

### Willamette Falls Locks Governance Options: Summary Matrix

The order and color-codes of the following pages for each governance option (A-F) indicate the scenarios that staff expect to be most likely (green), less likely (yellow) and unlikely (pink).

WFLC - Willamette Falls Locks Governance Options					
	Phase 1		Phase 2	Phase 3	
	1a	1b			
Option	Transfer/Ownership	Repair/Restoration	Near Term Operations	Long Term Operations	Key Pros/Cons
A	Single Public Agency	Single Agency	Single Public Agency	Continue same or form new: <ul style="list-style-type: none"> <li>• Special District</li> <li>• Public Corp</li> <li>• Intergovernmental Agency</li> <li>• Other</li> </ul>	<ul style="list-style-type: none"> <li>• Easy establishment and execution of governance – no new entity needs to be created; and decision-making rests with a single agency</li> </ul>
B	Single Public Agency	Single Agency or IGA (ORS 190)	IGA (ORS 190)		<ul style="list-style-type: none"> <li>• Shared responsibility – does not obligate a single agency to be responsible for the repair and ongoing operation of the Locks</li> <li>• <i>Requires formation of a new entity – a multi-agency “190” entity. Will take time and money and potential political complexity to form</i></li> </ul>
C	Single Public Agency	Single Agency or Public Corporation	Public Corporation		<ul style="list-style-type: none"> <li>• Allows an agency to be formed whose mission can be focused on the Locks</li> <li>• <i>Requires formation of a new entity – a Public Corporation. Will take time and money and potential political complexity to form</i></li> </ul>

D	Single Public Agency	Single Agency or Special District	Special District		<ul style="list-style-type: none"> <li>• Allows a new District to be formed whose mission can be focused on the Locks, tying benefits of the re-opened Locks to its governance</li> <li>• <i>Requires formation of a new entity – a Special District. Will take time and money and potential political complexity to form</i></li> </ul>
E	Private Party	Private – <i>Complete Repair</i>	Private	Continue same – or convey to public entity	<ul style="list-style-type: none"> <li>• Allows for the private sector to do the work, potentially more efficiently and cost effectively</li> <li>• <i>Risk of limiting public access – no longer in public control</i></li> <li>• <i>May be difficult to obtain Corps authorization of a transfer to a private entity. For instance, a private entity can go bankrupt, creating potential liabilities for the Corps.</i></li> </ul>
F	Private Party	Private – <i>Minimal Repair</i>	Private		<ul style="list-style-type: none"> <li>• Allows for the Locks to continue in limited operation (with limited or no access to the general public) – which is preferable to the complete and permanent closure of the Locks if no other alternative proves viable in the short term</li> <li>• <i>Risk of limiting public access – no longer in public control</i></li> <li>• <i>May be difficult to obtain Corps authorization of a transfer to a private entity; a private entity can go bankrupt, creating potential liabilities for the Corps</i></li> </ul>

## WILLAMETTE FALLS OWNERSHIP/OPERATION/FUNDING

### Option A: Single Public Agency Owner/Single Agency Operator

#### Most Likely Potential Owners:

Dept of State Lands (DSL), State Parks, State Department of Administrative Services (DAS)

#### Potential Operators:

DSL, State Parks, ODOT

#### Summary:

Model assumes that the Corps transfers the Locks to a single agency, and that agency then either operates the Locks and oversees funding and governance; or that agency contracts with another agency for operation, funding and governance. Option A also assumes that multiple agency partners would contribute towards the initial operating costs for an interim period of several years. That initial period would include both the lead-up to the repair project, the duration of the repair project, and possibly the first year or two of post-repair operation.

#### Policy/Governance Steps

Needs	Actions	Approximate Timeline
Designation of Owner	State Legislature/Governor?	2019 Legislative Session
IGA between Owner & Operator (if different agencies)	Affected Agencies	2019/2020
Interim Funding IGAs	Affected Agencies	2019/2020
Corps Transfer & Funding Agreements	US Congress action; Affected Agency	2020/2023

#### Financial Models for Single Owner Scenarios

Capital Funding need: \$11-\$19M (depending on repair phasing)	Options	\$\$
	State Legislature	\$11-19M
	Metro Open Space Bond	TBD
	Metro Transportation Bond	TBD
	USACE Seismic	\$2.7M

Pre-operational O & M Funding. Need: \$250K Min (very preliminary estimate)	Options	\$\$
	Planning Assistance to States (USACE)	\$100,000 max
	State & Local Agency Partners (possibly to include Parks, ODOT, Port of Portland, Clackamas County, State & Local Tourism, Marine Board, Business Oregon, City of West Linn, Metro, etc.)	\$250,000+/year

