

PORT OF NEHALEM

Strategic Business Plan

Acknowledgements

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Other Stakeholders

The Port of Nehalem appreciates the many stakeholders who were interviewed in the development of this plan.

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Table of Contents

Executive Summary	3
Introduction.....	5
Planning Process.....	5
Strategic Goals.....	7
Strategic Projects & Recommendations.....	8
Port History & Overview.....	10
Port History.....	10
Facilities & Properties.....	10
Port Governance.....	11
Port Financial Position.....	11
Market Conditions.....	14
District Demographic Profile	14
District Economic Profile	15
Economic Landscape: Market Competition and Opportunities	16
Situational Analysis.....	18
SWOT Analysis.....	18
Critical Issues and District Needs.....	19
Facilities and Business Plan	23
Finance Plan.....	24

EXECUTIVE SUMMARY

The Port of Nehalem is a small-scale coastal port in Tillamook County whose primary district activities include maintaining navigational access and safety on Nehalem Bay. Established in 1909 when lumber processing and shipping were primary industries, the Port remains focused on a limited number of core priorities and activities, while also motivated to find new avenues for revenue generation beyond their natural resource receipt and tax base payments.

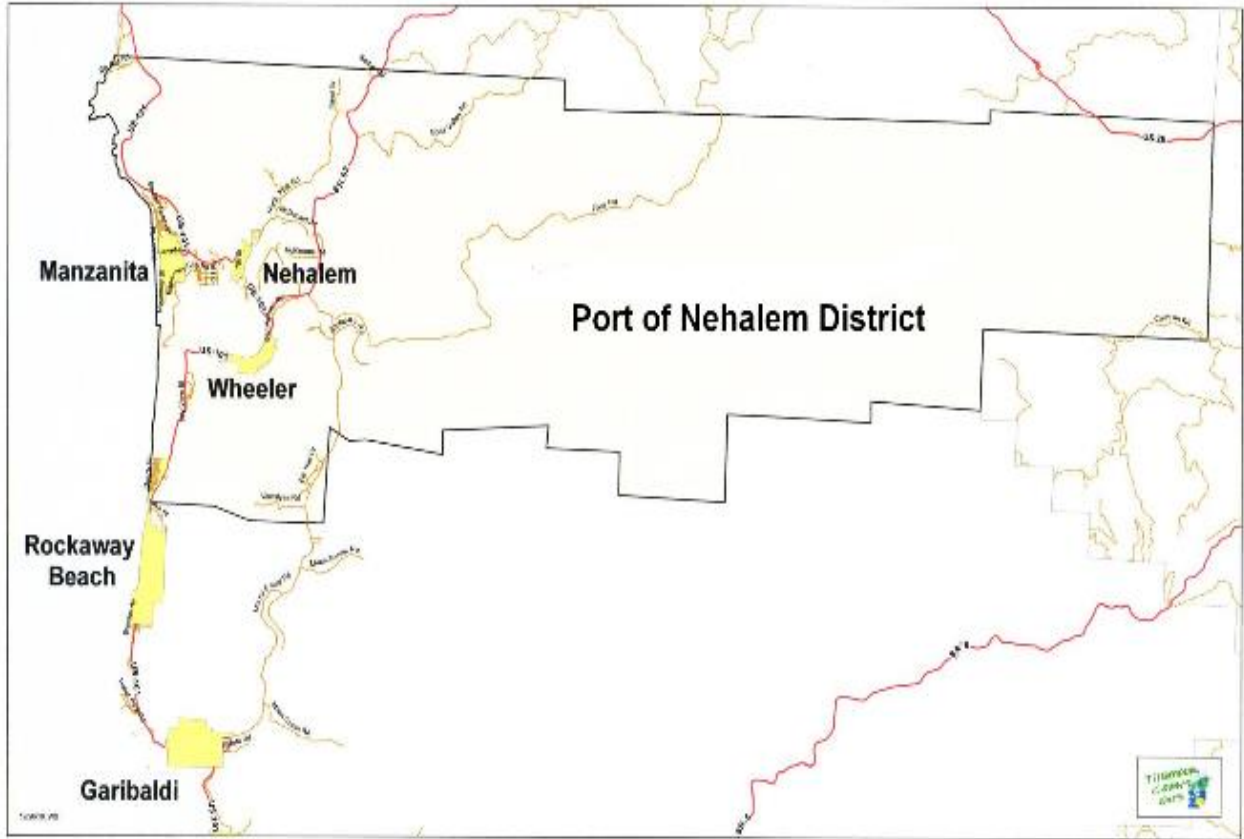
The Port owns one dock on the Nehalem waterfront which is primarily used by their tug and transient boats that are employed for channel maintenance and navigation activities. More recently, the dock is also being used by a community recreation group. Recreational fishing, and now non-motorized boating, on Nehalem Bay has measurable economic and community impacts in the region of which directly benefit from port-directed dredging and navigational maintenance activities.¹ With the use of Port owned technical vessels, the Port deploys markers and navigational buoys throughout the Lower Nehalem River and Bay to service vessels during the fishing and boating season. When feasible, the Port also removes hazardous debris within its waterways and provides on-water service to constituents for salvage and debris removal from private pilings and docks.

The port's main physical real estate assets, while limited, include 20,000 square foot properties for rental, warehouse, and mooring of port vessels, all of which were acquired in 2010.

