

# Willamette Falls Locks Task Force

## Final Draft Meeting Summary

March 16, 2016

Task Force website: <http://orsolutions.org/osproject/willamette-falls-locks-task-force>

### **Attendance**

Task Force Members present: Councilor Carlotta Collette, Christine Curran, Mayor Dan Holladay, Dave Bernert, Senator Devlin, Fred Myer, John Mullen, Kevin Brice, Peggy Sigler, Rachel Graham, Rian Windsheimer, Mayor Russ Axelrod, and Commissioner Tootie Smith

Convener present: Honorable Barbara Roberts

Facilitation Team: Peter Harkema and Julia Babcock

### Staff and Interested Parties:

Andy Cotugno, Brian Konen, Ed MacMullan, Gary Schmidt, Former Congresswoman Darlene Hooley, Trent Wilson, Danielle Cowan, Kim Desantis, Ian Dunlap, Louis Landre, Alice Norris and Chris Lyons.

### **Action Items**

Action Items	Who	Date
<u>Representation</u> <ul style="list-style-type: none"> <li>Investigate potential tourism representative and bring to task force members for approval</li> </ul>	Oregon Solutions (OS)	April 15, 2016
<u>Scheduling and Information Follow up</u> <ul style="list-style-type: none"> <li>Post meeting materials to OS Task Force website</li> <li>Develop and distribute action items memo</li> <li>Confirm RSVP's and send April 15, 2016 Willamette Falls Locks Site Tour and Tribal Perspectives Agenda</li> </ul>	Julia OS Julia	Completed Completed April 1, 2016
<u>Emergency Management</u> <ul style="list-style-type: none"> <li>Continue you work with local/regional emergency managers to develop information about potential for the locks to support emergency management</li> </ul>	OS with Core team	For May meeting
<u>Economic Information</u> <ul style="list-style-type: none"> <li>Consider how best to address information needs identified in small group discussion (see below)</li> <li>Contact OS if interested in access to the ECONorthwest economic potential dashboard tool</li> <li>Make June 2006 Willamette River Ferry Feasibility Study available to Task Force members. Link here (and on the website): <a href="https://www.portlandoregon.gov/bps/article/292730">https://www.portlandoregon.gov/bps/article/292730</a></li> </ul>	Core team with Task Force members Task Force members Councilor Collette	Ongoing As needed Completed

## Meeting Summary

- Convener Governor Roberts opened the meeting, emphasizing that the focus of the presentations and discussions today will be around the economic opportunities and challenges tied to the reopening of the Locks. She then welcomed Kevin Brice, USACE and thanked him for joining as an ex-officio member of the Task Force.
- Project Manager Peter Harkema reviewed the agenda and let folks know that we are in the process of confirming a tourism representative as requested by the Task Force at our first meeting. Further follow up items from our first meeting included:
  - Emergency Management Considerations: Staff is working with regional experts to better understand whether the Locks could play a role in emergency management. There will likely be information to share about that topic at our May meeting.
  - The April 15, 2016 Willamette Falls Locks Site Tour. Please RSVP asap to [jjb@pdx.edu](mailto:jjb@pdx.edu). The tour/site visit will be held in the morning from approximately 9:00am – 11:00am.

