

# Port of Toledo Strategic Business & Capital Investment Plan

FINAL REPORT - MARCH 2013



**BST Associates**  
Market Research & Strategic Planning

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# Contents

## Port History and Mission 6

History	6
Mission Statement	7
Mission Statement Definitions	7
The Overall Goals	8
Planning Process	8

## Port Overview 10

Port Description and Resources	10
Port Policies and Procedures	10

## Defining the Community 12

District Demographics Profile	12
District Economic Profile	14
Trends for Regional Key Industries	15
Industry Trends for State and Nation	18
Analysis	18

## Policy Context 20

Threshold Statement	20
Flexibility	20
Environmental Issues	20
Statewide Planning	21
Other Local and Regional Plans	22
Political Context and Analysis	22

## Situational Analysis 23

SWOT	23
Critical Issues	23
Demand Analysis	24
District Needs	28
Risk Analysis	28

## Strategic Goals, Objectives, and Investment Priorities 29

Property Goals	29
Environmental Goals	44
Outreach Goals	46
Marketing Goals	47

## Five-Year Capital Plan 48

# Port History and Mission

## HISTORY

Incorporated in 1910, the Port of Toledo is a governmental Special District under Oregon Revised Statutes (ORS) 777 operating as a competitive business enterprise as well as a public service agency.

The Port of Toledo manages a combination of inland marine, marina, and industrial facilities within Lincoln County. The facilities are primarily located in the town of Toledo at a bend in the Yaquina River about seven miles from the Central Oregon Coast. Approximately 130 miles from Portland and seven miles from Newport, the town is surrounded by forested foot hills and the Yaquina River system, both of which have contributed greatly to the city's historic growth as a timber town and port city. US Highway 20 passes through the northern part of town while the Business Highway 20 connects to the historic downtown. Rail access to Corvallis is maintained by the Portland and Western Railroad Company.

An elected Board of Port Commissioners provides policy direction that is implemented by the Port's Executive Director. The original Port Commission focused on ocean commerce. Over time, markets have changed and the Port has diversified operations to include light industrial leases, transient moorage, and boat repair facilities. Today the Port of Toledo's assets have remained a significant part of the local economy and add to the unique character of the region.

**IMAGE 01: Port of Toledo Waterfront 1912**

Source: Port of Toledo Website.



PORT DISTRICT QUICK STATS	
<b>Total area</b>	443 square miles
<b>County</b>	Lincoln County
<b>Towns included in port district</b>	Toledo, Siletz , and unincorporated Lincoln County
<b>Established</b>	1910
<b>Commissioners</b>	5 members
<b>Top economic sectors</b>	Manufacturing, natural resource industries, and transportation/warehousing

## MISSION STATEMENT

We are stewards of the public trust who strive to:

- Create economic development and quality jobs by retaining and growing businesses.
- Maintain and add waterborne and land transportation infrastructure that attracts new businesses.
- Build our port's financial strength, increase and diversify our operating revenue sources.
- Protect and enhance the special quality of place and the quality of life for our port district's citizens.
- Make the highest and best use of our financial tools, people, and property assets.

## MISSION STATEMENT DEFINITIONS

To define this mission more clearly, the following guidelines, definitions, and measures of success are offered.

### ***"We are stewards of the public trust"***

The Port of Toledo is first and always a public agency and must abide by all governing laws and regulations. Public trust and confidence are the most important aspect of the Port's success. The Port Commission and management strive to perform to a high ethical standard.

### ***"Create economic development and quality jobs"***

'Economic Development' has a clear and simple meaning to the Port of Toledo—more diverse employment opportunities within the Port district.

### ***"Maintain and add waterborne and land transportation infrastructure ..."***

The Port has a major custodial role in sponsoring the development and maintenance of the inwater infrastructure that supports water-dependent and water-related businesses. This role is fulfilled with the cooperation of the US Army Corps of Engineers and the State of Oregon.

### ***"... that attract new businesses"***

To increase the district's economic diversity, it is important to pursue new business opportunities. The Port of Toledo should directly support and develop businesses that are non-cyclical, not seasonal, and have high employment density.

### ***"Build our Port's financial strength ..."***

Before making new investments or undertaking new business activities using Port assets, a full and thoughtful exercise, financial analysis, and business case preparation are required.

### ***"... to increase and diversify our operating revenue sources"***

The Port of Toledo is and will be an active supporter of the commercial and recreational fishing industry, including the industry's water-dependent and water-related supporters. The Port will also attract and support businesses in other industries to add economic diversity.

### ***"Protect and enhance the special quality of place"***

The Port's activities should protect the unique quality of place that exists within the Port district.

### ***"... and the quality of life for our Port district's citizens"***

The Port Commission and staff need to stay well informed about environmental laws and regulations as well as the Port's exposure to environmental risks through its business activities.

### ***"Make the highest and best use of our financial tools, ..."***

The Port must be financially responsible and vigilant in order to make the highest and best use of its publically owned-resources.

### ***"... people, and property assets"***

The goal of the Port of Toledo's business activities is to generate revenue for the benefit of the Port and its local community.

## THE OVERALL GOALS

When implemented, the plan will provide the Port with a coordinated investment strategy for a three- to five-year horizon that:

- Promotes local and regional economic development.
- Supports and grows existing businesses.
- Taps into emerging markets.
- Coordinates with and enhances other local and regional plans.
- Enhances local employment opportunities.

## PLANNING PROCESS

This Strategic Business Plan has been prepared using funds provided by The Oregon Business Development Department to support recommendations of the Oregon Statewide Port Strategic Business Plan.

These efforts were developed through a public process which incorporated the following activities.

- Review of existing Port and City planning documents.
- Hands on interview sessions with:
  - Residents and business community (8)
  - Port commissioners (5)
  - Fishermen, boat owners, boat surveyor, boat builder (6)
  - Port of Toledo staff and Executive Director (5)
  - City of Toledo City Manager, Planner, Public Works Director, Events Coordinator (4)
  - Boatyard vendors (3)
  - Port of Newport, Manager, commissioners, boat owner (4)
  - City of Siletz Council Members (2)
  - Siletz Tribal Business Development Manager (1)
- Site visit and tour (April 30 - May 3, 2012).
- Progress meeting (June 4, 2012).
- Public Open House (July 17, 2012).
- Review and analysis of available Port data and market analysis.
- Final presentation (November 20, 2012).



**IMAGE 02: Public Open House**  
Commission, staff, and community members had an opportunity to respond to draft alternatives presented for the Boatyard site.





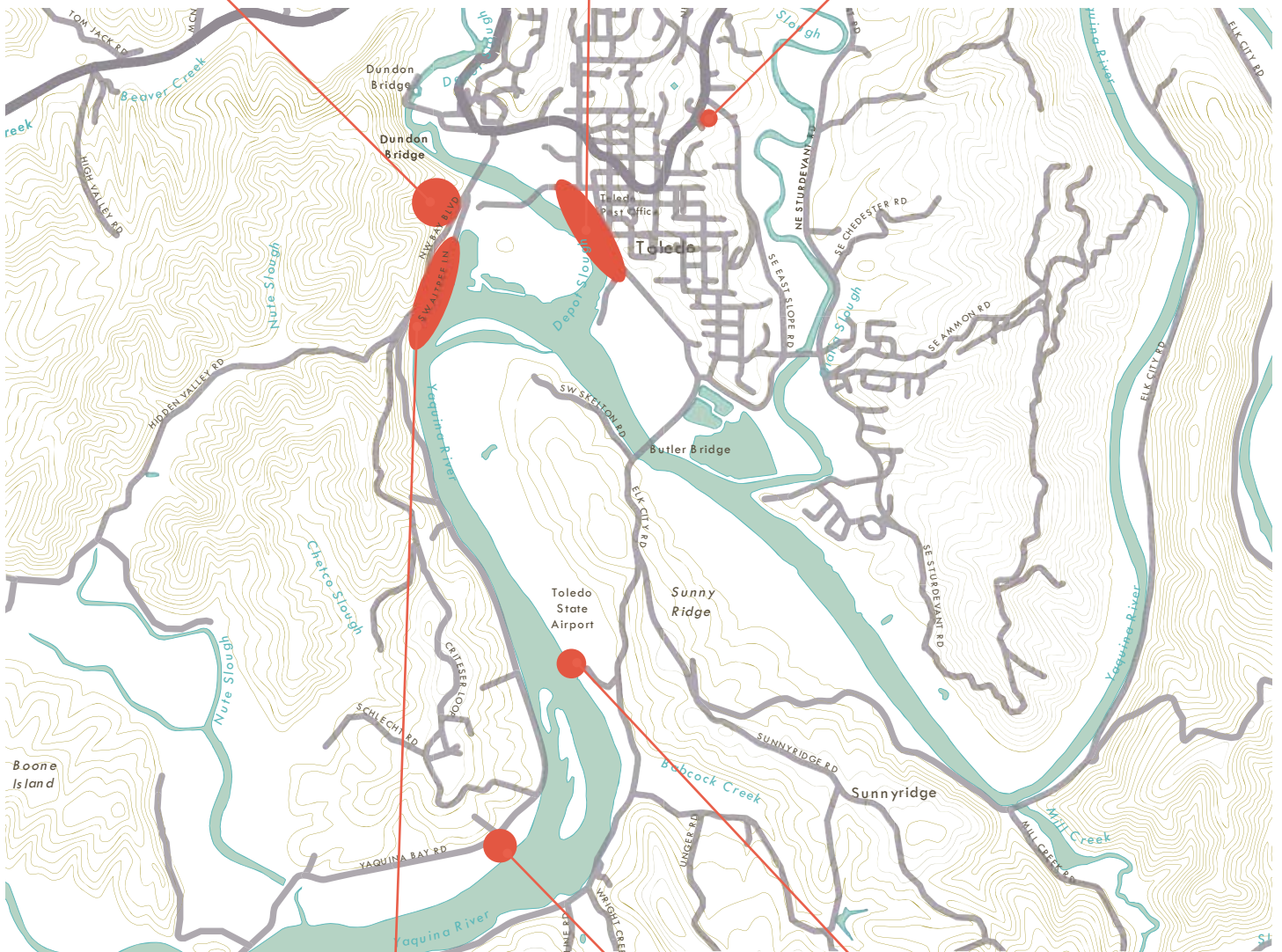
NORTH BAY BLVD INDUSTRIAL CENTER



DOWNTOWN WATERFRONT



STATION 1 OFFICE & LEASE SPACE



BOATYARD



PADDLE PARK & NATURAL AREA



BOAT LAUNCH & DAY USE AREA

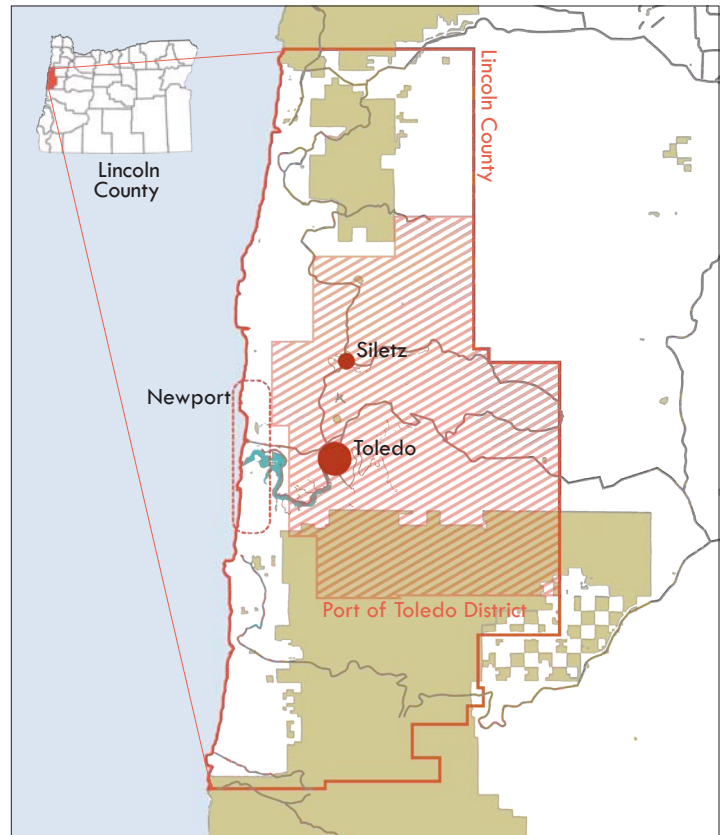
# Port Overview

## PORT DESCRIPTION AND RESOURCES

### Operations, Facilities, and Properties

The Port of Toledo encompasses 443 square miles, including the cities of Toledo and Siletz, as well as a large area of unincorporated Lincoln County. Within the district, the Port owns and operates the following facilities:

- Port of Toledo Boatyard at Sturgeon Bend.
- Downtown public waterfront and light industrial area, including: tenant Yaquina Boat Equipment, marina, transient boating facilities, light industrial properties, boat house and public park.
- Upland areas including two light industrial sites and the Port's office building.
- Two boat launch and waterfront recreational sites.



**IMAGE 03: Port District Location and Boundary.**

The Port of Toledo district encompasses approximately half the land area within Lincoln County (443 out of 992 square miles).

## PORT POLICIES AND PROCEDURES

### Operational Procedures and Governances

The Port of Toledo consists of five Commissioners. The current Commissioners have diverse business and volunteer backgrounds including teaching, business ownership, accounting, commercial fishing, and lengthy Port experience. Although the Commissioners have attended informal training discussions and participate in other Port-related meetings and organizations, the Port does not have a specific policy for board member training and development.

### Port Financial Conditions

See Table 01. Port of Toledo General Fund.

### Commission

All of the Commissioners have attended board training through SDAO. The five Port Commissioners serve four-year terms without pay.

#### Commission President, Rick Graff

Commissioner since 2009

- Owner of AdverTee's retail store on Main Street in Toledo.
- Volunteer with the Toledo High Booster Club, Sports Complex Committee, Toledo Summer Festival, and Toledo Junior League Football program.

**TABLE 01: Port of Toledo General Fund**  
(shown in the \$1,000s)

OPERATIONS	FINANCIAL YEAR 2012
Beginning Balance	\$39
Revenue	\$1,833
Cost of Goods Sold	\$105
Gross Profit	\$1,728
Expenses	\$1,671
Other Income/Expense	-\$96
Net Revenue	-\$39
Ending Balance	\$0

Source: BST Associates, Port of Toledo.

**Commission Vice President, Penny Ryerson**

Commissioner since 2011

- First woman Harbormaster in Alaska.
- Serves on the Pacific Coast Congress Board of Directors and a lifetime member of the Pacific Coast Congress.
- Worked in the port industry for 28 years, including seven years as the Manager for the Port of Toledo.

**Commission Secretary Treasurer, Gregg Harrison**

Commissioner since 1997

- Graduate of Oregon State University.
- Certified Public Accountant.
- Toledo resident for 35 years.
- Prior experience with the Toledo Local School Committee and the City of Toledo Planning Commission.

**Commission Elect, Chuck Gerttula**

Commissioner since 2003

- Lincoln County resident.
- Retired Oregon Army National Guard LTC and high school teacher.
- Volunteer with various civic and governmental groups, including Toledo City budget committee, Toledo Fire Department, Oregon Coast Community College Foundations, U.S. Coast Guard Auxiliary, and the North Lincoln Museum Board.

**Commission Elect, Mike Kriz**

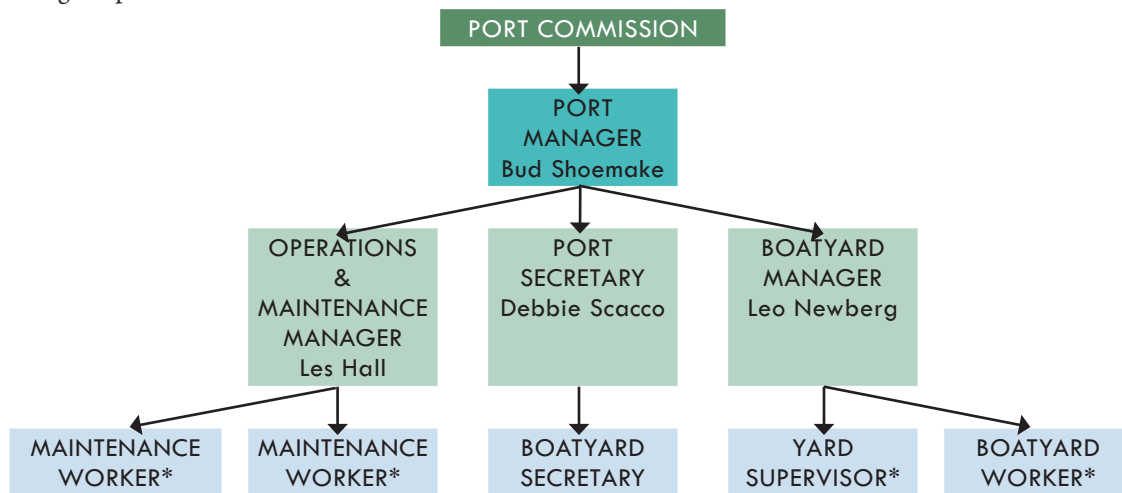
Commissioner since 2011

- Works at Master Research Vessel Elakha (part of Oregon State University) in Newport.
- Previously worked as a motor lifeboat trainer with the U.S. Coast Guard and owner/operator of a fishing boat trawler.
- Education at O.I.T.'s Diesel Technology & Machining/welding program and Master Oil Pollution Training with the Maritime Science Department at Clatsop Community College.
- Has owned and operated commercial fishing boats and light industrial business rentals.