Compared to other smaller Oregon ports that operate with limited diversified revenue streams, the port has maintained a strong financial position throughout the years, with long term debt completely eliminated and new funds developed to bring a more strategic framework to its financial management. The Port's district tax base, which includes residents and businesses with the district, generated \$146,785 in 2021, accounting for 64% of the Port's operating revenue.

¹ FCS Group, et al. *Economic Benefits of Oregon Public Ports*. Business Oregon Infrastructure Finance Authority, May 2014.

Port of Nehalem District Boundary



INTRODUCTION

The 2022 Strategic Business Plan is designed to align the Port’s special district role with their longstanding mission and forward-looking business planning. In the strategic planning process, the Port has refined their strategic goals to align with the current market conditions, opportunities for strengthened regional partnership, and commitment to waterway access and ecology.

While its industrial reach is limited, the Port of Nehalem centers its jurisdictions and community members in its mission, stating “The mission of the Port of Nehalem is to build and support an economically and environmentally sustainable Nehalem River, provide residents with an efficient and well-run port district, and enhance the health and navigability of the Nehalem River for the benefit of the port district, residents and visitors.”

Overall Port Goals

The Port’s core function is to ensure that the Nehalem Bay and River remain navigable to residents and visitors both as a driver of economic activities and a community asset. This will be achieved by continuing prudent financial oversight and management, strengthening the impact of the Port’s investments, and working closely with local, state, and federal agencies alongside the private sector to achieve goals. In order to maintain a position of stewardship and maintenance of these core community waterways, the Port dedicates a majority of their resources to non-revenue generating activities, prioritizing the provision of a core public service over more complex in-house services that take greater staff capacity to operate. However, while the port will continue to maintain its predominant position as a championing entity for channel maintenance, the updated Strategic Business Plan devises a future that includes revenue-generating opportunities to ensure the longevity and impact of the Port to accomplish larger, regional goals.

Port Objectives

Clearly defined objectives are the underpinnings of focused and successful strategic plans. The overall objectives of the Port that will direct their approach and execution of their new strategic positions including the following:

- Build stronger working relations with the public and private sector organizations as well as state and federal agencies.
- Pursue strategies that support the Port’s commitment to ecological preservation and economic viability through the maintenance of an accessible waterway
- Continue to track and explore new business opportunities

The Port’s new strategic goals, defined in three distinct points later in this report, are a direct reflection of these objectives to ensure a more sustainable, efficient, and integrated Port district.

Planning Process

All Oregon ports are required to review and update their strategic business plan every 5 years by Intergovernmental Agreement and every 10 years by law ([ORS 285A.660](#); [OAR 123-025-0016](#)). The Port of Nehalem prepared their updated strategic plan in accordance with the guiding principles set forth by Business Oregon. As such, the document will serve as a roadmap over the next 5 to 10 years for the Port of Nehalem to make well researched and community-minded operational decisions and influence district evolution.

This plan was developed using a multi-step public engagement process, conducted in-person and by telephone. The study process involved the following steps:

- Review of existing Port planning documents
- Analysis of available Port financial and situational data and market analysis
- Stakeholder interviews (May – July 2022)
 - Business Oregon, Ports Manager
 - Oregon Coastal Zone Management Association
 - Army Corp of Engineers Regulatory Program
 - Oregon Department of State Lands
 - Oregon Department of Fish and Wildlife
 - Department of Environmental Quality
 - Department of Land Conservation and Development
 - Oregon State Marine Board
 - City of Nehalem, City Manager/Recorded
 - City of Wheeler, Mayor
 - City of Manzanita, City Manager
 - Tillamook County, Community Development Director & Public Works Director
 - Tillamook Estuaries Partnership
 - Port of Garibaldi, Port Manager
 - Port of Tillamook Bay, Director
 - District small businesses
- Port Commission interim review and comments (June 2022)
- Port Commission final review and comment (July 2022)
- Public engagement session & plan presentation (October, 11 2022)

STRATEGIC GOALS

“The mission of the Port of Nehalem is to build and support an economically and environmentally sustainable Nehalem River, provide residents with an efficient and well-run port district, and enhance the health and navigability of the Nehalem River for the benefit of the port district, residents and visitors.”

The Port’s strategic goals:

1. **Multi-stakeholder Collaboration** - Enhance economic diversification and recreational and economic infrastructure through coordination and partnerships with local stakeholders and government agencies.
2. **Navigability Management** - Expand Port’s capacity to work with regulatory and financing agencies to facilitate river deepening within the boundaries of the navigable portion of the river channel.
3. **Market Opportunities** - Explore new business opportunities for Port services

Compared to other Oregon Ports, the Port of Nehalem is pursuing strategies similar to other ports its size to leverage multi-agency and organization collaboration, build out capital facilities to create a more productive district, and capture public funding for core capital projects.

The Port of Umpqua aligns closely to the Port of Nehalem among Oregon’s public ports, generating less than \$500,000 in operating revenue with a majority coming from property taxes (increasing from 49% in 2010 to 70% in 2021). Since the adoption of their 2010 Strategic Plan, the Port of Umpqua has acquired a Business Development Center with almost all leasable space occupied and generating additional rental income. River dredging remains a priority item and challenge for the Port of Umpqua. The Port hired a consultant to navigate communications with the Army Corp of Engineers (USACE) and advocate for adequate federal funding, including Federal Energy and Water Appropriations for operations and maintenance. The Port of Umpqua noted that lobbying for federal funding must be carried out by a united front of neighboring ports, economic agencies, and community stakeholders that are all impacted by the maintenance of the Umpqua River. Comparatively, the Port of Nehalem has not engaged in consistent collaborative lobbying initiatives and could benefit from more regional advocacy involvement to accomplish goals.

