Locks Ownership, Operation and Financing Options
Goal

Why are we discussing this:

• SB 131 says
  • Compile information relating to Willamette Falls Locks;
  • Consider means of facilitating repair and reopening;
  • Develop a plan for sustained operation of the Locks;
  • **Consider governance models for the lease or transfer of the Locks.**

• What are we aiming to accomplish
  • Establish the range of possible models for ownership, operations and/or financing
  • Assess the state’s interest in taking on the Locks or recommend it remain in Corps ownership.
Many options:
- Retain Corps ownership with no funding contribution;
- Funding contribution only;
- New owner/transferee, removed from the Corps.

While the recommendation ultimately belongs to the Task Force, staff believes a balanced approach has the highest chance of success, i.e., meet the Corps half way.
If the Corps retains ownership...

• Corps has the capability but not the funds to repair and operate.

But,

• Without a funding contribution: Locks will not compete for capital and operating funds. Result: **No change.**

• With a contribution toward capital improvements: Locks will not compete for operating funds. Result: **Repair but no change in operation.**

• With a contribution toward capital and operating costs: Corps contribution will be subject to annual Congressional appropriation. Result: **Repair but unreliable operation.**
If the Locks are transferred...

Requires:
- Designating a lead agency
- Identifying funds
- Negotiation of a transfer agreement with the Corps
- Completion of Corps “Final Disposition Study”
- Congressional authorization of divestiture, and
- Congressional appropriation of Corps funding share.

Result: Repair and reliable operation;
Control over level of service.
Define alternatives including status quo, decommissioning and removal, cost sharing agreement, lease, transfer, redesignation to a different purpose.

- **Engineering and cost** evaluation.
- Determination of the need for **dredging**.
- Evaluation of the rate of deterioration and **risks and liabilities**.
- **Economic benefits** and impacts assessment.
- **Toxic materials** assessment and cost for remediation.
- Investigation of **environmental and regulatory requirements**.
- Preparation of environmental document in compliance with **NEPA**.
- Evaluation of real estate **title** and boundary issues.
Is transfer the only alternative?

NO

• Deauthorization by Congress, decommission, remove gates, dispose as surplus property;
• Transfer to an alternate federal agency with a mission aligned with tourism and recreation;
• Lease;
• Partnership agreement – Corps operates at a level of service funded through a non-federal entity.
Discussion:

• What criteria should be used to evaluate alternative governance models?
• Pros and Cons?
<table>
<thead>
<tr>
<th>Option</th>
<th>Funding Responsibility</th>
<th>Upgrade and Repair</th>
<th>On-Going Maintenance and Rehab.</th>
<th>Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>USACE</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Non-federal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>USACE</td>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
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<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>USACE</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Non-federal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4?</td>
<td>USACE</td>
<td>?</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td></td>
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<td>?</td>
<td>?</td>
<td>?</td>
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</tbody>
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**What cost sharing arrangement might there be between the Corps and a Non-federal entity?**
Discussion:

• Feedback on Federal/Non-Federal negotiations.
<table>
<thead>
<tr>
<th>Agency</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Native American Tribes</td>
<td>Recognize traditional cultural significance</td>
</tr>
<tr>
<td>ODOT</td>
<td>Develop the freight function of the river; provide seismic redundancy to I-5</td>
</tr>
<tr>
<td>Oregon Parks</td>
<td>Recognize the Willamette water trail and the significance of Willamette Falls</td>
</tr>
<tr>
<td>Oregon Marine Board</td>
<td>Recognize and develop recreational boating</td>
</tr>
<tr>
<td>Department of State Lands</td>
<td>DSL owns the river lands</td>
</tr>
<tr>
<td>Ports</td>
<td>Develop the market for moving freight (esp. international trade)</td>
</tr>
<tr>
<td>Metro</td>
<td>Recognize the regional significance</td>
</tr>
<tr>
<td>Clackamas County</td>
<td>Recognize the focus of historic and cultural tourism</td>
</tr>
<tr>
<td>West Linn</td>
<td>Home city for the Locks</td>
</tr>
</tbody>
</table>
What about a newly formed agency?

• A new Special District could be formed based upon a zone of benefit:

<table>
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<th>Recognize the entire Willamette Valley benefits from access to the full length of the Willamette and Columbia Rivers</th>
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<td>Willamette Falls Heritage Area Special District</td>
<td>Recognize the Heritage Area is the focus of cultural and historic tourism which is enhanced by the repair and reopening of the Locks</td>
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</table>
Potential District Boundary: The Willamette Falls Heritage Area

Official Heritage Area boundaries are still under review by the Willamette Falls Heritage Area Coalition.
What about a newly formed agency?

- A new Special District could be formed based upon a zone of benefit:

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</tr>
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<td>Willamette Falls Impact Area Special District</td>
<td>Recognize the immediate area surrounding the Falls will realize the most direct benefit of increased tourism and spin-off businesses</td>
</tr>
</tbody>
</table>
What cost share arrangement might there be between Non-federal entities?

<table>
<thead>
<tr>
<th>Option</th>
<th>State Legislative Funding</th>
<th>Willamette Valley Special District</th>
<th>Willamette Falls Heritage Area Special District</th>
<th>Willamette Falls Impact Area Special District</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>State Funding</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Willamette Valley Funding</td>
<td></td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Willamette Falls Heritage Area/Willamette Valley Funding</td>
<td>50%</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Willamette Falls Heritage Area/State Funding</td>
<td>50%</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Willamette Falls Impact Area/State Funding</td>
<td>67%</td>
<td></td>
<td>33%</td>
</tr>
<tr>
<td>6</td>
<td>Willamette Falls Impact Area/Heritage Area/State Funding</td>
<td>33.3%</td>
<td>33.3%</td>
<td>33.3%</td>
</tr>
</tbody>
</table>
What type of District?

- ORS 190 District
- Parks and Recreation District
- Transportation District
- County Special District
- Heritage District
Discussion:

• Feedback on alternatives for Non-Federal entity:
  • Existing agency
  • New agency
Other Considerations:

- USACE Regulations never go away
- USACE to train staff on operations
- Owner gets to control level of service
- Immediate partnership with West Linn Paper Company and PGE
- Long-term maintenance responsibility for the facility (150 years old!)
- Decommissioning would benefit internal West Linn Paper Company operations
- Decommissioning would facilitate development of unused West Linn Paper Company space
- Federal ownership provides sovereign immunity
Questions of clarification?

What information does the Task Force need to make a decision?
Seems big. Can it be done in phases?

YES

- **Phase 1** – designate the lead agency (existing or new); pool resources to provide seed funding for staff and support services to negotiate with the Corps; fund contributors form a governing board.

- **Phase 2** – Collect non-federal funding for long-term repairs (pass the hat); seek Congressional appropriation for repairs.

- **Phase 3** – Seek a tax base (or on-going commitment) for balance of capital, maintenance and operations; repair and transfer.

- **Phase 4 (Optional)** – Determine whether to pursue other initiatives appropriate to the geography.