**Staff**

The Port encourages continued education and training for employees to enhance job performance and assist in potential career advancement. The Port shall provide such in-service training as deemed necessary and beneficial to the delivery and services and performance of duties.

All employees are required to participate in any training session mandated by the various training and safety programs adopted by the Port. In addition, the Port may from time to time require additional training sessions to ensure that each employee's job knowledge and proficiency are maintained at the highest possible level.



\* Boatyard Workers and Maintenance Workers are all hired under same job description: Boatyard/Maintenance Worker.

# Defining the Community

## Historic Location

The town of Toledo was established in 1886 and, over the next 30 years, the area became a major logging center. The Port of Toledo was created in 1910, in part, to provide a connection between the rail and ocean transportation. Dredging sparked industrial development along the Yaquina River and the U.S. Government built a spruce mill to aid in war support. This mill was later purchased for the construction of the new Georgia-Pacific pulp and paper mill that continues operation as one of the largest employers on the Oregon coast.

As a facilitator of private and public uses, the Port of Toledo initially focused on ocean commerce but has diversified operations to include recreation and light industrial. Today the Port of Toledo's assets are a significant part of the local economy. The Port has also worked with the city to provide better connections from the waterfront to many of Toledo's downtown buildings constructed from 1890 to 1930. These efforts support tourism growth and contribute to the unique character of the region.

## DISTRICT DEMOGRAPHICS PROFILE

The Port of Toledo's jurisdiction covers a wide region, which includes the cities of Siletz and Toledo as well as a large area of unincorporated Lincoln County.

## Population Growth

Based upon Census block area groups, the Port of Toledo's population has grown from 9,082 persons in 2000 to 9,406 persons in 2010, or at approximately 0.4 percent per year. Population growth was faster in the City of Siletz (0.7 percent per year) and the unincorporated area (0.5 percent per year) than in the City of Toledo, which remained at about the same size in 2010 as in 2000.

The Port of Toledo population grew at approximately the same rate as the rest of Lincoln County. As a result, the Port's population base remained at 20.4 percent of Lincoln County's population.

## Population Projections

To help determine how these historic population trends will influence land needs and employment growth in upcoming decades, the state requires each county to adopt a coordinated population forecast, pursuant to ORS 195. If a county has not completed one, it may adopt a forecast completed by the Oregon Office of Economic Analysis (OEA) and assume that urban areas within that county will maintain a share of the projected population equal to the current share (OAR 660-024-0030). Because Lincoln County has not completed a coordinated population forecast, this analysis will use the OEA projections.

The OEA projects Lincoln County to grow to 53,710 residents by 2030. Using a constant market share, the Port of Toledo would grow to 10,974 residents by 2030.

## Population Age

The number of people of working age (i.e., between 18 and 64 years) grew by a total of 4.9 percent, or 700 people. The number of residents of retirement age (i.e., 65 and older) grew by 2.2 percent over the same period, or by a total of 247 residents. In contrast, the number of residents younger than 18 dropped by 4.9 percent or by 376 people.

Within the working age population, the average age increased between 2000 and 2010. The number of residents between 20 and 24 years of age dropped by 500 residents, but this was offset by a gain of 576 residents between 25 and 34 years of age and by slight gains in other working age groups.

TABLE 02: Population Growth

YEAR	OREGON	LINCOLN COUNTY	TOLEDO
1870	90,923		200
1880	174,768		232
1890	313,767		
1900	431,536	3575	320
1910	672,765	5587	541
1920	783,389	6084	678
1930	953,786	9903	2137
1940	1,089,684	14,549	2280
1950	1,521,341	21,308	2323
1960	1,768,687	24,635	3053
1970	2,091,533	25,755	2818
1980	2,633,105	35,264	3010
1990	2,842,231	35,889	3174
2000	3,421,437	44,479	3472

Source: Johnston, "History of Toledo," Janet Webster, Guin Library; Website [m.pserver.lib.virginia.edu](http://m.pserver.lib.virginia.edu); U.S. Census Bureau. *CensusScope. Quick Facts.*

**TABLE 03: Port of Toledo Population Trends and Forecast**

AREA	2000	2010	CAGR 2000-2010	2030	CAGR 2000-2010
<b>Port of Toledo</b>					
Toledo city	3,472	3,465	0.0%		
Siletz city	1,133	1,212	0.7%		
Unincorporated area in Port	4,477	4,729	0.5%		
Sub-total	9,082	9,406	0.4%	10,974	0.8%
<b>Lincoln County</b>	44,479	46,034	0.3%	53,710	0.8%
Port of Toledo share of Lincoln County	20.4%	20.4%		20.4%	

Source: Census Data 2000/2010.

**TABLE 04: Port of Toledo Population Trends**

AGE/SEX	POPULATION		SHARE OF POPULATION	
	2000	2010	2000	2010
<b>Total Population</b>	9,082	9,406	100.0%	100.0%
<b>Male</b>	4,540	4,643	50.0%	49.4%
<b>Female</b>	4,542	4,763	50.0%	50.6%
<b>Under 5 years</b>	545	531	6.0%	5.6%
<b>5 to 9 years</b>	807	581	8.9%	6.2%
<b>10 to 14 years</b>	219	222	2.4%	2.4%
<b>15 to 19 years</b>	303	332	3.3%	3.5%
<b>20 to 24 years</b>	2,072	1,572	22.8%	16.7%
<b>25 to 34 years</b>	1,185	1,761	13.0%	18.7%
<b>35 to 44 years</b>	373	615	4.1%	6.5%
<b>45 to 54 years</b>	528	608	5.8%	6.5%
<b>55 to 59 years</b>	97	139	1.1%	1.5%
<b>60 to 64 years</b>	545	531	6.0%	5.6%
<b>65 to 74 years</b>	2,594	2,126	28.6%	22.6%
<b>75 to 84 years</b>	901	1,223	9.9%	13.0%
<b>85 years and over</b>	545	531	6.0%	5.6%
<b>18 years and over</b>	6,629	7,329	73.0%	77.9%
<b>21 years and over</b>	6,345	6,998	69.9%	74.4%
<b>62 years and over</b>	1,357	1,799	14.9%	19.1%
<b>65 years and over</b>	1,137	1,384	12.5%	14.7%
<b>18 to 64 years</b>	6,629	7,329	73.0%	77.9%

Source: Census Data 2000/2010.

## DISTRICT ECONOMIC PROFILE

Data is not available for employment trends at the block level. Therefore, the following analysis of employment trends covers the cities of Siletz and Toledo. It is believed that the results are indicative for the Port District.

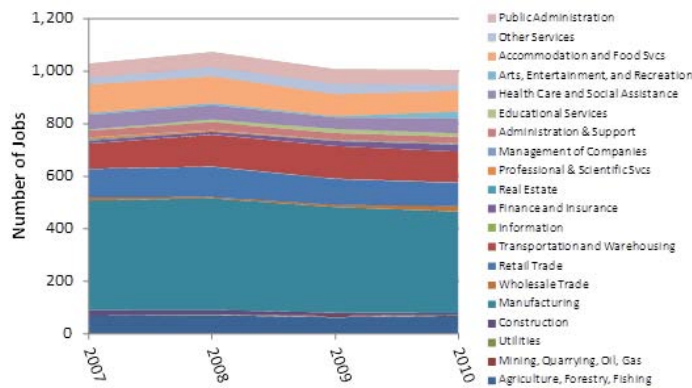
### Employment Distribution

The Siletz/Toledo economy is heavily based in manufacturing, natural resource industries, and transportation/warehousing, which collectively accounted for nearly 60 percent of the jobs in Toledo in 2010. Approximately 38 percent of jobs were in manufacturing, 12 percent in transportation/warehousing, and 7 percent in natural resources. The high number of jobs in transportation and manufacturing is largely due to the presence of the Georgia-Pacific pulp and the Port of Toledo.

The accommodation/food service and retail trade sectors were also large employers in Siletz/Toledo, accounting for 8 percent and 9 percent of local jobs in 2010, respectively. Other major employers include public administration (6 percent) and healthcare and social assistance (6 percent). The prominent role of manufacturing and industrial-type employment in Toledo sets the community apart from the rest of Lincoln County and much of the Oregon coast. The Coast has proportionally less manufacturing employment than the state, has very few large manufacturers, and very few types of manufacturing. Manufacturing jobs made up approximately 6 percent of private sector jobs in Lincoln County in 2010. The Georgia-Pacific mill is one of the largest manufacturers and biggest employers on the coast and the largest taxpayer in Lincoln County. Other manufacturers on the coast are typically limited to four industries: food manufacturing, wood product manufacturing, paper manufacturing, and fabricated metal product manufacturing.

The largest employers at the county level include accommodation and food services (24 percent), arts and entertainment (6 percent), and retail trade (16 percent), which are major components of a tourism economy. Similar to the rest of the coast, Lincoln County manufacturing, natural resource industries, and transportation/warehousing industries accounted for only 10 percent of total employment.

FIGURE 01: GRAPH: Toledo Employment by Sector



### Educational Attainment

According to data from the Census Bureau, less than 9 percent of workers in Toledo do not have a high school diploma, and nearly half have at least some college. For those workers whose educational attainment was known, the share with some college or an associate's degree, and the share with a bachelor's or advanced college degree was slightly higher in Toledo than in Lincoln County as a whole.

TABLE 05: Educational Attainment by Workers in 2010

AGE/SEX	SILETZ/TOLEDO		LINCOLN COUNTY	
	WORKERS	SHARE	WORKERS	SHARE
Less than high school	88	8.8 %	1,328	9.0 %
High school or equivalent, no college	309	30.7 %	4,034	27.3 %
Some college or Associate degree	307	30.5 %	3,925	26.6 %
Bachelor's degree or advanced degree	165	16.4 %	2,483	16.8 %
Educational attainment not available (workers aged 29 or younger)	136	13.5 %	2,997	20.3 %
<b>TOTAL</b>	<b>1,005</b>	<b>100.0 %</b>	<b>14,767</b>	<b>100.0 %</b>

Source: Census Data 2010.

## TRENDS FOR REGIONAL KEY INDUSTRIES

The most important sector of the Port of Toledo's economy is manufacturing, due primarily to the hundreds of jobs at the Georgia-Pacific containerboard mill.

According to the most recent statistics from the U.S. Census Bureau, manufacturing employment in Toledo dropped slightly in recent years, falling from 418 in 2007 to 386 in 2010. Even with this small decline, manufacturing still accounts for 40 percent of employment in Toledo. In addition, the transportation and warehousing industry is closely linked to manufacturing and the containerboard mill. The transportation and warehousing industry accounted for more than 12 percent of Toledo jobs in 2010, and together manufacturing and transportation/warehousing accounted for more than half of all jobs in Toledo.

Employment in the Cities of Siletz and Toledo peaked in 2008, just as the economy started enter the recession. Between 2008 and 2010 employment in Siletz/Toledo fell by 68 jobs, of which 38 were in manufacturing. In comparison to many other areas of Oregon and the United States, this loss of jobs was relatively limited and not all sectors of the local economy saw job losses.

Several sectors saw the number of jobs grow between 2008 and 2010, including finance and insurance, health care and social assistance, arts and entertainment, and wholesale trade.

Lincoln County, which experienced a loss of 502 jobs or 3.3% of the 2008 employment base, fared better than the Siletz/Toledo area, which experienced a loss of 68 jobs or 6.3% of the 2008 employment base.

Most workers who live in the Port District commute to jobs outside of the city. Nearly 40 percent of Toledo residents commute to jobs in Newport. Approximately 5 percent of workers commute to Portland, 4 percent to Salem, and 2.5 percent each to Lincoln City and Corvallis.

### Fishing Industry Trends

Over the past two decades the commercial fishing industry in Oregon has experienced both years of steady harvest as well as wide fluctuations in the amount of fish caught. At the same time, the value of this harvest has risen steadily while the number of vessels has dropped. There has also been a substantial shift in the species that are harvested by commercial vessels.

In recent decades the commercial fishing industry in Oregon has fared much better than that in Washington or California. In 1984 Oregon's commercial fish harvest amounted to approximately 40,000 metric tons, but by 2007 and again in 2011 Oregon's commercial harvest exceeded 120,000 metric tons.

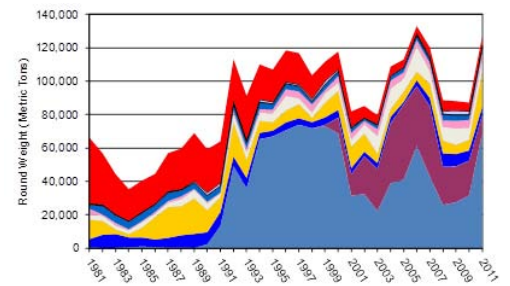
One of the most dramatic changes in Oregon commercial fisheries is in the types of fish that are harvested. Pacific whiting and Pacific sardines have been responsible for most of the growth in Oregon commercial fish volumes. The whiting fishery grew from no harvest in 1989 to 2,220 metric tons in 1990, and by 1994 had exceeded 65,000 metric tons. The harvest volume stayed above this level through 2000, before dropping to an average of 35,000 metric tons per year between 2001 and 2009, and then recovering again in 2011 to nearly 69,000 metric tons.

The growth in Oregon's sardine fishery was nearly as spectacular as that of whiting. In 1998 there was essentially no commercial harvest of sardines in Oregon. By 2000 more than 9,500 metric tons were harvested, and by 2005 the volume had grown to nearly five times that level, or 45,000 metric tons. The volume of sardines remained high in both 2006 and 2007, although it has fallen in recent years.

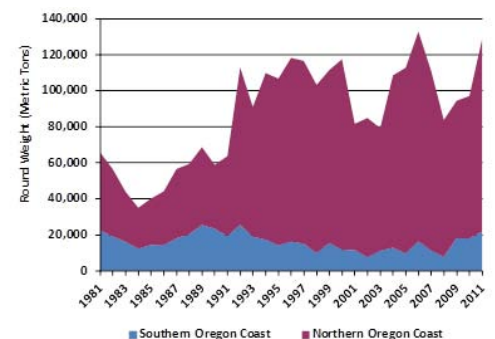
The remaining 25 percent to 40 percent of the harvest was accounted for by a variety of species, including Dover sole, pink shrimp, Dungeness crab, albacore tuna, sablefish, Arrowtooth flounder, skates, and Petrale sole, among other species.

The commercial fishing industry in Oregon is increasingly concentrated on the north coast (i.e., Lincoln, Tillamook, and Clatsop counties). The north coast share of fish landings increased steadily from 60 percent in 1990 to nearly 90 percent, and was approximately 81 percent in 2009, 2010, and 2011. Fish landings volumes have varied by as much as 40,000 metric tons over the past decade, but the volume of fish landed even during the low years was substantially higher than at any point during the 1980s.

**FIGURE 02: Oregon Fish Landings Round Weight (Metric Tons)**

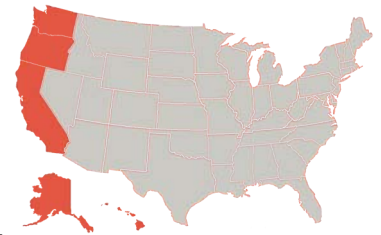


**FIGURE 03: Oregon Fish Landings by Region**  
Source: Pacific Coast Fisheries Information Network (PacFIN) database.



**Distant Water Fleet Trends**

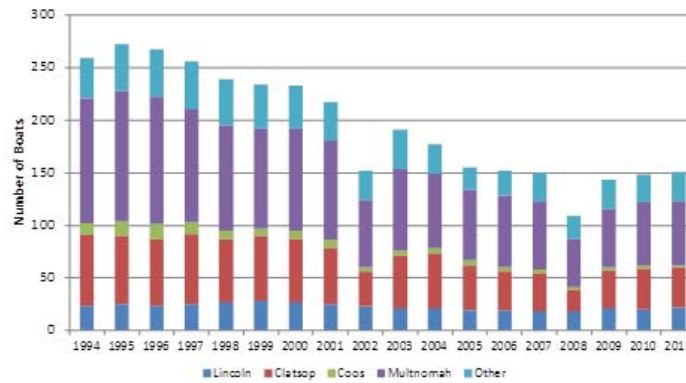
The Oregon distant water fleet (boats that are homeported in Oregon but have a license to fish in Alaska) declined from 1995 to 2004 but has remained relatively stable since. There were more than 200 vessels homeported in Oregon that had licenses to fish in Alaska. This fleet has declined to approximately 150 boats in recent years. The distant water fleet includes 44 vessels listed as homeported in Portland, 24 vessels homeported in Newport, and 20 vessels homeported in Astoria.



**IMAGE 04:** Toledo's Boatyard services distant water fleet from the Pacific Coast Region, including the states of Oregon, Washington, California, Alaska, and Hawaii.

This fleet is an important sector of the Toledo Boatyard, which draws fishing boats from all regions of Oregon as well as from other states. Fishermen interviewed as part of this study indicated that recent regulatory changes and market conditions are favorable to the industry. The overall fleet served by Toledo's existing Boatyard is expected to remain at present levels or decline only slightly as a result of changes over time in economic, demographic and regulatory variables.

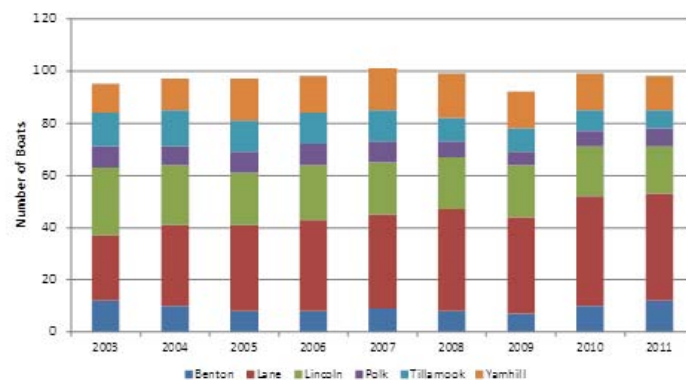
**FIGURE 04: Oregon State Distant Water Fleet.**  
Source: Alaska Commercial Fishery Entry Commission.