The Port of Bandon’s strategic approach, outlined in the recent update of their 2022 Strategic Business Plan also shares similar operational objectives with that of the Port of Nehalem, including dredging (which they are pursuing with a shared equipment partnership with the State), capturing greater income from leasable commercial properties, and building out greater outdoor recreation infrastructure to designate the port and its waterfront as a visitor attraction. Their plan notes that the reduction in federal support and funding is the greatest barrier to the Port carrying out its dredging activities on the Coquille River and therefore threatening the substantial economic impact brought to the region when that waterway is properly maintained. Like the Port of Nehalem, outdoor recreation is also a prominent market for the Port of Bandon. Among the many initiatives in place to build out waterfront infrastructure is the improvement of the river walk including the construction of kayak launches and signage. This was made a priority as there was noticeable strong local support for enhanced recreation on the river.²

² The Ports of Umpqua and Bandon conducted separate economic impact analyses of properly dredged waterways in their districts. As the Port of Nehalem works with a consultant to move along the permitting process, they would benefit from seeking IMPLAN analytics to formally assess the economic impact of their channel maintenance activities and leverage that information for federal funding.

Strategic Projects & Recommendations

Public Engagement & Strategic Partnerships

Many local community stakeholders interviewed for this business plan indicated interest in better understanding Port plans and activities representing an opportunity to foster strong relationships with community members and regional stakeholders. Maintaining updated information on the Port's existing website to include activity property listing, tax rates, current project initiatives and developments, and other key operational data could provide more up to date and clear communications of the Port's short-term operations and longer-term initiatives. Critically, the port should maintain regular communications with local, regional, and state stakeholders and agencies, including the cities within its jurisdiction, natural resource management and development agencies. A more specific plan outlining best practices for maintaining regular communications should be established so that public requests and ongoing/potential partnership remain relevant. A core facet of instilling confidence and accountability for the Port in the community arena is making sure that Port staff and commissioners are available to the greatest extent possible and are able to process requests, ideas, etc. in a standardized manner. This might include brief language on the Port's website encouraging feedback or participation in Port meetings, an online fillable form to process comments, and even the establishment of monthly or quarterly outreach efforts.

In the recent past, the Port has had limited engagement with regional and state regulatory and funding agencies, thereby signifying an opportunity for greater engagement. Through stronger inter-agency communication, the Port can re-establish themselves as a key jurisdiction in the realms of ecological preservation, economic opportunity, and community prosperity.

The Port's partnership with the Oregon Department of Fish and Wildlife (ODFW) on Cormorant Hazing to preserve salmon populations is an example of the Port's leadership in working more closely with Resource Management Agencies on issues of mutual benefit and concern to the Lower Nehalem River watershed and its communities.

Recommendations

- Maintain regular communication with Nehalem, Wheeler and Manzanita to explore opportunities for the Port and understand needs around operations and maintenance of the public boat ramp, transient moorage and river access facilities.
- Maintain communication with local and state agencies to understand opportunities for projects of mutual benefit.
- Work closely with ODFW and other agencies to enhance and expand recreational and fishery opportunities.
- Continue efforts with ODFW and local citizens and organizations to identify and coordinate efforts to improve and enhance the local fishery, including Cormorant hazing and improvement of off-channel habitats.
- Increase the use of the Port web site (and other outlets) for public outreach and information.
- As possible, consider greater participation in local public stakeholder meetings, including emergency preparedness, neighboring Ports and others.

Channel Maintenance

Channel maintenance is central to the Port of Nehalem's mission. The proposed strategy to address the highly complex nature of the dredging approval process is to hire a consultant to aid the Port in the permitting

application phase. The need to maintain a properly dredged and accessible channel is becoming an increasingly existential risk to the businesses and communities that depend on the waterway. The Port's role is critical in making progress towards maintaining the navigable portions of the Nehalem River and thereby facilitating the continued economic and ecological health of the Nehalem Bay, River, and Estuary.

Historically, dredging activity occurring in marinas and docks along the coastal ports have been able to leverage the state dredging machinery and Oregon Public Ports Dredging Partnership. However, the Port of Nehalem has not been able to leverage state resources. The waterways controlled by the Port of Nehalem are not federalized, but the US Army Corps of Engineers is the presiding authority over any channel dredging that the Port of Nehalem may undertake. Because of this, the Port will need the assistance of expert knowledge of the process and rules around the permitting and funding. Currently, the port staff lacks the technical capacity to address instances of permitting violations that have risen in the past.

Beyond major channel navigation and dredging activities, the Port can serve as a prime facilitator in the instance that a local jurisdiction or commercial marina is interested in carrying out dredging activities in order to support and expand their own operations and waterfront development.

Recommendations

- Continue to maintain navigational markings and aids from the tip of the jetties to the head of tide.
- Continue to maintain the Nehalem River navigational channel and the removal of snags and dead-heads that pose safety problems and hazards to river users: power boats, canoes and kayaks.
- Consult with local and state technical staff to understand regulatory processes. Apply for and obtain necessary dredging permits.
- Onboard a consultant to assist in next steps and explore funding opportunities for dredging activities.

