

The Willamette Falls Locks

A Case Study Analysis of Potential Transfer Issues

Prepared for:
One Willamette River Coalition

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The Bottom Line

Five “Themes” from Case Studies

1. Define a compelling, unified vision and clear goals; recruit dedicated leaders.
2. Expect a lengthy process (years).
3. Invest in pre- and post-transfer planning.
4. Build and sustain stakeholder and political support.
5. Plan for & obtain pre- and post- transfer resources (funds, staff, infrastructure).

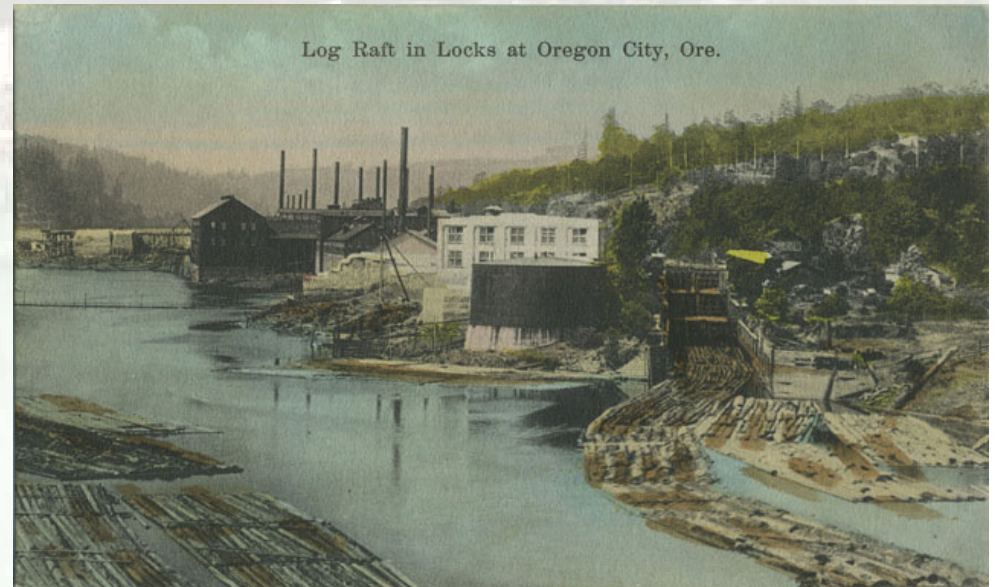
Discussion Topics

- Current conditions at Willamette Falls Locks
- Case Study Overview
- Findings:
 - Success factors
 - Cautions
- Process maps:
 - Strategic planning model
 - Corps actions
 - Coalition actions
- Conclusions and Coalition next steps

Current Conditions

History

- Historic Overview:
 - Built in 1872 by private company; opened Jan 1, 1873
 - Purchased by Corps of Engineers in 1915
 - Renovations in 1916, 1941, 1960s-70s, and 1996
 - Registered as historic landmark
- Other site facilities:
 - Fish ladder 1885
 - Paper Mill 1889
 - Hydro plant/dam 1889



Current Conditions

Real Estate

- Estimated property value (2008): \$2.7M
- Title to the locks is held by the Corps
 - Other users either own or have access to other on-site facilities
- Issues:
 - Survey of property boundaries
 - Easements and operating agreements
 - Environmental concerns

Current Conditions

Recent Usage (Locks Only)

Calendar Year	Total		Operating Notes
	Lockages	Vessels	
2000	1,503	3,001	6 month operation
2001	937	2,185	6 month operation; lock repairs
2002	789	1,301	1 month limited service; 5 months full
2003	548	901	1 month limited service; 5 months full
2004	309	936	1 month limited service; 5 months full
2005	310	703	Partial service during summer months
2006	448	1,030	Partial service during summer months
2007	582	1,270	Partial service during summer months

Current Conditions

Operations and Maintenance

Fiscal Year	Amount	Notes
1994	\$ 1,253,840	12 month operation
1995	\$ 745,193	12 month operation
1996	\$ 1,242,935	12 month operation; flood supplemental \$\$
1997	\$ 696,184	Reduced staff; 12 month operation
1998	\$ 865,491	12 month operation
1999	\$ 498,267	6 month operation
2000	\$ 553,632	6 month operation
2001	\$ 1,336,314	6 month operation; lock repairs
2002	\$ 175,897	1 month limited service; 5 months full service
2003	\$ 208,029	1 month limited service; 5 months full service
2004	\$ 288,805	1 month limited service; 5 months full service
2005	\$ 191,210	Partial service during summer months
2006	\$ 72,070	Partial service during summer months
2007	\$ 61,117	Partial service during summer months

