 2 Curry County Gross Regional Product by Employment Sector



Source: IMPLAN model for Curry County, analysis by FCS GROUP

Regional and Local Development Overview

In 2015, Curry County’s population was 22,355. The average annual population growth rate for Curry County was well below the statewide average over the 2000 to 2015 timeframe (Exhibit 3).

Exhibit 3 Population Trends

	2000	2010	2014	Annual Growth Rate	
	Census	Census	PSU	2000-2010	2010-2014
Curry County	21,137	22,364	22,355	0.6%	0.0%
Brookings	5,447	6,336	6,535	1.5%	0.8%
Gold Beach	1,897	2,253	2,275	1.7%	0.2%
Port Orford	1,155	1,133	1,135	-0.2%	0.0%
Oregon	3,421,399	3,831,074	3,962,710	1.1%	0.8%

Source: 2000, 2010 US Census; PSU College of Urban and Public Affairs Annual Population Estimates

The Oregon Office of Economic Analysis (OEA) expects moderate population growth in Curry County for years to come. As indicated in Exhibit 4, Curry County is projected to add 2,119 people between 2015 and 2030. This level of population growth would be expected to support about 815 new dwelling units in Curry County (assumes current Census average of 2.6 persons per household). These housing demand forecasts do not include the additional demand that could be created by seasonal (second home) investments.

Exhibit 4 Population Trends in Curry County

	2015	2020	2025	2030	Annual Growth Rate
	OEA	OEA	OEA	OEA	2015-2030
Curry County	22,321	23,087	23,854	24,440	0.6%
Oregon	4,001,600	4,252,100	4,516,200	4,768,000	1.2%

*Source: Office of Economic Analysis, Department of Administrative Services, State of Oregon
Forecasts of Oregon's County Populations and Components of Change, 2010-2050*

In spite of two national economic recessions, income levels within Curry County have increased over the past decade. In 2013, the median household income level for the County was approximately \$37,491, up from \$31,542 in 1999. The median income level in Curry County is about 24% lower than the Oregon statewide average. This income disparity has not changed much over the past decade (Exhibit 5).

Exhibit 5 Income Trend in Curry County

		1999	2013	Annual Growth Rate
Median Household Income	Coos County	\$31,542	\$37,491	1.2%
	Curry County	\$30,117	\$37,469	1.6%
	Oregon	\$40,916	\$49,260	1.3%
	Washington	\$45,776	\$57,244	1.6%
Per Capita Income	Coos County	\$17,547	\$22,239	1.7%
	Curry County	\$18,138	\$23,972	2.0%
	Oregon	\$20,940	\$26,809	1.8%
	Washington	\$22,973	\$30,742	2.1%

Source: 2000 U.S. Census (expressed in 1999 dollars) & 2009-13 ACS (expressed in 2013 dollars)

Economic Strengths and Weaknesses

The physical, economic, demographic, and infrastructure characteristics of the Port district form a framework within which businesses can establish themselves and grow. An analysis of the Port district in the context of the broader regional or state economy can help narrow the list of target industries as well as identify where policies could be adjusted to help remove barriers to job creation.

Location and Geography

The Port is located along the South Coast of Oregon. The terrain includes steep topography associated with riverbanks along the Chetco River and sand dunes along the Pacific Ocean. Small city urban amenities, relatively inexpensive land/rent levels, consistent winds, and local access to three world class rivers make this an attractive area for tourism, retail trade, sport fishing, and commercial fishing.

Transportation and Infrastructure

Please refer to the Facilities Assessment Memorandum completed by BergerABAM.

Quality of Life

The Pacific Ocean, majestic Oregon coastline, wild and scenic Chetco River, and vast wilderness areas are within close proximity to the residents and businesses located in the Port District. Residents and visitors are often attracted to the many outdoor activities offered by the natural geographic setting of the

area, including: fishing, crabbing, RV camping, hiking, whale watching, bird watching, and beach combing.

Development Overview

Developments in the local area include both positive and negative announcements, including but not limited to:

Positive Announcements

- Tight Lines Brewery opened in Brookings in April 2014.
- The Black Trumpet Bistro opened in Brookings in 2013.
- Statewide MediTrans, a medical transportation service, opened in Brookings in 2013.
- Bell and Whistle (coffee shop) opened their doors at the Port of Brookings Harbor in 2013.
- In January 2012, Southwestern Oregon Community College formed their new Curry Campus near Brookings. The new campus offers 500 students a variety of college programs, with a focused emphasis in medical training.
- Mayo Denture Center opened in Brookings in 2012.
- Carson's Critters (pet store) opened in Brookings in 2012.
- The timber industry continues to rebound and improve the economic outlook in southwestern Oregon.

Negative Announcements

- Brookings Inn Resort has closed. The motel formerly employed 35-50 people depending on the season.

B. MARKET ANALYSIS

Employment Trends

According to the Oregon Employment Department (OED), in 2014, Curry County had 6,060 jobs covered by unemployment insurance. The current level of employment is down from the recent peak of 7,110 jobs in 2005. The employment sectors in Curry County that grew the fastest between 2004 and 2014 were mining and logging, education and health services, and manufacturing (Exhibits 7-10).

Exhibit 7 Curry County Employment Trends, 2004–2014

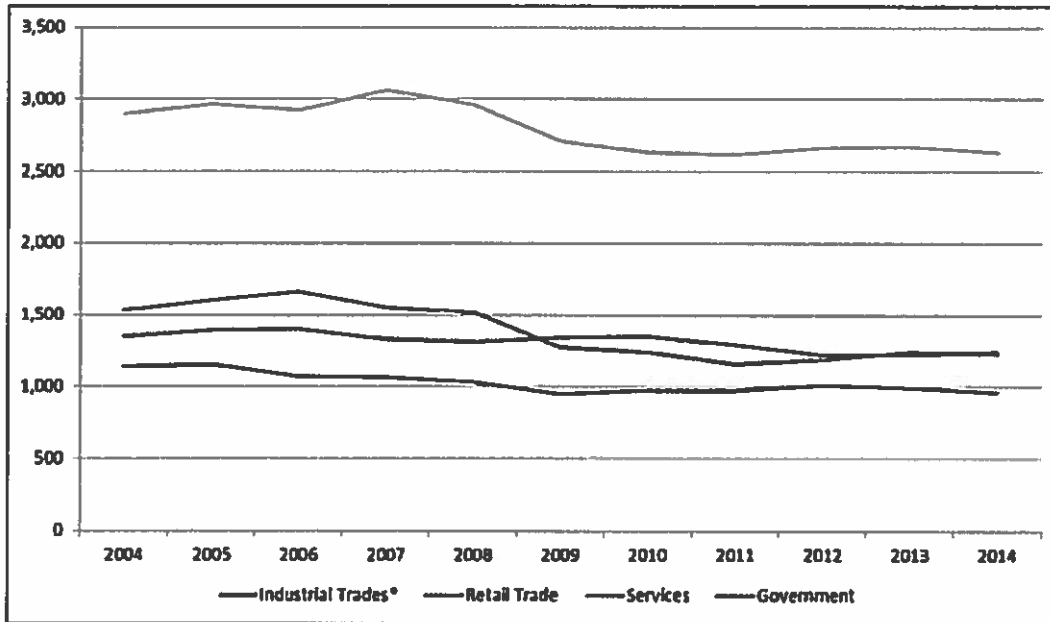


Exhibit 8 Non-Farm Employment Trends by Sector in Curry County, 2001-2014

	2004 - 2014				
	2004	2009	2014	Change	CAGR
Industrial Trades*	1,530	1,270	1,230	-300	-1.5%
Retail Trade	1,140	950	960	-180	-1.2%
Services	2,900	2,710	2,630	-270	-0.7%
Government	1,350	1,340	1,240	-110	-0.6%
Total	6,920	6,270	6,060	-860	-0.9%

* Includes construction, manufacturing, wholesale trade, transportation, utilities and mining/logging businesses.

Source: OED, compiled by FCS GROUP. Employment includes workers "covered" by unemployment insurance.

Exhibit 9 Curry County Employment Trends by Sector, 2001–2014 (covered workers)

	2001 - 2014				
	2001	2009	2014	Change	CAGR
Total nonfarm employment	6,920	6,270	6,060	-860	-0.9%
Total private	5,570	4,930	4,820	-750	-1.0%
Mining and logging	130	90	140	10	0.5%
Construction	540	400	320	-220	-3.7%
Manufacturing	630	570	580	-50	-0.6%
Wood product manufacturing	480	400	410	-70	-1.1%
Trade, transportation, and utilities	1,370	1,160	1,150	-220	-1.2%
Retail trade	1,140	950	960	-180	-1.2%
Information	110	80	70	-40	-3.2%
Financial activities	450	410	340	-110	-2.0%
Professional and business services	360	420	370	10	0.2%
Educational and health services	630	600	700	70	0.8%
Health care	510	490	590	80	1.0%
Leisure and hospitality	1,160	1,010	1,010	-150	-1.0%
Arts, entertainment, and recreation	70	50	40	-30	-3.9%
Accommodation and food services	1,090	960	970	-120	-0.8%
Other services	200	180	160	-40	-1.6%
Government	1,350	1,340	1,240	-110	-0.6%
Federal government	110	100	80	-30	-2.2%
State government	250	220	200	-50	-1.6%
Local government	1,000	1,020	960	-40	-0.3%

Source: Oregon Employment Department; Represents jobs covered by employment insurance; Compiled by FCS GROUP

Major Employers

Exhibit 10 lists the top employers within the Port District and Curry County.

Exhibit 10 Top Employers in Port of Brookings Harbor District and Curry County, 2012

PORT OF BROOKINGS HARBOR

Name	Location	Employment
Pacific Wood Laminates Inc	Brookings	250 to 300
Kroger Group Cooperative Inc	Brookings	200 to 250
Curry Health District	Brookings	150 to 200
Tidewater Contractors Inc	Brookings	100 to 150
C & K Market, Inc.	Brookings	100 to 150
South Coast Lumber Co.	Brookings	50 to 100
Brookings-Harbor High School	Brookings	50 to 100
Good Samaritan Soc-Curry Village	Brookings	50 to 100
Kalmiopsis Elem School	Brookings	50 to 100
Sea View Senior Living Community	Brookings	50 to 100

Source: Port of Brookings Harbor and FCS GROUP.

Tourism Trends

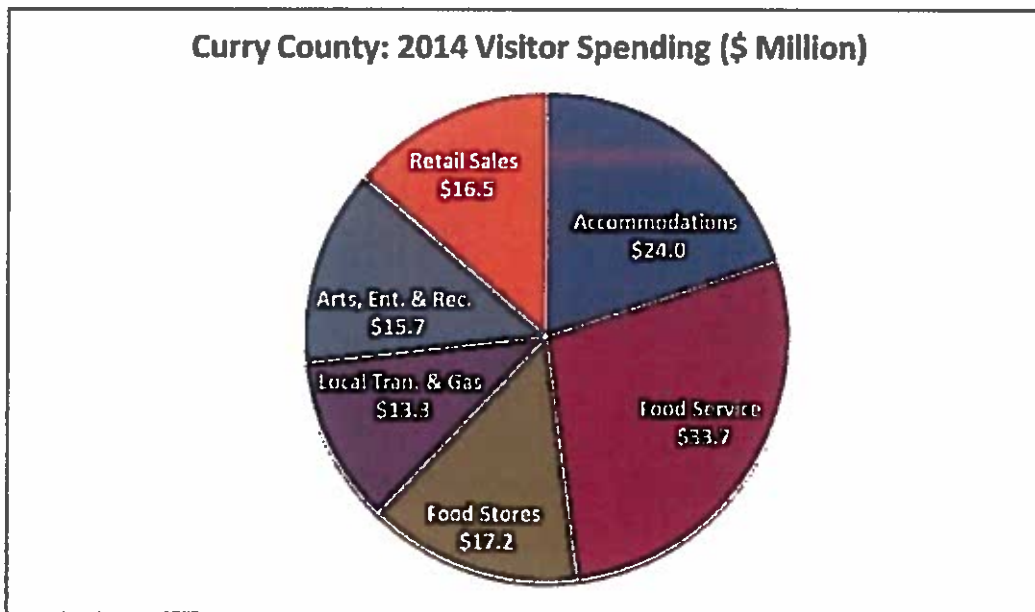
Visitation and tourism play an increasingly important role in supporting the regional economy. Visitors are drawn to the area's many natural attractions, including fishing, golfing, hiking, RV camping, and wildlife viewing. Primary attractions within the Port district include, but are not limited to:

- Annual "Party at the Port" festivities - Memorial Day weekend
- Recreational and commercial maritime activities at the Port of Brookings Harbor
- Crissey Field State Park

- Chetco River
- Azalca Park
- Chetco Valley Historical Museum
- Scenic Highway 101, the Oregon Coast Trail, and the routes along the Chetco River offer spectacular views from the rugged coast and appeal to motorists and bicyclists

According to the Oregon Tourism Commission, \$120,400,000 in annual travel spending in Curry County became the new all-time high in 2014, up 16 percent from 2004. Total travel spending in the County increased at an average annual rate of 1.5% from 2004–2014. As indicated in Exhibit 11, the retail sectors that benefit from tourism include food service/restaurants, food and beverage stores, accommodations, and miscellaneous retail stores.

Exhibit 11 Annual Visitation Spending in Curry County by Retail Type, 2014



Source: Dean Runyan Associates, Oregon Travel Impacts

Recreation Trends

The Oregon Coast Visitor survey (2004–2006) asked visitors about what they would most like to do in three categories: experiences and sights, entertainment activities, and sports and recreation activities. The top 10 results in each category are listed below.

Top 10 Desired Experiences and Sights

1. Small towns
2. Natural environment
3. Wilderness areas
4. Lakes/ivers
5. Friends/relatives
6. Historic sites and museums
7. National/state parks
8. Landmarks/historic sites
9. Rural farming areas

Top 10 Desired Entertainment and Activities

1. Shopping
2. Local foods
3. Aquarium
4. Whale watching
5. Cultural events/plays
6. Quality restaurants
7. Local music
8. Entertainment/shows
9. Festivals/fairs
10. Bars/nightclubs

Top 10 Sports and Recreation Activities

1. Viewing wildlife/bird watching
2. Hot tubbing/saunas
3. Swimming pools
4. Hiking/backpacking
5. Off-road vehicles
6. Fishing
7. Horseback riding
8. Golfing
9. Mountain biking
10. Canoeing/kayaking

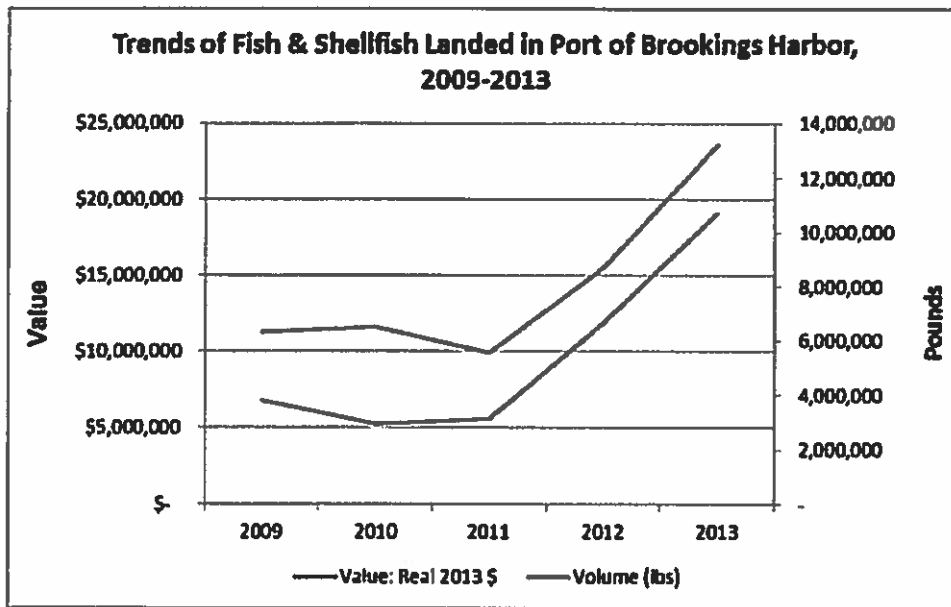
Within the Port district, almost all of these experiences and activities are currently available and are being actively marketed. FCS GROUP estimates that visitor spending currently accounts for over half of all private economic activity within the Port district.

