

**PORT OF PENINSULA COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS &
PARKS AND RECREATION PLAN UPDATE**

2012



January 26, 2012

Port of Peninsula Board of Commissions;

It has been my pleasure to provide the following review and update of the Port of Peninsula's Comprehensive Scheme of Harbor Improvements & Parks and Recreation Plan, hereinafter called the "Plan".

To best describe the Port of Peninsula and what it means to the users, one has to wrap their arms around the concept that unlike many ports, that are seen from a distance while driving down the highway or road, or recognized for their existence when a tax bill arrives, this is not the case at the Port of Peninsula. The Port is a community based port steeped in many generations of families who have worked the waters of the Willapa Bay for over 160 years. Many of the same families then still remain today, and along with more efforts and involvement from more recently ensconced families, the shellfish and table fish industry is still going strong and Willapa Bay continues to provide up to one quarter of all oysters consumed domestically and internationally, and a majority of that production crosses the working docks/pier at Port of Peninsula.

Throughout the process to develop this Plan, the willingness of the Port Commission and Staff made my job easier and pleasurable at the same time. I have learned much of the history and day to day life of those working in and around the Port. It is easy to say that the Port of Peninsula is more than just an agency; it is a way of life and has been since opening the doors in 1928 to help foster the economic development that has been going on for over one hundred and sixty years.

I encourage the Port of Peninsula to constantly monitor the planning document and take advantage where possible to be creative in any way reasonable to assist the continued growth of the Port facilities and the vital industries it serves.

Further, I recommend to all who have not seen and those who have, to visit and revisit the living history documentary created by Keith A. Cox, titled "Willapa Bay Docs" if ever the question is asked: Why the Port of Peninsula?

Sincerely,

William Cook

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Port Mission Statement:

The Mission Statement of the Port of Peninsula states: The Port of Peninsula, as an essential economic development resource for our community, is dedicated to generating a healthy economy with family wage jobs while vigorously managing its financial assets and natural resources in ways consistent with sound environmental stewardship.

Values:

The Port of Peninsula (Port) embraces the following values:

- Integrity in all facets of Port operations.
- Transparency and openness to public participation.
- Ability to respond to emerging needs.
- Innovative approaches to problems and opportunities.
- Efficient use of human and capital resources.
- Service to tenants and the community at large.
- A willingness to negotiate opportunities for new ventures.

Where We Are Located and How to Get Here:

Situated in Pacific County at Latitude 46.501195 and Longitude -124.039810, the Port of Peninsula's office and moorage facilities are located at 275th Street in the town of Nahcotta, WA, north and on the Willapa Bay side of the town of Long Beach and Ilwaco (Port of Ilwaco).

The Port lies in the Northeastern section of the Long Beach Peninsula and access to the Port is by road or by water. However, some air service could be accessed as Ilwaco has a small airfield and across the Columbia River in Warrenton, OR, a regional airport does provide charter and commercial freight service (UPS).

Coming south from South Bend, WA, one must travel via US 101 south to WA-103 to Sandridge Road then head north. From Longview, WA, use WA-4 or by crossing into Oregon, use US 30W. At this point you re-connect with US 101 at the Astoria/Megler Bridge and re-enter Washington.

See map following page.





History of Port of Peninsula at Nahcotta, WA:

The history of the Port of Peninsula is one that represents how in a time of economic growth, a community, as isolated and geographically small as it still remains, not only produced a high abundance of shellfish and provided other consumables, it demanded service by rail and by steamboat to connect it to other points of distribution. Further, these modes provided needed daily transportation for the people engaged in the natural resource based industries that still exist today.



Nahcotta was first settled in 1890 by J.A. Morehead and named for a local Indian chief. Nahcotta was once the northern terminal of the Ilwaco Railroad and Navigation Company, a narrow gauge railroad which ran from Ilwaco, and later from Megler, in southwestern Pacific County, up the Long Beach Peninsula to Nahcotta and back, once a day. The railroad was in operation from 1889 to 1930.