**Recreational Boating Trends**

The Oregon recreational fleet for larger boats (over 40 feet long) in the area around Newport has remained relatively stable at approximately 100 boats during the past 11 years. The fleet experienced a slight decline during the height of the recent recession but has rebounded.

**FIGURE 05: Oregon State Registered Recreational Boats (>40 feet long).**  
Source: Alaska Commercial Fishery Entry Commission.





## Wages in Lincoln County

Wages in Lincoln County averaged \$30,900 in 2011. Compared with neighboring counties this is relatively low, and to a large extent this is due to the different mix of jobs and industries in each county (see Table 06). Wages were highest in Benton County, averaging \$43,600 in 2011. Linn County average wages were \$36,300, Columbia and Clatsop County wages were both approximately \$32,500, and Tillamook County wages averaged \$31,800.

In Lincoln County, the largest number of jobs is in the leisure and hospitality sector. This sector accounts for nearly one-quarter of jobs in the county and includes arts and entertainment, lodging, and food service, however, annual wages for the sector averaged just \$17,000 in 2011.

The next largest sector is government, which accounts for more than 3,800 jobs. The largest share of these is in local government, followed by state jobs and federal jobs. Wages for local government average \$40,000, while those for state and federal jobs average \$31,800 and \$65,200, respectively.

Trade, transportation, and utilities accounts for more than 3,100 jobs in Lincoln County, and of this total more than 85 percent are in retail trade. Overall the annual wage in this sector averages \$24,100, but this average is held back by the average retail wage of \$22,000. Other parts of this sector pay more than retail, including \$33,000 for transportation and warehousing, and \$41,200 for wholesale trade.

Health services accounted for more than 1,800 jobs in Lincoln County in 2011, and these paid average annual wages of more than \$44,400.

Of special importance to Toledo is the number of jobs and average wages for the manufacturing sector. This sector includes forest products manufacturing as well as ship and boat building and repair. In 2011 Lincoln County had 1,025 manufacturing jobs, and the annual wage for these jobs averaged \$51,900. A large share of these manufacturing jobs is located in Toledo, and this level of wage is much higher than the county average.

**TABLE 06: Projected Job Growth in Lincoln County and Toledo**

SECTOR	2008 LINCOLN COUNTY JOB COUNT	10 YEAR PROJECTION -2018	PROJECTED ANNUAL GROWTH	2030 LINCOLN COUNTY JOB COUNT	2030 LINCOLN COUNTY JOB GAIN	2030 TOLEDO PROJECTED JOB GAIN
<b>Industrial</b>						
Natural Resources & Mining	160	163	0.20 %	167	7	1
Construction	980	1,000	0.20 %	1,023	43	3
Manufacturing	1,110	1,077	-0.30 %	1,037	-73	-6
<b>Retail/Services</b>						
Trade, Transp & Utilities	3,460	3,806	1.00 %	4,221	761	58
Information	210	214	0.20 %	219	9	1
Financial Services	860	946	1.00 %	1,049	189	14
Professional and Business Svcs	980	1,127	1.50 %	1,303	323	25
Educational and Health Svcs	1,790	2,291	2.80 %	2,893	1,103	84
Leisure and Hospitality	4,320	4,795	1.10 %	5,365	1,045	80
Other Services	590	631	0.70 %	681	91	7
<b>Institutional/Government</b>						
Federal Government	270	302	1.20 %	341	71	5
State Government	770	793	0.30 %	821	51	4
Local Government	3,140	3,391	0.80 %	3,693	553	42
<b>Other/Uncovered</b>	559	616	0.90 %	673	114	9
<b>TOTAL JOBS</b>	<b>19,199</b>	<b>21,153</b>	<b>--</b>	<b>23,486</b>	<b>4,287</b>	<b>328</b>

Source: Toledo Economic Opportunities Analysis.

## Economic Opportunities in the Port District and in Lincoln County

The 2010 Toledo Economic Opportunities Analysis looked at current employment by sector in Lincoln County and projected the number of jobs in both Lincoln County and Toledo. Under the short-term forecast, total job growth in Lincoln County was projected to average just under 1.0 percent per year, and long-term growth was projected to be slightly lower. Jobs in the leisure and hospitality sector, the largest source of employment in the county, were projected to grow by 1.1 percent in the short term and 1.0 percent through 2030. Jobs in the trade, transportation, and utilities sector were projected to grow at approximately the same rate as the county average, over both the short and long term.

Manufacturing jobs, which are of particular importance to Toledo, are projected to see a small decline over a long period. Between 2008 and 2018, the number of jobs in manufacturing is projected to drop from 1,110 to 1,077, or by approximately three jobs per year. Between 2008 and 2030, the number of manufacturing jobs in Lincoln County is projected to drop by a total of 73, with six of these jobs lost in Toledo.

## INDUSTRY TRENDS FOR STATE AND NATION

Along the West Coast, megaports are developing in Vancouver (Canada), Seattle-Tacoma, Oakland, and Los Angeles-Long Beach. Major port activities make it difficult for the shallow-draft ports to compete for funding.

Rural communities throughout the United States are seeing slow commercial and industrial growth, particularly when located away from major transportation facilities and larger metropolitan areas. This holds true in Oregon, where many rural economies were historically based on timber, commercial fishing, and mining. To offset declines in employment opportunities, rural communities are marketing themselves as affordable and attractive locations for an increasing number of telecommuters, tourism-related industries, and emerging green industries.

The Oregon Statewide Port Strategic Plan supports these findings, stating that the commercial fishing-related industry has fared much better than those in California and Washington over recent decades. After a dip in 2000, the slow but steady growth in the Oregon commercial fishing industry combined with the declines in neighboring states has created a prominent role for Oregon in the West Coast commercial fishing industry.<sup>1</sup> Lincoln County and Toledo can expect to benefit greatly from this trend, as Lincoln County maintains a large share of Oregon's commercial fleet and is a center for Oregon's commercial fish processing industry.<sup>2</sup>

## ANALYSIS

The economic contribution of the commercial fishing industry in the Newport Area (comprised of the communities of Newport, Oregon, Depoe Bay, Oregon, and Toledo) is significant. Based on economic analysis done for the period between 2005 and 2006, this industry accounted for 15 to 16 percent of earned income and generated approximately 4,000 jobs in the area. In addition, slightly more than half of this activity is generated by the distant water fleet and the remainder by the local/regional fleet.<sup>3</sup> A recent study estimated that the Oregon commercial fishing industry (onshore and distant water fisheries) was approximately \$518 million in 2011 and contributed approximately 16,000 jobs, which was 13 percent higher than the estimated economic impacts over the previous five years.<sup>4</sup>

A frequently cited economic concern for this industry is that the loss of key infrastructure, including but not limited to boat repair services, could result in a further decline in the area's local fishing industry. The improvement of operations at the Port of Toledo Boatyard will mitigate some of the potential losses.<sup>5</sup>

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1 Parsons Brinckerhoff. "Ports 2010: A New Strategic Business Plan for Oregon's Statewide Port System." 2010.

2 Oregon Cascades West Council of Governments. "Toledo Economic Opportunities Analysis." Report, Albany, OR, 2010.

3 Oregon's Commercial Fishing Industry Year 2005 and 2006 Review and Year 2007 Outlook prepared by The Research Group for Oregon Department of Fish and Wildlife and Oregon Coastal Zone Management Association Inc., June 2007, page V-5.

4 Oregon Commercial Fishing Fleet Economic Contributions in 2011 and Outlook for 2012, by The Research Group for Oregon Department of Fish and Wildlife and Oregon Coastal Zone Management Association, February 2012, page 6.

5 Oregon's Commercial Fishing Industry Year 2005 and 2006 Review and Year 2007 Outlook prepared by The Research Group for Oregon Department of Fish and Wildlife and Oregon Coastal Zone Management Association Inc., June 2007, page V-5.

**TABLE 07: Wages and Employment in North Coast Counties**

AGE/SEX	EMPLOYMENT						AVERAGE WAGES					
	BENTON	CLATSOP	COLUMBIA	LINCOLN	LINN	TILLAMOOK	BENTON	CLATSOP	COLUMBIA	LINCOLN	LINN	TILLAMOOK
<b>Total All Ownerships</b>	34,411	16,443	9,583	17,072	39,604	8,335	43,600	32,400	32,700	30,900	36,300	31,800
<b>Total Private Coverage</b>	25,499	13,739	7,545	13,234	32,582	6,549	41,900	31,600	30,900	28,200	36,400	29,800
<b>Natural Resources &amp; Mining</b>	1,021	453	388	286	2,113	643	33,700	40,900	37,100	43,400	32,700	32,500
<b>Construction</b>	892	693	400	651	1,716	261	39,700	38,900	36,800	36,900	42,000	35,000
<b>Manufacturing</b>	3,262	1,939	1,264	1,025	6,681	1,226	78,600	53,500	49,900	51,900	55,700	41,500
<b>Trade, Transp. &amp; Utilities</b>	4,258	2,949	1,875	3,138	8,298	1,196	29,000	28,400	30,500	24,100	32,900	26,000
<b>Wholesale</b>	445	175	103	160	1,407	113	69,000	44,000	52,500	41,200	47,100	34,900
<b>Retail</b>	3,324	2,411	1,304	2,678	4,413	900	22,600	24,400	23,400	22,000	24,100	23,100
<b>Transp, Warehousing &amp; Utilities</b>	489	363	469	301	2,478	183	35,900	47,500	45,400	33,000	40,600	34,600
<b>Information</b>	792	163	82	173	365	59	64,900	30,800	42,200	36,200	48,300	28,500
<b>Financial Activities</b>	1,013	491	377	586	1,121	258	38,300	32,700	34,600	29,800	34,200	29,100
<b>Finance &amp; Insurance</b>	600	272	266	283	728	150	48,300	42,900	39,100	40,300	38,800	36,100
<b>Real Estate Rental &amp; Leasing</b>	413	220	111	303	394	108	23,900	20,100	23,900	20,100	25,600	19,400
<b>Professional &amp; Business Services</b>	3,723	662	604	911	3,027	399	48,300	30,300	28,100	29,300	30,500	29,100
<b>Professional, Scientific &amp; Tech Svcs</b>	1,795	(c)	(c)	294	774	113	57,900	(c)	(c)	43,800	36,500	30,400
<b>Management of Companies</b>	(c)	(c)	(c)	17	236	50	(c)	(c)	(c)	43,100	60,500	29,900
<b>Admin. &amp; Support</b>	(c)	355	321	599	2,016	236	(c)	32,300	22,400	21,900	24,600	28,300
<b>Education &amp; Health Svcs</b>	5,737	2,103	1,053	1,812	4,800	865	46,500	40,800	27,500	42,900	37,800	41,800
<b>Education</b>	432	39	82	131	408	43	18,700	21,400	18,000	23,900	24,400	27,100
<b>Health &amp; Social Assistance</b>	5,305	2,064	972	1,681	4,393	822	48,800	41,200	28,200	44,400	39,000	42,600
<b>Leisure &amp; Hospitality</b>	3,512	3,629	986	4,002	3,015	1,259	14,000	17,300	13,100	17,000	13,800	16,000
<b>Arts, Entertainment &amp; Rec</b>	498	252	57	200	317	81	12,900	20,900	11,500	23,100	14,300	17,800
<b>Accommodations &amp; Food Svcs</b>	3,014	3,377	929	3,802	2,699	1,178	14,100	17,000	13,200	16,700	13,700	15,900
<b>Accommodation</b>	286	1,144	38	1,725	236	317	14,500	18,600	13,200	17,400	16,900	17,200
<b>Food services</b>	2,728	2,233	890	2,077	2,463	861	14,100	16,200	13,200	16,100	13,400	15,400
<b>Other Services</b>	1,285	652	514	649	1,439	384	25,700	18,300	16,100	17,900	19,800	16,100
<b>Private Non-Classified</b>	3	5	2	(c)	(c)	(c)	83,800	26,400	50,900	(c)	(c)	(c)
<b>Total All Government</b>	8,912	2,703	2,038	3,838	7,022	1,786	48,600	36,500	39,400	40,500	35,800	39,000
<b>Total Federal Government</b>	594	205	71	320	328	117	65,700	56,000	48,800	65,200	65,600	51,800
<b>Total State Government</b>	5,666	427	259	736	1,212	361	51,000	37,000	27,600	31,800	27,700	37,600
<b>Total Local Government</b>	2,653	2,072	1,708	2,783	5,482	1,308	39,600	34,500	40,800	40,000	35,800	38,200

Source: Oregon Employment Department.

# Policy Context

## THRESHOLD STATEMENT

This Strategic Plan has been prepared with funding from the Oregon Business Development Department (OBDD) and based on the template provided by OBDD. The Port is committed to following its governances and this Strategic Plan. The Port will update its Five-Year Capital Plan and its goals and objectives as part of the annual budgeting process. Sitting Commissioners have undergone broad training and have agreed on procedures for handling conflict-of-interest issues and have agreed to follow best practices and fiduciary responsibility as defined above. Flexibility has been provided in the plan to allow for unanticipated business opportunities that contribute to the Port's economic development and revenue enhancement goals.

## FLEXIBILITY

Although the Port Commissioners and staff understand their commitment to follow the guidance and requirements outlined in this plan, they also know the plan must allow for flexibility to respond to new revenue sources and emerging opportunities. The projects outlined in the **Goals and Objectives** chapter are structured to allow a significant amount of flexibility. It is also understood that these investments may not anticipate all potential opportunities and that a process is needed for adjusting the plan when or if the need arises. The most significant component of this flexibility will be the ability to evaluate opportunities based on the Port's goals and this plan's strategic objectives.

## ENVIRONMENTAL ISSUES

Environmental regulations are an increasing part of every business plan. Regulations are issued at the federal and state level with increasing frequency and complexity. The maritime industry is directly dependent on the availability of waterfront space and the use of the waterways to do business. These operations often require building structures in waterbodies regulated by state and federal agencies. The viability of maritime industrial businesses in the district depends on the ability to receive the necessary permits to build new facilities and to maintain existing structures. It is important for the Port of Toledo to stay current on regulations, especially as they relate to the core business of managing and developing waterside properties.

The Oregon State Marine Board first recognized the Port of Toledo as a Certified Clean Marina at the Port's commission meeting on May 15, 2007 and has renewed that designation every year since. The Clean Marina designation is an example of the Port's efforts to do its part in keeping Oregon's waterways pollution-free. The program provides information and technical assistance to marine facility managers on how to eliminate or reduce the input of pollutants into the environment.<sup>6</sup>



IMAGE 05: Oregon Clean Marina logo

<sup>6</sup> Port of Toledo website. 2002-2009. [www.portoftoledo.org](http://www.portoftoledo.org).

## STATEWIDE PLANNING

This plan is designed to respond to and support Oregon's Statewide Planning Goals approved by the state's Land Conservation and Development Commission.

### Statewide Planning Goal 9 – Economic Development

The plan's actions that support this goal include:

- Expansion of the Boatyards lift's capacity and year-round employment opportunities.
- Long-range planning and development of the Downtown Waterfront for commercial and light industrial.
- Active marketing of the Port's Light-Industrial zoned properties.
- Support for and coordination with local and regional economic development plans.

### Statewide Planning Goal 12 – Transportation

The plan's actions that support this goal include:

- Improved pedestrian connections to and along the Downtown Waterfront.
- Continued maintenance dredging to improve access to the Yaquina River businesses and the Boatyard.

### Statewide Planning Goal 17 – Water Dependent Use

The plan's actions that support this goal include:

- Boatyard equipment expansion and upgrade.
- Additional transient and permanent moorage on the Downtown Waterfront.
- Actively marketing waterfront properties to water dependent tenants.



**IMAGE 06: A New Strategic Business Plan for Oregon's Port System**

This report outlines a template followed for the Port of Toledo's Strategic Business Plan.

### Statewide Port Strategic Plan Recommendations

This plan also supports the recommendations of the Oregon Statewide Port Strategic Plan for:

- Investment to grow existing businesses.
- Developing plans and infrastructure to "Tap into emerging markets."
- Consistency with the goals and objectives of the statewide template for Port Strategic Business Plans.

This plan is structured to link investments with its ability to meet the requirements of the following:

- Business Oregon Marine Navigation Improvement Fund.
- Business Oregon Port Planning and Marketing Fund.
- Business Oregon Port Revolving Fund.
- Connect Oregon.

## OTHER LOCAL AND REGIONAL PLANS

This plan is consistent with the previous *Port of Toledo Strategic Business Plan (2003)*. This guidance document requires regular review and revision to remain relevant. Therefore, this plan updates and modifies existing efforts.

The Port of Toledo adopted the *Waterfront Development Strategic Plan (2007)* for the properties along Depot Slough. The plan focused on enhancing use of the waterway as well as job creation through light industrial and commercial development. Included in the plan are green spaces with pathways along the water, public use and access areas, and designated building sites with established design criteria. This Strategic Business Plan supports and updates this plan.

In 2010 the City of Toledo sponsored a study which documented economic trends and conditions in the City and projected growth and development plans 20 years into the future. The document that was produced through the study process focused on industrial development and is to be used as background material in executing the City's Comprehensive Plan.