- Tribal History and Perspectives Event April 15, 2016 from 1:00-4:00 p.m. at Clackamas County Services Building Tribal representatives from the Confederated Tribes of Grand Ronde, Confederated Tribes of Warm Springs, Yakama, Umatilla, Nez Perce and Siletz have been invited to participate. We are working to confirm speakers in order to finalize the format and send out an agenda.
- State legislative funding – Darlene Hooley and Chris Lyons
  - During the 2016 Oregon Legislative Session, \$500,000 was allocated to the Willamette Falls Locks. Governor Roberts and members of the Task Force extended their thanks to many on the Task Force including Senator Devlin and other local delegation members who carried the message about the importance of the reopening of the Locks. Of the \$500,000 allocation, \$100,000 is for an economic benefits study of the locks and \$400,000 will be targeted to make stopgap repairs. USACE will work with state and regional partners to explore a process for next steps regarding funds for repairs, with the understanding that there are agreements that need to be worked through in order for a federal agency to accept funding from the state.
- Federal funding and legislative activities – Andy Cotugno
  - USACE has received funding to conduct the final disposition study which is expected to be completed in 2.5 years. \$60,000 is allocated in the current fiscal year budget. \$270,000 was authorized in the President’s FY 2017 budget, yet to be approved by Congress. In order to complete the study, it is necessary to meet a series of federal regulations by conducting associated legal, environmental, historic and economic analyses and related site condition assessments. USACE will seek additional funding in FY 2018 through the President’s budget to complete the study.
  - It was noted that there are many significant questions remaining around associated assets, risks and liabilities related to a potential transfer of ownership of the Locks which we are hopeful the disposition study can help answer.
  - The Water Resources Reform and Development Act (WRRDA) of 2014 has authorized a path to address issues around management and disposition of assets from the USACE, the Willamette Falls Locks is a candidate for a pilot project, but there are few examples so we will be learning as we go through the process.
- Governor’s transportation vision panel – Gary Schmidt
  - A draft transportation plan which integrates input from a panel of technical, state and civic transportation perspectives has been submitted. The Willamette Falls Locks Working Group submitted a letter for the panel to consider including how the Locks could support future emergency management and freight needs as well as provide economic benefits statewide.
- **USACE Overview – Louis Landre, USACE**
  - Louis Landre provided an overview of some of the history the locks as well as their current physical conditions. A few highlights from the presentation are included below and a copy of the PowerPoint can be viewed at <http://orsolutions.org/wpcontent/uploads/2015/12/USACE-Overview-Presentation.pdf>
    - Originally constructed in the 1870’s, Willamette Falls Locks is the oldest existing Locks system in the U.S. Oregon City and the Willamette Falls site represent a series of significant firsts; the first long distance transmission line, first hydropower station, first suspension bridge, first sawmill, first flour mill and ofcourse first city of the Oregon territory.
    - The infrastructure was developed through public-private partnerships since the beginning and has thus has broad benefits to the community and surrounding areas. In 1868, the Willamette Falls Locks Company incorporated with the help of state subsidies. January 1, 1873 the Locks opened bring over 8,000 people from around the region to celebrate. In

1888, Willamette Falls Electric Company was formed. In 1915 USACE acquired ownership of the Locks and in 1916, the Locks were deepened by three feet to allow for more commerce including larger vessels.

- For decades the Locks served as intended opening up commerce opportunities for the timber industry as well as freight for exportation of agricultural and other resources from the Willamette Valley. In 1992, there was an 85% drop in commerce due in large part to the change in USFS permitting to meet endangered species concerns.
- At Gate 4 on the Mill side, behind the anchor plate is a highly corroded anchor rod. It is this Gudgeon Anchor Assembly at Gates 2, 3, and 4 that is feared to be vulnerable to fractures, as the anchors are old and highly corroded in areas where observable, and are assumed to be in a similar condition where not observable.
- The rods are fracture critical members in that if they break, there is nothing to stop the gate from collapsing into the water. The life safety concern as a result of a gate potentially collapsing into the lock chamber has caused the closure of the locks.
- The current estimate to repair to safe operable condition is \$3-5 million dollars and there will be more accurate numbers after the disposition study.

- **Economic Considerations**

- Review of past economic studies and findings – Ed MacMullan, ECONorthwest

- Ed MacMullan provide an overview of ECONorthwest’s 2014 study of economic potential and challenges related to the Locks (modeled as if they were functioning and operating on a regular schedule).. A few highlights from the presentation are included below and the full presentation can be viewed at <http://orsolutions.org/wpcontent/uploads/2015/12/Will-Falls-Econ-Potential-031516.pdf>
  - ECONorthwest gathered data from regional stakeholders about future demand as part of their study which will be the focus of today’s presentation. An additional aspect of the report was reviewing three examples of locks transfers and extrapolating lessons learned. The full report is available to members in the task force background materials provided at the first meeting.
  - The main projected demand was from cultural and recreational tourism including both motorized and nonmotorized boats interested in connecting between the Portland metro region and upstream on the Willamette.
  - In terms of commercial demand, there would need to be a reliable schedule for business to begin factoring in lockage to their business plans. Some major factors include increasing population and congestion on major roadways as well as increased shipments to foreign markets, such as Asia. Some suggest that the locks could provide viable alternative to relieve congestion and expand freight services.
  - User fees will not cover the costs of repairs and Operations and maintenance (O&M). The study explored the potential for a multicounty transit district funded through .1% increase in property tax or .2% of public budget through a cost shared agreement.
  - It was noted that operating costs tied to level of service. For year-round Locks O&M expected \$1.2 million dollars for seasonal/four months during the summer \$300-400,000 dollars. Can start small with work days only during the summer and scale up based on usage.