New Business Opportunities

Investing in infrastructure that supports a navigable and attractive waterway is central to the maintenance and growth of commercial and recreational activities dependent on waterfront areas within the Port's district. During local business interviews conducted by ColPac, one restaurant business owner along the Nehalem River noted that watercraft/outdoor recreation safety has become a prime concern. Many visitors and residents enjoy floating the Nehalem River but are often met with inadequate infrastructure to accommodate non-motorized watercraft in scenarios of emergency or for entry and egress of the waterway.³ Establishing signage and proper infrastructure to ensuring navigable waterways is both a core feature of safe recreation but also attractive and sustainable outdoor recreation opportunities. One of the opportunities for the Port of Nehalem is to partner with local partners in pursuing the Oregon State Marine Board's Boating Facility Grants to build out more robust non-motorized watercraft infrastructure. By taking a lead role in securing financing through grant management and directing infrastructure installation like accessible ladders, the Port would be ensuring a safer recreation environment, expanding watercraft recreation services, and by extension facilitating higher levels of spending at adjacent business by residents and visitors alike.

Recommendations

- Explore opportunities such as the feasibility of requests such as one to install permanent kayak/SUP lockers near the North Nehalem dock.

³ The business owner recounted instances of having to personally assist recreators in their watercraft in instances of emergencies due to the lack of ladders and non-motorized craft-friendly docking.

- Engage in conversation regarding the use of County Transient Lodging Tax funds to support the Port’s tourism related goals, especially regarding the uptick in non-motorized watercraft recreation.
- Explore potential for improvement, redevelopment, or development of new and/or existing public facilities to enhance water-based recreation in the Lower Nehalem River and estuary.
- Build sustainable partnerships with local water dependent business interests to develop and drive a mutually beneficial waterfront and channel maintenance program.
- Continue to track and evaluate waterfront properties for potential acquisition and public/private investment to stimulate the local economy.
- Explore waterfront redevelopment partnerships with the Cities of Nehalem and Wheeler.

PORT HISTORY & OVERVIEW

Port History

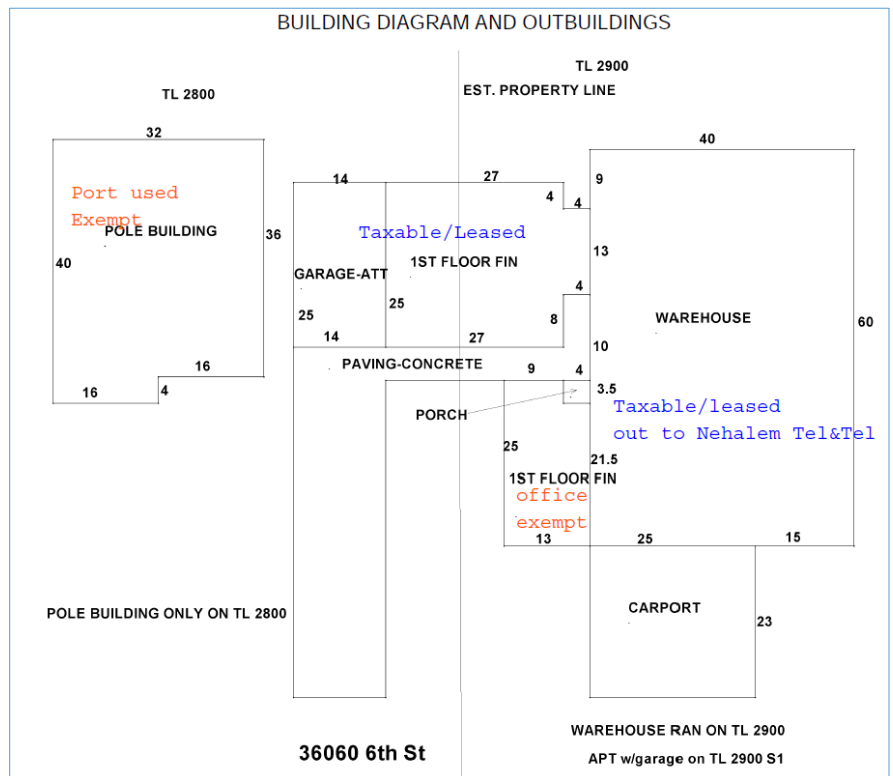
The early maritime history of the Nehalem River Valley, including the Port of Nehalem, is characterized by the establishment of Oregon’s earliest forms of transportation, trade, and communication between European and American mariners and the Indigenous tribes of the Pacific Northwest. The port continues to occupy a crucial role in the provision of regional transportation, business operations, and community recreational opportunities.

The Port of Nehalem is a specially designated district (per House Bill 28, 39 Or. Laws 78) that begins at the Pacific coast in the west, extends north to the Clatsop County border, south to the northside of Rockaway Beach, east to the Tillamook County border and encompasses the municipalities of Manzanita, Nehalem, Wheeler and the unincorporated areas of Neahkahnie Beach and Mohler. The Port was formally created in November 1909 upon successful election by the Tillamook County Commission with the explicit purpose of maintaining and enhancing the navigability of the Nehalem River for the benefit of residents and visitors in the lower Nehalem River Valley.

The Port’s first capital asset was the North and South Jetties when it became a sponsor in the repair and reconstruction conducted by the Army Corps of Engineers in 1910 and again in 1979.

Facilities & Properties

The Port owns and operates a limited number of real estate properties for the purposes of leasable warehouse and office space. This cluster of buildings is located along the Nehalem River waterfront, just a block away from prime commercial activity of downtown Nehalem. A rent increase of 5.5% was approved by the commission to be enacted in 2022. The Port maintains a Property Maintenance Reserve Fund to ensure leasable property remains operational and attractive to renters.