Post-repair/operational O&M Funding. Need: \$450K per year for maintenance.	Options	\$\$
	Marine Board. Could provide ongoing funding. Potential sources include existing boat license fees; as well as proposed (2019 Legislature) Boat license fee increase and non-motorized licenses. Possible regional fee surcharge?	TBD

Operating costs undetermined – will depend on how often Locks are open)		
	Limited Duration TLT funding (strategic partnership)	TBD
	User fees – commercial and recreational	TBD

**Pros**

- Easy establishment and execution of governance – no new entity needs to be created; and decision-making rests with a single agency
- Clear missional alignment of facility
- “Shares the burden” by engaging multiple ownership in the funding of operations

**Cons**

- No single agencies have current funding streams to meet needs of locks O&M – hence the need for IGAs with multiple agencies for interim funding through creation of ongoing funding stream
- Most single owner agencies don’t have current experience owning/operating Locks
- Does not directly address long term funding/operation

## WILLAMETTE FALLS OWNERSHIP/OPERATION/FUNDING

### Option B: Single Public Agency Owner/Multi-Agency (“190”) Operator

#### Most Likely Potential Owners:

Dept of State Lands (DSL), State Parks, State Department of Administrative Services (DAS)

#### Potential Operators:

Multi-Agency IGA (Intergovernmental Agreement), also known as a “190” Agency (derived from ORS 190); could include all the above agencies PLUS ODOT, the Port of Portland, Metro, Clackamas County, West Linn, possibly other jurisdictions that would benefit (Marion County, Yamhill County, Wilsonville, Newberg, Canby, Oregon City, etc.). 190 Agencies may also include non-public entities, including private companies, Native American Tribes, non-profit foundations, etc.

#### Summary:

Model assumes that the Corps transfers the Locks to a single agency, and that agency then enters into an IGA with a new, to-be-formed multi-agency “190” entity that operates the Locks and oversees funding and governance. The 190 Agency could begin its role during the lead-up to the repair project, and continue through the repair project, and into post-repair operation.

#### Policy/Governance Steps

Needs	Actions	Approximate Timeline
Designation of Owner	State Legislature/Governor?	2019 Legislative Session
Formation of “190” Entity	State Legislature/Governor?	2019/2020
IGA between Owner & 190 Entity	Affected Agencies	2019/2020
Interim Funding IGAs (unless 190 Entity is formed at outset)	Affected Agencies	2019/2020
Corps Transfer & Funding Agreements	US Congress action; Owner Agency	2020/2023

#### Financial Models for Single Owner Scenarios

Capital Funding need: \$11-\$19M (depending on repair phasing)	Options	\$\$
	State Legislature	\$11-19M
	Metro Open Space Bond	TBD
	Metro Transportation Bond	TBD
	USACE Seismic	\$2.7M

Pre-operational O & M Funding. Need: \$250K Min (very preliminary estimate)	Options	\$\$
	Planning Assistance to States (USACE)	\$100,000 max
	State & Local Agency Partners (possibly to include Parks, ODOT, Port of Portland, Clackamas County, State & Local Tourism, Marine Board, Business Oregon, City of West Linn, Metro, etc.)	\$250,000+/year

Post-repair/ operational O&M Funding. Need: \$450K per year for maintenance. Operating costs undetermined – will depend on how often Locks are open)	Options	\$\$
	Marine Board. Could provide ongoing funding. Potential sources include existing boat license fees; as well as proposed (2019 Legislature) Boat license fee increase and non-motorized licenses. Possible regional fee surcharge?	TBD
	Limited Duration TLT funding (strategic partnership)	TBD
	User fees – commercial and recreational	TBD

**Pros**

- Shared responsibility – does not obligate a single agency to be responsible for the repair and ongoing operation of the Locks

**Cons**

- Requires formation of a new entity – a multi-agency “190” entity. Will take time and money and potential political complexity to form
- No agency has current experience owning/operating Locks
- Does not address long term funding/operation

## WILLAMETTE FALLS OWNERSHIP/OPERATION/FUNDING

### Option C: Single Public Agency Owner/Public Corporation Operator

#### Most Likely Potential Owners:

Dept of State Lands (DSL), State Parks, State Department of Administrative Services (DAS)

#### Potential Operators:

New to-be-formed Public Corporation

#### Summary:

Model assumes that the Corps transfers the Locks to a single agency, and that agency then enters into an IGA with a new, to-be-formed Public Corporation that operates the Locks and oversees funding and governance. The Public Corporation could begin its role during the lead-up to the repair project, and continue through the repair project, and into post-repair operation; OR the Public Corporation could be formed somewhere later in the process (after repair is complete? After the Locks have been in operation for several years?).