Marina / Boating Analysis

FCS GROUP analyzed state and regional coastal fishing and boating trends to further understand how they may impact the Port's water-based commercial and recreational activities and marina expansion potential.

As indicated in Exhibit 12, according to data collected annually by the Oregon Department of Fish and Wildlife (ODFW), the number of pounds of fish and shellfish caught in Brookings Harbor has skyrocketed between 2009 and 2013. ODFW indicates that the total wholesale value of commercial fish and shellfish landings was \$19,106,678 in 2013, up 181 percent from \$6,799,299 in 2009.

Exhibit 12 Pounds and Value of Commercially Caught Fish/Shellfish, Brookings Harbor, 2009-2013



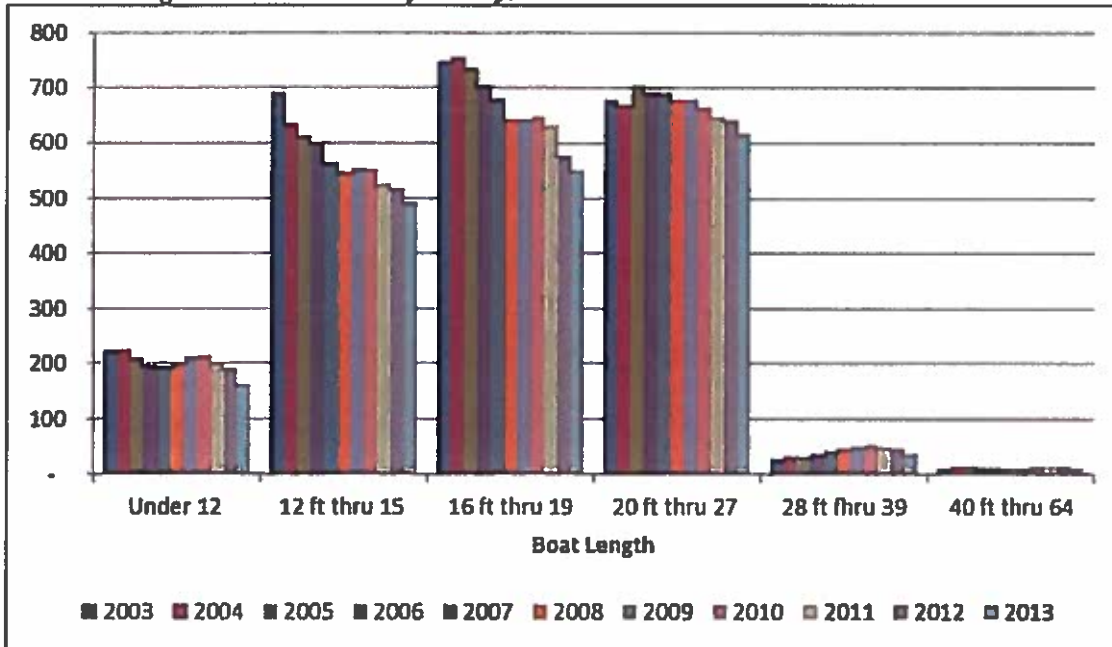
Source: Oregon Department of Fish and Wildlife, compiled by FCS GROUP

Brookings Harbor is one of the most active ports on the Oregon coast with nearly 100,000 total commercial and recreational fishing trips made annually. The Port, the County, the City of Brookings, and the Oregon State Marine Board have made significant investments in marine infrastructure to capitalize on Chetco River and Pacific Ocean access. These agencies have invested in marine docks, slips, and boat launches. The Brookings Harbor Marina includes a public boat ramp and 657 moorage slips that are typically occupied, especially in the summer months. The Oregon State Marine Board estimates that there were 33,906 boat trips departing from Brookings Harbor slips and docks during 2007 (the most recent survey). That number excludes a greater number of land-based crabbers, fishers, and visitors that accompany Chetco River and Pacific Ocean boaters.

The Marine Board also maintains boating registration records and surveys registered boats every 3 years to determine patterns in boating activity and safety. While the total number of registered boats in Oregon has been on a downward trend over the past decade, there has been positive long-term growth in the number of registered boats in certain size categories.

Curry County mirrors state trends with a decline in total registered boats since 2003 but positive long-term growth in larger size categories above 27 feet (Figure 13).

Exhibit 13 Registered Boats in Curry County, 2003 to 2013



Source: Oregon State Marine Board, compiled by FCS GROUP

Two existing public marina facilities in Curry County (Port of Brookings Harbor and Port of Gold Beach) provide approximately 757 fixed marina slips and a variety of amenities and services (Exhibit 14).

Exhibit 14 Selected Marina Facilities in Curry County

Name	Location	Port of Origin	Total Slips	Facilities										
				Transfer Dock	Power Water	Shore Power	Restrooms	Locks/Gates	Aprons	Boat Repair	Wood Decking	Deep Se	Boat Storage	
Brookings Harbor Marina	Port of Brookings Harbor	Chasco River	657	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Port of Gold Beach Marina	Port of Gold Beach	Rogue River	100	✓	✓	-	✓	✓	✓	-	✓	✓	✓	✓

Source: Oregon State Marine Board, compiled by FCS GROUP

The current schedule of dock user fees at the Port's marina is right around the average of the rates/fees charged in Port of Brookings Harbor, Bandon, Gold Beach, Coos Bay, Sturdivant Park, and Charleston (Exhibit 15).

Exhibit 15 Selected Marina Facility Slip/Moorage Fees

Moorage Rates

Facility Name	Annual Rate		Monthly	
	20' length	40' length	20' length	40' length
Brookings Harbor Marina	\$880	\$1,311	\$165	\$246
Charleston Marina Complex	\$675	\$1,200	\$130	\$260
Coos Bay Dock	\$960	\$1,920	\$80	\$160
Port of Bandon Marina	\$541	\$1,088	\$66	\$138
Port of Gold Beach Marina	\$880	\$1,311	\$165	\$246
Sturdivant Park	n/a			

*No overnight mooring allowed at Sturdivant Park

Source: Individual ports, compiled by FCS GROUP, February-March 2014.

Economic Benefits Analysis

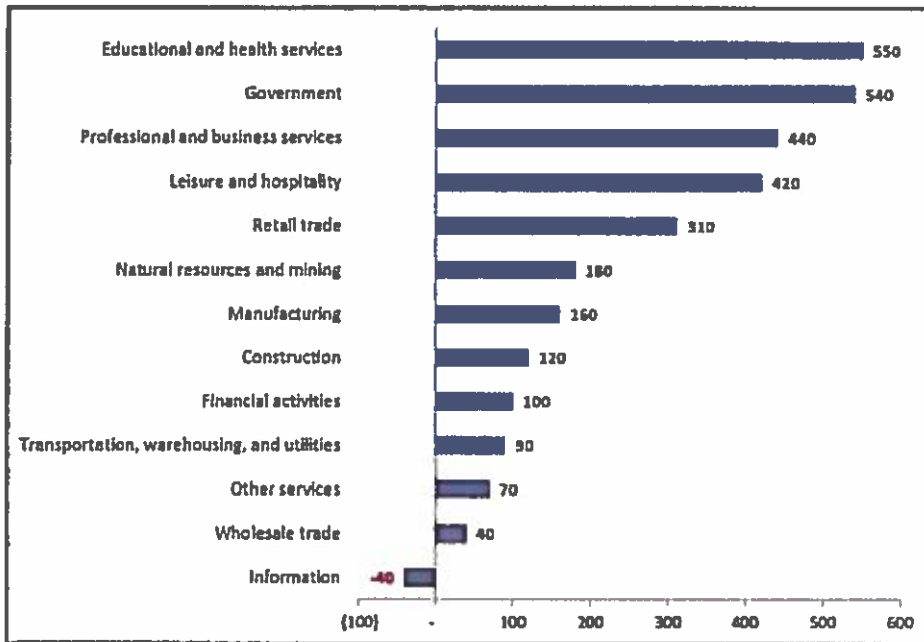
FCS GROUP analyzed the regional economic benefits of the Port of Brookings Harbor and its port-related businesses as part of a statewide study: *The Economic Benefits of Oregon Ports*, March 2014 (managed by Business Oregon Infrastructure Finance Authority). The economic analysis concluded that periodic channel dredging at the inlet and within the marina harbor area is critical to the local and regional economies along the South Coast and has measurable economic benefits at the local, regional, state, and national levels. At least 54 existing businesses are directly affected by dredging and related visitation activities. These local businesses support 860 jobs (including 706 direct jobs and 154 indirect/induced jobs). The permanent annual economic impact of the Port of Brookings Harbor includes the following annual benefits:

- Total port-related Oregon employment of 860 jobs (706 direct and 154 indirect/induced)
- Oregon output (gross sales) of nearly \$67.9 million (\$40.9 million direct and \$27.0 million indirect/induced)
- Oregon GRP of \$39.4 million (\$22.65 million direct and \$16.78 million indirect/induced)
- Oregon labor income of \$23.93 million (\$12.89 million direct and \$11.05 million indirect/induced)
- Annual local and state of Oregon tax revenue/payments of \$4.21 million (\$1.26 million in local and \$2.95 million in state tax revenues)
- Annual federal tax revenue/payments by Oregon enterprises and employees of \$5.12 million

Employment Forecast

The Oregon Employment Department (OED) forecasts an 11 percent increase in employment within the South Coast region (Coos and Curry counties) over the 2010 to 2020 period. A net increase of 2,980 jobs is forecasted over the next 10 years. The largest increases in job growth are expected in education and health services, and professional and business services. Sectors gaining jobs also include professional and business services; leisure and hospitality, which includes hotels, motels and restaurants; retail trade and natural resources, which includes farming, aquaculture, and mining; and manufacturing (Exhibit 16).

Exhibit 16 Employment Forecast for South Coast Region, 2010-2020



Source: Oregon Employment Department, region includes Coos and Curry counties.

Industry Clusters Analysis

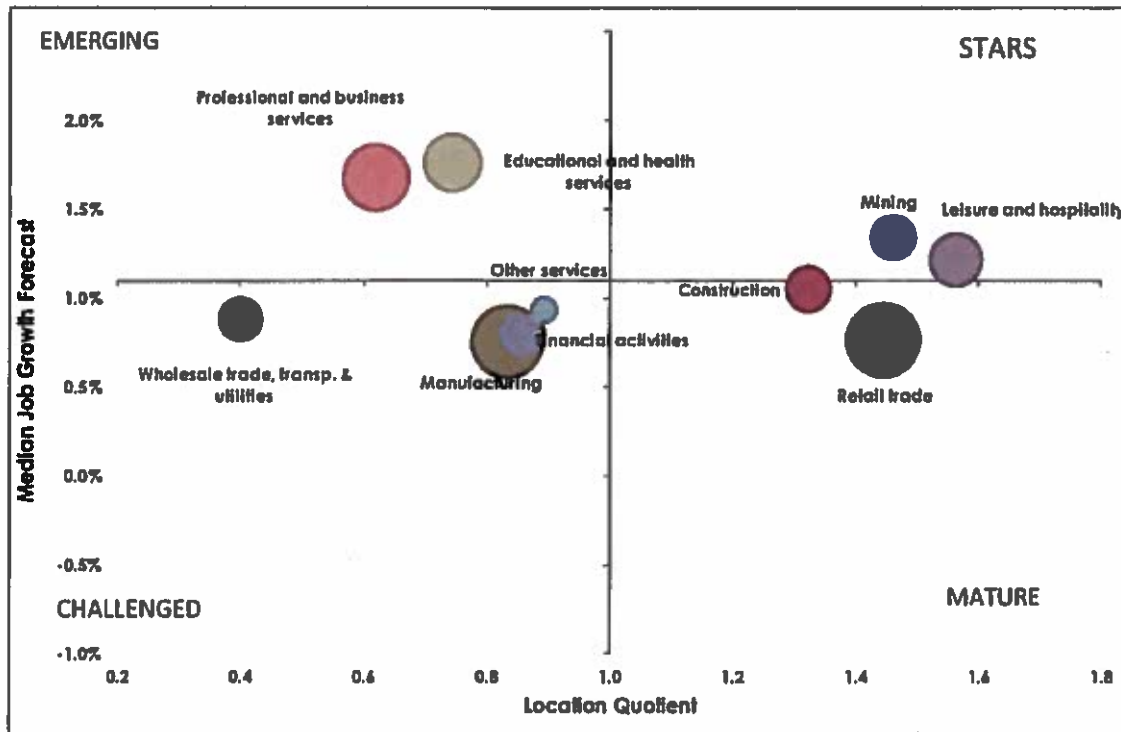
FCS GROUP prepared an employment clusters analysis for Curry County based off growth projections for the South Coast region to identify existing and emerging industry market opportunities. It is a widely accepted theory among economic development professionals that employment clusters are the primary force driving local economic currents and business location decisions. Clusters of economic activity go well beyond mere concentrations of industry or employment types. They represent unique competitive market advantages with regard to employment, work force, creativity, entrepreneurship, business costs, and supporting natural resources.

The employment clusters analysis helps identify potential industry sector candidates, entailing:

1. Obtaining 2012 employment security wage and salary employment data from Oregon Employment Department for Curry County and the state of Oregon.
2. Conducting a location-quotient (LQ) analysis to evaluate business and industrial clusters in Curry County relative to the state.
3. Evaluating business clusters within the Port area with regard to their LQ, projected growth rates, economic size, and average and aggregate wages.

The employment cluster analysis is summarized in Exhibit 17, which shows business and industrial sectors by their LQ, size (aggregate wages paid annually), and 10-year growth forecast (derived from OED information).

Exhibit 17 Employment Clusters in Curry County, 2012



Source: FCS GROUP based on Oregon Employment Department data.

FCS GROUP sorted business clusters into four classifications.

Stars – includes businesses with high LQ (propensity to locate in the region) and higher than average projected growth rate compared to other locations in Oregon. Business types include:

- ✓ Leisure and hospitality (resorts, hotels, motels, restaurants)
- ✓ Mining

Opportunities – includes businesses with low LQ and high average growth rate (possible pent-up demand or emerging cluster). Business types include:

- ✓ Education and health services
- ✓ Business and professional services

Mature – includes businesses with high LQ but lower than average growth rate. Business types include:

- ✓ Retail trade
- ✓ Construction

Challenged – includes businesses with low LQ and lower than average growth rate. Business types include:

- ✓ Financial services
- ✓ Manufacturing
- ✓ Wholesale trade, transportation and utilities
- ✓ Other miscellaneous services

Retail Target Market Opportunities

While the retail sector is mature, it is constantly evolving as new businesses open and others close. FCS GROUP analyzed retail supply and demand within the primary market area, which is defined as the area within a 15, 30, and 45-minute drive of Brookings Harbor. The analysis (see Appendix A) indicates the following findings:

Brookings Harbor has a significant outflow (leakage) of retail spending in the following store group categories: automotive parts and sales; gasoline stations; food and beverage; electronics and appliances; general merchandise; clothing and clothing accessories; and sporting goods. The amount of outflow spending lost in these categories amounts to \$4.5 million for automotive parts and dealers; and \$17.9 million for the other categories listed above.

These levels of retail trade outflow may justify an opportunity for retail development by the Port or private investors/developers at this time. If some of this retail outflow leakage is captured by new or redevelopment stores in the Port District, then there is presently demand for additional new retail development.

Target Market Opportunities

The industrial clusters within the Port district that appear most viable for long-term expansion are based on an analysis of existing enterprises that are already concentrated in the region. Please refer to Appendix B for a list of leading industry sectors sorted by location quotient size. Potential target market opportunities for the Port of Brookings Harbor include:

- Commercial fishing
- Seafood product storage and preparation
- Specialty manufacturing
- Marine research (possibly in conjunction with South Coast Community College)
- Retail (general merchandise, clothing, shoes, electronics, etc.)
- Automotive-related retail (fuel sales and auto care)

C. DEVELOPMENT POTENTIAL

The FCS GROUP evaluated two long-term employment growth forecasts for the South Coast region. It is anticipated that the Port of Brookings Harbor would have some responsibility in addressing most of the potential light industrial demand and perhaps a portion of the retail demand required to serve this regional need. The Port may also consider a role in developing sites for commercial development to meet local needs.