In 1911, The Washington State Port Act authorized formation of Port Districts. In 1928 the Port of Peninsula (Port) was established with powers to authorize oversight and management of public owned property and facilities. Today, we see the results of those earlier efforts and the Port is proud of the heritage and culture that has been retained through difficult times in the evolution and production of the shellfish and table fish industry of Willapa Bay.

There still stands today a replica structure of a typical oyster station house that was a necessary and common site on the Bay until approximately 2009. Operationally, the structures were used for the processing of the oyster and today, a replica called the "Willapa Bay Interpretive Center" (owned and maintained by the Port) serves as a museum showcasing the historical significance of this very viable port and industry. One only need open the door to experience how it must have been and what still is. As was reported most recently in the Coast Chronicles, "Little old Nahcotta" is still responsible for bringing to the table over one quarter of all oysters consumed nationwide with a commitment by the Port to provide as much assistance to that production as is financially feasible. The Mission Statement of the Port of Peninsula supports the ongoing culture and business of this small area/locale of the Pacific Northwest.

Port Organization and Functions:

Port Organization: The Port of Peninsula is divided into three (3) districts representing just over six thousand residents in 2010. Each of the three Commissioners represents a district. Port Commissioners are elected for six-year terms. State statutes specifically include the following.

Port purposes:

- Industrial improvements and industrial development.
- Acquisition of land for Port purposes.
- Improve lands by dredging, filling, bulkheading, providing waterways or otherwise developing such lands for industrial and commercial purposes.
- Create industrial development districts (IDD).

Port Commission Functions: The Commission is the Port's policy making and regulatory body responsible for making policy decisions and providing for their implementation including:

- Adopt Harbor Improvements Plan/Comprehensive Plan.
- Establish regulations, rates and charges applicable to users of Port facilities.
- Establish employment policies including positions, recruitment, hiring and discipline policies and compensation and benefits schedules.
- Adopt budgets.
- Levy taxes, borrow money and issue bonds.
- Oversee property and infrastructure management.

The Port Commission is also responsible for administrative functions including:

- Implement Port policies.
- Appoint subordinate officers and employees and prescribe their powers and duties.
- Execute contracts and leases.
- Collect revenues and approve expenditures.

Delegation of Management Authority:

- Port Manager: The Commission has delegated administrative authority for the normal day-to-day business of the Port in operating Port facilities and industrial/commercial properties to the Port Manager.
- Port Auditor: The Commission is required to maintain a Port Auditor and assigned the Auditor responsibility to the Port Manager for monitoring revenues and expenditures to ensure accountability for Port funds. The Port Auditor/Manager provides regular financial reports to the Commission.

Planning & Process Overview:

Purpose of Comprehensive Planning: In order to support and promote economic development, the Port must anticipate the present and future demands of local business and provide space and facilities where new and existing industries can establish and thrive.

The local economy is comprised of a network of private businesses, government agencies, non-profit and community organizations and individuals. To maximize its impact, the Port must be flexible and respond to opportunities as they present themselves. In general, the Port's priority is to provide infrastructure to sustain the long standing business base of the District, while integrating whenever possible, recreational and other community amenities.

The Port of Peninsula undertook this update of the planning process to more clearly define the Port's role in the local community and to identify and define priority goals and objectives. This plan:

- Establishes goals to guide the Port's development over the next five years.
- Defines both broad and specific objectives/strategies to move the Port towards attaining its goals.
- Identifies priority projects.

Updated Plan Approach and Process: The following list itemizes the Plan approach and process.

- Review existing data, plans, property information, etc.
- Conduct multiple site visits to assess existing condition.
- Meet with Port officials and stakeholders via public interview process.
- Prepare a comprehensive and development plan including cost estimate.
- Confirm with staff potential funding sources for improvements and list.