#### Policy/Governance Steps

Needs	Actions	Approximate Timeline
Designation of Owner	State Legislature/Governor?	2019 Legislative Session
Formation of Public Corporation	State Legislature/Governor?	2019/2020
IGA between Owner & Public Corporation	Owner Agency and Public Corporation	2019/2020
Interim Funding IGAs	Affected Agencies	2019/2020
Corps Transfer & Funding Agreements	US Congress action; Owner Agency	2020/2023

#### Financial Models for Single Owner Scenarios

Capital Funding need: \$11-\$19M (depending on repair phasing)	Options	\$\$
	State Legislature	\$11-19M
	Metro Open Space Bond	TBD
	Metro Transportation Bond	TBD
	USACE Seismic	\$2.7M

Pre-operational O & M Funding. Need: \$250K Min (very preliminary estimate)	Options	\$\$
	Planning Assistance to States (USACE)	\$100,000 max
	State & Local Agency Partners (possibly to include Parks, ODOT, Port of Portland, Clackamas County, State & Local Tourism, Marine Board, Business Oregon, City of West Linn, Metro, etc.)	\$250,000+/year

Post-repair/operational O&M Funding. Need:	Options	\$\$
	Marine Board. Could provide ongoing funding. Potential sources include existing boat license fees; as well as	TBD

\$450K per year for maintenance. Operating costs undetermined – will depend on how often Locks are open)	proposed (2019 Legislature) Boat license fee increase and non-motorized licenses. Possible regional fee surcharge?	
	Limited Duration TLT funding (strategic partnership)	TBD
	User fees – commercial and recreational	TBD

**Pros**

- Allows an agency to be formed whose mission can be focused on the Locks
- Shares the burden of initial period operational funding across multiple agencies

**Cons**

- Requires formation of a new entity – a Public Corporation. Will take time and money and potential political complexity to form
- No agency has current experience owning/operating Locks
- Does not address long term funding/operation



## WILLAMETTE FALLS OWNERSHIP/OPERATION/FUNDING

### Option D: Single Public Agency Owner/Special District Operator

#### Most Likely Potential Owners:

Dept of State Lands (DSL), State Parks, State Department of Administrative Services (DAS)

#### Potential Operators:

New to-be-formed Special District

#### Summary:

Model assumes that the Corps transfers the Locks to a single agency, and that agency then enters into an IGA with a new, to-be-formed Special District that operates the Locks and oversees funding and governance. The Special District could begin its role during the lead-up to the repair project, and continue through the repair project, and into post-repair operation; OR the District could be formed somewhere later in the process (after repair is complete? After the Locks have been in operation for several years?).

#### Policy/Governance Steps

Needs	Actions	Approximate Timeline
Designation of Owner	State Legislature/Governor?	2019 Legislative Session
Formation of Special District	County/s Decision (or State Legislature if new ORS Chapter)	2019/2021
IGA between Owner & Special District	Owner Agency and Public Corporation	2019/2021
Interim Funding IGAs (unless Special District secures its own funding at the outset)	Affected Agencies	2019/2021
Corps Transfer & Funding Agreements	US Congress action; Owner Agency	2020/2023

#### Financial Models for Single Owner Scenarios

Capital Funding need: \$11-\$19M (depending on repair phasing)	Options	\$\$
	State Legislature	\$11-19M
	Metro Open Space Bond	TBD
	Metro Transportation Bond	TBD
	USACE Seismic	\$2.7M

Pre-operational O & M Funding. Need: \$250K Min (very preliminary estimate)	Options	\$\$
	Planning Assistance to States (USACE)	\$100,000 max
	State & Local Agency Partners (possibly to include Parks, ODOT, Port of Portland, Clackamas County, State & Local Tourism, Marine Board, Business Oregon, City of West Linn, Metro, etc.)	\$250,000+/year

Post-repair/	Options	\$\$
operational O&M Funding. Need: \$450K per year for maintenance. Operating costs undetermined – will depend on how often Locks are open)	Marine Board. Could provide ongoing funding. Potential sources include existing boat license fees; as well as proposed (2019 Legislature) Boat license fee increase and non-motorized licenses. Possible regional fee surcharge?	TBD
	Limited Duration TLT funding (strategic partnership)	TBD
	Special District – Permanent Rate	TBD
	User fees – commercial and recreational	TBD

**Pros**

- Allows a new District to be formed whose mission can be focused on the Locks, tying benefits of the re-opened Locks to its governance

**Cons**

- Requires formation of a new entity – a Special District. Will take time and money and potential political complexity to form
- Special District can be formed without voter authorization – but ability of the District to collect taxes will require a vote
- No agency has current experience owning/operating Locks
- Does not address long term funding/operations

## WILLAMETTE FALLS OWNERSHIP/OPERATION/FUNDING

### Option E: Private Owner/Operator – Major Repair of Locks

#### Potential Owners:

A private company, presumably with extensive experience in water transport

#### Potential Operators:

Same as Owner

#### Summary:

Model assumes that the Corps would convey the Locks to a private entity which would oversee the repair and long term operation of the Locks, *possibly* using some public funds (in addition to private debt and equity) in a public/private partnership for the capital/repair work and/or the operations. This model assumes that a private company would risk its share of project costs in anticipation of future revenues derived from the operation of the Locks.