The average annual growth rate forecasts (AAGR) have been applied to current employment estimates using 2012 as the base year to derive a future 20-year job growth forecast. The growth forecast scenarios include:

Scenario 1: Low Forecast is based on the extrapolated Oregon Employment Department (OED) 2010–2020 job growth forecast for employment sectors in Coos and Curry counties, and a slightly lower growth rate for service sector businesses.

Scenario 2: Upper Forecast is generally consistent with the OED forecast for service and government jobs, but assumes a slightly higher retail and industrial growth rates.

Based on the two growth scenarios described above, the South Coast region is expected to add between 6,440 and 7,457 private jobs and about 1,090 government jobs over the next 20 years. As indicated in

Exhibit 18, the employment sectors that are expected to generate the most job growth in the South Coast region over the next 20 years include:

- Industrial (1,241 to 2,003 jobs)
- Retail trade (751 to 1,005 jobs)
- Services (3,206 to 4,448 jobs)
- Government (1,093 +/- jobs)

Exhibit 18 Non-Farm Employment Growth Forecast Scenarios, South Coast Region

Job Sector	2012 Total Jobs (Estimate)	2032 Forecast		20-year Change	
		Lower Scenario	Upper Scenario	Lower Scenario	Upper Scenario
Industrial	5,775	7,016	7,778	1,241	2,003
Retail trade	4,566	5,316	5,571	751	1,005
Services	14,560	17,766	19,008	3,206	4,448
Private Employment	24,901	30,098	32,357	5,198	7,457
Government	7,256	8,348	8,348	1,093	1,093
Total Employment	32,156	38,446	40,706	6,291	8,550

Source: Compiled by FCS GROUP based on current adjusted Oregon Employment Department data for 2012.

The forecasted lower- and upper-level of development potential for the Port of Brookings Harbor is shown in Exhibit 19. The identified market supportable development program for the Port District includes the following:

- Industrial (20,000 to 64,000 square feet of floor area)
 - Potential frozen storage/warehouse
 - Potential buildings for seafood processing,
 - Potential flex buildings for specialty manufacturing
- Retail (23,000 to 40,000 square feet of floor area)
 - Medium general merchandise establishment
 - Possible auto-related services
- Services (58,000 to 103,000 square feet of floor area)
 - Possible new hotel/motel
 - Possible research and development office

These market opportunities may further evaluated and refined during the strategic planning process.

Exhibit 19 Port of Brookings Harbor Development Potential: 20-Year Forecast

Projected Private Employment Land Need, Port of Brookings Harbor, 20-Year Forecast

Lower-Growth Forecast						Brookings Harbor Capture of South Coast Region
Job/Use Type	20-Yr Forecast Job Growth ¹	Jobs Per Acre ²	Building Floor Area Per Job ³	20-Year Land Need (net acres)	Building Floor Area Need	
General Industrial/Flex	25	14	800	2	20,000	2%
Retail trade	45	18	500	3	23,000	6%
Services	192	38	300	5	58,000	6%
Total	262			9	101,000	

Upper-Growth Forecast						Brookings Harbor Capture of South Coast Region
Job/Use Type	20-Yr Forecast Job Growth ²	Jobs Per Acre ³	Building Floor Area Per Job ³	20-Year Land Need (net acres)	Building Floor Area Need	
General Industrial/Flex	80	14	800	6	64,000	4%
Retail trade	80	18	500	4	40,000	8%
Services	343	38	300	9	103,000	8%
Total	504			19	207,000	

Notes:

¹ Derived from lower-growth forecast for private "covered" employment in South Coast Region (includes Coos and Curry Counties). Assumes 10% work at home adjustment for service jobs.

² Derived from upper-growth forecast for private "covered" employment in South Coast Region (includes Coos and Curry Counties). Assumes 10% work at home adjustment for service jobs.

³ Assumptions for job densities reflect "covered jobs" and are generally consistent with Oregon DLCD, *Industrial and Other Employment Land Analysis Handbook, 2001*.

Source: FCS GROUP based on assumptions provided above.

Appendix A Retail Trade Inflow/Outflow Analysis



Site Map

16340 Lower Harbor Rd, Brookings, Oregon, 97415
Drive Times: 15, 30, 45 minutes

Latitude: 42.05159
Longitude: -124.2666



March 31, 2014

Demographics within a 15 Minute Drive Time						
2013 Population		13,705				
2013 Households		6,187				
2013 Median Disposable Income		\$ 30,831				
2013 Per Capita Income		\$ 22,649				
Retail MarketPlace Profile Port of Brookings Harbor within a 15 Minute Drive Time						
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Cap	Leakage / Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$ 21,502,646	\$ 17,047,588	\$ 4,455,058	11.6	9
Furniture & Home Furnishings Stores	442	\$ 2,375,482	\$ 4,391,470	\$ (2,015,988)	-29.8	6
Electronics & Appliances Stores	443	\$ 3,140,806	\$ 2,475,113	\$ 665,693	11.9	6
Bldg. Materials, Garden Eqpt. & Supply Stores	444	\$ 4,391,043	\$ 4,916,906	\$ (525,863)	-5.6	5
Food & Beverage Stores	445	\$ 23,421,182	\$ 18,973,476	\$ 4,447,706	10.5	11
Health & Personal Care Stores	446 & 4461	\$ 7,913,800	\$ 27,536,911	\$ (19,623,111)	-55.4	10
Gasoline Stations	447 & 4471	\$ 11,225,793	\$ 4,061,027	\$ 7,164,766	46.9	1
Clothing & Clothing Accessories Stores	448	\$ 6,029,716	\$ 731,912	\$ 5,297,804	78.4	4
Sporting Goods, Hobby, Book & Music Stores	451	\$ 2,916,228	\$ 2,392,256	\$ 523,972	9.9	9
General Merchandise Stores	452	\$ 21,098,737	\$ 5,998,543	\$ 15,100,194	55.7	3
Miscellaneous Store Retailers	453	\$ 4,332,137	\$ 5,044,550	\$ (712,413)	-7.6	28
Nonstore Retailers	454	\$ 8,382,409	\$ 17,024,266	\$ (8,641,857)	-34	3
Food Services & Drinking Places	722	\$ 11,369,492	\$ 17,199,250	\$ (5,829,758)	-20.4	27
Demographics within a 30 Minute Drive Time						
2013 Population		28,809				
2013 Households		10,828				
2013 Median Disposable Income		\$ 33,507				
2013 Per Capita Income		\$ 21,324				
Retail MarketPlace Profile Port of Brookings Harbor within a 30 Minute Drive Time						
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Cap	Leakage / Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$ 39,158,149	\$ 19,759,971	\$ 19,398,178	32.9	14
Furniture & Home Furnishings Stores	442	\$ 4,394,677	\$ 4,775,134	\$ (380,457)	-4.1	7
Electronics & Appliances Stores	443	\$ 5,533,652	\$ 5,955,983	\$ (422,331)	-3.7	8
Bldg. Materials, Garden Eqpt. & Supply Stores	444	\$ 7,766,020	\$ 14,229,857	\$ (6,463,837)	-29.4	10
Food & Beverage Stores	445	\$ 40,873,781	\$ 61,661,451	\$ (20,787,670)	-20.3	23
Health & Personal Care Stores	446 & 4461	\$ 16,539,206	\$ 31,915,973	\$ (15,376,767)	-31.7	11
Gasoline Stations	447 & 4471	\$ 20,565,898	\$ 13,624,502	\$ 6,941,396	20.3	5
Clothing & Clothing Accessories Stores	448	\$ 11,476,249	\$ 1,516,121	\$ 9,960,128	76.7	7
Sporting Goods, Hobby, Book & Music Stores	451	\$ 5,236,908	\$ 3,062,409	\$ 2,174,499	26.2	15
General Merchandise Stores	452	\$ 35,742,418	\$ 44,595,031	\$ (8,852,613)	-11	7
Miscellaneous Store Retailers	453	\$ 7,742,836	\$ 6,909,480	\$ 833,356	5.7	38
Nonstore Retailers	454	\$ 15,994,146	\$ 20,527,960	\$ (4,533,814)	-12.4	5
Food Services & Drinking Places	722	\$ 20,493,599	\$ 26,166,003	\$ (5,672,404)	-12.2	43
Demographics within a 45 Minute Drive Time						
2013 Population		44,156				
2013 Households		17,178				
2013 Median Disposable Income		\$ 32,141				
2013 Per Capita Income		\$ 20,879				
Retail MarketPlace Profile Port of Brookings Harbor within a 45 Minute Drive Time						
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Cap	Leakage / Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$ 59,145,181	\$ 23,311,459	\$ 35,833,722	43.5	19
Furniture & Home Furnishings Stores	442	\$ 6,725,524	\$ 6,506,978	\$ 218,546	1.7	12
Electronics & Appliances Stores	443	\$ 8,321,723	\$ 9,000,778	\$ (679,055)	-3.9	13
Bldg. Materials, Garden Eqpt. & Supply Stores	444	\$ 11,250,239	\$ 23,712,898	\$ (12,462,659)	-35.6	17
Food & Beverage Stores	445	\$ 61,147,125	\$ 101,285,997	\$ (40,138,872)	-24.7	35
Health & Personal Care Stores	446 & 4461	\$ 25,447,645	\$ 44,378,833	\$ (18,931,188)	-27.1	14
Gasoline Stations	447 & 4471	\$ 31,057,677	\$ 27,372,235	\$ 3,685,442	6.3	8
Clothing & Clothing Accessories Stores	448	\$ 17,940,171	\$ 2,853,890	\$ 15,086,281	72.6	16
Sporting Goods, Hobby, Book & Music Stores	451	\$ 7,932,640	\$ 7,322,989	\$ 609,651	4	27
General Merchandise Stores	452	\$ 53,072,875	\$ 45,831,809	\$ 7,241,066	7.3	8
Miscellaneous Store Retailers	453	\$ 11,482,419	\$ 10,102,154	\$ 1,380,265	6.4	64
Nonstore Retailers	454	\$ 24,305,740	\$ 28,396,845	\$ (4,091,105)	-7.8	8
Food Services & Drinking Places	722	\$ 31,437,379	\$ 46,940,038	\$ (15,502,659)	-19.8	79

Source: ESRI Business Analyst Online Retail MarketPlace Profile Report, compiled using Dun & Bradstreet data, table developed by FCS GROUP

Appendix B

Leading Industries in Curry County by Location Quotient and Employment

Industry Description	Employment	Location Quotient	Potential Target Industry?
Commercial Fishing	446	26.2	✓
Veneer and plywood manufacturing	377	13.0	✓
Metal cutting and forming machine tool manufacturing	11	10.7	✓
Other amusement and recreation industries	212	6.4	✓
Veterinary services	205	5.0	
Support activities for fishing, agriculture and forestry	346	3.9	✓
Hotels and motels, including casino hotels	279	3.9	✓
Other accommodations	60	3.7	✓
Other information services	6	3.4	✓
Plate work and fabricated structural product manufacturing	29	3.3	✓
Ornamental and architectural metal products manufacturing	31	3.3	✓
Amusement parks, arcades, and gambling industries	104	3.1	✓
Fruit farming	54	3.0	
Fitness and recreational sports centers	118	2.9	
Cattle ranching and farming	96	2.6	
Independent artists, writers, and performers	33	2.6	
Electric power generation, transmission, and distribution	36	2.3	✓
Automotive repair and maintenance, except car washes	190	2.3	✓
Electricity and signal testing instruments manufacturing	15	2.1	✓
Grantmaking, giving, and social advocacy organizations	60	2.0	

Source: FCS GROUP, based on IMPLAN data for Curry County

**Port of Brookings Harbor
Strategic Business Plan
Curry County, Oregon**

**Appendix E
Dredge Operational Analysis Summary**

Memorandum

Date: 12 February 2015

Subject: Dredge Operational Analysis and Business Plan Technical Report Summary

From: Scott Keillor

To: Becky Bryant, Infrastructure Finance Authority

The following memorandum summarizes the Dredge Equipment Operational Analysis and Business Plan Draft Technical Report (report) prepared by Coast and Harbor Engineering (CHE) in 2014. This summary provides an overview of the report methodology, dredging requirements, and the recommended dredging equipment to meet the needs of each port.

REPORT OVERVIEW

In 2014 CHE was hired by the Oregon Infrastructure Finance Authority to evaluate the feasibility of an Oregon State-funded purchase of dredging equipment to serve seven ports along the Oregon coast (Port of Siuslaw, Port of Umpqua [Salmon Harbor Marina], Oregon International Port of Coos Bay [Charleston Marina Complex and Shipyard], Port of Bandon, Port of Port Orford, Port of Gold Beach, and Port of Brookings Harbor). This summary focuses on the conditions and dredging needs of the four southernmost ports.

Annual maintenance dredging volumes were calculated for each port using an analysis of historical bathymetric survey data and a review of historical dredging records. Based on this analysis, a total of approximately 63,000 cubic yards of annual maintenance dredging is estimated to be required to maintain navigable depths at all seven ports. The report further identified available dredge material disposal sites, material composition, and methods of disposal for each port in order to evaluate dredge equipment alternatives and select a preferred alternative.

In addition to annual maintenance dredging volumes, CHE identified the amount of *backlog* dredging that has accumulated at each port due to irregular maintenance dredging practices over the last several decades. Given the quantity of backlog dredging required at the ports (a total of approximately 700,000 cubic yards), backlog dredging is currently considered as a separate dredging project and was not considered in the selection and comparison of dredging equipment.

Dredging Equipment Preferred Alternative and Cost

As noted above, CHE considered several factors in the selection of the dredging equipment preferred alternative. CHE evaluated three dredge equipment alternatives and based on the technical requirements, as well as operational costs, dredge equipment purchase cost, and production rates, a 12-inch hydraulic cutterhead dredge 370 HP with a discharge pipeline of 12 inches and an 8-inch Toyo pump dredge was selected as the preferred alternative to meet the needs of each of the study ports.

In order to determine the average cost per cubic yard of dredged material, CHE estimated the annual operational and ownership costs for the preferred dredge equipment alternative. The ownership cost for a hydraulic cutterhead dredge Dragon 370 HP and Toyo pump was estimated at \$28,550 annual (\$21,600 and \$6,950, respectively). In evaluating the operational costs for the dredge equipment, the following assumptions were used.

- During dredging, the operating crew for each 370 HP cutterhead dredge and for the Toyo pump includes 2 staff personnel; an operator and a deckhand. During mobilization (demobilization), the crew will include 3 staff personnel for the 370 HP, and 2 staff personnel for the Toyo pump.
- Hourly labor paid rates were assumed to be \$20 per hour for an operator, and \$15 per hour for a deckhand.
- Dredge personnel overhead was accounted for as 1.2 of yearly salary.
- Diesel price is considered fixed and equal to \$4.25 per gallon.
- No expenses on monitoring (if needed), licensing fee, and permit-related expenses are included.

Based on the assumptions listed above, CHE estimated the annual operational cost for the preferred dredge equipment alternative at \$243,500. However, given the potential fluctuation in the operational cost assumptions, CHE recommended a safety factor of 1.75 for an upper value of possible operational costs of \$426,200. Considering the upper value operational cost of \$426,200 and an ownership cost of \$28,550, the cost per cubic yard of dredged material for an annual maintenance dredging volume of 63,000 cubic yards would be approximately \$7.2 per cubic yard.

DREDGING REQUIREMENTS PER PORT

The tables below identify the specific dredging needs and considerations for the four southernmost ports included in the CHE report.