The Toledo Planning Commission has recommended an amendment to the 2000 Toledo Comprehensive Land Use Plan and Zoning Map that would rezone 20 properties from the Industrial and Water-Dependent Zones to Light-Industrial; four of which are owned by the Port of Toledo. The Commission has also recommended a number of revisions to the Toledo Municipal Code (Zoning Ordinance) that would affect Light-Industrial, Industrial and Water-Dependent Zones. If adopted, these ordinances would provide new business opportunities to Port owned properties and are considered part of this plan.

The Port of Toledo is a key player in the efforts to reach the goals outlined in the Comprehensive Plan. The Economic Opportunities Analysis also outlined 17 objectives for the City. There are several of the objectives in which the Port of Toledo can play an important role.

- Promote Toledo's economic, social, and cultural image and market Toledo throughout the state and region.
- Develop a marketing and business recruitment plan and program to support existing businesses and encourage new business location/development within Toledo.
- Improve and maintain all public infrastructure facilities (e.g., transportation, water, wastewater, storm water and communication) to support the ability of local businesses to compete effectively in the world marketplace.
- Maintain Toledo's economic strength in the wood products, fishing, and other resource-based industries while diversifying the industrial base within the community.
- Protect waterfront area use and promote its economic strength.
- Maintain and strengthen Toledo's position as a tourist destination with shopping, recreational, and entertainment opportunities.
- Recognize and support Toledo's unique historic character as a major cultural and tourist-oriented economic resource.
- Renovate and improve the Main Street Downtown area as a cultural and tourist destination.
- Promote Toledo's role as a center for working artists and art galleries, antique and specialty shops, incubator businesses, restaurants, and entertainment activities.

This plan also supports and is consistent with:

- Toledo Waterfront Connectivity Plan (2010).
- The city's 2020 Vision for the City of Toledo, the Land Use 2000 Comprehensive Plan (2002) which guides decisions about growth, development, and services in the community.
- Lincoln County Economic Development Strategies: Long-Range Plan 2004-2024.
- The Oregon Main Street Program.
- City of Toledo Downtown Revitalization and Main Street District Plan (1996).

## POLITICAL CONTEXT AND ANALYSIS

The Port of Toledo has a growing cooperative relationship with other economic development and community interests. Both these interests and the Port benefit from close cooperation and the joint use of resources to attract and retain economic development opportunities. The Port should continue to proactively promote this cooperative approach.

The plan describes general priorities and opportunities associated with each operational area and the type of investment strategy or planning action on the sites over a three- to five-year horizon. Additionally, organizational priorities and strategies for Lincoln County areas are also addressed.

# Situational Analysis

## SWOT

As part of the planning process, a SWOT (Strength, Weakness, Opportunities, and Threats) analysis was performed. The purpose of SWOT is to quickly access the district's resources, demographics, and economic profile. While this analysis is not scientific and some of the observations are anecdotal, the analysis covers salient points.

### Strengths

- Small, flexible, well-managed port.
- Good working relationship with local community.
- Appropriately-zoned waterfront property available for redevelopment.
- Existing Port-owned Boatyard.
- Skilled local marine traders workforce.
- Attractive, small-town setting.
- Access to an array of financial and development tools.
- Connections to Interstate 5 and a railroad.
- Limited debt.
- Significant new public access features on the waterfront.

### Weaknesses

- Small port without large economic resource base.
- Depth of navigable channel limits access by some larger deep draft vessels.
- Long narrow Boatyard site.
- Aging Boatyard equipment.
- Size of local customer market.
- Need to upgrade revenue-producing assets.
- Relies heavily on property tax revenue (reinforcing the need to develop additional revenue sources).

### Opportunities

- Expand the Boatyard's service repair and maintenance capabilities to support distant water fishing fleet.
- Large local marina (including Newport) with a significant potential customer base.
- Improving community image of an active arts community.
- Growing tourism appeal and market.
- Joint marketing with the Newport community and the Port of Newport.

### Threats

- Competition from other regional Boatyards.
- Aging marine skills workforce and need for better training resources in local area.
- Lack of local tourism support facilities and lodging.
- Competition for funding resources.
- Lack of low-cost dredge disposal sites.
- Lack of year-round employment opportunities for marine trade workers.
- Cost and disposal issues associated with needed maintenance dredging.

## CRITICAL ISSUES

The Port faces a number of issues in determining its investment priorities. Central to these issues is the need to create market-rate jobs with the focus being on the improvement or maintenance of neglected resources and the support of existing business lines and tenants.

## DEMAND ANALYSIS

An analysis of business trends affecting the Port of Toledo's operations, facilities, and properties is included in the *Port of Toledo Strategic Business Plan Market Analysis* report. This section provides a summary of the trends and opportunities presented in that overview.

### Boatyard (Fishing Industry and Distant Water Fleet)

The Boatyard site was used by the timber industry from the 1950s to the 1980s. A Boatyard was established on this site and, in 2008, its owner decided to close the Fred Wahl Boatyard.

Shortly after its closure the Port of Toledo began to plan for acquisition of the Boatyard as a Port facility. The Port realized that the Boatyard was the only such facility on the Central Oregon Coast and that, with its closure, local boat operators would need to shift their repair work to alternative sites and in the process eliminate jobs, expenditures, and taxes from the Port District.

The Port of Toledo purchased the Boatyard in late December 2010 and the Port of Toledo Boatyard officially re-opened in February 1, 2011. The Port of Toledo acquired loans and grants of approximately \$1.7 million from several sources:

- Business Oregon through the Infrastructure Finance Authority (IFA) approved a \$1.2 million loan from its Port Revolving Loan Fund to help the port make the shipyard purchase in September 2009.
- The Governor approved a \$350,000 Strategic Reserve Fund (SRF) request in addition to the loan funds to facilitate the purchase.
- The Port also received \$250,700 from Business Oregon's Brownfield Redevelopment Fund to address contamination and pollution issues at the site.

The Boatyard has been a success from the start of operations. In its first year, the Port of Toledo Boatyard accommodated as many boats as the prior owner did during the last few years of operations.

The number of vessels using the Boatyard has increased steadily since its opening in 2011 and business is expected to increase if covered repair areas are provided, along with the ability to haul out larger vessels.



**IMAGE 07: Existing Toledo Boatyard Repair Capability**

**IMAGE 08: Vessels in Kodiak, AK**

These types of larger boats are similar in size to what the Toledo Boatyard could be accommodated if updated.





## Industrial Development Opportunities

The economy in Lincoln County largely relies on non-industrial uses, such as tourism. However, the City of Toledo has historically focused on industrial development, creating both a need and an opportunity for diversified economic development.

According to the 2010 Toledo Economic Opportunities Analysis:

“Through the next twenty years, Lincoln County and the City of Toledo can expect to see the majority of employment growth in non-industrial sectors, including educational and health services, professional and business services, and leisure and hospitality. This being said, there are several trends which Toledo can capitalize on to enhance growth in industrial and other sectors. These include:

- The long-standing emphasis on industrial employment in Toledo, which sets it apart from the rest of an otherwise non-industrial county.
- A growing emphasis on green industries as a part of rural economies.
- An increase in internet-related employment, which can include data centers sited in light industrial locations.
- The increasing prominence of Lincoln County in the commercial fishing industry and marine research.
- Private timber holding throughout Lincoln County, which may boost an otherwise shrinking natural resource sector.
- The prominence of small businesses in rural economies.”<sup>7</sup>

For these reasons, traditional industrial development is expected to exhibit modest growth in the Port of Toledo.

Tax incentives also enhance the opportunities for industrial development. Lincoln County has one of the largest enterprise zones in the state under a program administered by the Oregon Economic and Community Development Department. The zone originally included Newport, Waldport, and beyond Toledo, extending in a triangle east to Eddyville. It was expanded in May 2004, creating a diamond-like shape with the addition of Siletz, Depoe Bay, and Lincoln City. Within it, companies engaged in eligible business activities (as defined by each city) on appropriately-zoned properties can apply for a tax break if they move in or add facilities. Companies can receive a tax exemption for three to five years under the enterprise zone program. The exemption enables companies to defer property taxes on new buildings or structures, additions to existing ones, and certain personal property.

The OED projects that industrial and related employment could increase in Lincoln County by 5 percent jobs between 2010 and 2030:

- Natural resources and mining increase by 7 jobs
- Construction increase by 43 jobs
- Manufacturing decline by 73 jobs
- Trade, transportation, and utilities increase by 761 jobs

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7 2010 Toledo Economic Opportunities Analysis, page 14.

**TABLE 08: Visitor Spending Detail, Lincoln County (\$ millions)**

	SPENDING			SHARE OF TOTAL		
	2001	2006	2011	2001	2006	2011
<b>Accommodations</b>	\$78.2	\$113.2	\$116.7	26.0 %	27.9 %	27.5 %
<b>Food &amp; Beverage Services</b>	\$67.5	\$93.2	\$103.9	22.4 %	22.9 %	24.5 %
<b>Retail Sales</b>	\$52.7	\$59.9	\$56.0	17.5 %	14.7 %	13.2 %
<b>Arts, Entertainment &amp; Recreation</b>	\$49.2	\$59.6	\$56.0	16.3 %	14.7 %	13.2 %
<b>Ground Tran. &amp; Motor Fuel</b>	\$30.5	\$43.4	\$51.9	10.1 %	10.7 %	12.2 %
<b>Food Stores</b>	\$23.1	\$37.2	\$39.3	7.7 %	9.2 %	9.3 %
<b>Air Transportation (visitor only)</b>	-	-	-	0.0 %	0.0 %	0.0 %
<b>Spending at Destination</b>	\$301.1	\$406.4	\$423.8	100.0 %	100.0 %	100.0 %

Source: Dean Runyon Associates.

## Tourism Development Opportunities

Tourism is an important and growing sector of the Lincoln County economy. The following section describes development opportunities for water-based and upland economic development.

### Tourism Trends

Many of the goals outlined in the *Toledo Economic Opportunities Analysis* focus on the role of tourism in Toledo, and this is an area in which the Port of Toledo has and will play an important role.

According to the most recent tourism industry analysis prepared for the Oregon Tourism Commission Salem by Dean Runyon Associates<sup>8</sup>, spending by visitors to Oregon increased from \$3.4 billion in 1991 to an estimated \$8.8 billion in 2011. This represents annual average growth of 4.9 percent. Earnings of workers in visitor industries grew from \$0.9 billion to \$2.2 billion at the same time, with growth averaging 4.6 percent per year.

Growth in visitor spending in Lincoln County was essentially the same as statewide over the past 20 years. The last three years of recession have had a negative impact on local tourism spending, however, from 1991 through 2008, the annual growth rate averaged better than 5.8 percent per year but spending dropped 3.3 percent and has still not completely recovered. Adjusting for inflation also shows that spending in real terms has actually declined slowly since 2006.

Earnings of visitor industry workers in Lincoln County grew at a slower rate than spending, averaging 4.7 percent per year between 1991 and 2011. In nominal terms the average earnings of a worker in visitor industries grew from \$12,100 in 1991 to \$21,300 in 2011. Adjusted for inflation, average earnings grew from \$12,100 to \$12,900.

State and local tax receipts grew faster than visitor spending, with an average annual growth of 5.8 percent between 1991 and 2001. In nominal terms, visitor-generated taxes grew from \$6.7 million in 1991 to \$20.6 million in 2011. Adjusted for inflation, total taxes generated by visitor spending were \$12.5 million in 2011. Visitor spending is a key generator of local tax receipts, and more than half of the tax generated in Lincoln County stays local.

Food & beverage services account for nearly 25 percent of visitor spending in Lincoln County. Since 2001, the amount spent on food and beverage service grew from \$67.5 million to \$103.9 million. Spending on arts, entertainment, and recreation grew from \$49.2 million to \$56.0 million, and spending on retail sales grew from \$52.7 million to \$56.0 million.

According to Dean Runyan Associates, day trip visitors account for 20 to 25 percent of the total visitor expenditures in Lincoln County, while overnight visitors account for 75 to 80 percent of visitor expenditures.<sup>9</sup>

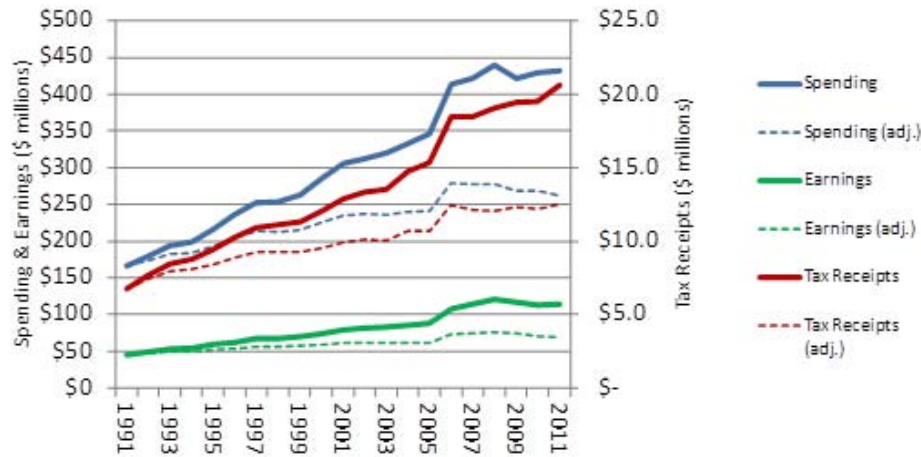
Outdoor activity is also an important variable in tourism. Dean Runyan Associates estimated that local residents and visitors spent \$91.3 million in 2008 on fishing, shellfishing, hunting, and wildlife viewing in Lincoln County<sup>10</sup>, which was approximately 10 percent of the statewide total.

<sup>8</sup> Oregon Travel Impacts 1991-2011, Dean Runyon Associates, May 2011.

<sup>9</sup> Dean Runyon Associates.

<sup>10</sup> Fishing, Hunting, Wildlife Viewing, and Shellfishing in Oregon; 2008 State and County Expenditure Estimates, by Dean Runyan Associates, May 2009.

FIGURE 06: Lincoln County Visitor Impact



### Tourism in Toledo

The weather in Toledo is considered by some to be nicer than on the Central Oregon coast. As a result, much of the tourism in Toledo is associated with day trips by visitors staying overnight at the coast, who are seeking better weather and accessing the eclectic variety of tourism opportunities that Toledo offers. In addition, tourism is initiated by visitors accessing Toledo for day trips, primarily from the I-5 corridor. There are many things for visitors to see and do.

- **Arts Community.** Toledo has been developing a budding arts community since 1986, “when Michael Gibbons set up his landscape painting studio and made his five-building Yaquina River Museum of Art into the town’s Art District.<sup>11</sup>” A survey in the spring of 2012 found that there are 33 artists in Toledo. The artists are beginning to market jointly, which helps to increase visibility and sales. The arts community is also seeking to broaden the arts community and cover more types of art and media.
- **Historic Community.** The Yaquina Railroad Historical Society (YRHS) is located at the Downtown Waterfront. The YRHS has an impressive exhibition of historic rail equipment, including a refurbished 1907 wooden cabooses, rolling stock, and logging and railroad tools, among other items. According to YRHS records, the number of visitors who signed the guest book has increased steadily from 1,268 individuals in 2007 to 2,355 in 2011. Approximately 45 percent of the visitors in 2011 were local residents, 37 percent were from other parts of Oregon, and 19 percent were from out of state.
- **Historic Community.** Toledo joined the Oregon Main Street Program in 2008. The program is a work plan for revitalization of traditional downtown business districts developed by the National Trust for Historic Preservation. It has been used in more than 1,400 American cities over the last 30 years to improve the vitality of their downtown areas.
- **Historic Community.** Toledo History Center displays photographs and artifacts showing the history of the town from settlement to the present. Displays cover logging, the huge CD Johnson sawmill complex, marine industry and boatbuilding, and civic and business life of the small town.
- **Events.** Events are an important component of the tourism sector. The Toledo area has a number of events, including: Antique car show, Renaissance Fair, quilting event, Summer Festival, Wooden boat show, and First weekend for the Arts each month, among others.

The Port of Toledo actively participates in several of these events, by direct promotion or provision of facilities and support. As an example, the Port of Toledo initiated the Wooden Boat Show in 2005 to coincide with the City of Toledo’s Centennial Celebration. The festival is one of the premier small wooden boat shows in the Pacific Northwest, offering wooden boats on exhibit from the region, long course and short course boat races, family/friend boatbuilding, children’s’ toy boat building, and sailboat rides, among other events. The show is held in mid to late August, and features live music, food, and fare from local vendors and artisans. The last event in 2011 attracted over 5,000 visitors. The Renaissance Fair was held at the Port’s Waterfront Park in 2011 and 2012.

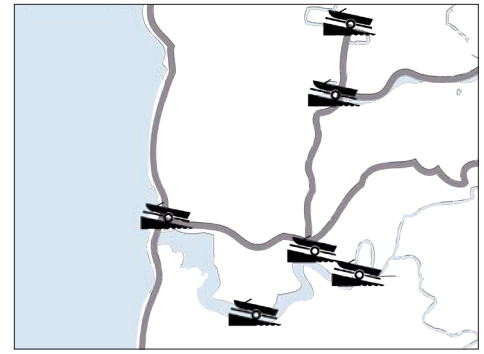
11 Oregonian, Oregon coast travel: Toledo a budding arts community with a setting that inspires, April 28, 2012.

## Recreational Boating and Outdoor Activities

The Toledo Youth Boating Club boathouse was recently built by the Port of Toledo with grant funds from the Siletz Tribal Charitable Contribution Fund and Lincoln County Economic Alliance. The community boathouse is open to public two days a week with volunteer staff working on boat building projects and providing boats and access to the waterway. This provides classrooms and workshop space for local youth to learn about boat building, maintenance, sailing, and seamanship. Numerous donations have funded a fully equipped shop in which 15 boats have been constructed.