Current Conditions

Operations and Maintenance (continued)

- There is no single assessment of the maintenance backlog.
- Recent assessments:
 - BST (2005) estimated O&M at \$424K per year
 - INCA (2007) estimated cost of repairs at \$2.8 M
 - Portland District 2007 maintenance report lists 36 maintenance tasks (cost not estimated)
 - Upcoming HSS inspection to look at gates

The Coalition should conduct a comprehensive assessment of repair needs as part of its due diligence and feasibility study efforts !!

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Case Study Overview

- Muskingum River, Ohio
- Kentucky River, Kentucky
- Lower Fox River, Wisconsin

Case Study Overview

Muskingum River Locks, Ohio

- System description:
 - Built in 1841
 - Slack water system of 11 locks, dams, and canals over 86 miles
 - Retains historical character – still hand-crank operated
- Transfer process: 1948 – 1958 (ten years).
- Ownership and funding:
 - State ownership, operation by state agency (DNR / Parks and Recreation)
 - Enjoys strong support from public
 - Funded through state appropriations
 - Modest user fees, collected into state general fund

Case Study Overview

Kentucky River Locks, Kentucky

- System description:
 - Built between 1836-1917
 - Slack water system of 14 locks, dams, and canals over 225 miles
- Transfer process:
 - Corps began looking for new owner in 1951; actual transfer negotiations began in 1984
 - Decades of acrimonious discussion
 - Transfer occurred in installments 1996 – 2006
- Ownership and funding:
 - Negotiated for system repairs prior to transfer
 - State ownership, operation by independent authority
 - System operated for water supply, not navigation
 - Funded through state appropriations and water supply fees
 - All locks except one currently closed for maintenance

Case Study Overview

Lower Fox River System, Wisconsin

- System description:
 - Built between 1853-1856
 - 17 locks along 39 miles (dams not included)
- Transfer process:
 - Corps began looking for new owner in late 1970s
 - State leased locks for operation 1984-2004
 - Transfer occurred in 2004
- Ownership and funding:
 - State ownership, operation by independent authority
 - System funded from combination of interest earned from federal payments, state appropriations, and dedicated user fees
 - All locks except one now open for operation

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Findings

Success Factors

1. Early organization
2. Strong stakeholder support
3. Strong political leadership and support
4. State ownership
5. Due diligence
6. Detailed planning
7. Positive relationships
8. Informed negotiations
9. Dedicated funding

Findings

Cautions

1. Ownership
2. Funding
3. Historical designation
4. Environmental concerns
5. Time needed for transfer process
6. Administrative costs
7. Relationships
8. Political support
9. Real estate concerns

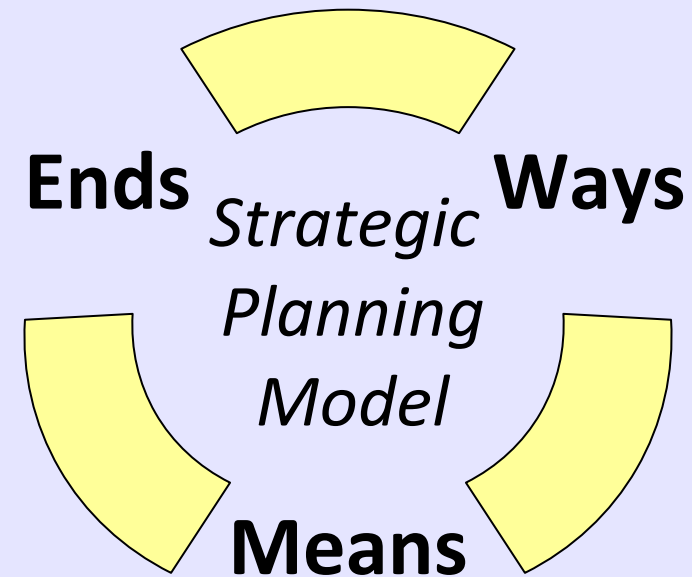
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Process Maps