Port of Bandon

Table 4. Port of Bandon Dredging Requirements

Dredge Location	Annual Maintenance Dredging Volume (cubic yards)	Distance to In-Water Disposal Site (miles)	Sediment Type	In-Water Work Windows	Permit Summary
Port of Bandon Boat Basin and Launch Ramp	7,000	0.3	Silt/clay with organics (silt)	<ul style="list-style-type: none"> • DSL Permit (November 15 - February 15) • USACE Permit (October 1 - February 15) 	<ul style="list-style-type: none"> • USACE permit renewal in progress. • DSL permit renewal in progress

Available Disposal Sites

Ocean Dredged Material Disposal Site (ODMDS) located northwest of the mouth of the Coquille River, 3,500 x 1,750 feet with an average depth of 60 feet. Flow lane deposition site in the Coquille River lies in close proximity to the boat basin and may be used for boat basin or boat launch area dredged material.

Disposal Method: hydraulic

Port of Port Orford

Table 5. Port of Port Orford Dredging Requirements

Dredge Location	Annual Maintenance Dredging Volume (cubic yards)	Distance to In-Water Disposal Site (miles)	Sediment Type	In-Water Work Windows	Permit Summary
Port of Port Orford	10,000	0.2	Poorly graded sand with shell hash (coarse sand)	<ul style="list-style-type: none"> • May 1 to October 15 (according to Port staff) 	<ul style="list-style-type: none"> • USACE permit expires 1/2017. • DSL permit expires 10/31/2018

Available Disposal Sites

ODMDS nearshore site is located approximately 200 feet from the edge of the breakwater, 400 x 400 feet and with an annual capacity of 7,000 cubic yards.

Disposal Method: hydraulic

Port of Gold Beach

Table 6. Port of Gold Beach Dredging Requirements

Dredge Location	Annual Maintenance Dredging Volume (cubic yards)	Distance to In-Water Disposal Site (miles)	Sediment Type	In-Water Work Windows	Permit Summary
Port of Gold Beach Basin	5,500	0.7 (off shore)	Silty sand (silt)	<ul style="list-style-type: none"> • DSL Permit (October 1 - May 31) • USACE Permit (November 15 - February 15) 	<ul style="list-style-type: none"> • USACE permit information not available. • DSL permit expires 2/28/2016

Available Disposal Sites

ODMDS located southwest of the entrance to the Rogue River, 3,600 x 1,400 feet with an average depth of 60 feet. Due to the presence of contaminants, boat basin dredged material must be placed in an upland disposal site. An upland site has not been formally permitted.

Disposal Method: hydraulic

Port of Brookings Harbor

Table 7. Port of Brookings Harbor Dredging Requirements

Dredge Location	Annual Maintenance Dredging Volume (cubic yards)	Distance to In-Water Disposal Site (miles)	Sediment Type	In-Water Work Windows	Permit Summary
Port of Brookings Harbor Marina	7,200	0.9	Silty sand and sandy silt (silt)	<ul style="list-style-type: none"> • DSL Permit (October 1 - May 31) • USACE Permit (November 15 - February 15) 	<ul style="list-style-type: none"> • USACE permit expires in 2015. • DSL permit expires in 2015

Available Disposal Sites

Chetco River ODMDS offshore site located southwest of the entrance to the Chetco River, 1,800 x 1,800 feet with an average depth of 70 feet. Nearshore deposition site lies in close proximity to the beach. Boat basin dredged material must be placed in the offshore site.

Disposal Method: hydraulic and clamshell

**Port of Brookings Harbor
Strategic Business Plan
Curry County, Oregon**

**Appendix F
Dredge Financial Analysis**

SOUTH COAST PORTS DREDGING FINANCIAL ANALYSIS

INTRODUCTION

The purpose of the South Coast Ports Dredging Financial Analysis is to evaluate ways the State of Oregon, in conjunction with South Coast Port Districts, can efficiently maintain marina depths in light of costs associated with permitting and dredging. In collaboration with BergerABAM, FCS GROUP completed an analysis of the financial well-being of each of the identified South Coast ports in order to determine their individual ability to contribute to future funds reserved for dredging maintenance.

Four ports comprise the South Coast Ports Dredging Financial Analysis, including: Port of Bandon; Port of Brookings Harbor; Port of Gold Beach; and Port of Port Orford. For each port, FCS GROUP compiled historical budget data using the most up-to-date figures available to understand the trajectory of spending at these ports. Using these data, FCS GROUP projected growth rates in order to estimate potential funds available for port contributions to dredging activities.

Additionally, two studies performed by other firms were evaluated as a basis for dredging cost estimates. FCS GROUP reviewed recommendations made in the 2008 California *State Ownership of a Dredge Economic Feasibility Analysis* (by Moffatt & Nichol). FCS GROUP reviewed a study performed by Coast and Harbor Engineering entitled *Dredge Equipment Operational Analysis and Business Plan Draft Technical Report, 2014*. This study examined annual maintenance dredging needs at seven central and south Oregon Coast ports, providing high and low cost estimates for dredging activities. This information was imperative for developing revenue requirements at each port and subsequent policy recommendations.

California State Ownership of a Dredge Feasibility Analysis

The California *State Ownership of a Dredge Economic Feasibility Analysis* evaluated costs and benefits of state ownership of dredge equipment versus contracting dredging projects out to private sector firms. Highlights from the study include:

- Utilization is a key driver of the cost effectiveness of a purchased dredge.
- For a state-owned dredge to be cost-effective there would have to be a high confidence of being able to consistently fund, permit and execute the volume of work necessary to justify the investment year after year for the life of the dredge.
- Allocating dredge costs between different projects and local communities could be difficult and potentially contentious.
- Owning and operating a dredge potentially exposes the state to substantial liabilities in terms of navigation mishaps, marine pollution and Jones Act injury claims.

The California study looked at the potential acquisition of an ocean-going hopper dredge, a significantly larger and more expensive piece of equipment than the State of Oregon is considering acquiring for use in coastal harbors, the study is helpful in determining key cost/investment criteria. The authors of the study recommend that California not pursue a state-owned dredge solution. Their reasons include "... the expense, the complications of dredge ownership and the expectation that the private dredge industry could respond to ... needs more efficiently than a state run dredge could". The study found that the state would have to pay mobilization costs for the contractors, however, the fixed cost of owning the equipment is eliminated.

The study further noted that contracting out dredging allows for the use of contextually appropriate dredge equipment for a given project. In California, various types of dredging equipment would be needed so the purchase of a single dredge cannot address every port's unique needs; necessitating the use of outside contractors with added coordination and mobilization costs. Typical mobilization costs can range from \$1 million to \$3 million. Mobilization may be cost-prohibitive for one project but spread over four or five projects, mobilization is more likely to pencil out. As mentioned previously, another advantage of contracting out dredging is that the right dredge for a given project will be available, resulting in timely, efficient completion. Finally, the study notes that mobilization costs (with contract dredge operations) are mitigated by the elimination of dredge equipment maintenance costs that would be associated with state ownership of a dredge.

The study goes on to recommend methods for maximizing the cost effectiveness of contracting dredge work. As mentioned before, the careful and thoughtful coordination of contracted dredging activities will spread the mobilization costs to ports. Furthermore, the study notes that a steady stream of funding will generate efficiencies because there will be a greater likelihood of contract dredges being nearby, given that more work will be performed in the area. Were this the case, the study notes, deployment costs would be decreased.

Coast and Harbor Engineering study Dredge Equipment Operational Analysis

In order to arrive at an annual cost basis for dredging at each port, FCS GROUP reviewed the Coast and Harbor Engineering report entitled *Dredge Equipment Operational Analysis and Business Plan Draft Technical Report* (CHE study). The authors of the report noted that their focus was on annual marina maintenance dredging, omitting backlog dredging which the authors deemed too great a demand for the state of Oregon to confront with the purchase of a single dredge. The study does not take into account mitigation costs that might be associated with securing a dredging permit, upland disposal site costs or costs associated with securing and retaining new low land or new upland disposal sites. The study concluded that the annual costs dredging activities for South Coast ports is expected to range from \$4.30-\$7.20 per cubic yard (2014 dollar amounts). The resulting dredging needs and cost requirements are shown in **Exhibit 1**.

Annual Dredging Needs By Port				Exhibit 1	
Port Name	Annual Maintenance Dredging Volume (CY)	Low-End Annual Cost	Midpoint	High-End Annual Cost	
Port of Bandon	7,000	\$30,100	\$40,250	\$50,400	
Port of Brookings Harbor	7,200	\$30,960	\$41,400	\$51,840	
Port of Gold Beach	5,500	\$23,650	\$31,625	\$39,600	
Port of Port Orford	10,000	\$43,000	\$57,500	\$72,000	
Subtotal	29,700	\$127,710	\$170,775	\$213,840	
Port of Siuslaw	4,300	\$18,490	\$24,725	\$30,960	
Port of Umpqua	12,700	\$54,610	\$73,025	\$91,440	
Int'l. Port of Coos Bay	16,400	\$70,520	\$94,300	\$118,080	
Grand Total	63,100	\$271,330	\$362,825	\$454,320	

Source: 2014 Coast and Harbor Engineering Dredge Equipment Operational Analysis and Business Plan Draft Technical Report. Compiled by FCS GROUP.

FINANCIAL ANALYSIS

FCS GROUP evaluated historic revenues and expenditures and prepared a five-year forecast of potential fund balances for each of the four South Coast ports. The intent of the financial analysis is to determine the relative ability of each port to contribute to annual dredging maintenance. For analysis purposes, FCS GROUP relied upon the high-end annual costs shown in Exhibit 1, and compared that with a low and high estimate of each port's ability to contribute to reserve funds dedicated to dredging activities.

The financial analysis of each port is included in the Technical Appendix of this document. The findings indicate that each port has varying abilities to contribute to annual dredging activities, depending upon their existing financial commitments that are in place (e.g., debt load) and expected levels of operating revenues and expenditures.

Exhibit 2 illustrates a five-year forecast of dredging costs by port in comparison to potential local port contributions to dredging. The results indicate these four South Coast ports are likely to incur \$1,069,200 in five-year dredge maintenance costs and have the collective ability to contribute between \$361,000 and \$481,000, leaving an overall funding gap ranging from \$588,200 to \$708,200.

It is recommended that the State of Oregon acknowledge the need for stable funding sources and work toward establishing a means to meet the presently estimated \$213,840 (high end) annual cost of dredging for the South Coast Ports. In the future, it is possible that new funding sources could be created to provide dedicated funding for port activities and infrastructure investments. Potential new funding resources may include a mix of local, regional and state resources that would depend upon local voter and legislative support, such as:

- Voter approved regional tax levy
- State legislation allowing a local option "fuel tax" for specified purposes, including dredging
- State legislation allowing local (county) option "sales tax" for specific purposes, including dredging

- State legislation dedicating a portion of lottery funds to be dedicated to regional agencies that for “marine-related” investments
- Working with local governments, ports might also be able to secure other city/county funding sources that could offset costs associated with dredging.

Exhibit 2

Five-Year Dredging Cost and Contribution Forecasts by Port

Port Name	Annual Maintenance Dredging Volume (CY)	Annual Dredging Cost (high end)	5 Year Dredging Cost (high end)	Potential Local Contribution (low end)	Potential Local Contribution (high end)	Proj. 5 Year Funding Gap (low end)	Proj. 5 Year Funding Gap (high end)
Port of Bandon	7,000	\$50,400	\$252,000	\$141,000	\$188,000	(\$64,000)	(\$111,000)
Port of Brookings Harbor	7,200	\$51,840	\$259,200	\$153,000	\$204,000	(\$55,200)	(\$106,200)
Port of Gold Beach	5,500	\$39,600	\$198,000	\$56,000	\$75,000	(\$123,000)	(\$142,000)
Port of Port Orford	10,000	\$72,000	\$360,000	\$11,000	\$14,000	(\$346,000)	(\$349,000)
Total	29,700	\$213,840	\$1,069,200	\$361,000	\$481,000	(\$588,200)	(\$708,200)

Source: prior tables and individual port financial forecasts contained in Appendix. Compiled by FCS Group.

Recommended Financial Policies

Achieving the local port contribution levels indicated above requires each port to adopt new financial policies that require a share of each year’s General Fund balance to be transferred into a reserve fund dedicated to dredging. The targeted percentage of General Funds dedicated to dredging would vary by port. Please refer to the financial Appendix for more detailed analyses. The recommended financial policies are described below.

- **Port of Bandon:** utilize 100% of FY 2014/15 budgeted dredging capital reserve funds for dredging activities and contribute at least 15% of future General Fund ending fund balances to dredging activities.
- **Port of Brookings Harbor:** target at least 15% of each year’s General Fund ending fund balances to a Dredging Maintenance Reserve Fund.
- **Port of Gold Beach:** target at least 20% of each year’s General Fund ending fund balances to a Dredging Maintenance Reserve Fund.
- **Port of Port Orford:** target at least 20% of each year’s General Fund ending fund balances to a Dredging Maintenance Reserve Fund, and a transfer of at least 20% of Capital Equipment Reserve Funds to dredging.

ECONOMIC BENEFIT ANALYSIS

In addition to analyzing the cost of dredging, FCS GROUP also evaluated the relative economic benefit generated by each port in the *Oregon Ports Economic Benefits Study, 2014*. The results of that study indicate that the State of Oregon receives an annual economic benefit of nearly \$8.1 million from the four South Coast ports and nearly \$22.6 million when you include the Port of Coos Bay, Port of Umpqua and Port of Siuslaw. This level of economic tax benefit equates to \$271 per CY of dredging volume for the four South Coast ports combined. The tax revenues to the State of Oregon and the related local employment benefits should be important considerations in the state’s and ports’ commitment to dredging.

This analysis indicates that the five-year high-end net investment by the state of Oregon is \$660,000, but it is likely to yield a return of \$40 million in port-related tax revenues (5 x \$8M).

**Exhibit 3
 Annual Economic Benefits by Port**

Port Name	Annual Maintenance Dredging Volume (CY)	Annual Tax Revenue		Employment Related Benefit		
		State Tax Revenue Generated	Tax Benefit per CY dredged	Direct	Indirect and Induced	Total
Port of Bandon	7,000	\$3,342,000	\$477	484	231	715
Port of Brookings Harbor	7,200	\$2,948,000	\$409	706	154	860
Port of Gold Beach	5,500	\$1,307,000	\$238	191	136	327
Port of Port Orford	10,000	\$463,000	\$46	134	24	158
Subtotal	29,700	\$8,060,000	\$271	1,515	545	2,060
Port of Siuslaw	4,300	\$791,000	\$184	141	55	196
Port of Umpqua	12,700	\$2,894,000	\$228	505	243	748
Intl. Port of Coos Bay	16,400	\$10,813,000	\$659	1,305	1,587	2,892
Grand Total	63,100	\$22,558,000	\$357	3,466	2,430	5,896

Source: 2014 Coast and Harbor Engineering Dredge Equipment Operational Analysis, and Economic Benefits of Oregon Public Ports report, 2014. Compiled by FCS Group.

TECHNICAL APPENDIX

ADDENDUM TO PORT OF BANDON FINANCIAL PLAN

General Fund History: The Port of Bandon's General Fund (Appendix A-1) consists of rents, tax revenue and moorage fees, among other resources. These revenue generating mechanisms have been trending upward over the last four fiscal year cycles lead by increased rent and tax income.

Requirements financed by general fund income have fluctuated in the last four fiscal year cycles, the highest of which is anticipated to occur in this fiscal year. Requirements include materials and services, personnel services, capital outlay and transfers to other funds.

Reserve Fund History: The Port of Bandon's Reserve Fund (Appendix A-2) consists exclusively of previous fund balances and transfers from the Port's General Fund. In fiscal years 2011-12, 2012-13 and 2013-14, the fund did not pay for any activities; however, the Reserve Fund is budgeted to pay for facility repair and replacement along with contributions to a dredging fund during the current fiscal year.

Capital Projects Fund History: The Port of Bandon's Capital Projects Fund (Appendix A-3) consists of sales of assets, transfers from the General Fund, and grants. The Capital Projects Fund has financed the purchase of materials and services, capital outlay spending and transfers back to the General Fund as well as dedicated grant spending. Ending fund balances have been dwindling in the last three fiscal years.

General Fund Projection: According to a five year projection compiled by FCS GROUP (Appendix A-4), the Port of Bandon is expected to accumulate increasing ending fund balances. However, this projection has not budgeted for continued capital outlay spending, nor for transfers to other funds within the Port, given the unpredictable nature of such expenses.