#### Policy/Governance Steps

Needs	Actions	Approximate Timeline
Private Company negotiates State funding	State Legislature/Governor?	2019, 2020, or 2021 Legislative Session
Private Company negotiates Other public funding – Federal, Local, Regional	Negotiations with Corps, County/s, City/s, Metro, Port, Other?	2019/2023
Private Company negotiates conveyance with the Corps	Congressional Action	2019/2023

#### Financial Models for Public-Private Partnership Scenario

Capital Funding need: \$11-\$19M (depending on repair phasing)	Options	\$\$
	State Legislature	\$11-19M
	Metro Open Space Bond	TBD
	Metro Transportation Bond	TBD
	USACE Seismic	\$2.7M

Pre-operational O & M Funding. Need: \$250K Min (very preliminary estimate)	Options	\$\$
	Planning Assistance to States (USACE)	\$100,000 max
	State & Local Agency Partners (possibly to include Parks, ODOT, Port of Portland, Clackamas County, State & Local Tourism, Marine Board, Business Oregon, City of West Linn, Metro, etc.)	\$250,000+/year

Post-repair/operational O&M Funding. Need: \$450K per year for maintenance.	Options	\$\$
	Marine Board. Could provide ongoing funding. Potential sources include existing boat license fees; as well as proposed (2019 Legislature) Boat license fee increase and non-motorized licenses. Possible regional fee surcharge?	TBD

Operating costs undetermined – will depend on how often Locks are open)		
	Limited Duration TLT funding (strategic partnership)	TBD
	User fees – commercial and recreational	TBD

**Pros**

- Allows for the private sector to do the work, potentially more efficiently and cost effectively
- Unleashes the private sector to find a profitable means to repair and operate the Locks

**Cons**

- Risk of limiting public access – no longer in public control
- Difficulty in resuming public ownership in the future – private ownership weakens public leverage over the Locks’ future
- May be difficult to obtain Corps authorization of a transfer to a private entity. For instance, a private entity can go bankrupt, creating potential liabilities for the Corps.
- While this scenario assumes a robust public financing component – it is unlikely that public dollars would constitute a substantial percentage of either capital or O & M funding
- It seems highly unlikely that operating revenues could come close to covering the debt service costs (and likely even the operating costs), at least for the foreseeable future.
- Likelihood that the private entity will charge the general public for use of the Locks for recreational vehicles – contrary to the will of the general public.

## WILLAMETTE FALLS OWNERSHIP/OPERATION/FUNDING

### Option F: Private Owner/Operator – Minimal Repair of Locks

#### Potential Owners:

A private company, presumably with extensive experience in water transport

#### Potential Operators:

Same as Owner

#### Summary:

Model assumes that the Corps would convey the Locks to a private entity which would oversee minimal repairs. This model assumes that the private entity would also operate the Locks, but only for its own purposes (and possibly for other commercial users who pay for access). This model assumes that a private company would consider taking on the project if it directly benefited from the re-opened Locks and, because of the minimal up-front costs, might find the risk worth the investment. For instance, if a company has to transport goods by truck or rail, but that company could barge those goods through the re-opened Locks, it might find that such an investment to be justified by cost savings from other transport costs. Note that this model assumes no public funding for either the repair or operations.

#### Policy/Governance Steps

Needs	Actions	Approximate Timeline
Private Company negotiates conveyance of the Locks with the Corps	Congressional Action	2019/2023

#### Financial Models for Single Owner Scenarios

Capital Funding need: \$1-2M	Options	\$\$
	Private Funds – Equity and/or Debt	\$1-2M

O&M Funding (Post Repair) Need: \$200K (very preliminary estimate)	Options	\$\$
	Offset savings from other transport operations	\$200K+
	Commercial User fees	TBD

#### Pros

- Allows for the Locks to continue in limited operation (with limited or no access to the general public) – which is preferable to the complete and permanent closure of the Locks if no other alternative proves viable in the short term

#### Cons

- Risk of limiting public access – no longer in public control
- May be difficult to obtain Corps authorization of a transfer to a private entity; a private entity can go bankrupt, creating potential liabilities for the Corps

- Even if the private entity contracts with other private companies for use of the locks, it is unlikely that private recreational boaters will be allowed access
- Difficult to re-assert public ownership in the future if a path forward for public governance and funding emerges