Port Governance

The Port is governed by a Board of Commissioners made up of five elected members that work with Port staff to make strategic business and operating decisions. The Port employs an Office Manager and a Field Operations staff member to carry out day to day Port responsibilities.

The current Commissioners are:

Steve Huber, President, term ends June 30, 2025

Janice Laviolette, Vice President, term ends June 30, 2023

Darrell Winegar, term ends June 30, 2023

Damian Laviolette, term ends June 30, 2025

Dave DeVault, Secretary, Treasurer, term ends June 30, 2023

The Port of Nehalem Commission carries out the Port's powers and duties and govern the Port by adopting rules, regulations, policies and procedures consistent with applicable laws. Commissioners of the Port of Nehalem are public officials who must act in the best interest of the public.

The Port maintains a Mission and Policies Handbook which outlines the responsibilities and obligations of the Port and Port Commission. The handbook is included an Appendix of this document.

The Port maintains outside legal counsel, which is selected by the Commission. In addition, the Port retains an outside auditor, also selected by the Commission.

Under Oregon Revised Statutes (ORS) Chapter 777, the Commission has final authority over all Port matters, which includes adopting budgets, ordinances, resolutions, and policies.

Port Financial Position

The Port currently manages five governmental funds, including a General Fund, Equipment Reserve Fund, Property Maintenance Fund, Channel Maintenance Reserve Fund and a Contingency Reserve Fund, an expansion from the management of just two funds from the previous strategic plan. The Equipment Reserve Fund and the Property Maintenance Fund have allowed the port to incorporate more flexibility in the use of net assets to be dedicated across channel management, capital investment, real property management, and equipment acquisition.

Statement of Net Position

As of fiscal year 2021, the Port has a net position of \$1,492,595 in assets. An increase in total asset valuation of \$26,090 was a result of the purchase of an additional tugboat equipped with a trailer in May of 2021 to perform activities directly related to channel navigability. The greatest portion of the Port's Net Position are investments in capital assets, specifically the Jetty (51% after reported net of accumulated depreciation less outstanding related debt).

Statement of Activities - Revenues & Expenses

The Port's Net Position based on financial activities in FY 2021 is \$2,618,377, increasing by 2.6% or \$66,946 compared to the prior year. The Port breaks down revenue streams into program revenues and general revenues. Program revenue, currently generated by property leases, operating grants and contributions, and

capital grants and contributions, cover a small portion of the Port’s governmental activities and operations. In FY21 program revenue accounted for 16.6% of expenses.

The share of general revenues, as recorded at the end of fiscal year 2021, from sources other than cash on hand, is categorized as:

- Property taxes – 62%
- Timber sales – 23%
- Grants and contributions – 1.4%
- Property leases – 10.4%
- Investment earnings – 3%
- Miscellaneous – 0.2%

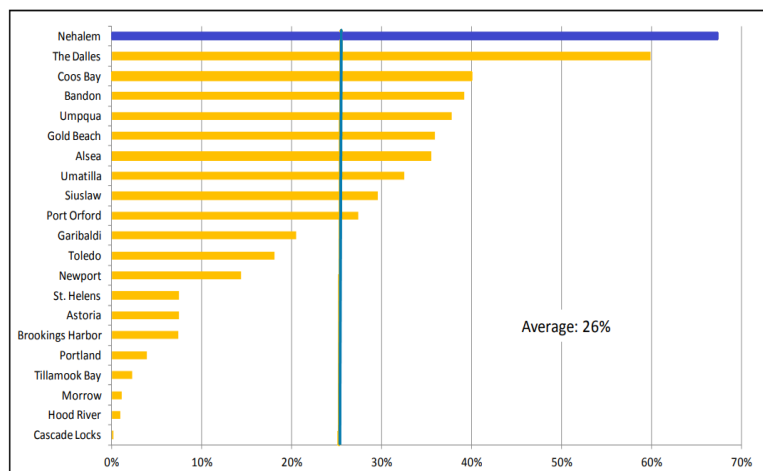
Property taxes are responsible for a majority of the Port’s operating revenue. Timber revenue is a secondary, central component to the Port’s operational cash flow, supporting most, if not all, General Fund expenditures. Timber sales timber revenue is derived from State Timber taxes as they do not own any land where timber is harvested. As a state-level, this stream of revenue is considerably more stable and significant to Port operating revenue. According to 2021 Financial Statements, all sources of revenues, apart from timber sales, came under expected budget. This was not true in 2020 and is most likely a result of the extreme financial disruption caused by the COVID-19 pandemic resulting in difficulty to pay taxes, lease obligations, and a significant loss in investments earnings. During that period, however, expenses continued to be significantly under the final budget as well, putting the Port in a similar financial, cash flow position as previous years. Overall, the economic makeup of the Port District is dependent on the performance of the natural resources market and the strength of the residential tax base.

Following FY 2020, interest income took a considerable hit from the pandemic related poor economic performance, in turn severely diminishing earnings towards the Channel Maintenance Reserve Fund. However, the Port’s investment in the Oregon Local Government Investment Pool has been accruing increased earnings in FY 2022.

Surveys conducted by FCS Group in 2014 illustrated the economic landscape of Oregon’s public ports, including the Port of Nehalem. The survey measures the strength of a port’s operating cashflow by calculating a ratio of operating revenue to expenses, excluding property tax. In 2014, The Port of Nehalem exhibited a low ratio indicating that roughly 30% of the Port’s operating expense could be covered by operating cash flow. At the time of the survey, the ratio was the result of limited other cash flow sources to offset the dominant share of property taxes in the revenue profile. However, the Port’s cash flow position has changed considerably. As of fiscal year 2021, Nehalem's operating cash flow far exceeds expenses due to the influx of cash being directed towards their reserve funds. This prudent financial oversight has brought the Port of Nehalem to a highly secure financial position. This fiscal management style will continue to benefit the Port as they continue to deliver on core services as well as pursue additional revenue generating activities.