Recommendation for dredging activities at the Port of Bandon: The Port has set aside a dredging fund in its Capital Reserve Fund of approximately \$115,000 (Appendix A-5). The Port of Bandon is projected to experience net increases in its General Fund ending fund balances for the foreseeable future. It is recommended that the Port of Bandon utilize this fiscal year's \$115,000 budgeted dredging reserve, in addition to budgeted facility repair/replacement expenditures to contribute to dredging activities and contribute 15% of future general fund ending fund balances to dredging activities.

APPENDIX A – PORT OF BANDON

Part of Bandon General Fund, History

Appendix A-1

Category	Actuals			Budget
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Resources				
Beginning fund balance	\$ 323,856	\$ 308,941	\$ 407,294	\$ 487,577
Revenue				
Previously levied taxes			28,776	20,000
Interest	2,301	2,944	3,342	3,500
Moorage	49,505	50,220	47,172	44,000
Rents	106,727	150,617	155,999	164,432
Sale of assets	320	-	500	
Grants	10,894	6,700	6,700	6,700
Miscellaneous	13,399	10,653	14,757	10,000
Transfers In	-	-	-	10,000
Taxes	395,426	402,254	392,610	394,139
Total revenue	578,572	623,388	649,856	652,771
Total resources	\$ 902,428	\$ 932,329	\$ 1,057,150	\$ 1,140,348
Requirements				
Expenditures				
Personnel services	\$ 193,634	\$ 196,358	\$ 228,256	\$ 277,312
Materials and services	226,703	249,096	277,069	430,459
Capital outlay	58,150	34,581	19,248	140,000
Transfers				
To Reserve Fund	15,000	45,000	45,000	75,000
To Capital Projects Fund	100,000	-	-	10,000
To General Operating Contingency			-	70,000
Total transfers	115,000	45,000	45,000	155,000
Total expenditures	593,487	525,035	569,573	1,002,771
Ending fund balance	308,941	407,294	487,577	137,577
Days of reserve in ending fund balance	190	283	313	50

Source: Audit report for fiscal year 2011-12, adopted budget for fiscal year 2013-14 and proposed budget for fiscal year 2014-15

Port of Bandon Reserve Fund, History

Appendix A-2

Category	Actuals			Budget
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Resources				
Beginning fund balance	\$ 15,651	\$ 30,651	\$ 75,651	\$ 120,651
Revenue				
Interest				
Transfer from General Fund	15,000	45,000	45,000	75,000
Total revenue	15,000	45,000	45,000	75,000
Total resources	\$ 30,651	\$ 75,651	\$ 120,651	\$ 195,651
Requirements				
Capital outlay				
Facility Repair/Replacement	\$ -	\$ -	\$ -	\$ 80,600
Dredging	\$ -	\$ -	\$ -	\$ 115,000
Ending fund balance	30,651	75,651	120,651	195,651
Total requirements	\$ -	\$ -	\$ -	\$ 195,600
Days of reserve in ending fund balance	-	-	-	365

Source: Audit report for fiscal year 2011-12, adopted budget for fiscal year 2013-14 and proposed budget for fiscal year 2014-15

Port of Bandon Capital Projects Fund, History

Appendix A-3

Category	Actuals			Budget
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Resources				
Beginning fund balance	\$ 54,408	\$ 99,335	\$ 59,921	\$ 50,000
Revenue				
Other/miscellaneous	1,111	1,725	8,156	10,000
Sale of assets	100,000	-	-	-
Transfer from General Fund	100,000	-	-	10,000
Grants	3,109	24,575	33,787	80,000
Total revenue	204,220	26,300	41,943	100,000
Total resources	\$ 258,628	\$ 125,635	\$ 101,864	\$ 150,000
Requirements				
Expenditures				
Materials and services	\$ 8,409	\$ 39,931	\$ 34,440	\$ 30,000
Capital outlay	150,884	25,783	33,195	30,000
Transfer to General Fund	-	-	-	10,000
Grant expenditures				80,000
Total expenditures	159,293	65,714	67,635	150,000
Ending fund balance	99,335	59,921	34,229	-
Total requirements	\$ 258,628	\$ 125,635	\$ 101,864	\$ 150,000
Days of reserve in ending fund balance	228	333	185	0

Source: Audit report for fiscal year 2011-12, adopted budget for fiscal year 2013-14 and proposed budget for fiscal year 2014-15

Port of Bandon General Fund, Projections

Appendix A-4

Category	Historic	Forecast	FY 2014-15 Estimate	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected	FY 2018-19 Projected
	Annual Growth Rate (3 year avg.)	Annual Growth Rate					
Resources							
Beginning fund balance			\$ 487,577	\$ 127,577	\$ 209,291	\$ 303,493	\$ 410,598
Revenue							
Property tax	-0.1%	2.0%	414,139	422,422	430,870	439,488	448,277
Rents	15.5%	4.0%	164,432	171,009	177,850	184,964	192,362
Moorage	-3.9%	0.0%	44,000	44,000	44,000	44,000	44,000
Other revenue	0.0%	0.0%	20,200	20,200	20,200	20,200	20,200
Total revenue			642,771	657,631	672,920	688,651	704,840
Total resources			\$ 1,130,348	\$ 785,208	\$ 882,211	\$ 992,145	\$ 1,115,438
Requirements							
Expenditures							
Personnel services	12.7%	1.0%	\$ 277,312	\$ 280,085	\$ 282,886	\$ 285,715	\$ 288,572
Materials and services	23.8%	Note 1	430,459	295,832	295,832	295,832	295,832
Capital outlay	34.0%	0.0%	140,000	-	-	-	-
Transfers							
To Reserve Fund			75,000	-	-	-	-
To Capital Projects Fund			10,000	-	-	-	-
To General Operating Contingency			70,000	-	-	-	-
Total Transfers			155,000	-	-	-	-
Total expenditures			1,002,771	575,917	578,718	581,547	584,404
Ending fund balance			127,577	209,291	303,493	410,598	531,034
Days of reserve in ending fund balance			46	133	192	258	332
Capital outlay plus transfers			\$ 295,000	\$ -	\$ -	\$ -	\$ -

Note 1: Bandon currently has a historic budget deficit. Source: port financial documents and FCS Group.
 Note 2: Future transfers are not forecast but would be derived from potential positive financial conditions.

Projected Port Funds Available for Capital Investment, Port of Bandon Exhibit A-5

	FY 2014-15 Estimate	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected	FY 2018-19 Projected
General Fund	\$ 127,577	\$ 81,714	\$ 94,202	\$ 107,105	\$ 120,436
Reserve Fund - Capital					
Facility Repair/Replacement	80,600	-	-	-	-
Dredging	115,000	-	-	-	-
Potential Dredging Reserves*	\$ 127,577	\$ 12,257	\$ 14,130	\$ 16,066	\$ 18,065

* includes dredging reserves plus 10% of proj. general fund balances. Source: port financial documents; and FCS Group.

APPENDIX B - ADDENDUM TO PORT OF BROOKINGS HARBOR FINANCIAL PLAN

General Fund History: The Port of Brookings Harbor's General Fund (**Appendix B-1**) consists of rental fees, moorage fees, RV park revenues, fuel sale revenues and tax revenues, among other resources. These revenue generating mechanisms have generally stayed relatively stable over the last four fiscal year cycles. Requirements financed by general fund income have dropped sharply since a FY 2011-12 high of \$7.6 million. Requirements include materials and services, personnel services, capital outlay and transfers to other funds.

Bonded Debt Fund History: The Port of Brookings Harbor's Bonded Debt Fund (**Appendix B-2**) consists exclusively of transfers from the Port's General Fund and reserve funds. Expenditures from the Bonded Debt fund are primarily principal and interest payments on debt the Port of Brookings Harbor has taken out. The last three budgets show ending fund balances that have been increasing from \$12,012 to a projected \$43,012 ending balance in FY 2014-15.

Debt Service Fund History: The Port of Brookings Harbor's Debt Service Fund (**Appendix B-3**) consists exclusively of transfers from the Port's General Fund. The Debt Service Fund pays off principal and interest payments on debt issued from Umpqua Bank, Chetco Federal Credit Union, and the Oregon Infrastructure Finance Authority.

Capital Projects Fund History: The Port of Brookings Harbor's Capital Projects Fund (**Appendix B-4**) consists of grants, matching funds, General Fund transfers, and Federal Tsunami relief funds. The Capital Projects Fund finances capital outlay activities, grant funded activities, improvements to capital assets and transfers to other funds. The fund rarely shows a positive ending fund balance.

General Fund Projection: According to a five year projection compiled by FCS GROUP (**Appendix B-5**), the Port of Brookings Harbor is expected to see revenue growth outpace increases in expenditures meaning that ending fund balances are likely to steadily increase, barring unforeseen disruptions.

Recommendation for dredging activities at the Port of Brookings Harbor: It appears that the Port of Brookings Harbor could afford dredging activities directly from General Fund revenues over the next five years without significant disruptions (**Appendix B-6**). It is recommended that the port target at least 15% of each year's General Fund ending fund balances to a Dredging Maintenance Reserve Fund.

Port of Brookings Harbor General Fund, History

Appendix B-1

Category	Actuals		Budget	
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Resources				
Beginning fund balance	\$ 187,045	\$ 182,170	\$ 1,338,245	\$ 1,053,245
Revenue				
Interest	1,858	244	-	-
Bell and Whistle	-	23,015	85,000	-
Space Rental	394,113	427,583	400,000	439,000
Moorage	495,757	544,051	650,000	539,000
RV Park	383,449	406,104	430,000	458,000
Fuel Sales	338,407	589,242	375,000	985,000
Misc. Yard Activities	247,852	135,457	125,000	207,500
Cold Storage	87,071	48,611	210,000	64,500
Ice House	79,953	110,766	182,000	141,000
Capital Improvement Grants (LB-11)	5,110,742	1,015,929	-	-
Web Site Advertising	610	1,823	15,032	2,640
Sale of Port Surplus Property	17,670	28,309	50,000	-
Umpqua Loan	250,000	-	-	-
Dredging	-	-	500,000	-
Grants	4,250	-	-	515,000
Strategic Business Plan	-	-	50,000	-
Fish House	-	-	138,000	2,400
Special Events	-	99,728	50,000	84,700
Taxes	201,953	193,017	210,000	178,700
Total revenue	7,613,685	3,623,879	3,470,032	3,617,440
Total resources	\$ 7,800,730	\$ 3,806,049	\$ 4,808,277	\$ 4,670,685
Requirements				
Expenditures				
Personal Services	\$ 668,422	\$ 757,737	\$ 802,000	\$ 819,028
Materials and Services	1,172,764	1,566,935	1,717,092	1,740,000
Capital Outlay	-	-	-	250,000
Transfers				
To Debt Service Fund	532,262	-	307,780	297,213
To Bond Service Fund	130,120	143,132	143,132	143,132
To Capital Projects Fund	5,114,992	-	485,028	-
Total transfers	5,777,374	143,132	935,940	440,345
Contingency				
Operating Contingency	-	-	300,000	-
Ending fund balance	182,170	1,338,245	1,053,245	1,421,312
Total Requirements	7,618,560	2,467,804	3,755,032	3,249,373
Days of reserve in ending fund balance	9	198	102	160

Source: Audit report for fiscal year 2011-12, adopted budget for fiscal year 2013-14 and proposed budget for fiscal year 2014-15

Port of Brookings Harbor Bonded Debt Fund, History

Appendix B-2

Category	Actuals		Budget	
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Resources				
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Revenue				
Transfer from General Fund	130,120	143,132	143,132	143,132
Reserve	\$ -	\$ -	\$ 12,012	\$ 30,000
Total revenue	130,120	143,132	143,132	143,132
Total resources	\$ 130,120	\$ 143,132	\$ 143,132	\$ 143,132
Requirements				
Bond Payments				
Principal Payment	\$ 49,048	\$ 51,501	\$ 54,092	\$ 51,501
Interest Payment	\$ 81,072	\$ 78,619	\$ 76,028	\$ 78,619
Ending fund balance	-	13,012	25,024	43,012
Total requirements	\$ 130,120	\$ 130,120	\$ 130,120	\$ 130,120
Days of reserve in ending fund balance	-	-	70	121

Source: Audit report for fiscal year 2011-12, adopted budget for fiscal year 2013-14 and proposed budget for fiscal year 2014-15

Port of Brookings Harbor Debt Service Fund, History

Appendix B-3

Category	Actuals		Budget	
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Resources				
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Revenue				
Transfer from General Fund	622,365	-	307,780	307,780
Total revenue	622,365	-	307,780	307,780
Total resources	\$ 622,365	\$ -	\$ 307,780	\$ 307,780
Requirements				
Principal Payments				
Umpqua	\$ 29,523	\$ 46,828	\$ 49,044	\$ 49,044
CFCU	300,000	-	-	-
IFA	124,085	124,086	248,169	248,169
Total Principal Payments	453,608	170,914	297,213	297,213
Interest Payments				
Umpqua	\$ 8,997	\$ 10,952	\$ 8,736	\$ 8,736
CFCU	11,377	-	-	-
IFA	915	915	1,831	1,831
Total Interest Payments	21,289	11,867	10,567	10,567
Ending fund balance	147,468	(182,781)	-	-
Total requirements	\$ 474,897	\$ 182,781	\$ 307,780	\$ 307,780
Days of reserve in ending fund balance	119	-391	0	0

Source: Audit report for fiscal year 2011-12, adopted budget for fiscal year 2013-14 and proposed budget for fiscal year 2014-15

Port of Brookings Harbor Capital Projects Fund, History

Appendix B-4

Category	Actuals		Budget	
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Resources				
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Revenue				
Transfer from General Fund	75,000	-	485,028	-
FEMA Tsunami Funds	4,010,562	669,191	-	-
Map Grants	4,250	195,390	4,250	4,600
IFA Matching Funds	1,100,180	-	-	-
Federal Surplus	-	121,348	-	-
Parking Grants	-	-	500,000	515,000
Total resources	\$ 5,189,992	\$ 985,929	\$ 989,278	\$ 519,600
Requirements				
Expenditures				
Capital Outlay	\$ 5,560,276	\$ 1,274,015	\$ -	\$ -
Map Grants	4,250	4,625	4,250	4,600
Parking Grants	-	-	500,000	515,000
Cold Storage Plumbing	-	-	60,000	-
Boiler Rehab	-	-	50,000	-
Eureka Fishery Wall and Dock	-	-	25,000	25,000
Green Building Roll-Up Doors	-	-	165,000	-
Ice House	75,000	-	-	-
Loan to Debt Service	-	-	185,028	185,028
Total Expenditures	5,639,526	1,278,640	989,278	729,628
Ending fund balance	(449,534)	(292,711)	-	(210,028)
Total requirements	\$ 5,639,526	\$ 1,278,640	\$ 989,278	\$ 729,628
Days of reserve in ending fund balance	-29	-84	0	-105

Source: Audit report for fiscal year 2011-12, adopted budget for fiscal year 2013-14 and proposed budget for fiscal year 2014-15