- Mill operations and business perspective – Brian Konen, West Linn Paper Company

- Brian Konen, COO of West Linn Paper Company, provided an overview of the company’s operations and answered questions from Task Force members related to past and potential future use of the locks. A few highlights from the presentation are included below and the full

presentation can be viewed at [http://orsolutions.org/wpcontent/uploads/2015/12/WLPC-Corporate-Overview\\_03\\_2016\\_Clackamas-.pdf](http://orsolutions.org/wpcontent/uploads/2015/12/WLPC-Corporate-Overview_03_2016_Clackamas-.pdf)

- The mill has been in operations for 125 years. At peak operations, there were around 1,600 employees. Today the mill employs 250 people with an annual payroll around 18-20 million dollars. The mill runs 24 hours/day with three paper machines. WLPC is the last west coast manufacturer of free sheet paper, many competitors have gone bankrupt. 60% of facility is utilized. 1996 is when barge activity stopped, now utilizing highway and railway to move products, though there are no rail tie-ins onsite.
- Potential to use barging again if locks reopened, may change materials input depending on costs of moving pulp and clay on site and moving finished paper products to our customers.
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- Commercial operations perspective – Dave Bernert, Wilsonville Concrete Products and Marine Industrial Construction
  - Dave Bernert gave a presentation on past use and potential future of the locks for commercial activities. He also provided the task force with information about current barging activities in the Columbia Basin and answered questions from members of the Task Force. A few highlights from the presentation are included below and the full presentation can be viewed at <http://orsolutions.org/wp-content/uploads/2015/12/Willamette-Falls-Lock-Economics-March-16-2016-.pdf>
    - Company in operations since 1880 and is a 5<sup>th</sup> generation-run company.
    - Three pronged-business approach includes: concrete operations, mining and river based operations and mining and river based solutions. Employees are our biggest asset.
    - When Locks closed there were significant impacts to business operations. Wilsonville Concrete Products and Marine Industrial Construction moved equipment to lower river, \$2 million port facility became obsolete, lost major work from USACE and costs to move materials rose substantially. Specifically, barging cost 30-60% less per ton on average than other modes of transport.
    - Significant economic and environmental benefits expected if Locks are reopened. Could open up: tourism including cruises, agricultural commodities barging, paper products, additional wood products and steel scrap and finished materials.
- Small Group Conversation about Economic Opportunities
  - Alice Norris opened the discussion by describing the numerous activities happening in and around the Willamette Falls as well as a long-term vision of the area. She noted that the Locks is a critical component of the site providing a unique opportunity to increase cultural, recreational and economic activities as part of the future economic vitality of the Willamette Falls Legacy Project as a regional and statewide asset. There is a lot of momentum and support bringing investments into the redevelopment of the Willamette Falls site from federal, state and regional efforts including three counties, eleven cities and five tribal entities organized through various partnership efforts including the Willamette Falls Locks Working Group, Willamette Falls Heritage Foundation and the Rediscover the Falls Friends Group. It was mentioned that the Willamette Falls Heritage Foundation and One Willamette River Coalition in final stages of establishing designation of heritage area which could bring in \$125,000/year for site development pending National Park Service review.
  - At this point in the meeting, the Task Force divided into two groups (a third group was formed by attendees) to discuss additional potential economic values that might be achieved by reopening the locks. Each group was asked to respond to the questions below. A summary of the findings from all three groups is included in Attachment 1.

- What are the promising sources of economic development that could result from reopening of the locks?
- What, if any, information would be necessary to demonstrate the viability of these opportunities?
- Next meeting will be April 15, 2016 for the Willamette Falls Locks Site Tour and Tribal History Event. More details to follow and will be posted to the website: <http://orsolutions.org/osproject/willamette-falls-locks-task-force>

## **Attachment 1**

### **Promising Sources of Economic Development: Summary of Small Group Discussions**

- We heard from West Linn Paper Mill that 40% of the island is not utilized. What are the commercial development and recreational/access opportunities that could be located there to maximize the economic potential of the site?
- West Linn has a scenic view of the falls as well as land and other assets that may be able to enhance access and economic and recreational opportunities around the Willamette Falls site.
- Explore water transportation that could enhance connectivity between communities and greenways.
  - Revisit ferry study for potential river transit, including water taxis.
- Explore Port's Terminal 2 trans-load options for pulp barge and other products.
- Quantify potential market for agriculture, other products, etc.
- Increase connections to the wine region could have major tourism and trade benefits.
- Educational programming could include engineering, tourism, natural history, etc.
- New industries supported by investments in the Locks could include: recreational boating (paddlers, powerboats, jetskis) fishing, barges, cultural tourism, scenic falls tours and power supply, cycling, etc.
- River commerce could include moving commodities (waste, grains, gravel, steel, cross-laminated timber, etc.)
- Increase port sites (need to work with state land board) to increase movement and access along the river.
- Tribal cultural experiences could be enhanced.
- Commercial industry could also include specialized vessels (i.e. the Canby Ferry).
- Open up better monitoring systems for river management.
- There is a strong sense that if the Locks is reopened it will create opportunities that we can only imagine at this point in time. Having a reliable schedule and a viable alternative for transportation and freight movement has major potential to benefit the region and create an ecosystem of solutions through multilevel partnerships.