Recreational boating activities are also an important component of the local quality of life and tourist experience. The Oregon State Marine Board conducts a survey of boating activity every three years. The last survey, which was completed in 2008<sup>12</sup>, illustrates the level of activity at various bodies of water in Lincoln County. Much of the activity takes place in Yaquina Bay and the Pacific Ocean, which accounted for 29 percent and 17 percent of use days, respectively. The Siletz River accounted for 15,365 use days (13 percent of total use days in Lincoln County) and the Yaquina River accounted for 1,599 use days (one percent of total use days in Lincoln County).

Recreation opportunities in the Port of Toledo's jurisdiction provide a rich experience for self-propelled boats (canoes, kayakers, paddle boarders, etc.) as well as for small recreational boats. The new transient dock accommodates boats up to 50 feet in length and is equipped with a sanitary pump out station. There are opportunities to further grow this sector by enhancing existing facilities, providing new facilities, and marketing these opportunities. This could include development of recreational retail and shops in the downtown area.



**IMAGE 09: Map of Areas Boat Launches**  
Source: Oregon State Marine Board.

12 Boating in Oregon, Triennial Survey Results 2008, Oregon State Marine Board, Page 67.

**TABLE 09: Recreational Boating Activity in Lincoln County (2008)**

WATERBODY (DESTINATION)	USE DAYS	TRIPS	ACTIVITY DAYS	FISHING DAYS	SAILING DAYS	PWC DAYS	WATER SKIING DAYS	CRUISE DAYS
Lincoln Yaquina Bay	32,872	28,147	31,786	29,144	438	0	0	2,204
Pacific Ocean	19,121	17,729	19,657	18,185	22	0	0	1,451
Alsea River	18,220	10,673	18,126	15,080	0	0	0	3,046
Siletz River	15,365	9,694	16,277	15,339	0	0	0	938
Devils Lake (Lincoln)	15,225	10,475	15,143	4,260	43	1,969	4,816	4,054
Alsea Bay	6,034	5,568	6,092	6,034	0	0	0	58
Salmon River	3,689	3,988	4,269	4,269	0	0	0	0
Yaquina River	1,599	1,599	1,608	1,524	45	0	0	39
Depoe Bay	1,412	964	1,412	1,412	0	0	0	0
Beaver Creek	576	538	576	519	57	0	0	0
No Response	308	308	308	308	0	0	0	0
Nehalem River	29	29	29	29	0	0	0	0
<b>COUNTY TOTAL</b>	<b>114,450</b>	<b>89,712</b>	<b>115,283</b>	<b>96,103</b>	<b>605</b>	<b>1,969</b>	<b>4,816</b>	<b>11,790</b>

Source: Oregon State Marine Board.

## DISTRICT NEEDS

The more significant district needs are additional family-waged jobs and employment opportunities. The Port can be an important player through its investment in Port facilities such as the Boatyard and through its individual and regional marketing opportunities.

## RISK ANALYSIS

Risk analysis, as it relates to each of the strategic investment opportunities, is discussed in the **Strategic Goals, Objectives, and Investment Priorities** section.

# Strategic Goals, Objectives, and Investment Priorities

## PROPERTY GOALS

The following project and investment descriptions summarize the Port's list of strategic investment opportunities. The projects and opportunities are organized by operational areas, which are:

- The Port of Toledo Boatyard.
- Downtown waterfront i.g., Depot Slough Marine and Industrial Area.
- Upland areas.
- Waterfront recreation.
- Other non-port property.

The investment decisions for each operational area are presented using a consistent format, as follows:

- **Description.** A brief description of the facilities and its current use.
- **Business Opportunities.** A summary of the business opportunities (existing and potential) as derived from the project market analysis.
- **Strategic Objective.** The Port's objectives or reasons for investing in the operational area.
- **Comparative Evaluation.** A summary graphic evaluation of the market potential, risk, cost, and economic/public benefit value of each potential investment.
- **Action Plan.** A summary list of potential investments.

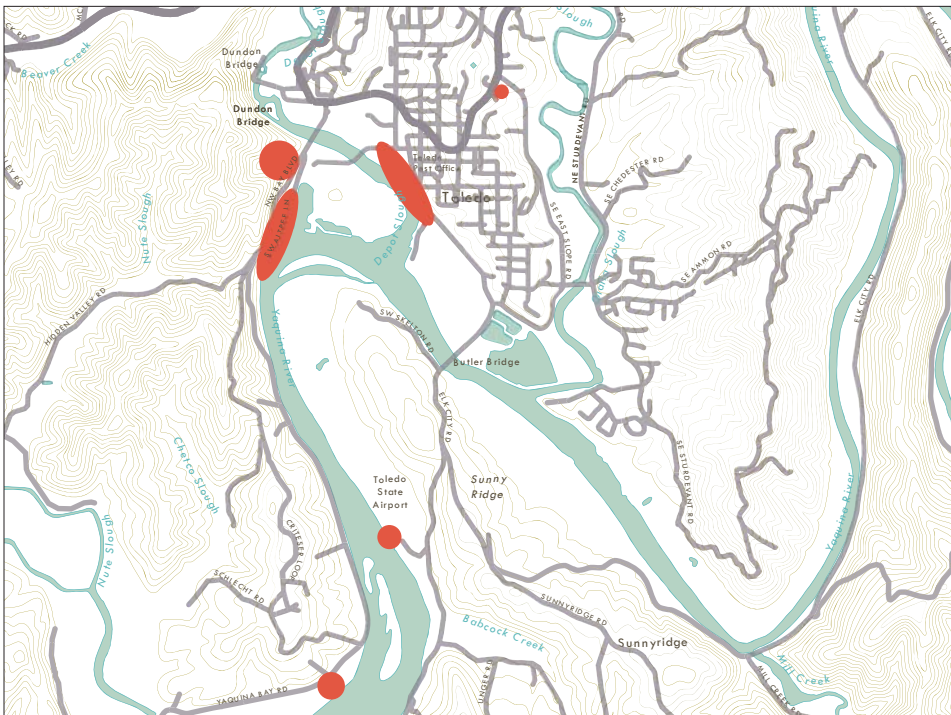


IMAGE 10: Properties owned by the Port of Toledo

## Boatyard

### Description

The existing Port of Toledo Boatyard is a primary business line for the Port. The Boatyard was purchased from Fred Wahl Marine Construction, Inc. by the Port in December of 2010. The Port of Toledo acquired loans and grants and officially re-opened in February 2011. The yard has the location and potential to become a significant source of revenue for the Port as well as a job creator for the community. The Boatyard's resources include a dry dock with an estimated 200-ton capacity, 25-ton crane and 80- and 25-ton mobile lifts, two upland work sheds, service pier, floating docks, and boathouse workshop. The facility currently lifts and services approximately 28-30 boats a year at the dry dock plus numerous smaller craft with the mobile lifts. The yard supports many of the local fishing fleet's medium-sized boats.

The yard's potential to serve the entire fleet is limited by the age and capacity of its lifting equipment and limited dimensions. The existing dry dock is aging and nearing the end of its useful life. Additionally, the dry dock does not have the modern monitoring equipment needed to address current environmental standards and, therefore, has more opportunities for an accidental spill or other incident. The dry dock's age and conditions also present more chances for a mechanical problem which could become a major issue for the Boatyard. While the dry dock is a major contributor to the Boatyard's economic performance, there is a growing need for its replacement with more dependable and environmentally safer equipment.

IMAGE 11: Boatyard Character



Adjacent residential neighborhoods concerned about noise and visual impacts.



The dry dock is aging and in need of replacement.



Boatyard is mostly constructed of dredge spoils and modifications will be needed to hold the weight of larger boats and equipment.



Long, narrow site configuration makes moving and staging larger boats more difficult.



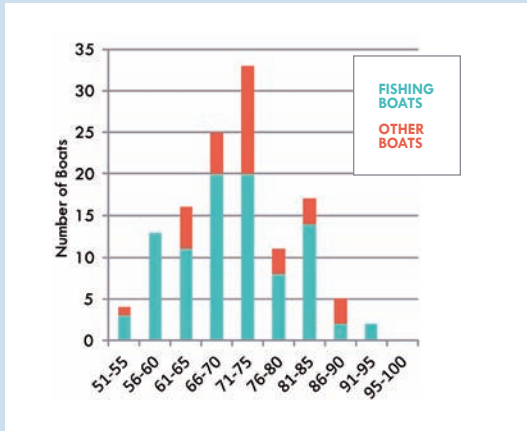
Both mobile lifts are over 15 years old and increasingly unreliable.



The current channel depth has several areas at -10 so larger vessels schedule arrival and departure times with the tides.

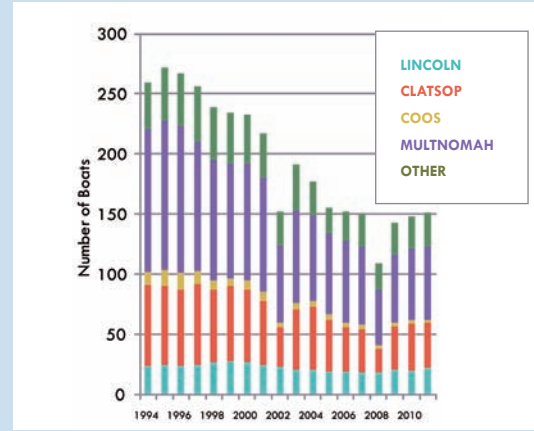
**FIGURE 07: Boat Trends**

Number of boats at Toledo Boatyard by length.



**FIGURE 08: Market Summary**

Number of boats in service area.



The Boatyard currently:

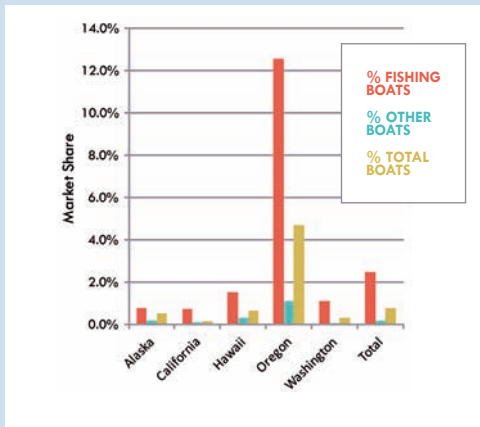
- Handles approximately 28-30 boats a year (126 boats since 2006).
- Services about 75 percent commercial fishing boats.
- Services boats between 51 feet and 95 feet long but 94 percent are less than 85 feet long.
- About 65 percent of customers are from Oregon.

Market summary shows:

- Oregon distant water fleet declined between 1995-2004 but has remained relatively stable since.
- Overall fleet is expected to remain at present size or decline slightly (due to economic, demographic, and regulatory variables).

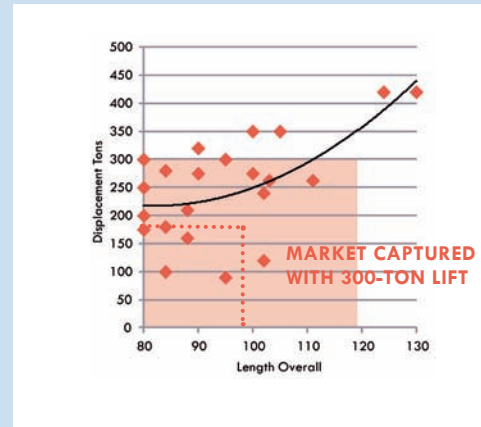
**FIGURE 09: Market Share**

Number of boats from 51 feet to 90 feet long with a beam of less than or greater than 63 feet.



**FIGURE 10: Mobile Lift Size**

Relationship between vessel length and displacement weight.



Toledo's Boatyard:

- Handles more than 12 percent of Oregon's larger fishing boats and over 4 percent of the total boats.
- Is in strong competition from other Pacific Northwest and Alaskan Boatyards.
- Appears to have opportunities to grow market share in Toledo.

A 300-ton mobile lift would:

- Allow the Boatyard to handle most of the boats between 90 feet and 120 feet in length.
- Add about a 7 percent increase over existing market (67 Oregon boats, 524 boats in five state market area of Washington, Oregon, California, Alaska, and Hawaii).
- Enable a safety margin for lifts of heavier boats over 90 feet long.

**Boatyard Operations:**

As discussed elsewhere in this report, the Boatyard is scheduled to undergo substantial changes in the next five years, with improvements to the uplands and additions of new equipment and a building. These improvements will enable the Port of Toledo to increase the number of boats served, which is reflected in the financial analysis of the Boatyard.

The Port handled 83 small boats (average length 41 feet) in FY2012. Under the alternative forecast scenarios, the Port is projected to handle between 88 (low) and 105 (high) small boats in FY 2018.

The Port handled 32 large boats (average length 71 feet) in FY2012. Under the alternative forecast scenarios, the Port is projected to handle between 44 (low) and 60 (high) large boats in FY 2018.

**TABLE 10: Port of Toledo Boatyard Operations – Actual and Projected Number of Lifts**

TYPE	FY2012 <i>(actual)</i>	FY2013 <i>(forecast)</i>	FY2014	FY2015	FY2016	FY2017	FY2018
<b>Small Boats</b>							
Low	83	84	85	86	86	87	<b>88</b>
Mid	83	85	86	88	90	92	<b>93</b>
High	83	86	90	93	97	101	<b>105</b>
<b>Large Boats</b>							
Low	32	32	33	38	39	41	<b>43</b>
Mid	32	33	33	41	44	47	<b>51</b>
High	32	33	35	45	49	54	<b>60</b>

Source: BST Associates, Port of Toledo.

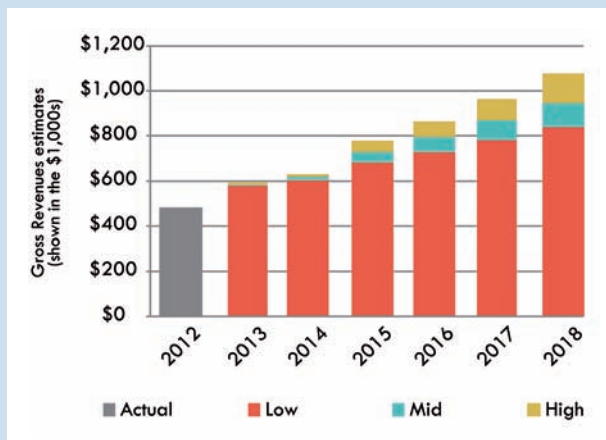
**Financial Assessment:**

The financial projections for the Port of Toledo Boatyard operations are based upon market conditions as well as a detailed review of revenues and expenses at the existing Boatyard. BST Associates undertook a detailed assessment of the actual operations performed by the Port of Toledo since it began operations, which served as the basis for the financial projections.

The actual and projected revenues for the Port of Toledo Boatyard are presented in Figure 1. In FY 2012 (July 2011 through June 2012), the Boatyard had gross revenues of \$480,000 from operations. The forecast scenarios project growth from approximately \$580,000 under all future scenarios in FY 2013 to between \$840,000 (low) and \$1.1 million (high) in FY 2018. Under the mid forecast, Boatyard operations are projected to reach \$947,000 in FY 2018.

Including revenues associated with non-Port private vendors, the gross revenues at the Boatyard (public and private operations) would range from \$1.1 million (low) to \$1.2 million (high). This is comparable with competing Boatyards, which generated between \$750,000 and \$1.1 million in the most recently reported year of operations or an average of approximately \$951,000.

It is also comparable to revenues at Fred Wahl Boatyard, which generated gross revenues ranging from \$730,000 (in 2006) to a high of \$1.5 million (in 2004).



**FIGURE 11: Gross Revenues from Boatyard Operations**  
Low, medium and high gross revenue projections from 2012 to 2018.



**TABLE 11: Port of Toledo Boatyard Pro Forma (\$1,000s) – Mid Forecast Scenario**

CATEGORY	FY2012 <i>(actual)</i>	FY2013 <i>(forecast)</i>	FY2014	FY2015	FY2016	FY2017	FY2018
<b>Revenues</b>							
Boatyard Operations	\$480	\$620	\$619	\$727	\$795	\$869	\$947
Grants	\$96	\$324	\$1,446	\$3,354	\$1,820	\$0	\$0
<b>Subtotal</b>	<b>\$576</b>	<b>\$944</b>	<b>\$2,065</b>	<b>\$4,081</b>	<b>\$2,615</b>	<b>\$869</b>	<b>\$947</b>
Cost of Goods Sold	\$105	\$100	\$119	\$142	\$155	\$170	\$186
Gross Profit	\$471	\$844	\$1,946	\$3,940	\$2,460	\$699	\$761
Expenses	\$484	\$835	\$1,945	\$3,898	\$2,392	\$606	\$639
<b>Net Revenue</b>	<b>-\$14</b>	<b>\$9</b>	<b>\$1</b>	<b>\$42</b>	<b>\$68</b>	<b>\$93</b>	<b>\$122</b>

Source: BST Associates, Port of Toledo.

*Financial Pro Forma for Boatyard:*

Revenues and expenses are based upon current Port of Toledo Boatyard operations as a projected increase in boat lifts and a gradual increase in average boat length. The estimates are also based on per unit revenue and expense categories, which are projected to grow annually by 1 to 2 percent during the forecast period. Similarly, the cost of goods sold increases in response to a greater number of lifts and individual products are expected to increase annually by 2 percent.

It is expected that the capital improvements proposed for the Boatyard will be funded by grants (from the State of Oregon and the U.S. government). These grant revenues are expensed during the construction project as the project is constructed. Most of the construction activity is expected to occur between FY2014 and FY2016.

The net profit of the Boatyard is projected to be \$9,000 in FY 2013 and increase from \$1,000 in FY2014 to \$122,000 in FY2018.