Port of Brookings Harbor General Fund, Projections

Appendix B-5

Category	Historic	Forecast	FY 2014-15 Estimate	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected	FY 2018-19 Projected
	Annual Growth Rate (3 year avg.)	Annual Growth Rate					
Resources							
Beginning fund balance			\$ 1,053,245	\$ 1,421,312	\$ 1,537,702	\$ 1,666,813	\$ 1,808,004
Revenue							
Space Rental	3.7%	1.5%	439,000	445,585	452,269	459,053	465,939
Moorage	2.8%	1.5%	539,000	547,085	555,291	563,621	572,075
RV Park	6.1%	1.5%	458,000	464,870	471,843	478,921	486,105
Fuel Sales	42.8%	1.5%	985,000	999,775	1,014,772	1,029,993	1,045,443
Misc. Yard Activities	-5.8%	1.5%	207,500	210,613	213,772	216,978	220,233
Cold Storage	-9.5%	1.5%	64,500	65,468	66,450	67,446	68,458
Ice House	20.8%	1.5%	141,000	143,115	145,262	147,441	149,652
Web Site Advertising	63.0%	0.0%	2,640	2,640	2,640	2,640	2,640
Grants	394.8%	0.0%	515,000	-	-	-	-
Fish House	0.0%	0.0%	2,400	2,400	2,400	2,400	2,400
Special Events	0.0%	0.0%	84,700	84,700	84,700	84,700	84,700
Taxes	-4.0%	2.0%	178,700	182,274	185,919	189,638	193,431
Total revenue		0.0%	3,617,440	3,148,524	3,195,317	3,242,830	3,291,075
Total resources		0.0%	\$ 4,670,685	\$ 4,569,836	\$ 4,733,019	\$ 4,909,644	\$ 5,099,079
Requirements							
Expenditures							
Personal Services	7.0%	4.0%	\$819,028	\$851,789	\$885,861	\$921,295	\$958,147
Materials and Services	14.1%	0.0%	1,740,000	1,740,000	1,740,000	1,740,000	1,740,000
Capital Outlay	0.0%	0.0%	250,000	-	-	-	-
Transfers							
To Debt Service Fund	-17.7%	0.0%	297,213	297,213	297,213	297,213	297,213
To Bond Service Fund	3.2%	0.0%	143,132	143,132	143,132	143,132	143,132
To Capital Projects Fund	0.0%	0.0%	-	-	-	-	-
Total transfers			440,345	440,345	440,345	440,345	440,345
Contingency							
Operating Contingency			-	-	-	-	-
Total Requirements			3,249,373	3,032,134	3,066,206	3,101,640	3,138,492
Ending fund balance			\$ 1,421,312	\$ 1,537,702	\$ 1,666,813	\$ 1,808,004	\$ 1,960,587

Source: FCS Group

Projected Port Funds Available for Capital Investment

Port of Brookings Harbor

Exhibit B-6

Funds	FY 2014-15 Estimate	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected	FY 2018-19 Projected
Working Capital Fund Balance	\$ 1,421,312	\$ 1,116,390	\$ 1,29,111	\$ 1,41,190	\$ 1,52,583
Debt Service Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenue Bond Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Capital Projects Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Reserve Fund*	\$ 300,000	\$ 0	\$ 0	\$ 0	\$ 0
Subtotal	\$ 1,121,312	\$ 1,116,390	\$ 1,29,111	\$ 1,41,190	\$ 1,52,583
Potential Dredging Reserve Fund**	\$ 123,197	\$ 17,458	\$ 19,367	\$ 21,179	\$ 22,887

* Payments to Tsunami Reserve Fund

** assumes 10% of General Fund balance/increases contributed annually.

Source: FCS Group

APPENDIX C- ADDENDUM TO PORT OF GOLD BEACH FINANCIAL PLAN

General Fund History: The Port of Gold Beach's General Fund (Appendix C-1) consists of rental, airport, marine and cannery fees, and tax revenues, among other resources. These revenue generating mechanisms have generally remained steady over the last five fiscal year cycles. Requirements financed by general fund income have fluctuated widely between FY 2010-11 and FY 2014-15, ranging from \$588,438 to \$1.05 million. Requirements include materials and services, personnel services, capital outlay and transfers to other funds.

Huntley Park Fund History: The Port of Gold Beach's Huntley Park Fund (Appendix C-2) consists of previous fund balances and fees charged at the park for activities such as camping. Expenditures from the Huntley Park Fund are primarily for the procurement of materials and services, capital outlay, and personnel services. The fund routinely shows a healthy ending fund balance.

Grant Based Capital Improvement Fund History: The Port of Gold Beach's Grant Based Capital Improvement Fund (Appendix C-3) consists of transfers from the Port's General Fund, and grant revenue. The only item that the Grant Based Capital Improvement Fund pays for is capital outlay expenditures. The Fund's ending balances have been positive for the last five fiscal years with a substantial surplus budgeted for FY 2014-15.

Port Facilities Capital Outlay Fund History: The Port of Gold Beach's Port Facilities Capital Outlay Fund (Appendix C-4) consists of beginning fund balances, some temporary investment revenue, and transfers from the Port's General Fund. The only item that the Port Facilities Capital Outlay Fund pays for is capital outlay expenditures, though these capital outlay activities are different from those paid for using the Grant Based Capital Improvement Fund. The Fund's ending fund balances have been either zero or positive for the last five fiscal years, however, the surplus has dwindled in the last two fiscal year cycles.

General Fund Projection: According to a five year projection compiled by FCS GROUP (Appendix C-5), the Port of Gold Beach is expected to see revenue growth outpace increases in expenditures meaning that ending fund balances are likely to steadily increase, barring unforeseen disruptions.

Recommendation for dredging activities at the Port of Gold Beach: It appears that the Port of Gold Beach could afford dredging activities directly from General Fund revenues over the next five years (Appendix C-6). It is recommended that the port target at least 20% of each year's General Fund ending fund balances to a Dredging Maintenance Reserve Fund.

Port of Gold Beach General Fund, History

Appendix C-1

History and Budget: General Fund	FY 2010-11 Actuals	FY 2011-12 Actuals	FY 2012-13 Actuals	FY 2013-14 Budget	FY 2014-15 Budget
Resources:					
Beginning fund balance	\$ 490,961	\$ 515,760	\$ 481,500	\$ 605,500	\$ 575,000
Revenue:					
General revenue:					
Property tax	241,644	246,262	250,630	258,000	265,000
Interest	1,216	509	798	800	500
Total general revenue	242,860	246,771	251,428	258,800	265,500
Airport	57,453	68,639	59,833	77,830	65,080
Marine	67,961	64,844	67,066	73,575	68,875
Land and building rental	209,634	220,888	207,152	221,200	217,200
Cannery	67,703	65,408	70,932	85,600	96,500
Other revenue	40,642	109,779	74,292	18,500	18,500
Grants	41,985	-	-	-	-
Total revenue	728,238	776,329	730,703	735,505	731,655
Total resources	\$ 1,219,199	\$ 1,292,089	\$ 1,212,203	\$ 1,341,005	\$ 1,306,655
Requirements:					
Expenditures:					
Personnel services	\$ 195,757	\$ 238,281	\$ 198,873	\$ 236,250	\$ 229,570
Materials and services:					
Office	105,087	94,016	103,666	151,050	154,750
Operations	36,207	30,827	32,887	56,800	54,500
Airport	50,058	56,718	49,484	73,100	66,300
Marine	46,706	26,162	36,433	35,300	31,200
Cannery	30,814	28,814	30,826	39,900	41,450
Total materials and services	268,872	236,537	253,296	356,150	348,200
Capital outlay	182,038	145,820	17,554	39,000	76,000
Debt service	56,772	89,951	48,715	48,715	48,715
Transfers:					
Grant Based Capital Improvement Fund	-	-	-	-	22,500
Port Facilities Capital Outlay Fund	-	100,000	40,000	40,000	300,000
Total transfers	-	100,000	40,000	40,000	322,500
General Fund Contingency	-	-	-	25,000	25,000
Ending fund balance	515,760	481,500	653,765	595,890	256,670
Total requirements	\$ 703,439	\$ 810,589	\$ 558,438	\$ 745,115	\$ 1,049,985
Days of reserve in ending fund balance	268	217	428	292	89

Source: Adopted budget for fiscal year 2013-14.

Part of Gold Beach Hunley Park Fund, History

Appendix C-2

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actuals	Actuals	Actuals	Budget	Budget
Resources:					
Beginning fund balance	\$ 62,737	\$ 38,718	\$ 40,523	\$ 50,000	\$ 52,500
Revenue:					
Camp fees	38,154	37,136	34,231	40,000	40,000
Other fees	10,178	5926	6,230	7,500	5,300
Interest	269	92	38	50	50
Miscellaneous revenue	1,653	1,146	5	500	300
Total revenue	50,254	44,300	40,509	48,050	45,650
Total resources	\$ 112,991	\$ 83,018	\$ 81,032	\$ 98,050	\$ 98,150
Requirements:					
Expenditures:					
Personnel services	6,139	6,565	6,613	7,750	6,850
Materials and services	36,221	24,061	22,671	34,900	28,800
Capital outlay	31,913	11,869	3,750	5,000	15,000
Contingency	-	-	-	5,000	5,000
Ending fund balance	38,718	40,523	47,998	45,400	42,500
Total requirements	\$ 74,273	\$ 42,495	\$ 33,034	\$ 52,650	\$ 55,650
Days of reserve in ending fund balance	190	348	531	315	279

Source: Adopted budget for fiscal year 2013-14

Part of Gold Beach Grant Based Capital Improvement Fund, History

Appendix C-3

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actuals	Actuals	Actuals	Budget	Budget
Resources:					
Beginning fund balance	\$ 8,773	\$ 9,156	\$ 17,702	\$ 65,912	\$ 63,880
Revenue:					
Transfers from General Fund	-	-	-	135,500	22,500
Interest	10	-	-	-	-
Grants	76,475	135,073	649,892	1,120,500	148,500
Total revenue	76,485	135,073	649,892	1,256,000	171,000
Total resources	\$ 85,258	\$ 144,229	\$ 667,594	\$ 1,321,912	\$ 234,880
Requirements:					
Capital outlay	\$ 76,102	\$ 126,527	\$ 649,892	\$ 1,256,000	\$ 116,000
Ending fund balance	9,156	17,702	17,704	63,880	118,880
Total requirements	\$ 85,258	\$ 144,229	\$ 667,596	\$ 1,319,880	\$ 234,880
Days of reserve in ending fund balance	44	51	10	19	374

Source: Adopted budget for fiscal year 2013-14.

Part of Gold Beach Port Facilities Capital Outlay Fund

Appendix C-4

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actuals	Actuals	Actuals	Budget	Budget
Resources:					
Beginning fund balance	\$ 125,974	\$ 126,792	\$ 227,239	\$ 267,550	\$ 156,500
Revenue:					
Transfers from General Fund	-	100,000	40,000	100,000	300,000
Earnings from temporary investments	818	447	365	-	1
Total revenue	818	100,447	40,365	100,000	300,001
Total resources	\$ 126,792	\$ 227,239	\$ 267,604	\$ 367,550	\$ 456,501
Requirements:					
Capital outlay	\$ -	\$ -	\$ 70,895	\$ 367,550	\$ 456,500
Ending fund balance	126,792	227,239	196,709	-	1
Total requirements	\$ -	\$ -	\$ 70,895	\$ 367,550	\$ 456,500
Days of reserve in ending fund balance			1,013	0	0

Source: Adopted budget for fiscal year 2013-14.

Port of Gold Beach General Fund, Projected

Appendix C-5

Projections	General Fund	Historic Annual Growth Forecast		FY 2014-15 Estimated	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected	FY 2018-19 Projected	FY 2019-20 Projected
		Rate (FY 2010-15)	Growth Rate						
Resources:									
Beginning fund balance				\$ 575,000	\$ 256,670	\$ 270,435	\$ 294,398	\$ 329,019	\$ 374,774
Revenue:									
General revenue:									
Property tax		1.17%	1.17%	265,000	268,103	271,242	274,418	277,631	280,882
Interest				500	339	357	389	435	495
Total general revenue				265,500	268,442	271,599	274,807	278,066	281,377
Airport		3.19%	4.00%	65,080	67,683	70,391	73,206	76,134	79,180
Marine		3.21%	3.00%	68,875	70,941	73,069	75,262	77,519	79,845
Land and building rental		1.35%	1.35%	217,200	220,136	223,111	226,127	229,183	232,281
Cannery		4.96%	5.00%	96,500	101,325	106,391	111,711	117,296	123,161
Other revenue		-35.93%	0.00%	18,500	18,500	18,500	18,500	18,500	18,500
Grants				-	-	-	-	-	-
Total revenue				731,655	747,027	763,062	779,612	796,699	814,344
Total resources				\$1,306,655	\$1,003,697	\$1,033,496	\$1,074,011	\$1,125,718	\$1,189,118
Requirements:									
Expenditures:									
Personnel services		-0.21%	1.00%	\$ 229,570	\$ 231,866	\$ 234,184	\$ 236,526	\$ 238,891	\$ 241,280
Materials and services									
Office		12.58%	1.00%	154,750	156,298	157,860	159,439	161,033	162,644
Operations		16.51%	1.00%	54,500	55,045	55,595	56,151	56,713	57,280
Airport		6.55%	1.00%	66,300	66,963	67,633	68,309	68,992	69,682
Marine		7.78%	1.00%	31,200	31,512	31,827	32,145	32,467	32,792
Cannery		6.48%	1.00%	41,450	41,865	42,283	42,706	43,133	43,564
Total materials and services				348,200	351,682	355,199	358,751	362,338	365,962
Capital outlay (potential)			forecast	76,000	76,000	76,000	76,000	76,000	76,000
Debt service				48,715	48,715	48,715	48,715	48,715	48,715
Transfers:									
Grant Based Capital Improvement Fund				22,500	-	-	-	-	-
Port Facilities Capital Outlay Fund				300,000	-	-	-	-	-
Total transfers				322,500	-	-	-	-	-
General Fund Contingency				25,000	25,000	25,000	25,000	25,000	25,000
Ending fund balance				256,670	270,435	294,398	329,019	374,774	432,161
Total requirements				\$1,049,985	\$ 733,263	\$ 739,098	\$ 744,992	\$ 750,945	\$ 756,957
Days of reserve in ending fund balance				89	135	145	161	182	209

Source: Adopted budget for fiscal year 2014-15 Port of Gold Beach Annual Financial Report for the Year Ended June 30, 2013 page 35. Forecast estimates are preliminary and subject to change.

Projected Port Funds Available for Capital Investment

Port of Gold Beach

Exhibit C-6

Funds	FY 2014-15 Estimated	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected	FY 2018-19 Projected
General Fund	\$256,670	\$13,765	\$23,964	\$34,621	\$45,755
Huntley Park Fund	42,500	\$0	\$0	\$0	\$0
Grant Based Capital Improvement	\$0	\$0	\$0	\$0	\$0
Port Facilities Capital Outlay Fund	\$0	\$0	\$0	\$0	\$0
Potential Dredging Reserve Fund*	\$51,334	\$2,753	\$4,793	\$6,924	\$9,151

* assumes 20% of General Fund balance/increases contributed annually.

Source: FCS Group

APPENDIX D - ADDENDUM TO PORT OF PORT ORFORD FINANCIAL PLAN

General Fund History: The Port of Port Orford's General Fund (Appendix D-1) consists of revenue from fuel sales, dock hoist and rental, fees, and tax revenues, among other resources. These revenue generating mechanisms have remained relatively stable over the fiscal years 2011-12, 2012-13 and 2013-14, with a substantial projected increase in this fiscal year. Requirements financed by general fund income have also remained stable between FY 2011-12 and FY 2013-14, with a projected increase in FY 2014-15. Requirements include materials and services, personnel services, and debt service.

Debt Service Fund History: The Port of Port Orford's Debt Service Fund (Appendix D-2) consists of previous fund balances and property tax incomes. The Debt Service Fund makes principal and interest payments on debt issued by the Port of Port Orford. While the fund has shown decreasing ending fund balances because of decreasing tax incomes, that is by design since the port collects taxes based on how much is owed. Given that debts are being paid off, the revenue collected is decreasing.

Capital Equipment Reserve Fund History: The Port of Port Orford's Capital Equipment Reserve Fund (Appendix D-3) consists of beginning fund balances, and transfers from the Port's General Fund. There are no expenditures listed for the Capital Equipment Reserve Fund over the last four fiscal year cycles, meaning that annual General Fund transfers in have accrued over time. The fund shows a balance of \$145,206.

General Fund Projection: According to a five year projection compiled by FCS GROUP (Appendix D-4), the Port of Port Orford is expected to see ending fund balances decrease in the short run, however, revenue growth is projected to slightly outpace expenditures over time. The Port is expected to show a negative ending fund balance for the next two fiscal years, with an upward trajectory afterward.

Recommendation for dredging activities at the Port of Port Orford: It appears that the Port of Port Orford could afford contributing to dredging activities directly from General Fund ending fund balances in the next five years (Appendix D-5), though not immediately. It is recommended that the port target at least 20% of each year's General Fund ending fund balances and Capital Equipment Fund balance to a Dredging Maintenance Reserve Fund.