As each step was taken, precise and current information was generated that is folded into the content of the updated Plan. It was necessary to review existing documents and previous plans for historical perspective and accuracy of current findings. Site visits were necessary to personally view Port infrastructure condition and assess the significance and ability to expand if approved by the Commission. Multiple physical inspections of upland areas and in-water assets were performed including all floating structures, the working pier with hoists, bulkheads, fuel dock and office space. An inspection of the upland and in-water improvement/properties revealed several areas in need of attention and replacement and will be discussed in the Plan section of this document.

Public Process: The Port values and needs input from community residents and Port tenants. In drafting this plan, interviews were held at the Port office in January 2012 with users and community members at large. Interspersed within the discussion were comments and an exchange of ideas by the Port Commissioner's and the Stakeholders.

Stakeholder Interview Process: The interview process was held in the Port offices over a full day of small group vignettes with the Port Commissioner's, Staff, leaseholders (land and moorage), other port users and district residents. The summation of these interviews revealed a common thread/theme amongst all visited and/or interviewed with a list of predetermined questions. Based upon that input, the following is a list of the user's needs or concerns in order with #1 being the highest priority and are recommended to be a list of goals upon adoption of this Plan.

1. Create a breakwater to eliminate the high wave action experienced within the harbor.
2. Maintain designed moorage depth via flow-lane disposal program.
3. Replace and expand the existing moorage facilities to meet the demands of larger dredges and the support fleet.
4. Increase the moorage space sizes to accommodate larger vessels. At this writing expected vessel length for oyster dredges is estimated to be a maximum of sixty five (65) feet.
5. Create a covered working space immediately upland of the boat ramp to accommodate emergency repair of vessels and general maintenance in an environmental and safe manner.
6. Provide recreational opportunities (public pavilion and recreational boater access) without negatively impacting commercial activities.
7. Connect the Beach to Bay Trail. Incorporate Port activities and facilities within that project but provide separation for safety from visitors to actual offloading activities that include mobile equipment.



Port of Peninsula Comprehensive Scheme of Harbor Improvements and

Parks and Recreation Plan:

In a remote and pristine area of the westerly portion of the State of Washington, in Pacific County, lies a region whose cultural history and welfare is of the utmost significance and importance to the County, state, and local communities and municipalities that surround it. Any expansion of the Commercial, Industrial, Retail and Recreational development of this particular region will have significant beneficial economic impact to the entire region it represents and supports. Additionally, recognition by leadership within the State of Washington by continuing support and assistance to the financial health of this region is paramount in sustaining a vital natural resource based economy that must remain healthy to survive.

It is within the jurisdiction of the Port of Peninsula Port District to support and encourage economic retention and growth of jobs and businesses within its boundaries. As outlined further in this plan, restoration of aging facilities and improvements to existing infrastructure are necessary to accomplish the Port's Mission Statement. Further, described within this Plan are examples of potential partnerships and/or acquisition of additional land and infrastructure to support the envisioned goals.

The Port of Peninsula wishes this document to be recognized as supporting not only the duties outlined within Washington State Statute, but in support of the Port's own mission and the needs of the tenants and district citizens of Port of Peninsula. To that end, the following update to the Port of Peninsula Comprehensive Scheme of Harbor Improvements and Parks and Recreation Plan is submitted.

Environmental Pledge:

The Port recognizes that they are partners with other participants and organizations as joint caretakers of one of the last remaining pristine estuaries for aquaculture on the mainland of these United States. Port leadership, management, staff and tenants make up a committed group of individuals dedicated to protecting and enhancing the environmental health of the tide waters and uplands of the Willapa Bay. The use of mitigating efforts such as wastewater treatment facilities, sewage pump-out stations, and ongoing education for prevention of any possible infusion of a contaminant or fuel spilling is a daily practice. The Port has emergency response spill equipment and trained personnel onsite to respond to any unforeseen accident. Further, the Port will continue to provide education and instruction by means of printed material being made available to all users of the Bay and Peninsula and continue the practice of face to face training to protect the vital habitat in its charge.