Strategic Planning Model

- Reminder to routinely review ends, ways, & means and adjust accordingly
 - Ends = desired outcomes
 - Means = resources
 - Ways = procedures and actions



Goal: Ensure that available resources support desired outcomes and the processes selected to achieve them

Process Maps

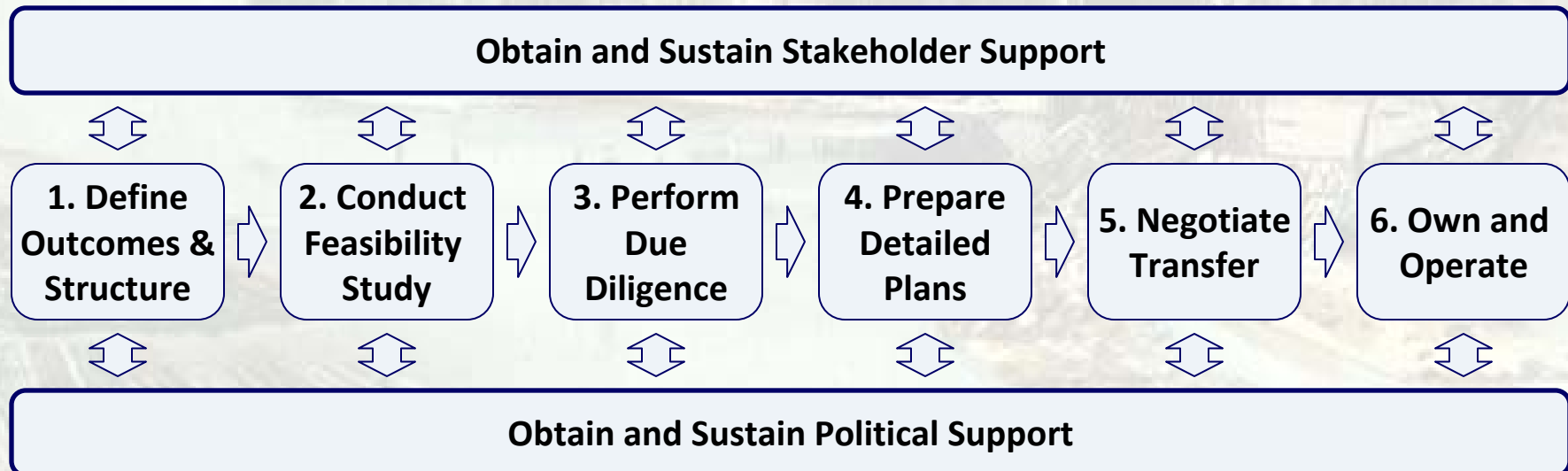
Corps Property Transfer Actions

- Report identifies 14 actions to be performed by the Corps and federal government (p. 108)
- Process is monitored and promoted by core leadership team
- Steps are not rigidly sequential
- Key elements for Corps:
 - Determine that property is excess to government needs
 - Identify receiving entity:
 - If no one identified, initiate disposition study and GSA process
 - If entity is identified, initiate early coordination
 - Coordinate with entity and delegation staff on authorization and appropriations legislation
 - Obtain funds for administrative expenses
 - Complete real estate actions
 - Complete NEPA process
 - Negotiate and complete transfer

Process Maps

Coalition Actions

- Consists of series of sequential and ongoing Coalition actions
- Process is managed by the core leadership team
- Each subsequent step carries increased resource needs
- Planning horizon should include:
 - Actions leading up to transfer
 - Operations and ownership once transfer is accomplished



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Conclusion

The “Five Themes” (Revisited)

- Define a compelling, unified vision and clear goals; recruit dedicated leaders.
- Expect a lengthy process (years).
- Invest in pre- and post-transfer planning.
- Build and sustain stakeholder and political support.
- Plan for & obtain pre- and post- transfer resources (funds, staff, infrastructure).

Coalition Next Steps

Process Map Steps 1 and 2

- Step 1:
 - Articulate a clear vision of outcome
 - Determine goals and objectives
 - Develop ownership options
 - Recruit core leadership team
 - Conduct initial outreach to process partners
 - Collect additional information
 - Identify resources for Step 2
- Step 2:
 - Conduct feasibility study
 - Determine whether ownership can reasonably be pursued



Questions?