An alternative illustration of the Port’s revenue profile is exhibited by the proportion of taxes in the Port’s operating revenues. The Port of Nehalem has historically been more reliant on property taxes than other Oregon ports. The proportion of property taxes in their revenue profile has remained virtually

Figure 2 – Property Tax Percentage of Operating Revenues



unchanged since 2014 (exhibited by Figure 2). Overreliance on tax receipts is seen as a threat as property taxes are sensitive to demographic and market changes. However, the Port has maintained a conservative fiscal position thereby keeping the district in a good financial position. Recognizing the reliance on property taxes illustrates the opportunities for growth for the Port through the diversification of revenue streams.

Assets

The Port’s asset holdings have changed modestly during the last five years largely due to the purchase of an additional tugboat and the resolution of long-term liabilities. Outstanding liabilities were resolved by FY21 with the retirement of Property Loan Debt Fund. As the Port endeavors to pursue a strategy focused on improved river navigation, we anticipate that it will expand opportunities for asset development and new business and fee for service for the Port as business and recreation activities related to the river and bay increase in Nehalem, Wheeler and surrounding areas.

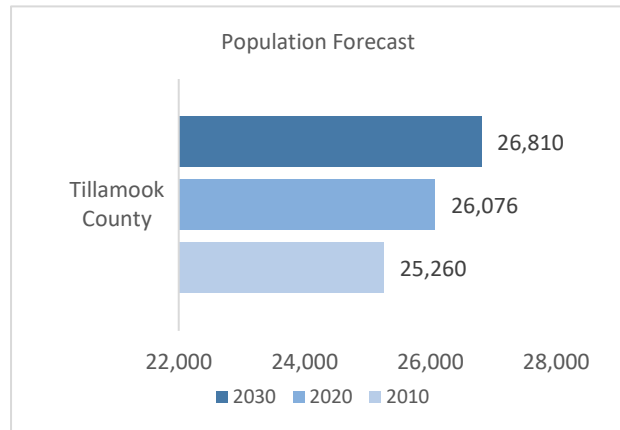
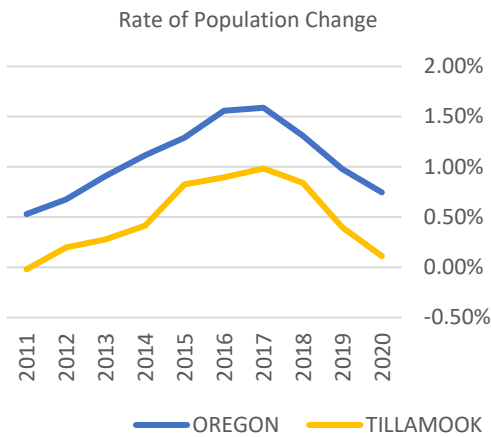
Port of Nehalem Budget

	Actual	Budget	Budget
	2020-2021	2021-2022	2022-2023
General Fund			
Cash on Hand	799,089	1,105,700	1,306,100
Revenue	345,391	335,706	224,760
TOTAL RESOURCES	1,144,480	1,441,406	1,530,860
Expenditures	226,933	120,310	234,310
Reserve & Unappropriated Balance	629,088	1,226,796	1,296,550
TOTAL REQUIREMENTS	856,021	1,443,406	1,530,860
Reserve Fund - Channel Maintenance			
Cash on hand	803,326	970,379	970,379
Transferred from other funds	110,000		25,000
TOTAL RESOURCES	913,326	970,379	995,379
Materials & Services	8,594	967,500	967,500
Reserve	904,732	2,879	27,879
TOTAL REQUIREMENTS	913,326	970,379	995,379
Reserve Fund - Property Maintenance			
Cash on hand	19,575	35,375	60,375
Transferred from other funds	10,000	25,000	
TOTAL RESOURCES	29,575	60,375	60,375
Materials & Services		40,000	40,000
Reserve	29,575	20,375	20,375
TOTAL REQUIREMENTS	29,575	60,375	60,375
Reserve Fund - Equipment			
Cash on hand	87,500	31,030	56,000
Transferred from other funds	40,000	25,000	
TOTAL RESOURCES	127,500	56,030	56,000
Materials & Services	112,459	40,000	40,000
Reserve	15,041	16,030	16,000
TOTAL REQUIREMENTS	127,500	56,030	56,000
Reserve Fund - Property Loan Debt Fund RETIRED			
TOTAL RESOURCES	5,900		
TOTAL REQUIREMENTS	5,583		
Reserve Fund - Contingency			
Cash on hand	40,000	145,000	155,000
Transferred from other funds	105,000	10,000	
TOTAL RESOURCES	145,000	155,000	155,000
Materials & Services	145,000	145,000	145,000
Reserve		10,000	10,000
TOTAL REQUIREMENTS	145,000	155,000	155,000

MARKET CONDITIONS

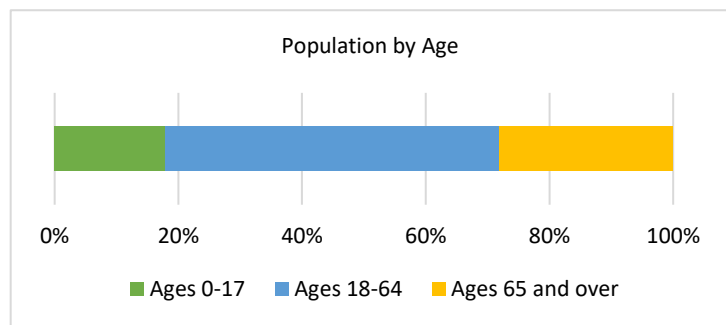
District Demographic Profile

Population Trends and Forecasts



Tillamook County's total population grew 5.03% from 2010 to 2020, with a projected growth rate of 2.82% between 2020 and 2030. As demonstrated by PSU annual estimates data, the population is growing at an increasingly slower rate, trending to a 0% growth rate.