Recent Improvement and Planning Efforts:

With the history and the charge to manage the public's interest in mind, in 2007, the Port of Peninsula (Port) approved a Comprehensive Harbor Scheme Plan and Capital Improvement Plan passed by resolution #07-373. Since that time, the economic climate has changed and Port infrastructure has been upgraded with several improvements including the installation of the loading pier; yet more is to be done.



At this time the Port is faced with many challenging needs to continue support of the sustained shellfish and table fish industry. However, the Port remains focused and dedicated to improving the infrastructure of all Port facilities to assist those in the industry with updated protected moorage and more efficient means to load and offload product

and gear. This update of that plan addresses those components and suggests methods and strategies for continuation of accomplishing those goals.

Comprehensive Development Plan

The Port of Peninsula with adoption of this Plan recognizes the importance and significance of the following programs to support and sustain the business base at the Port. The Plan factors in and recognizes that the extensive tide flats of Willapa Bay continue to support the propagation of oysters and clams and the gillnet fishery and that future investments in the infrastructure to support these lines of business is not only necessary, but vital in helping to keep a healthy industry prospering.

Breakwater and Moorage Expansion: Of primary importance is the installation of a type of breakwater that will protect all the moorage facilities, shoreline, bulkheads, and vessels inside the harbor without increasing the potential for silt build-up that could occur with a fixed structure on the base of the harbor floor. Any thought given to a fixed in-place rubble mound or sheet-pile wall should include a comprehensive modeling of the flow of water and siltation throughout different tidal seasons and conditions as a precaution.

Therefore, in addressing the breakwater option, floating structures appear to provide not only additional moorage in most weather systems, the Port can maximize the expansion and improvements to the harbor by use of the innovative design. Note: The author has seen several of these structures in place for several years in SE Alaska and they appear to not only work well in controlling wind and wave action, the multi-purpose use was for some an unforeseen gift. Any protection afforded from the attenuator system, decreases the wear and tear on vessels, equipment and floating structures, but more importantly, creates an increased personal safety component to those individuals working on all floating and non-floating structures during foul weather.

There are two options for moorage expansion under consideration. One that expands moorage by 20 slips to 108, the other increases the overall moorage by 40 slips to 128. After in depth discussions with the users and a marine contractor, the program to create a breakwater should be included in the moorage expansion program from the onset and a lineal float system should become the anchor with which to build off and from. Another distinct advantage is as you will see following, the pricing of full replacement is not inexpensive. However, with the installation of the attenuator systems as the first component following dredging, the existing moorage facilities life expectancy goes up and this program will allow for a phasing in of the work if necessary. The following moorage options are estimates based upon recent similar work done and experience with the soils of the current moorage site. The sizes are adequate to the lengths, but the amounts may vary. In option B you see 15 each. That provides 30 berths for vessels at that length.

- Option A. 680' x 10' of breakwater at \$150 per sq. ft. installed \$1.2 million
- Option B. 15 ea. 6'x25' floats at \$150 per sq. ft. installed \$337,500.00
- Option C. 20 ea. 8'x40' floats at \$150 per sq. ft. installed \$960,000.00
- Option D. 10 ea. 10'x65' floats at \$150 per sq. ft. installed \$975,000.00

Dredging: Designed depth is minus ten feet (-10 feet), and currently the moorage ranges in depths from minus six to eight feet showing a continuing influx of sediment. The Port was last dredged in 2005. Both options are based upon removal of 30,000 cubic yards of material and require a permit. Dependent upon which method is approved, the Port has just two options for dredging the basin. In-water disposal or remove to upland.