Port of Port Orford General Fund, History

Appendix D-1

Category	Actual		Budget	
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Resources				
Beginning fund balance				
Revenue				
Net Working Capital			55,430	103,032
Property taxes	79,378	79,359	77,000	80,500
Dock/hoist fees	186,934	176,430	177,000	171,000
Fuel	215,769	193,594	215,000	215,000
Rental on facilities	91,086	94,376	94,300	101,415
Variable rent	50,979	43,204	25,000	25,000
Interest	6,378	3,594	2,450	1,000
Miscellaneous	10,461	9,351	4,000	5,000
Grants	-	3,000	30,000	486,380
Total revenue	640,985	602,908	680,180	1,188,327
Total resources	\$ 640,985	\$ 602,908	\$ 680,180	\$ 1,188,327
Requirements				
Expenditures				
Personnel services	\$ 198,390	\$ 209,371	\$ 230,760	\$ 236,975
Materials and services	324,977	277,990	358,050	403,692
Capital outlay	7,675	2,752	10,000	466,380
Debt service	38,782	38,598	41,280	41,280
Contingency			20,000	20,000
Transfers to Capital Equipment Reserve Fund	20,000	20,000	20,000	20,000
Adjustment in next period				
Total expenditures	589,824	548,711	680,090	1,188,327
Ending fund balance	51,161	54,197	90	-
Days of reserve in ending fund balance	32	36	0	0

Source: AFR for FY 2010-11 and FY 2011-12; adopted budget for fiscal year 2013-14 and 2014-15

Port of Port Orford Debt Service Fund, History

Appendix D-2

Category	Actuals			Budget
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Resources				
Beginning fund balance	\$ 35,437	\$ 59,166	\$ 32,477	\$ 28,446
Revenue				
Property taxes	126,026	92,646	116,750	105,500
Interest	199	303	149	242
Adjustment in next period	15,367			
Total revenue	141,592	92,949	116,899	105,742
Total resources	\$ 177,029	\$ 152,115	\$ 149,376	\$ 134,188
Requirements				
Expenditures				
Materials and services	\$ 127	\$ 256	\$ 125	
Debt service				
Principal	72,201	77,857	83,562	84,311
Interest	45,405	41,525	37,243	32,647
Total Debt Service	117,606	119,382	120,805	116,958
Transfers out	130			
Total expenditures	117,863	119,638	120,930	116,958
Ending fund balance	59,166	32,477	28,446	17,230
Days of reserve in ending fund balance	183	99	86	54
<i>Source: AFR for FY 2010-11 and FY 2011-12; adopted budget for fiscal year 2013-14</i>				

Port of Port Orford Capital Equipment Reserve Fund, History

Appendix D-3

Category	Actuals			Budget
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Resources				
Beginning fund balance	\$ 62,547	\$ 82,980	\$ 104,401	\$ 125,260
Revenue				
Interest	433	1,421	859	
Transfers in	20,000	20,000	20,000	20,000
Total revenue	20,433	21,421	20,859	20,000
Total resources	\$ 82,980	\$ 104,401	\$ 125,260	\$ 145,260
Ending fund balance	\$ 82,980	\$ 104,401	\$ 125,260	\$ 145,260
<i>Source: AFR for FY 2010-11, FY 2011-12 and FY 2012-13; adopted budget for fiscal year 2013-14</i>				

Port of Port Orford General Fund and Debt Service Fund, Projections

Appendix D-4

Category	Historic Annual Growth Rate (3 Year)	Projected Annual Growth Rate	FY 2014-15 Estimate	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected	FY 2018-19 Projected	FY 2019-20 Projected
Resources								
Beginning fund balance/working capital			\$ 103,032	\$ -	\$ (6,822)	\$ (2,914)	\$ 12,042	\$ 38,376
Revenue								
Net Working Capital								
Property taxes	2.16%	2.00%	80,500	82,110	83,752	85,427	87,136	88,879
Dock/moist fees	0.16%	1.37%	171,000	173,342	175,717	178,124	180,564	183,037
Fuel	1.66%	2.22%	215,000	219,781	224,669	229,665	234,773	239,994
Rental on facilities	4.00%	4.00%	101,415	105,472	109,690	114,078	118,641	123,387
Variable rent	-16.97%	0.00%	25,000	25,000	25,000	25,000	25,000	25,000
Interest		0.00%	1,000	-	-	-	-	-
Grants			486,380	-	-	-	-	-
Miscellaneous		0.00%	5,000	9,097	9,097	9,097	9,097	9,097
Total revenue	0.00%	-16.06%	1,085,295	1,114,803	1,127,926	1,141,392	1,155,211	1,169,394
Total resources			\$ 1,188,327	\$ 1,124,803	\$ 1,121,104	\$ 1,138,478	\$ 1,160,254	\$ 1,198,771
Requirements								
Expenditures								
Personnel services	6.53%	1.00%	\$ 236,975	\$ 239,345	\$ 241,738	\$ 244,156	\$ 246,597	\$ 249,063
Materials and services	10.13%	note 1	403,692	341,000	341,000	341,000	341,000	341,000
Capital outlay	218.43%	0.00%	466,380	-	-	-	-	-
Debt service	-28.30%	0.00%	41,280	41,280	41,280	41,280	41,280	41,280
Contingency			20,000	-	-	-	-	-
Transfers to Capital Equipment Reserve Fund	0.16%	0.00%	20,000	-	-	-	-	-
Ending fund balance			-	(6,822)	(2,914)	12,042	38,376	76,427
Total requirements			\$ 1,188,327	\$ 621,625	\$ 624,018	\$ 626,436	\$ 628,877	\$ 631,343
Days of reserve in ending fund balance			0	-4	-2	7	22	44
Capital outlay plus transfers			\$ 486,380	\$ -	\$ -	\$ -	\$ -	\$ -

Note 1: projected cost = avg. cost over past 4 years

Source: FCS GROUP based on prior tables

Projected Port Funds Available for Capital Investment

Exhibit D-5

Funds	FY 2014-15 Estimate	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected	FY 2018-19 Projected
General Fund	\$0	(\$6,822)	(\$2,914)	\$12,042	\$38,376
Debt Service Fund	\$0	\$0	\$0	\$0	\$0
Capital Equipment Reserve	\$20,000	\$0	\$0	\$0	\$0
Potential Dredging Reserve Fund*	\$4,000			\$2,408	\$7,675

* assumes 20% of General Fund and Capital Equipment Reserve fund balances/increases contributed annually.

**Port of Brookings Harbor
Strategic Business Plan
Curry County, Oregon**

**Appendix G
Financial Plan**

FINANCIAL PLAN

The Statewide Ports Strategic Business Plan requires a strategic business plan to include a financial plan that meets the following requirements:

Based on financial goals and objectives, updated annually as part of budget process. As part of this plan, the port should evaluate the financial impacts of charging below-market rates for marinas, boat ramps, buildings, and other infrastructure and whether it can financially support operations and maintenance of these facilities, in conjunction with other infrastructure and port operations, as well as eventually upgrading, reconstructing, or replacing these facilities.¹

This financial plan for the Port of Brookings Harbor meets these requirements.

PORT DATA

This section of the financial plan summarizes the Port's recent financial history and current budget.

Fund Structure

The Port currently operates with four funds: the General Fund, Debt Service Fund, Revenue Bond Fund, and Capital Projects Fund. The Port classifies all four as enterprise funds.²

Exhibit 1 - Major sources and uses of funds

Funds	Major Sources	Major Uses
General Fund	Property tax Grants Charges for services	Administration Operations Marketing
Debt Service Fund	General Fund	Debt-related expenditures
Revenue Bond Fund	General Fund	Revenue bonds
Capital Projects Fund	Grants General Fund	Major capital projects

Source: *Port of Brookings Harbor Annual Financial Report for the Year Ended June 30, 2013*, page 4.

¹ *Ports 2010: A New Strategic Business Plan for Oregon's Statewide Port System* (April, 2010), page 122. OAR 123-025-0016 refers to this document as the Statewide Ports Strategic Business Plan. It is available from the Infrastructure Finance Authority at <http://www.orinfrastructure.org/Learn-About-Infrastructure-Programs/Interested-in-a-Port-Project/>.

² Port of Brookings Harbor, *Annual Financial Report for the Year Ended June 30, 2013*, page 4.

Historical Performance

In April, 2010, the Statewide Ports Strategic Business Plan provided the following summary of the Port of Brookings Harbor's financial condition:

Marina tenants are the Port's primary source of revenue. 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 Oregon Business Development Department (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). The Port's intent is to maintain and improve what they have before investing in new projects.¹

With the exception of the special adjustment for 2010 tsunami losses, the Port has continued to operate in a financially sustainable manner with reserves in its General Fund that have been adequate, and has received fairly consistent increases in both revenues and expenses starting in FY 2011-12. Exhibit 2 summarizes four years of historical cash flows and budgets:

¹ *Ports 2010: A New Strategic Business Plan for Oregon's Statewide Port System (April, 2010), Appendix page 80.*

Port of Brookings Harbor General Fund, History

Exhibit 2

Category	Actuals		Budget	
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Resources				
Beginning fund balance	\$ 187,045	\$ 182,170	\$ 1,338,245	\$ 1,053,245
Revenue				
Interest	1,858	244	-	-
Bell and Whistle	-	23,015	85,000	-
Space Rental	394,113	427,583	400,000	439,000
Moorage	495,757	544,051	650,000	539,000
RV Park	383,449	406,104	430,000	458,000
Fuel Sales	338,407	589,242	375,000	985,000
Misc. Yard Activilles	247,852	135,457	125,000	207,500
Cold Storage	87,071	48,611	210,000	64,500
Ice House	79,953	110,766	182,000	141,000
Capital Improvement Grants (LB-11)	5,110,742	1,015,929	-	-
Web Site Advertising	610	1,823	15,032	2,640
Sale of Port Surplus Property	17,670	28,309	50,000	-
Umpqua Loan	250,000	-	-	-
Dredging	-	-	500,000	-
Grants	4,250	-	-	515,000
Strategic Business Plan	-	-	50,000	-
Fish House	-	-	138,000	2,400
Special Events	-	99,728	50,000	84,700
Taxes	201,953	193,017	210,000	178,700
Total revenue	<u>7,613,685</u>	<u>3,623,879</u>	<u>3,470,032</u>	<u>3,617,440</u>
Total resources	<u>\$ 7,800,730</u>	<u>\$ 3,806,049</u>	<u>\$ 4,808,277</u>	<u>\$ 4,670,685</u>
Requirements				
Expenditures				
Personal Services	\$ 668,422	\$ 757,737	\$ 802,000	\$ 819,028
Materials and Services	1,172,764	1,566,935	1,717,092	1,740,000
Capital Outlay	-	-	-	250,000
Transfers				
To Debt Service Fund	532,262	-	307,780	297,213
To Bond Service Fund	130,120	143,132	143,132	143,132
To Capital Projects Fund	5,114,992	-	485,028	-
Total transfers	<u>5,777,374</u>	<u>143,132</u>	<u>935,940</u>	<u>440,345</u>
Contingency				
Operating Contingency	-	-	300,000	-
Ending fund balance	<u>182,170</u>	<u>1,338,245</u>	<u>1,053,245</u>	<u>1,421,312</u>
Total Requirements	<u>7,618,560</u>	<u>2,467,804</u>	<u>3,755,032</u>	<u>3,249,373</u>
Days of reserve in ending fund balance	9	198	102	160

Source: Audit report for fiscal year 2011-12 adopted budget for fiscal year 2013-14 and proposed budget for fiscal year 2014-15

While reserves fluctuated in the last four years, they remain above the 90-day level that we typically recommend. Moreover, because the General Fund subsidizes the other funds, the Port retains the flexibility to manage General Fund reserves by adjusting transfers to other funds.

Exhibit 3 summarizes 2 years of historical cash flows as well as two budgeted years in the Bonded Debt Fund, the Debt Service Fund and the Capital Projects Fund.

Port of Brookings Harbor Bonded Debt Fund, History

Exhibit 3

Category	Actuals		Budget	
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Resources				
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Revenue				
Transfer from General Fund	130,120	143,132	143,132	143,132
Reserve	\$ -	\$ -	\$ 12,012	\$ 30,000
Total revenue	130,120	143,132	143,132	143,132
Total resources	\$ 130,120	\$ 143,132	\$ 143,132	\$ 143,132
Requirements				
Bond Payments				
Principal Payment	\$ 49,048	\$ 51,501	\$ 54,092	\$ 51,501
Interest Payment	\$ 81,072	\$ 78,619	\$ 76,028	\$ 78,619
Ending fund balance	-	13,012	25,024	43,012
Total requirements	\$ 130,120	\$ 130,120	\$ 130,120	\$ 130,120
Days of reserve in ending fund balance	-	-	70	121

Port of Brookings Harbor Debt Service Fund, History

Category	Actuals		Budget	
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Resources				
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Revenue				
Transfer from General Fund	622,365	-	307,780	307,780
Total revenue	622,365	-	307,780	307,780
Total resources	\$ 622,365	\$ -	\$ 307,780	\$ 307,780
Requirements				
Principal Payments				
Umpqua	\$ 29,523	\$ 46,828	\$ 49,044	\$ 49,044
CFCU	300,000	-	-	-
IFA	124,085	124,086	248,169	248,169
Total Principal Payments	453,608	170,914	297,213	297,213
Interest Payments				
Umpqua	\$ 8,997	\$ 10,952	\$ 8,736	\$ 8,736
CFCU	11,377	-	-	-
IFA	915	915	1,831	1,831
Total Interest Payments	21,289	11,867	10,567	10,567
Ending fund balance	147,468	(182,781)	-	-
Total requirements	\$ 474,897	\$ 182,781	\$ 307,780	\$ 307,780
Days of reserve in ending fund balance	119	-391	0	0

Port of Brookings Harbor Capital Projects Fund, History

Category	Actuals		Budget	
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Resources				
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Revenue				
Transfer from General Fund	75,000	-	485,028	-
FEMA Tsunami Funds	4,010,562	669,191	-	-
Map Grants	4,250	195,390	4,250	4,600
IFA Matching Funds	1,100,180	-	-	-
Federal Surplus	-	121,348	-	-
Parking Grants	-	-	500,000	515,000
Total resources	\$ 5,189,992	\$ 985,929	\$ 989,278	\$ 519,600
Requirements				
Expenditures				
Capital Outlay	\$ 5,560,276	\$ 1,274,015	\$ -	\$ -
Map Grants	4,250	4,625	4,250	4,600
Parking Grants	-	-	500,000	515,000
Cold Storage Plumbing	-	-	60,000	-
Boiler Rehab	-	-	50,000	-
Eureka Fishery Wall and Dock	-	-	25,000	25,000
Green Building Roll-Up Doors	-	-	165,000	-
Ice House	75,000	-	-	-
Loan to Debt Service	-	-	185,028	185,028
Total Expenditures	5,639,526	1,278,640	989,278	729,628
Ending fund balance	(449,534)	(292,711)	-	(210,028)
Total requirements	\$ 5,639,526	\$ 1,278,640	\$ 989,278	\$ 729,628
Days of reserve in ending fund balance	-29	-84	0	-105

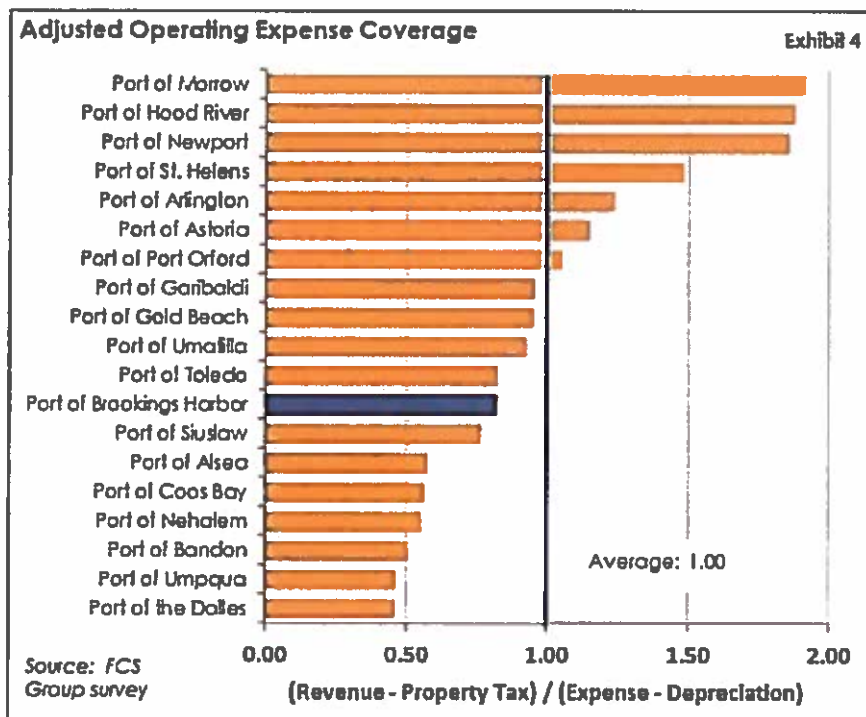
Source: Audit report for fiscal year 2011-12, adapted budget for fiscal year 2013-14 and proposed budget for fiscal year 2014-15