*Economic Impact of the Boatyard:*

The proposed Port of Toledo Boatyard will have the following expected economic impacts:

- Direct sales of \$1.9 million including sales through the Boatyard and through related private Boatyard operations. The total impact is \$3.5 million, including direct, indirect and induced effects.
- Direct payroll associated with the Boatyard and related private operations are projected to be \$715,000. Total income generated is projected at \$1.2 million (direct, indirect and induced effects).
- There are expected to be 19 equivalent full-time employees associated with the operation. The total jobs impacted are 46 in the State of Oregon.
- In addition, there will be approximately \$219,000 in state and local taxes.

The jobs generated at the Boatyard are considered family-wage jobs, with an average payroll of \$38,000. The manufacturing sector in the City of Toledo has been under stress in recent years, losing an estimated 32 jobs between 2008 and 2010. The retention and growth of jobs at the Boatyard will alleviate a portion of the loss.

**TABLE 12: Economic Impacts of Port of Toledo Boatyard (shown in the \$1,000s)**

FACTOR	DIRECT	TOTAL
Sales	\$1,934	\$3,505
Payroll/income	\$715	\$1,195
Jobs	19	46

Note: Estimates are for activities in FY2018 calculated in 2012 dollars.  
Source: BST Associates, Port of Toledo.

## Business Opportunities

The repair and maintenance of distant water fishing and larger commercial and pleasure boats is expected to be a new and potentially growing business and revenue source for Pacific Northwest boatyards. Good seafood prices and a stabilizing of the fleet size have provided a demand for maintaining and upgrading equipment and addressing deferred maintenance for the active fleet. The Port of Toledo Boatyard has been busy addressing the needs of the smaller vessels in this fleet, but the yard's capability to service the fleet's larger vessels (90 feet to 120 feet length) is limited by the age and capacity of its existing equipment and its current ability to service only one larger boat at a time.

According to the boat owners that were surveyed, the highest priorities for the Port of Toledo Boatyard are:

- Acquiring a new high-capacity lift (preferably a 300-ton capacity mobile lift).
- Increasing yard area.
- Providing covered space to allow work year-round and during inclement weather. This will allow boats to move off the yard quicker, thus reducing downtime.
- Improving the Boatyards environmental stewardship by acquiring modern replacement equipment capable of providing services with a high standard for environmental quality.

## Strategic Objective

- The market for servicing larger commercial and fishing vessels is expected to continue. If a 300-ton mobile lift is acquired, it will be the only heavy lift facility in Oregon capable of handling more than two large boats at once.
- The Port of Toledo is well positioned to attract a sizable portion of the commercial vessel market if its lifting capacity is expanded to serve this market.
- Expanding Boatyard capabilities will provide more jobs for the area's marine trades workers on both a seasonal and year-round basis.

**TABLE 13: Boatyard Phasing for Improvements**  
(All costs in November 2012)

PROJECT	PRIORITY	PRELIMINARY BUDGETS
Marketing grant application	1	n.a.
Begin local and regional marketing program	1	n.a.
Apply for mobile lift financing and permits	1	n.a.
Construct new finger piers for mobile lift	1	\$1,000,000
Construct washdown pad	1	\$203,000
Restructure a portion of site to accommodate new mobile lift weight	2	\$565,000
Upgrade site access road, utilities, and relocate power poles	2	\$905,000
Acquire new 300-ton mobile lift	2	\$1,550,000
Construct covered work shed	3	\$1,760,000
Construct new Port office/restrooms	3	\$190,000
Mobilization and miscellaneous costs	n.a.	\$320,000
<b>SUBTOTAL</b>		<b>\$6,493,000</b>

For planning purposes only. The potential construction costs shown are order of magnitude costs based on similar projects elsewhere. They are not based on detailed engineering analysis of existing conditions. Final construction costs may vary.

**TABLE 14: Comparative Evaluations**

MOBILE LIFT		MARINE RAILWAY	
PRO	CON	PRO	CON
Capable of handling two or more boats at one time	More complex to operate	Large lift capacity	Allows work for only one boat on at a time which limits income potential
Easier to permit	Requires more space to maneuver	Simple technology	Mixes small and large boat working areas at one end of the site
Flexible and maneuverable	Need to relocate power lines	Works for many boat sizes	Could be difficult to permit
Best for big boats	Higher cost	Potentially less costly to construct	Inflexible
Lowest cost per boat in work area	Buildings impact adjacent homeowners		More disruptive to existing operations
More jobs/workers on sites at one time			Expensive when considering it can serve only one boat at a time
Less disruptive to existing operations during construction			
Only 300-ton capacity lift in Oregon capable of serving more than one boat at a time			

## Comparative Evaluation

In analyzing the upgrading of the Boatyard's lifting capabilities, two options were considered: a marine railway and a mobile lift. It is assumed that both options would have a 300-ton capacity.

Table 14 lists the pros and cons comparing the marine railway and mobile lift options.

## Action Plan

It is recommended that the Port pursue the mobile lift option. To move forward, the potential investments are listed below.

- Begin Boatyard marking program and grant application process.
- Expand the yard's lifting capacity by replacing the aging and increasingly unreliable dry dock with a new high capacity mobile life (300-ton) to pursue new business opportunities.
- Begin the permitting process for the mobile lift pier construction immediately.
- Construct the new mobile lift pier (see Appendix A for more detailed drawings of the proposed mobile lift concept).
- Construct a new washdown pad to support the new mobile lift and other onsite activities. At the same time, prepare a portion of the upland site with a structural fill designed to support the weight of the new mobile lift on boat work pads.
- Acquire new mobile lift.
- When budgets allow, construct a covered sandblast and paint building to allow boat repair maintenance and paint work to continue year-round. This will allow an increase in the number of full time jobs opportunities at the Boatyard while also meeting the highest environmental standards.
- Construct a new Boatyard office and restrooms on site.
- Prepare the north end of the site as a potential cargo or equipment staging area with access to end at the rail spur.

## Wave Energy Test Program

Wave energy testing is a potential investment opportunity in the Toledo/Newport region. The program is headed by the Northwest National Marine Renewable Energy Center (NNMREC), a partnership between Oregon State University and the University of Washington. A test berth site is currently located near Yaquina Head and there are plans to develop a Pacific Marine Energy Center (PMEC) along the Oregon Coast.

The Newport/Toledo area has been selected by PMECC as a Wave Energy Test Center. The center will deploy and test wave energy equipment with the mission of developing new renewable energy resources. The Newport/Toledo community will provide many of the maintenance and supporting resources needed by this center. Key to this support will be the availability of the Port of Toledo's boatyard. Discussions with program representatives indicate the boatyard will be a critical player in a successful operation.

Its capabilities include:

### Flexibility

It is important to have a support facility with the flexibility to work creatively with changing user needs, schedules, and equipment. As a test program, new and differing equipment is expected to frequently arrive for installation or existing equipment will need maintenance support. With its ability to work with short-term notification, the boatyard is organized to provide this flexibility.

### Intermodal Access

Intermodal access is critical. Test equipment will arrive in differing shapes and sizes and by various transportation modes. The ability to receive and move equipment using various transportation modes is essential. The Toledo boatyard is one of the only Central Coast facilities with road, rail, and water accessibility. More importantly, the boatyard's rail connection is unique, since major equipment will arrive on site via rail. These multimodal/rail access capabilities are a significant and unique resource at Toledo.

### Lift Capacity

Test equipment and buoys will come in various configurations, sizes, and weights. The boatyard's plan to install a modern 300-ton mobile lift to augment its current 85-ton lift is a critical factor in the yard's ability to support the Wave Energy Test Program when its larger equipment arrives.



### Support Facilities and Trades

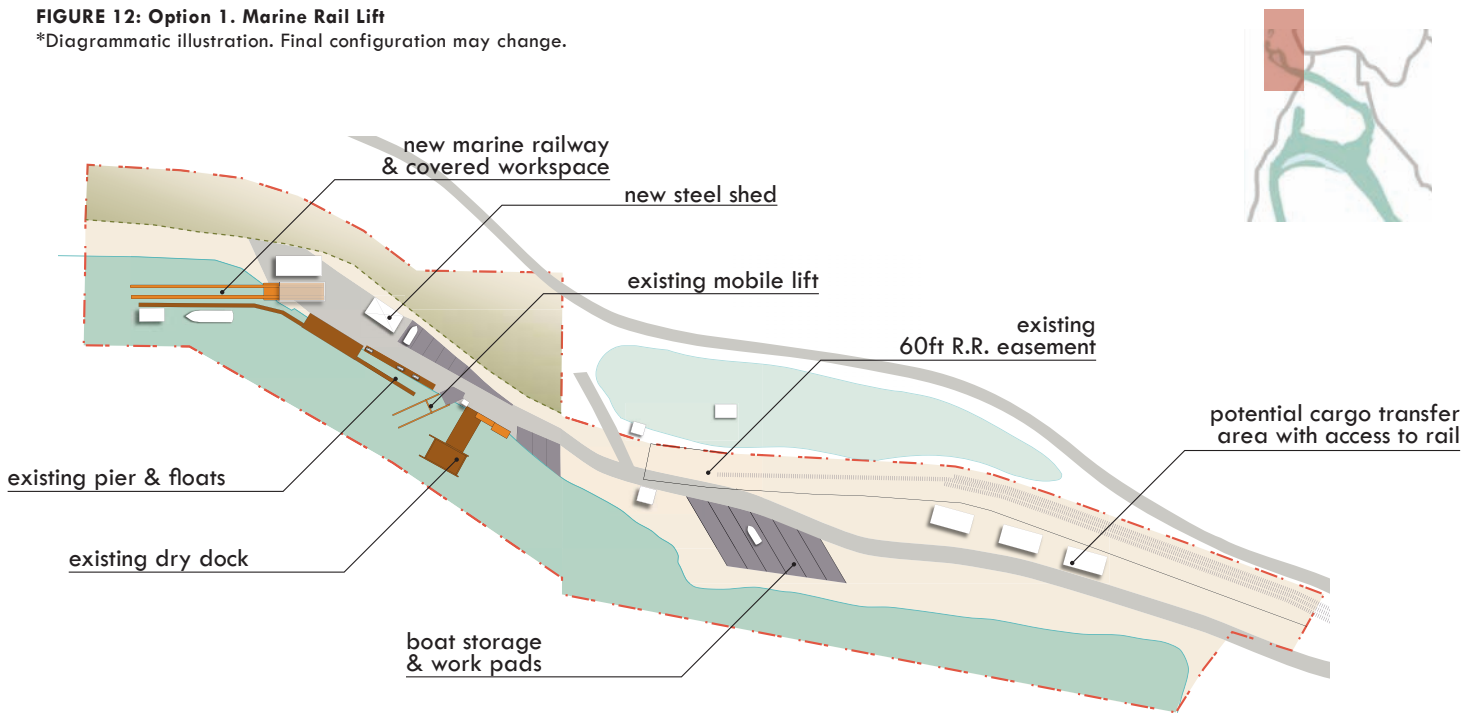
Having the marine trade skills readily available and the upland facilities in place for the assembly, maintenance, painting, and storage of the test program's equipment is critical. The local community possesses the needed marine trade skills and the boatyard has the upland facilities needed for applying the skills. In addition, the plan for constructing a large, covered work space, which will allow maintenance repair and assembly work to continue year round, is a valuable asset.

### Security

The test program will also need to store specialized equipment and supplies in a secure environment. The boatyard's secure environment and location mean this need can be met onsite.

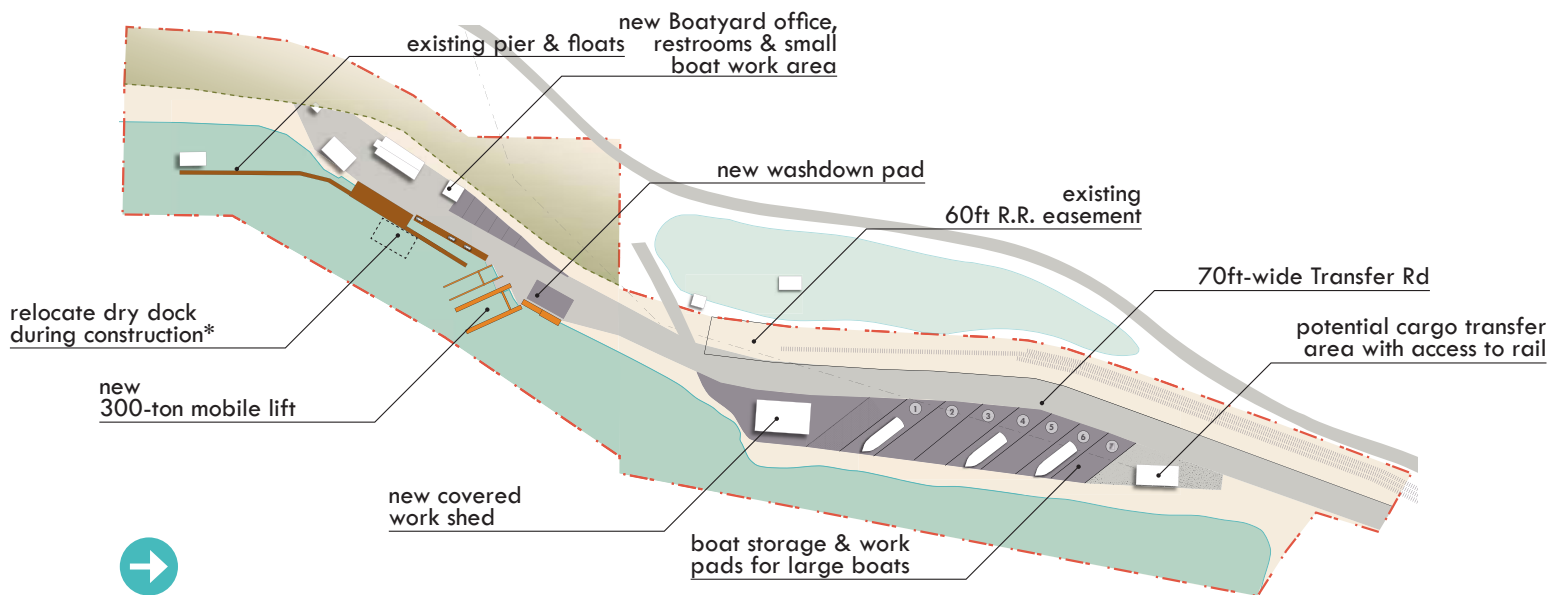
**FIGURE 12: Option 1. Marine Rail Lift**

\*Diagrammatic illustration. Final configuration may change.

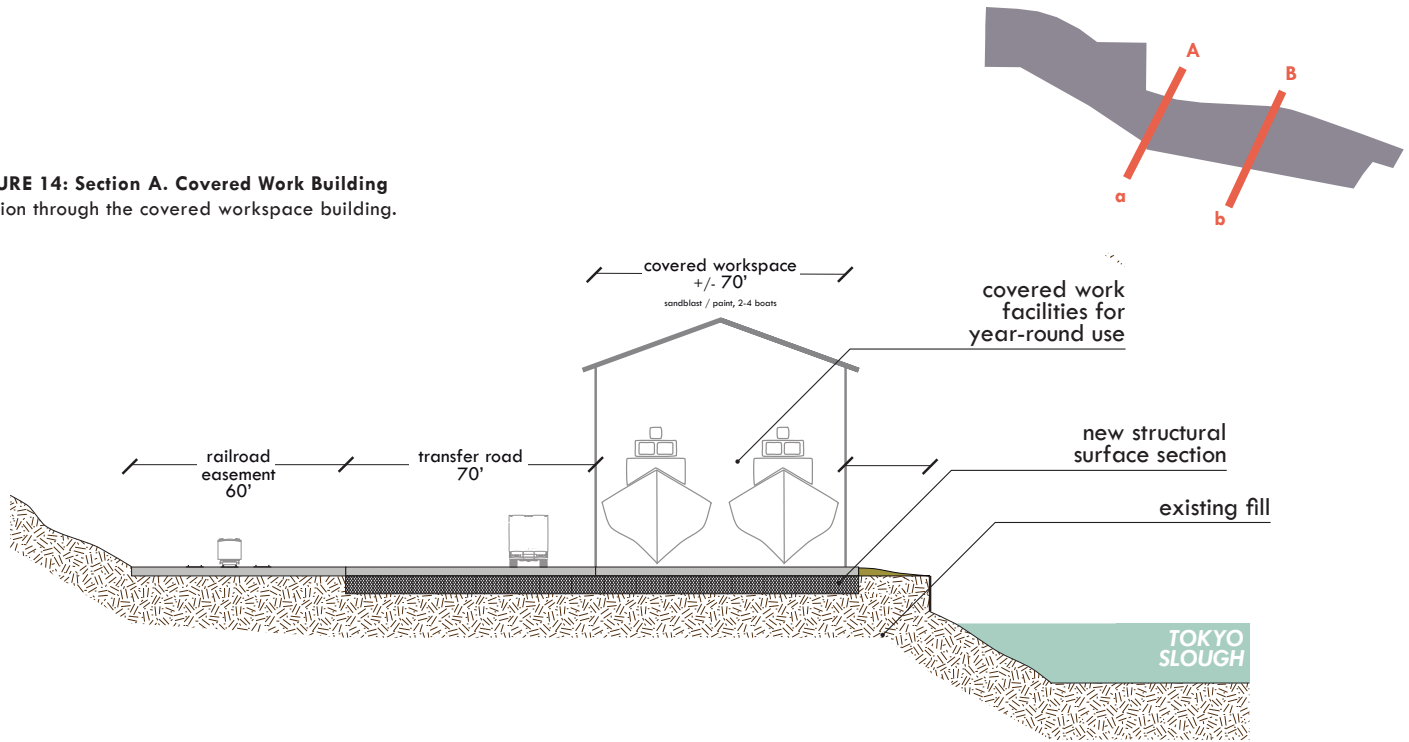


**FIGURE 13: Option 2. Mobile Lift**

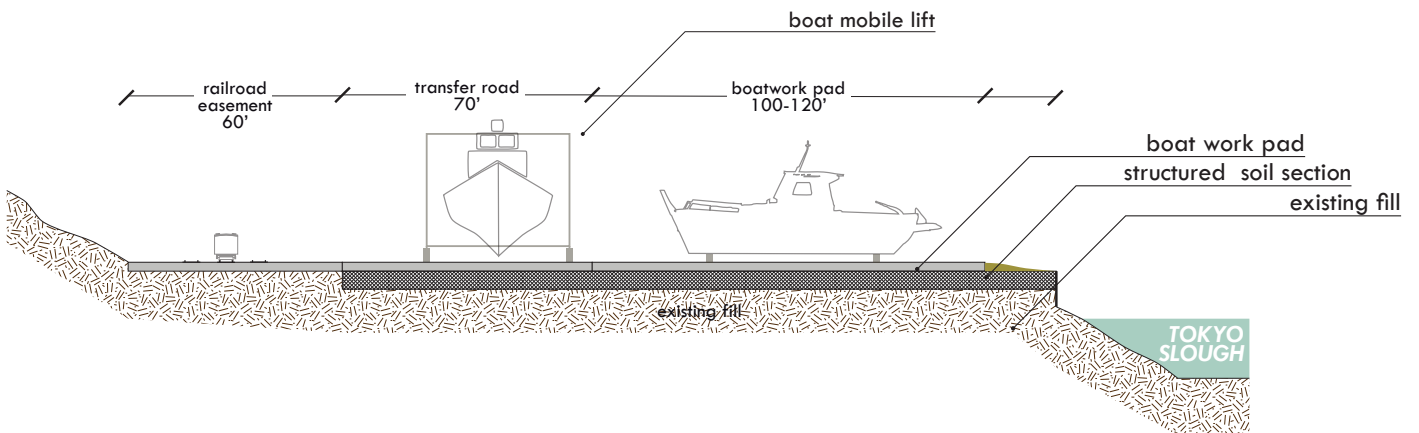
\*Diagrammatic illustration. Final configuration may change.