- Option A. The preferred option, allows removal by a cutter head suction dredge. This method is the most efficient and precise type of dredging. The method involves the use of a pipeline suction dredge that sucks up the material from the bottom of the basin and pumps and pushes the material along the pipe to the discharge distance. The sediments

are then released into the tidal flow lane at an elevation below the surface that is determined by the reviewing permit agencies. The current cost estimate at this time is \$150,000 and is based upon a \$5 per yard unit pricing. The project is a cooperative with Port of Willapa Harbor that owns and maintains the dredge.

- Option B. The least preferred option raises the cost significantly and puts further compression on the limited land currently available to the Port for expansion to support tenant uses. If the Port fails to get the flow lane permit, the dredged material most likely will have to be moved from the marina bottom to this site. It is unknown what the actual costs per yard will be as the permit will contain certain conditions for handling. Conservatively, an increase of four to five times over in-water disposal is realistic. The optional disposal site size is estimated at 4.33 acres and sits immediately across Sandridge Road. Any action plan for dredging is limited as the acreage would likely support no more than 30,000 cyds and could compromise the drainage areas surrounding the site. Using this property for dredge spoils storage limits development and could deter any potential to generate revenue from this asset in the future.

Covered work shelters: There is an apparent need to establish more covered space at the Port. Covered space can be defined into two uses: more industrial or commercial building space for lease and covered shelter(s) for working vessels needing emergency or simple repairs in poor weather.

Having the immediate resource adjacent to the moorage is critical in some cases and the current boat ramp and boat lift allows for swift extraction to a covered landsite should the occasion arise. This study did not find the need for a fixed boatyard facility with many other established facilities within the region, however, quick response to prevent a vessel from sinking or quick repair allowing the vessel to be put back into service when engaged during harvest or fishing season should not be overlooked and the Port might work with the users for a designated site for that purpose only. It should be noted however, that all Best Management Practices should apply to this site as well.

Increase Port's land holdings: The Port's land holdings are approximately 6.3 acres of upland. In the process of interviewing the many users of the facilities, it was revealed that many upland areas are now being used for oyster seed/spat rearing ponds. The purpose being to grow oyster spat to seed the oyster beds due to a decline in the natural set. Will that need increase over time if the natural set continues to decline or be non-productive? That answer is unknown, but the Port and the producers have taken the initiative to develop infrastructure should the trend continue and of course, open space is needed regardless as the industry expands the beds for production as the market continues to demand this high quality product.

Additionally, the ability of the Port to provide adjacent lands for this and other related uses is imperative as multiple movements of product not only increase costs for the producer, which must be passed down to the consumer, but additional movements affecting condition presents potential damage thereby negatively impacting the overall mortality of the oyster.

Recreational Use: The Port supports the Beach to Bay Trail and the many related recreation and Eco-based activities currently at play on the ocean front, bay front and in Willapa Bay. Continued support for these opportunities will increase compression on the limited commercial and industrial land sites available at the Port now. So a question arises, where does the ability to grow both sides of a valuable resource come from? It is likely that a discussion with the community is in order and that that discussion should include the owners of adjacent lands surrounding the Port's main operations to see if land is available via donations, trades, or for sale. Should a discussion take place, is it possible that Pacific County may consider a transfer of ownership to the Port of Moorhead Park?

The current underutilization and condition of the park infrastructure indicates more use could generate more funds to maintain it in better condition. The current provision of keeping a portion of the property dedicated to youth oriented programs, raises the question of whether or not another opportunity to work with the shellfish industry by way of creating additional educational programs for young people exist. This question and subsequent negotiations could lead to making this property a beacon of cooperation in this remote yet pristine section of the Long Beach Peninsula.

Improvement Cost Estimates:

All estimates are provided using the higher range of costs collected. At this writing for this type of construction envisioned for moorage restoration, the range of per square foot costs fall between \$130 to \$150 per. In addition, the pricing includes full service slips that include water and electricity to each berth with security and night lighting.