Along the North Coast, Tillamook County ranks highest in the proportion of residents 65 years and over, at 26 percent of the population. The elevated share of older residents and a declining population growth rate has significant implications for the future workforce and tax base of the county. The share of residents in the working age population (18 to 64) in 2010 was 60% compared to 2020 levels of 56%.

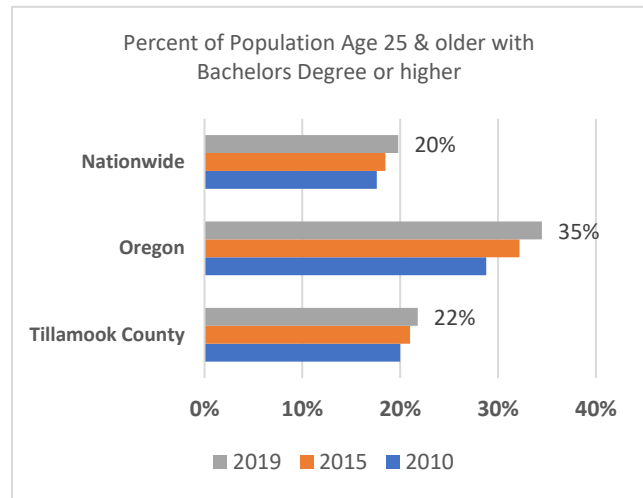


The greatest period of growth for the county correlates with the progressive economic recovery from the 2008 recession. Data from PSU's annual population estimates project an additional 347 people will move into the county by 2025. Given the typical household size as determined by the US Census, this translates to roughly 147 new households over 5 years.

Household Income

Tillamook County's Median Annual Income at \$54,248, is nearly 83% of the state Median Annual Income.

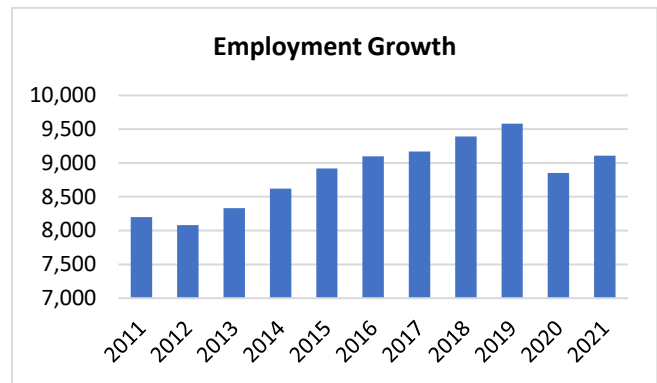
Tillamook’s Higher Education level, as determined by the percent of the population ages 25 and up with a bachelor's degree or higher, ranks at 21.8%. This ranks above the national rate, but significantly lower than the state average by 12.7%. Notably, this does not capture the alternative avenues of education and professional development achieved by those who earned alternative credentials like technical and trades-based certificates or associates degrees. For Tillamook, where trade, transportation, and utilities, leisure and hospitality, and natural resources are among the top five industry employers, trades-based education is more prevalent than a bachelor's degree.



District Economic Profile

Workforce & Unemployment

Since 2012, the Tillamook County workforce has maintained an average annual growth rate of 3.5 percent, until disrupted in 2020 by the COVID-19 pandemic. Employment grew 3% from 2020 to 2021 and will likely return to the county’s previous growth rate of 3.5%. The growth of the regional workforce is critical in sustaining the industries that the Port can support.



Employment in government comprises the greatest share of county employment, with the second highest annual average wage (\$56,092) after manufacturing (\$59,738) – both wages that are above the average county level. In 2020, The average annual wage in Tillamook County is 72% of the statewide average annual wage. According to economic cluster mapping, the strongest traded sector clusters in Tillamook County

Top 5 Employment Sectors	Employment	Average Annual Wages
Tillamook County	9,521	\$47,217
Government	1,816	\$56,092 19.1%
Trade, Transportation and utilities	1,492	\$35,526 15.7%
Manufacturing	1,448	\$59,738 15.2%
Leisure and Hospitality	1,412	\$28,337 14.8%
Education and Health Services	1,208	\$49,802 12.7%

due to strong regional employment specialization are Fishing, Food Processing and Manufacturing, Hospitality and Tourism, Wood Products, Forestry, and Livestock Processing. While Fishing and Fishing Product, Wood Products, Food Processing and Manufacturing were identified as growing sectors in 2016, Forestry and Livestock Processing were on the decline.⁴ The weakening of the Forestry sector is a threat to the Port’s timber revenue stream.