**FIGURE 14: Section A. Covered Work Building**  
 Section through the covered workspace building.



**FIGURE 15: Section B. Mobile Lift & Work Area**  
 Section showing mobile lift near boat work pads.



## Downtown Waterfront

### Description

The Port owns a series of waterfront properties along the Yaquina River (Depot Slough) adjacent to downtown Toledo. These properties are located within a larger light industrial area commonly called the Toledo Industrial Park (TIP). Over the past two years, the Port has developed significant public amenities along the river, including: transient and permanent moorage facilities (16 slips and eight moorings for vessels from 20 feet up to 60 feet), the Toledo Boating Club boathouse, a small amphitheater, activities pavilion, waterfront trail public restrooms, public viewing platform, and established design criteria for new construction.

A light industrial piece of non-Port-owned property (Webster property) cuts across the center of the Downtown Waterfront site with a small wetland/drainage ditch. The Port is interested in acquiring the property if adequate terms can be reached. Adjacent to this is about a four-acre parcel that has been recently seeded and is currently undeveloped. On the other side is another light industrial Port-owned buildings known as the Port Complex. American Grounding Systems occupies part of the complex, Winterhawk Seafood has rented the fish plant, and Yaquina Boat Equipment has leased space for building wheelhouses.

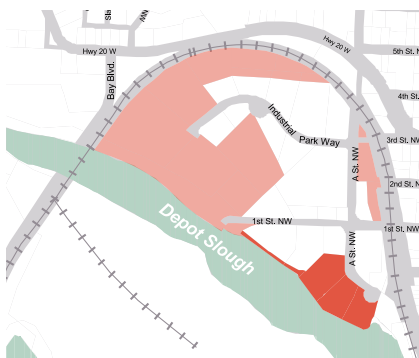
Yaquina Boat Equipment is a long-term tenant with boat repair facilities at the southern end of the Downtown Waterfront. The business is experiencing growth and has expanded its work crew to 28. It represents a significant contribution to the community's boat and fishing vessel repair potential. Its growth, coupled with the growth potential at the Port's Boatyard, illustrates Toledo's growing strength as a boat repair and maintenance center.

The wharf at Yaquina Boats Fabrication facility is aging and will likely need improvement and repair if it is to continue to meet the company's needs. A conditional analysis of the pier is needed to outline an appropriate repair and maintenance program.

### Business Opportunities

A number of pedestrian connections have been completed by the Port and City of Toledo to improve the connectivity between the downtown and waterfront area. This has provided safer and more convenient access for bicycles and pedestrians while retaining mobility for vehicles, freight, and rail traffic. As the area becomes more populated and tourism rises, residents are demanding greater access to the water's edge. Increasing public access must be balanced with retaining and supporting the vital economic assets of maritime and industrial businesses.

The Toledo Planning Commission has recommended that 20 properties within the Downtown Waterfront be rezoned to a Light-Industrial Zone designation. Approximately 2.7 acres of the Downtown Waterfront area currently within the Water-Dependent Zone have been proposed for the rezone. The Commission would also like to amend the Toledo Municipal Code (Zoning Ordinance) to adopt new definitions for various terms. It is not expected that these changes would preclude any uses currently on the site but allows greater flexibility for future development.



### IMAGE 12: Parcels Effected by the Proposed Rezoning in the Toledo Industrial Park

The dark red shows the Downtown Waterfront area currently in the Water-Dependent Zone. If approved, the 2.7 acres would be rezoned to Light-Industrial.



LIGHT MANUFACTURING



PUBLIC VIEWING PLATFORM



WETLAND



UNDERDEVELOPED OPEN SPACE



WATERFRONT TRAIL & TRANSIENT MOORAGE



WEBSTER PROPERTY



OREGON COAST BANK OFFICE



RAILROAD MUSEUM



PUBLIC ACCESS TRAIL



SMALL AMPHITHEATER & GREEN SPACE



ACTIVITIES PAVILION



INTERSECTION IMPROVEMENTS



TOLEDO BOATING CLUB BOATHOUSE



BOAT REPAIR FACILITY & DOCK

## Strategic Objective

The Port property is a significant opportunity for the local community to connect to the waterfront. This connection will become increasingly important as the historic downtown core continues to revitalize and grow as a tourist, retail, and arts community. The Downtown Waterfront property should continue to support this trend through careful and thoughtful development.

## Comparative Evaluation

At the June 17<sup>th</sup> Public Open House, participants were asked to suggest the type of uses they would like to see on the Downtown Waterfront. This survey was also shared with a larger audience, including the Chamber of Commerce and distribution in a local newspaper. These results are summarized in the attached chart.

## Action Plan

- Continue to market the property with uses that have both income potential to the Port and provide job opportunities for the local community.
- Continue seeking to acquire the Webster property as means of unifying the site and adding flexibility to its development opportunities.
- Work with adjacent downtown interests, arts communities, and other business interests to promote the use and future development of the site for both events and everyday activities.
- Establish a preference for small scale and incubator uses on the site and encourage uses that respect adjacent downtown businesses.
- Continue to use the basic building and design guidelines established in the *2007 Waterfront Development Strategic Plan*.
- Wait for the proper use to arrive. Don't compromise the site with a convenient or non-supportive use that will detract from the already significant investments the Port has made.
- Improve Waterfront Park.

**TABLE 15: Waterfront Development Uses Suggested by the Community**  
Summary of Survey from June 17, 2012 Public Open House

	MARKET POTENTIAL	INCOME GENERATION (POTENTIAL FOR THE PORT OF TOLEDO)	JOB CREATION	
Live/work residential	○	●	○	<input type="checkbox"/>
Artist loft/studio	○	○	○	<input type="checkbox"/>
Lodging	●	○	○	<input checked="" type="checkbox"/>
Specialized shop/retail	○	●	○	<input checked="" type="checkbox"/>
Gallery	○	○	○	<input type="checkbox"/>
Restaurant	●	○	●	<input checked="" type="checkbox"/>
Micro brewery/pub	○	○	○	<input type="checkbox"/>
Commercial office	○	○	○	<input checked="" type="checkbox"/>
Research/education center	○	○	○	<input checked="" type="checkbox"/>
Arts foundry	○	○	○	<input type="checkbox"/>
Light industrial/incubator	●	●	●	<input type="checkbox"/>
Gear storage (fishing related)	○	○	○	<input type="checkbox"/>
Recycling center	○	○	○	<input type="checkbox"/>
Other: Camping	●	○	○	<input type="checkbox"/>
Other: Boat ramp	●	●	○	<input type="checkbox"/>
Other: Park/sustainability	●	○	○	<input type="checkbox"/>
Other: Leave as is	●	○	○	<input type="checkbox"/>

Based on responses from 16 participants  
GOOD ● FAIR ○ POOR ○

TOP SUGGESTIONS



**IMAGE 13: Commercial Office**  
Bellingham, WA.



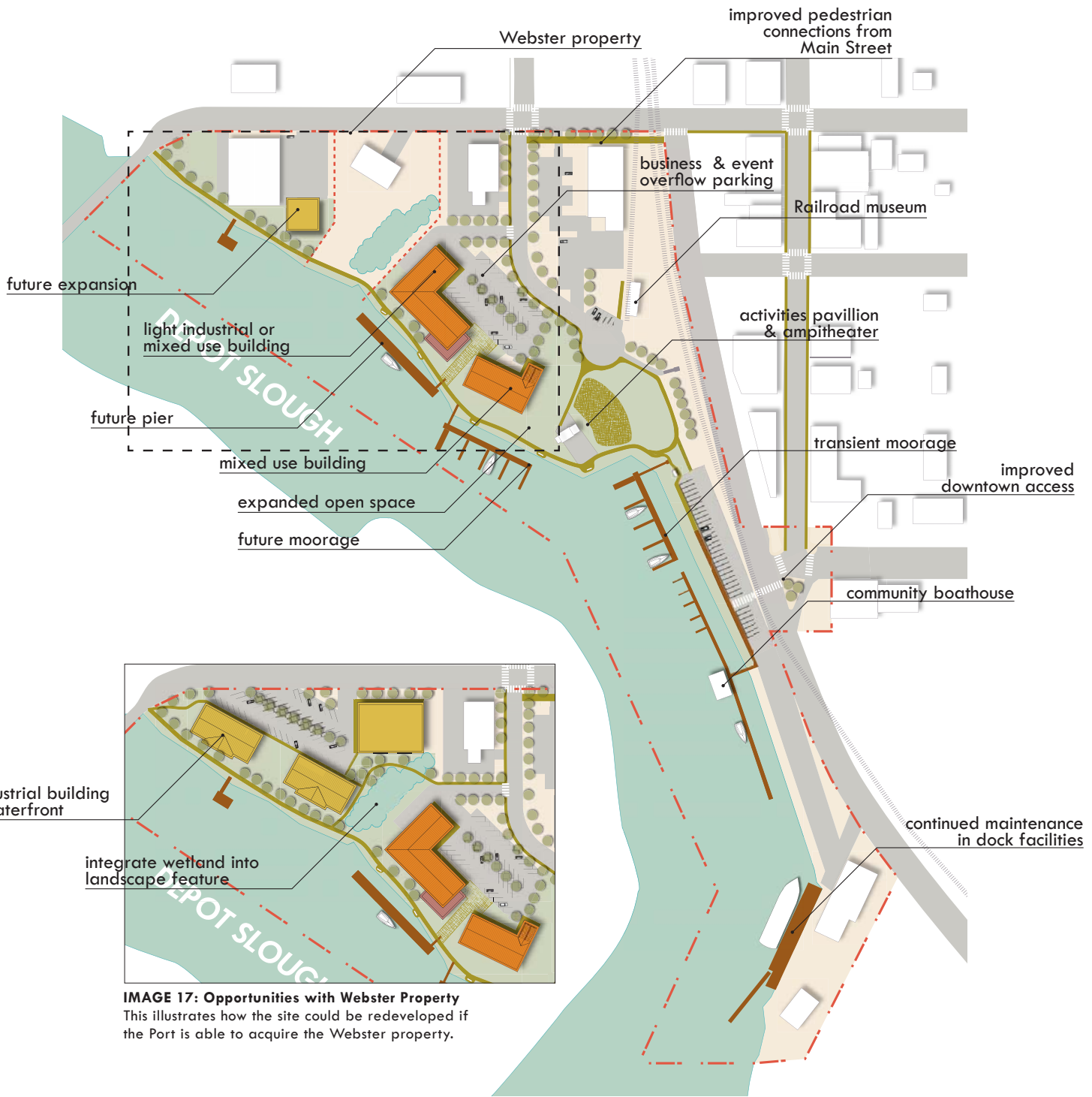
**IMAGE 14: Micro Brewery and Pub**  
Seattle, WA.



**IMAGE 15: Recycling Center**  
Proposed Sunset Park Materials Recycling facility.  
Brooklyn, NY.

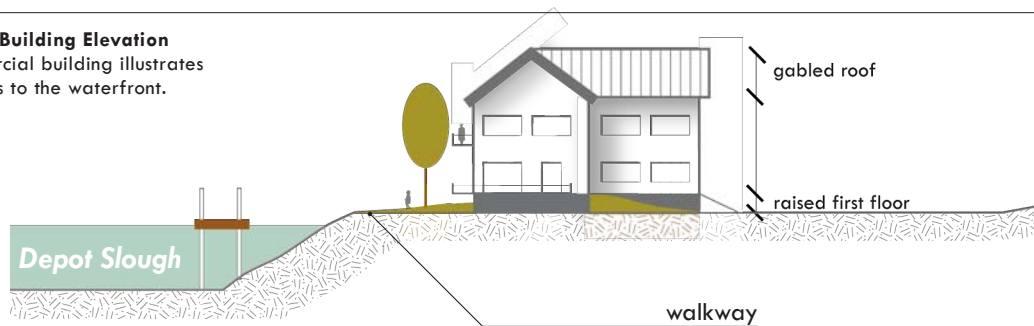


**IMAGE 16: Downtown Waterfront illustrative site plan**  
 This shows new development opportunities.



**IMAGE 17: Opportunities with Webster Property**  
 This illustrates how the site could be redeveloped if the Port is able to acquire the Webster property.

**IMAGE 18: Example Building Elevation**  
 This two-story commercial building illustrates potential relationships to the waterfront.



## Upland Areas

### Description

The Port of Toledo owns a number of light industrial buildings located near industrial and manufacturing activities upland from the Yaquina River. While these properties are underdeveloped, they provide family wage jobs as well as storage and rental income to the Port. The Port is encouraged to continue to upgrade its current facilities as needed and consider redevelopment only when specific opportunities arise. These properties include:

#### *North Bay Boulevard Industrial Center*

This upland industrial property was originally developed as an aggregate processing and transportation facility and is now used for rental of light industrial and storage space. Currently only 2.3 acres of the 12-acre site has been developed. Adjacent terrains are steep and wooded, limiting full development to about 5 acres.

Tenants include a machine shop, building contractor, sculptor, and a gutter manufacturer and installer. There is also a small residence providing on-site security.

Existing 8,500 square foot buildings and outside storage facilities are adequate but lack certain facilities. Two shops have access to restrooms connected to a septic system. For the full development of the property, city sewer would need to be brought in.

#### *Station 1 Office and Lease Space*

In 2009, the Port acquired the City of Toledo's former Public Safety Building on the top of the hill adjacent to Business Highway 20. The Port has completed the remodel of the building and grounds and has relocated its office to the east end of the building, leaving the remainder of the building available for a commercial lease.

## Waterfront Recreation

### Description

Recreation opportunities in the Port of Toledo's jurisdiction provide a rich experience for self-propelled boats (canoes, kayakers, and paddle boarders) as well as for small recreational boats. There are opportunities to support growth in this sector by enhancing existing facilities, providing new facilities, and marketing these opportunities.

#### *Boat Launch and Day Use Area*

The Port of Toledo Boat Launch and Day Use Area is located on South Bay Road, next to the Toledo Airport. The facility provides a launch ramp, docks, parking for vehicles with trailers, restrooms, a picnic area, and a fish cleaning station. Currently, there is no launch fee at this facility.

The Port should continue work with the Department of Aviation and future property owners about expansion of the boat launch parking area.

#### *Paddle Park and Natural Area*

The non-motorized boat launch paddle park is located at mile marker 10 on North Bay Road. This is adjacent to a 25-acre protected wetlands area on the Yaquina River that was established by the Port of Toledo in a Partnership with the Wetlands Conservancy, Central Coast Land Conservancy, Oregon Watershed Enhancement Board, Pacific States Marine Fisheries Commission, Midcoast Watersheds Council, and U.S. Fish and Wildlife Service.

This day-use park and launch was completed in 2008. The area offers a park setting with a pavilion, picnic table, restrooms, and wildlife viewing and interpretive signage, as well as a dock and pier for self-propelled boat launching.



**IMAGE 19: North Bay Industrial Center**  
Currently a welder and artist rent workspace in the light industrial building.



**IMAGE 20: Station 1 Office and Lease Space**  
Public art and landscape features added by the Port illustrate a commitment to community aesthetics.



**IMAGE 21: Gazebo at the Paddle Park**  
Dock and float pilings pulled from Depot Slough were used in the gazebo, on top of which swings Sam Briseno's bronze Blue Heron weathervane.

#### *Transient Dock*

Located next to the downtown, the newly completed transient docks have the capacity to berth vessels up to 50 feet in length. This moorage is significant in its ability to support downtown development and recreational opportunities.