ANALYSIS

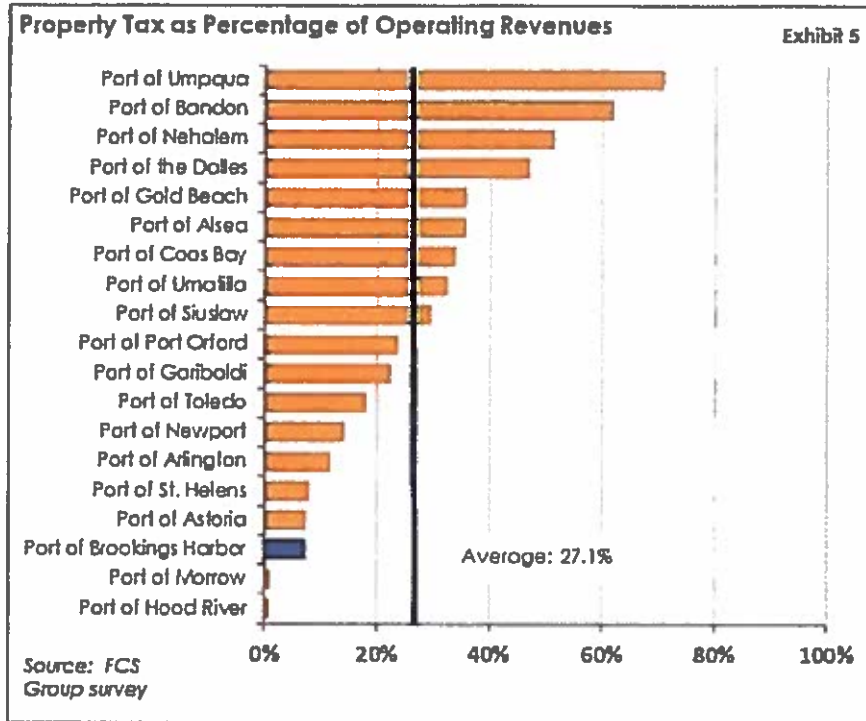
This section of the financial plan analyzes 2013 data from both the Port and other Oregon ports with the goals of (1) highlighting issues for the Port’s consideration and (2) developing accurate projections for future years.

Operating Cash Flows

One measure of operating performance is operating expense coverage, which is the ratio of operating revenue to operating expense. We compute this ratio with two adjustments. First, we exclude property tax from operating revenue. Second, we exclude depreciation from operating expense. Based on our 2013 survey of 19 port districts in Oregon, the average ratio was 1.00. In other words, on average, operating revenues (excluding property tax) were nearly equal to operating expenses (excluding depreciation). The Port’s ratio in fiscal year 2012-13 was 0.82. Exhibit 4 shows this ratio for all surveyed port districts:



Although property tax is excluded in the comparison above, all port districts in Oregon do receive some property tax revenue. Based on our 2013 survey, the average ratio of property tax to total operating revenues was 27.1 percent. The Port’s ratio was 7.4 percent. Exhibit 5 shows this ratio for all surveyed port districts:

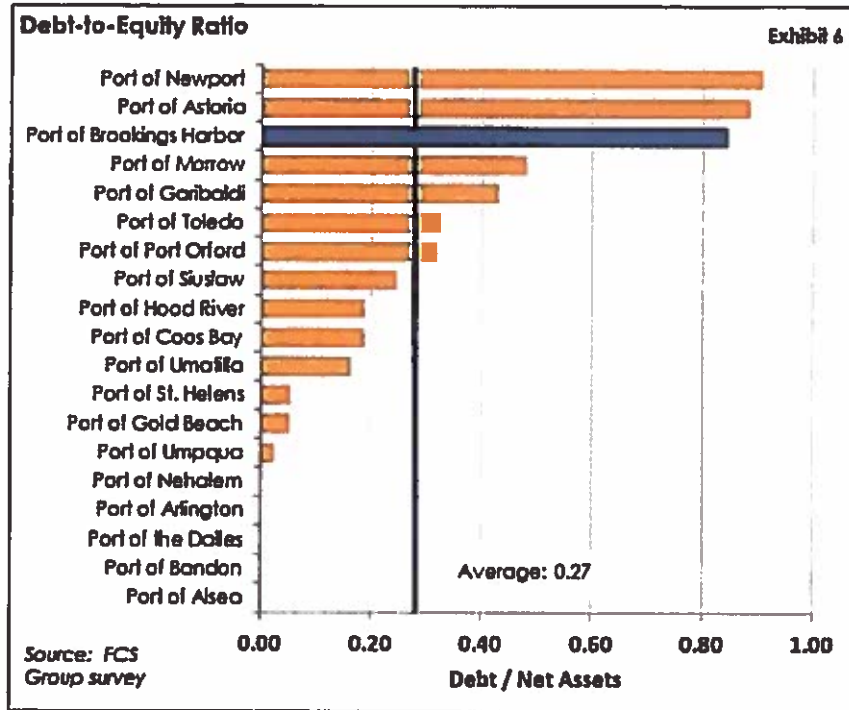


We call attention to the dependence on property tax metric because taxing jurisdictions in Oregon have little control over this stream of revenue. While property tax has been a stable source of revenue, it has also been inelastic. Therefore, over the long term, the Port should not expect growth in property tax revenue to keep pace with growth in expenses. Fortunately, the Port of Brookings Harbor receives consistent revenues from a number of other entities, including the marina, rentals and leases, fuel sales, and other miscellaneous operating revenues.

Debt

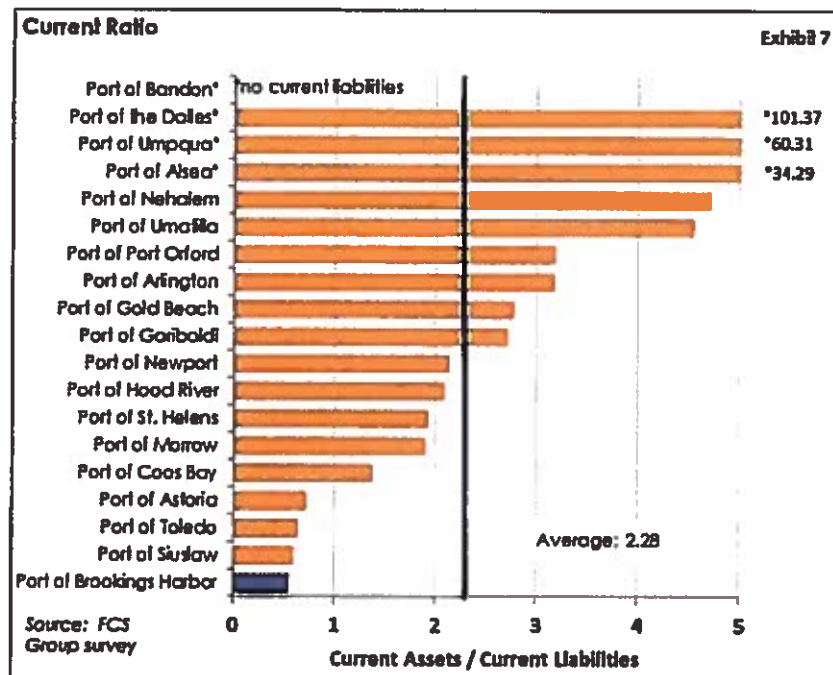
As of June 30, 2013, the Port holds responsibility for \$5,974,208 in long-term debt, and the adopted budget for fiscal year 2012-13 includes an estimated debt payment of \$437,900.

One measure of financial risk is the amount of an organization's debt relative to its equity. Based on our 2013 survey of 19 port districts in Oregon, the average ratio of debt to equity was 0.27. Seeing as the Port holds a relatively large amount of long-term debt compared with other Ports, the Port of Brookings Harbor has a Debt-to-Equity ratio of 0.84. Exhibit 6 shows this ratio for all surveyed port districts:



Working Capital

Solvency is the ability of an organization to meet current liabilities with current assets. One measure of solvency is the current ratio, which is the ratio of current assets to current liabilities. Based on our 2013 survey of 19 port districts in Oregon, the dollar-weighted average current ratio was 2.28. The Port ratio in 2013 was 0.55. Exhibit 7 shows this ratio for all surveyed port districts:



Pricing

The Statewide Ports Strategic Business Plan expresses concern about the common practice of ports leasing facilities at rates that are below market, because this practice “limits the ability for ports to keep pace with facility maintenance needs.”¹

We surveyed the following port districts in Oregon to assess the market level for moorage rates:

- Port of Bandon
- Port of Brookings Harbor
- Charleston Marina

We found that, daily and monthly moorage rates at the Port of Brookings-Harbor are at or near the upper level of the ports surveyed. Because this survey does not include vacancy, it is an incomplete picture of the moorage market. However it is evident that the Port is charging rates that near the upper end of the market for both moorage and land/building lease rates.

GOALS AND OBJECTIVES

This section of the financial plan summarizes the Port’s financial goals and objectives. These goals and objectives inform the recommendations and forecast later in this plan.

We are not aware that the Port has adopted any goals or objectives. We therefore assume that the Port desires to maintain its operations while maximizing monies available to transfer out of the General Fund for capital projects. The recommendations and projections below are consistent with this assumption.

FORECAST

This section of the financial plan draws upon all prior sections to project resources and requirements for the General Fund.

Key Assumptions Baseline Forecast

The projections that follow in Exhibit 8 are based on the following assumptions:

1. No major increases in revenues from grants or land sales.
2. Revenues will be realized as budgeted in fiscal year 2013-14 and 2014-15.
3. Expenditures for personnel services will be realized as budgeted in fiscal year 2014-15.
4. Expenditures for materials and services will remain at current levels rather than mirroring recent growth of 14.1%
5. No major expenditures for new capital outlays or new debt issues.
6. No major debt restructuring occurs.
7. Budgeted contingencies will remain unspent.

¹ *Ports 2010: A New Strategic Business Plan for Oregon’s Statewide Port System* (April, 2010), page 61.

Projections

Exhibit 8 provides a baseline forecast of baseline ending fund balances for five years:

Port of Brookings Harbor General Fund, Projections

Exhibit 8

Category	Historic Annual Growth Rate (3 year avg.)	Forecast Annual Growth Rate	FY 2014-15 Estimate	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected	FY 2018-19 Projected
Resources							
Beginning fund balance			\$1,053,245	\$1,421,312	\$1,537,702	\$1,666,813	\$1,808,004
Revenue							
Space Rental	3.7%	1.5%	439,000	445,585	452,269	459,053	465,939
Moorage	2.8%	1.5%	539,000	547,085	555,291	563,621	572,075
RV Park	6.1%	1.5%	458,000	464,870	471,843	478,921	486,105
Fuel Sales	42.8%	1.5%	985,000	999,775	1,014,772	1,029,993	1,045,443
Misc. Yard Activities	-5.8%	1.5%	207,500	210,613	213,772	216,978	220,233
Cold Storage	-9.5%	1.5%	64,500	65,468	66,450	67,446	68,458
Ice House	20.8%	1.5%	141,000	143,115	145,262	147,441	149,652
Web Site Advertising	63.0%	0.0%	2,640	2,640	2,640	2,640	2,640
Grants	394.8%	0.0%	515,000	-	-	-	-
Fish House	0.0%	0.0%	2,400	2,400	2,400	2,400	2,400
Special Events	0.0%	0.0%	84,700	84,700	84,700	84,700	84,700
Taxes	-4.0%	2.0%	178,700	182,274	185,919	189,638	193,431
Total revenue		0.0%	3,617,440	3,148,524	3,195,317	3,242,830	3,291,075
Total resources		0.0%	\$4,670,685	\$4,569,836	\$4,733,019	\$4,909,644	\$5,099,079
Requirements							
Expenditures							
Personal Services	7.0%	4.0%	\$819,028	\$851,789	\$885,861	\$921,295	\$958,147
Materials and Services	14.1%	0.0%	1,740,000	1,740,000	1,740,000	1,740,000	1,740,000
Capital Outlay	0.0%	0.0%	250,000	-	-	-	-
Transfers							
To Debt Service Fund	-17.7%	0.0%	297,213	297,213	297,213	297,213	297,213
To Bond Service Fund	3.2%	0.0%	143,132	143,132	143,132	143,132	143,132
To Capital Projects Fund	0.0%	0.0%	-	-	-	-	-
Total transfers			440,345	440,345	440,345	440,345	440,345
Contingency							
Operating Contingency			-	-	-	-	-
Total Requirements			3,249,373	3,032,134	3,066,206	3,101,640	3,138,492
Ending fund balance			\$1,421,312	\$1,537,702	\$1,666,813	\$1,808,004	\$1,960,587

Source: FCS Group

RECOMMENDATIONS

This section of the financial plan provides policy recommendations based on both the financial analysis and the Port's goals and objectives above.

- ◆ We recommend that the General Fund maintain an operating reserve of 90 days of expenditures. This reserve would be in addition to any reserve required by debt covenants.
- ◆ We recommend that the Port continue to charge rates and fees that recover 100 percent of the full cost of each service being provided. The first steps in this direction would be performing a cost of service analysis and identifying the level of cost recovery currently being achieved for each service.

- We recommend that the Port work with lending partners to restructure debts owed, particularly the OECDD/IFA.
- We recommend that the Port actively pursue grants (from the EDA or State of Oregon) to complete the construction of the commercial “green” building and actively obtain letters of intent from qualified tenants to secure lease commitments.
- We recommend that the Port pursue public/private partnerships that result in long-term land lease or land sales revenue to generate a positive revenue streams to support operations and debt service obligations. Potential investments are to be identified as part of the Port of Brookings-Harbor Strategic Plan.
- We recommend that the Port continue to work with the OECDD/IFA to define a long-term sustainable funding solution to dredging requirements.
- We recommend that the Port study and implement a potential tariff on the volume of seafood product landings to help strengthen its operating revenues.
- We recommend that the Port set aside funds for dredging activities at the Port of Brookings Harbor. It appears that the Port of Brookings Harbor could afford dredging activities directly from General Fund revenues over the next five years without significant disruptions (Exhibit 9). It is recommended that the port target at least 15% of each year’s General Fund ending fund balances to a Dredging Maintenance Reserve Fund.

Until these and other recommendations are implemented it will be difficult for the Port to maintain current service levels or to invest in capital facility expansion.

Projected Port Funds Available for Capital Investment

Port of Brookings Harbor

Exhibit 9

Funds	FY 2014-15 Estimate	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected	FY 2018-19 Projected
Working Capital Fund Balance	\$1,421,312	\$116,390	\$129,111	\$141,190	\$152,583
Debt Service Fund	\$0	\$0	\$0	\$0	\$0
Revenue Bond Fund	\$0	\$0	\$0	\$0	\$0
Capital Projects Fund	\$0	\$0	\$0	\$0	\$0
Special Reserve Fund*	\$300,000	\$0	\$0	\$0	\$0
Subtotal	\$1,121,312	\$116,390	\$129,111	\$141,190	\$152,583
Potential Dredging Reserve Fund**	\$123,197	\$17,458	\$19,367	\$21,179	\$22,887

* Payments to Tsunami Reserve Fund
** assumes 10% of General Fund balance/increases contributed annually.

Source: FCS Group