Based upon the above input to restore the harbor via a new floating breakwater, new moorage floats to accommodate vessels up to sixty five (65) feet in length, and maintain a harbor depth to minus ten (-10) feet from the current average of minus six (-6) to minus eight (-8) feet, the estimated costs for each component is based upon the higher limits. These estimates are 2012 estimates and an increase of four (4) to six (6) percent should be factored in for each additional year after 2012 it takes to install or perform the projects. Further, considering a full restoration of the harbor, demolition of the existing floats will have a cost. Though this can be negotiated during or after a solicitation for the work, I recommend that you add an additional ten (10) percent to the overall float project for demolition and disposal of the outdated float systems. Consideration should be given to any value of the existing floats for other than Port or tenant

use. If the project can be awarded as one piece and a contractor only need mobilize the necessary equipment one time to the job site, the Port saves. If however the contract is awarded but construction is anticipated to take place over a few years due to funding, consider in the budget an additional \$75,000.00 to \$80,000.00 each time they mobilize to the site. Additional value will be gained by awarding the contract to the same company for the phased project. In the current market, labor costs are holding steady. However, product costs are rising constantly. A Project Manager (PM) or contractor will likely advise you to purchase all the steel and floats as soon as possible to hold down the rising costs of raw materials.

Conclusion:

The Port of Peninsula has maintained the historical culture of the Port to the best of the resources available to them. In this current economic climate, competition for grants and requirements for loans has increased. In many cases, the available resources of programs providing benefit have been redirected or exhausted. In addition, recognition of smaller ports is often overlooked as the demands of the larger port districts carry with it a larger number in population and voice. This is the Achilles heel for many smaller ports and though challenging, there are ways to advance your programs and enhance your bottom line.

Through the commendable efforts of the Port Commission, and certainly with the prominence of Manager Mary DeLong networking with other Washington ports, organizations, and agencies, the Port of Peninsula is participating and is a known factor in the role of Washington State commodity exports. Staying close to those other agencies and organizations is essential to maximizing a shrinking resource in funding. Exploring as we have discussed earlier in this document, all possibilities of partnerships is critical. The Port is the matrix, and all attempts to continue that trend should be made.

Knowing all this still puts this relatively small port facility at a disadvantage to build and expand holdings for the port district that will foster growth and continued longevity for the economic forecast of Pacific County. If after all the projects listed are deemed viable, the question arises as to how to fund?

Throughout the interview process there was minimal discussion on establishing an Industrial Development District (IDD). The inference was that the Port did not wish to add to the tax obligations of those in the port district. However, the Port's growing list of needs appear to be consistent with why the program was developed originally in 1958 and the least resistant way to fund the many needed improvements and other projects listed within this plan.

As a first step to move forward with restoration of the marina and creating a long lasting legacy, look south to your neighbors and view the success of the IDD they have in place. Their IDD program has enabled them to build on their current assets and many of this Port's tenants pay

into the IDD program created by Port of Ilwaco as they reside in that port district. If after reading this you find that the Port simply is not ready to enact the IDD, consider new strategies for partnering that will allow for public/private investments on Port property.

Example: A tenant needs new or expanded covered or enclosed space for their business operation. The funding for a small business in this current economy is challenging and often some obvious partnerships are overlooked. How does a small business achieve this goal? If the Port and the private individual or business could agree on terms within a "Build to Suit" lease program, the Port could, through its access to low interest loans, grants, or bonding capacity enter into an agreement with the tenant for a term that would satisfy the loan balance of the improvement. This creative step allows the Port to collect the land lease terms, or, at a minimum consider a lease that for a period of time, use five years, the tenant commits to paying the current rate for lease with the appropriate CPI adjustments, sufficient enough that the lease amount services the debt of the structure and phase in extensions that increase rent to capture land lease values. Though this appears a generous decision, keep in mind that the Port is in place to foster economic development, and any opportunity to assist a small business allowing them to retain or create jobs and maintain a presence within close proximity to their influx of product (the pier) is paramount.

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