**IMAGE 22: Toledo State Airport shown with the Port's Boat Launch & Day Use Area**  
 Source: Bing Maps.

## Other Non-Port Properties

The Port is an important player in the economic viability of all of Lincoln County. It is integral that the Port partner with other agencies and property owners to comprehensively look at the industrial and under-developed properties.

### Description

#### *Toledo Industrial Park*

North of the Downtown Waterfront, the City of Toledo developed a collection of light industrial and water-related industrial sites totaling 25 acres. The majority of this property has been sold for light industrial uses. The Port should be aware of available rental space when talking with potential Port and City tenants.

#### *Confederated Tribes of Siletz Industrial Site*

The former site of the Cascadia Lumber Company mill is now owned and partially developed by the Confederated Tribes of Siletz. The facility covers over 70 acres, including some wetlands.

Located upstream of Butler Bridge, the river's water depth is about seven to 8 feet and the vertical clearance under the bridge is only about 34 feet. Both of these parameters limit the water-dependent use potential of the property by restricting the size of equipment that can access the site by water. The rail switch serving the site has also been removed. It would require considerable efforts and costs to restore the switch. In addition, vehicle access to the site occurs on roads which connect through established residential neighborhoods. Together, the restrictive road, water, and rail access to the site may limit the site's industrial development potential.

#### *Toledo State Airport Site*

The Toledo Airport is an 11-acre auxiliary airstrip located alongside the Yaquina River and abuts the Port-operated boat launch facility. It currently serves as a community access and emergency airport but has numerous safety problems including a runway that is shorter and narrower than standard, both approaches have significant obstructions, and the airport occasionally floods following winter storms.<sup>13</sup> The airport is owned by the State of Oregon Department of Aviation (ODA) and listed as a Category 5 General Aviation facility. This is the general aviation's lowest category and the ODA is actively working to transfer such facilities to other government subdivisions.

The Port of Toledo could obtain ownership for no cost if they maintained and operated the facilities as an airport for a minimum of 20 years. At the end of the 20-year period, the owner may change the use of the property or sell it. However, if the use changes or the airport is not properly maintained for those 20 years, ownership would revert to the City of Toledo.

Due to flooding potential and its remote location, the site has limited water-dependent or water-related economic opportunities. There is little opportunity for significant development of the site and acquiring the airport property provides little, if any, benefit to the Port. It is not recommended that the Port seek to acquire the airport property at this time. Instead, the Port should partner with other agencies and property owners to assess the site's future use should the airport be surplus by the State of Oregon. There have been suggestions that the property would make a good upland disposal site for dredge material from the Yaquina River. The airport has a 7-foot elevation and a surrounding dike. Significant analyses, both environmental and physical and regulatory, would need to be undertaken if this idea were to move forward.

<sup>13</sup> Oregon Department of Aviation. "State Warning Airports." State of Oregon. 2012. [cms.oregon.gov/aviation/pages/warning.aspx#top](https://cms.oregon.gov/aviation/pages/warning.aspx#top).

## ENVIRONMENTAL GOALS

Maritime industries historically have had negative impacts on the land, water, and air. The primary impacts of the working waterfront are water pollution through runoff and discharges, loss of marine habitat, dispersal of contaminated sediments through landfill and development, and air pollution through emissions of gases and particulates.

The Port of Toledo constantly strives to apply the highest environmental standards to its development efforts.

### Dredge Material Disposal and Mitigation

#### Description

It is a fundamental duty of the Port to sponsor and maintain dredging of the Yaquina River and Depot Slough navigation channel. This is needed to retain river access for water-dependent business and recreation users along the river. The Port accomplishes this duty in cooperation with the U.S. Army Corps of Engineers and businesses rely on their continued connection to the ocean.

The channel in Depot Slough is dredged approximately every ten years. The most recent dredging occurred in 2009/2010 when approximately 119,000 cubic yards of material were removed.

Small ports are being zoned out of federal appropriations and funds for future dredging may not be available unless the Port of Toledo is able to secure Federal funding. It is also becoming increasingly challenging to find consistent, environmentally responsible, cost-effective methods for the disposal of the dredge material generated by maintaining the navigational channel. The prior method of open water/ocean placement is no longer an economical option and the Army Corps of Engineers has modified open water disposal requirements. Therefore, to support its water dependent clients and tenants, the Port needs to find new viable disposal sites.



**IMAGE 23: Dredge Materials in Toledo's Downtown Waterfront**

The Port placed dredge materials from the Yaquina River being dewatered on the Downtown Waterfront site before moving out of the 100-year flood plain.

DREDGING DEPOT SLOUGH & YAQUINA RIVER		
1911-1912	Depot Slough, Yaquina River, around Toledo	Spoils river and slough sites
1914	Depot Slough, Yaquina River	Spoils river and slough sites
1931-1933	Depot Slough, Yaquina River, around Toledo	Spoils river and slough sites
1956	Depot Slough	Spoils river and slough sites
1968-1969	Depot Slough upriver	Spoils river and slough sites
1977-1978	Depot Slough, Yaquina River, around Toledo	Spoils river sites
1981-1982	Depot Slough	Spoils river sites
1995	Depot Slough	Spoils at sea and Tokyo Slough
2009-2010	Depot Slough	Spoils at sea

Source: Hitchman 2010.

### Strategic Objective

Protect the health and viability of current and future water dependent uses by finding a site where dredge material can be predictably and safely placed.

### Comparative Evaluation

During community interviews, a number of ideas for dredge disposal were discussed.

- Several people have suggested filling Tokyo Slough as a near shore disposal site for dredge material. This property is jointly owned by the Port and Georgia-Pacific. Together, they should conduct a preliminary analysis to determine the feasibility of using all or a portion of Tokyo Slough as a near-shore disposal site. This is potentially a long-term project requiring partnering with Georgia-Pacific.
- A number of other potential sites and partners in the areas should be investigated, including suggestions to investigate a potential site at, or near, the Toledo State Airport (see airport site discussion).

### Action Plan

While this report cannot recommend specific sites for disposal, it is critical that the Port develop a clear decision-making process. This decision will inevitably involve a number of different stakeholders and it is advantageous that the Port cooperates with the Army Corps of Engineers, Georgia-Pacific, and other property owners to explore joint disposal and interim sites. This is a significant, high-priority issue that needs to be addressed by the Port Commission and staff if the Port is to remain viable.

Once a feasible site is identified and a funding program determined, the Port, Army Corps of Engineers, and other partners should begin the final analysis, permitting, and design steps needed to develop an appropriate disposal site.



**IMAGE 24: Tokyo Slough**

The area of Tokyo Slough could be filled or partially filled with dredge spoils using a containment bulkhead. This is partly owned by the Port of Toledo and Georgia-Pacific mill.

**TABLE 16: Comparative Evaluations of Filling Tokyo Slough**

PRO	CON
Future Boatyard expansion space	Fills an existing water area
Provides a place for efficient fill disposal	Potential for sensitive environmental implications
Currently a man-made slough with little natural habitat	Would be a long-term undertaking

### Removing Abandoned Pilings

Over the last half-century, industrial uses on the waterfront have changed, just as they have elsewhere in the country. With fewer businesses requiring facilities for boat tie up, remnants of the post-wood products manufacturing are no longer used and in disrepair. A 2010 survey found that most of the abandoned piles in the Yaquina system were from log rafting, now outlawed in Oregon. These piles were not pressure treated and are rotting off at the waterline. On higher tides they become submerged, becoming a hazard to navigation.

The Port has been involved in the ongoing removal of wood piles and has been able to use the reclaimed wood for projects throughout the Port District. Despite these efforts, many remain in the Yaquina River. The Port should encourage state and other governmental agencies to more aggressively remove these pilings. Pressure needs to be applied to the Division of State Lands who has ownership of the submerged lands and the OSMB should also take a lead in addressing this worsening hazard.

## OUTREACH GOALS

### Background and Status

The Port is stronger because of its relationships with neighboring municipalities and there are a number of benefits of joint marketing and promotional support with other agencies and local stakeholders. Listed below are a number of opportunities that arose during the planning process.

#### Community Support

Too often funding submittals, grant applications, and marketing materials go out under just the name of the applicant. Given the Port district's attractive location and numerous resources, it would improve its efficiencies if these applications could show coordinated public support from the community, local businesses, and public agencies. Establishing a process by which applications can illustrate broad community support will be a significant help in developing a successful submittal.

#### Coordinated Planning

This plan incorporates several key planning links in support of other local and regional plans, including:

- Supporting the City of Toledo's Comprehensive Plan objectives of strengthening the community's fishing and light industrial capabilities by expanding the Port's Boatyard capabilities and by working to help Yaquina Boat Equipment expand its fabrication capabilities on Port-provided property.
- Continuing to support the City of Toledo's tourism promotion goals and *Waterfront Connectivity Plan* by helping implement improved connections between downtown and the waterfront. The Port has also expanded the value of these connections with improved pedestrian connections along the waterfront by the construction of the new waterfront pavilion and amphitheater, both of which bring new business, tourism, and special event opportunities to downtown and the waterfront. As part of the same program, the Port has constructed additional permanent and transient boat moorages as well as a boathouse, which is available for both public events and classroom space.
- Supporting planned waterfront zoning changes which will make waterfront redevelopment more flexible and easier to implement.

#### Retaining a Qualified Workforce

Though jobs in the maritime industry are typically well paid and offer an important diversity for the city's economic base, there has been a shortage of skilled service people within the Lincoln County area. Existing marine trades have an aging workforce and a lack of new workers entering the field. Many youth are unaware of the opportunities in the field and are choosing to leave for bigger cities. There are few (if any) vocational training programs focusing on the marine trades currently available. Developing this training capacity should be a priority project shared with the Tribes community, the Port of Newport, and the local marine trades community.

#### Preserving the Rail Spur

The Willamette and Pacific Railroad (a subsidiary of The Portland and Western Railroad) owns the only rail spurs in the Port's district, originating in Albany and terminating in Toledo. The age of the line and its numerous wooden trestles make it one of the most historical remaining active railroads in the Northwest. At the present time, the primary customer for rail service is the Georgia-Pacific paper mill in Toledo, but maintenance costs and a decrease in use may threaten its long-term viability. Several potential uses, including the wave energy project, have indicated the desirability of rail connections. The loss of rail service would negatively impact the Port's flexibility and marketing opportunities.

### Action Plan

- Improve the public image and communication practices.
- Encourage and support the redevelopment of the Siletz Tribe owned property (Old Mill Site). If possible, coordinate plans and employment opportunities.
- Partner with business association, arts community, City of Toledo, and others to promote marine skills training in the schools and local colleges.
- Conduct joint meetings and outreach with Lincoln County, the Port of Newport, the City of Toledo, City of Siletz, and downtown interests to promote tourism and new businesses of all types.
- Coordinate with neighbor agencies' plans and goals to present a program with broad public support.

## MARKETING GOALS

### Background and Status

The Port of Toledo marketing plan needs to focus on generating revenue sources through a variety of marketing strategies that maximize targeted exposure. This plan will be used to generate business for the boatyard, as well as to market the Boatyard Build-Out Plan, the Port's commercial and industrial properties, and general services and amenities offered by the Port. The key points of this plan include:

### Action Plan

#### Boatyard Branding Strategy.

- It is important that any marketing strategy for the Boatyard starts by creating an identifiable Brand for the facility.
- The name should be regionally recognized and meaningful to targeted clients.
- An iconic logo should be developed that captures the essence of the yard's capabilities.
- The Boatyard should promote its brand by creating apparel and other products to be distributed throughout the community and industry as appropriate.

#### Website Development

- The Boatyard needs a stand-alone website that is easy to maintain, navigate and access. The website needs to clearly convey the capabilities and resources of the Boatyard.
- The two separate websites need to be simple to maintain by Port staff. New software and/or subscription service may be necessary.

#### Print Advertising

- A targeted print advertising strategy needs to be carefully implemented to reach the potential Boatyard's core clients as well as new markets. Advertise in key trade publications and recreational periodicals as needed to maximize exposure.
- Informational brochures need to be developed to promote boatyard services as well as the Port's other facilities.

#### Social Media

- As appropriate, social media and e-mail marketing should be used to keep customers informed and connected.

#### Local and Regional Trade Shows

- Attendance at local and regional trade shows is needed to generate exposure, promote the Boatyard's capabilities and attract new Port business.

#### Community Education

- Currently, the Port sponsors the Toledo Community Boathouse which mission includes: teaching water safety, boatbuilding, and maintenance.
- A Community Education program should be implemented as soon as possible to increase public awareness of the marine trades industry and the Port's economic role in the region.

#### Sponsorship and Promotions

- The Port's Annual Wooden Boat Show demonstrates the Port's role in recreation and economic development in the community.
- The Port should sponsor local and regional events to support the community and generate exposure to the area's boat repair capabilities.
- The Port should also host promotional events to generate visibility and increase awareness of the boatyard's capabilities.



**IMAGE 25: The Boating Club Boathouse**

The Port begun investing in training youth about boat building skills and trade.



**IMAGE 26: Railroad Spur through Toledo**

Everyday railroad cars travel through Toledo's downtown.

# Five-Year Capital Plan

The objective of this Strategic Business Plan is to enhance local employment opportunities. The Boatyard is an opportunity to increase the number of skilled-labor workers within the Port district. Within the five years, the Port of Toledo will work to expand the Boatyard's capacity with a new high capacity mobile lift while not disrupting existing operations. The Port should immediately begin applying for grants and funding opportunities. Expect that additional planning will be needed and begin the permitting process as soon as possible.

As the area becomes more populated and the tourism industry grows, the Port-owned Downtown Waterfront can become a gathering place for events as well as a place to view and experience Toledo's unique waterfront. The Port is encouraged to work with adjacent downtown interests and government agencies to develop the site for both events and everyday uses. The Port and City of Toledo should continue to invest in projects laid out in the *Toledo Waterfront Connectively Plan*. These projects include additional intersection and railroad crossings as well as sidewalk improvements to the Downtown Waterfront site.

Increasing public access must also be balanced with economic opportunities. The Port of Toledo should continue maintenance and marketing of its existing facilities. When the proper tenant or business opportunity is found, the Port should invest in new buildings along the waterfront. These should be flexible, small scale incubator uses that respect existing businesses and the park-like setting. The flexibility and cohesion of such a development would be enhanced with the acquisition of the Webster property. The Port should continue in its negotiations.

At this time, it is not recommended that the Port of Toledo pursue the purchase of additional property beyond the Downtown Waterfront area. Resources and efforts should instead be allocated to joint marketing with downtown interests, the City of Toledo and Newport, and Lincoln County. The Port can offer promotional support for future tenants as well as help promote the entire region as a tourist and business destination.

Lastly, it is the Port's responsibility to maintain the navigational channel. This is essential to retain river access and water-dependent businesses and recreation along the Yaquina River. It is becoming increasingly difficult to find adequate and cost-effective methods for the disposal of dredge material. Although dredging is not scheduled within the next five years, the Port will need to begin working now to build partnerships and find feasible sites for future needs.



**TABLE 17: Five-Year Capital Plan**

PROJECT	PRIORITY	COST	FUNDING			
			OREGON BUSINESS	CONNECT OREGON	EDA	OTHER
<b>Year 1 (2013)</b>						
Begin permitting process for new mobile lift pier and consent judgement	1	n.a.				
Apply for Boatyard marketing grant	1	n.a.				
Begin process of obtaining project funding	1	n.a.				
Upon receipt of funding, begin/complete mobile lift pier design and obtain final permits	1		●			
Continue marketing Port-owned property and Boatyard	1	n.a.				
Conduct joint meetings/outreach with local economic development tourism and Chamber of Commerce to attract tourism and light industrial tenants to the Downtown Waterfront	1	n.a.				
<b>Year 2 (2013 - 2014)</b>						
Implement Phase I of the Boatyard expansion						
Construct new mobile lift pier	1	\$1,000,000	●			
Construct new wash down pad		\$203,000	●			
Site preparation		\$200,000	●			
Extend new utilities on-site		\$275,000	●			
Mobilization and general conditions		\$80,000	●			
Continue marketing Port-owned property	1	n.a.				
Continue conducting joint meetings/outreach with local economic development tourism and Chamber of Commerce to attract tourism and light industrial tenants to the Downtown Waterfront	1	n.a.				
Undertake a joint study with other waterfront users to define and analyze/select a future dredge disposal site	1	n.a.				●
Conduct a condition analysis of the wharf serving Yaquina Boat at the south end of the Downtown Waterfront	1	\$25,000				●
<b>Year 3 (2014 - 2015)</b>						
Implement Phase II of the Boatyard expansion						
Acquire a new 300-ton mobile lift	1	\$1,550,000		●		
Site structural surface preparation to support weight of mobile lift	1	\$565,000		●		
Mobilization and general conditions	1	\$160,000		●		
Site work including roads, utilities, and other maintenance	1	\$430,000		●		
Continue conducting joint meetings /outreach with local economic development tourism and Chamber of Commerce to attract tourism and light industrial tenants to the Downtown Waterfront	1	n.a.				
<b>Year 4-5 (2015 - 2016)</b>						
Implement Phase III of the Boatyard expansion						
Construct covered work shed	1	\$1,760,000			●	
Construct new Port office/restrooms	1	\$190,000			●	
Mobilization and general conditions	1	\$80,000			●	
Continue conducting joint meetings/outreach with local economic development tourism and Chamber of Commerce to attract tourism and light industrial tenants to the Downtown Waterfront	1	n.a.				

\* For planning purposes only. The potential construction costs shown in Table 17 are order of magnitude costs based on similar projects elsewhere. They are not based on detailed engineering analysis of existing conditions. Final construction costs may vary.