Unemployment

Unemployment Rate During the Pandemic

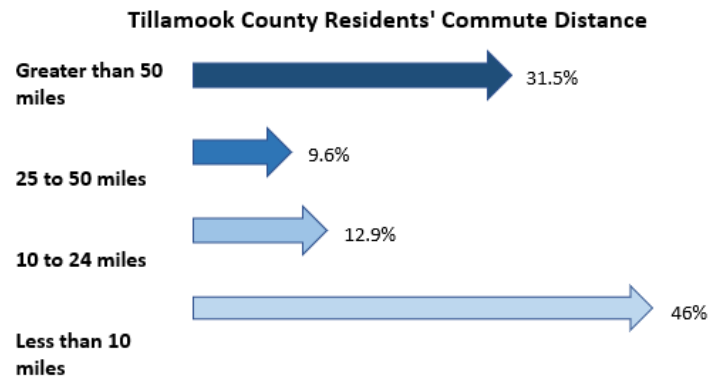
Tillamook	4.9	4.7	4.6	3.6	3.3	4	3.9	3.9	3.3	3.3	3	3.4	4.2	3.9	4.5	16	14	11	10	7.8	7.5	6.5	6.2	6.1	8.2	7.5	7.2	6.2	5.4	5.2	4.7	4.4	4.2	3.5	3.6
Month	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21

⁴ “Regional Dashboard: Cluster Portfolio.” *U.S. Cluster Mapping*, U.S. Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School, https://clustermapping.us/region/county/tillamook_county_or/cluster-portfolio#specialization.

The unemployment rate for Tillamook County during the onset of the COVID-19 pandemic (as recorded from January 2019 to November 2021) mirrored the rest of the Northwest region. It rose steeply, reaching a high of 16% in April 2020, when the strongest and most comprehensive government mandated restrictions took effect. A jump of 12.5% in unemployment is largely attributed to the loss of the service sector, the fourth largest industry by employment in the county.

Commuter Trends

Tracking commute trends is one of the most widely used metrics used to measure the dimensions of livability and overall landscape of regional employment and residential quality of life. For workers in Tillamook County, there is a bifurcation with nearly a majority of residents having a commute of less than 10 miles (46%) or a commute of greater than 50 miles (31.5%). This commute pattern coincides with the large proportion of county residents employed in government.



Economic Landscape: Market Competition and Opportunities

Fishing & Recreational Tourism

In the Nehalem Bay region, the Nehalem River is a driver of considerable economic activity and recreational opportunity. In 2011, the Marine Board estimated that there were 25,364 boat trips (person-use days) from port-related facilities in Nehalem Bay, the Nehalem River and the Nestucca River. That number excludes a greater number of land-based crabbers, fisherman and visitors that accompany Nehalem Bay, Nehalem River and Nestucca River boaters.⁵ In 2018, landing revenue of all species in the county totaled \$5,215,602. Data from fish tickets track the number of commercial fishing trips taken from local ports, with 3,056 tickets recorded in 2018 amounting to 2,239 trips among 127 vessels. Maintaining the navigability of the Nehalem River is central to these fishing expeditions. The Port’s maintenance of channel navigability is an important service to ensure that commercial and recreational fishing vessels can operate successfully. The Port is interested in compiling more fishing and recreation-based data to better understand the demand landscape for Port provided vessel infrastructure.

Outdoor water-based recreation has long been a valued activity on the coast. Inflation, public health mandates, and now increasing gas prices have propelled the prevalence of local and regional tourism along the North Coast, surpassing previous domestic and international visitation. The recreational and ecological tourism market experienced a surge of growth during the COVID-19 pandemic as more community members and visitors saw the value in outdoor activity, especially in watercraft. The Port of Nehalem saw a precipitous increase in waterway usage alongside an increased numbers of visitors to the Nehalem Bay region more generally to enjoy camping, fishing, and boating. Kelly Brighton Marina, Wheeler Marina, and the Jetty Fishery provide recreational fishing, boating, and camping services/amenities. Once outfitted with gear or aboard a chartered fishing trip, recreationists use the whole extent of the Nehalem River waterway. The Port of Nehalem plays a distinct role in supporting the recreation economy by deploying their channel navigation equipment and services.

⁵ *Economic Benefits of OR Ports 2014 Report citation*

The visitor and recreation landscape for the Oregon coast overall is a prominent market that generates significant revenue for small coastal communities, including the communities within the Port of Nehalem’s district. The House Committee on Natural Resources highlighted how the coast outperforms other Oregon regions in terms of visitor volume and economic activity.

Average spending of park visitors, Coastal Region, central zone, \$ per party per trip

Spending categories	Non-local Day	Non-local Overnight	Local Day	Local Overnight	Non-primary
Lodging	0.00	15.93	0.00	15.19	32.97
Camping	0.00	57.31	0.00	22.55	29.80
Restaurant	27.26	56.76	6.86	22.43	45.65
Groceries	10.99	56.12	9.19	37.36	32.63
Gasoline	11.40	37.55	4.24	17.10	25.31
Entry Fees	3.82	15.12	2.50	7.20	7.91
Recreation & entertainment	7.45	7.99	1.05	5.07	8.17
Souvenirs and other expenses	5.08	27.63	0.92	5.69	20.49
Total	66.00	274.41	24.76	132.59	202.93

Total visitor spending (\$1,000s) in the communities around Oregon State Parks properties, by region

	Non-local Day	Non-local Overnight	Local Day	Local Overnight	Non-primary	Total
Coastal Region	\$62,650	\$367,810	\$29,589	\$18,326	\$140,430	\$618,804
Valleys Region	\$27,548	\$118,261	\$37,766	\$31,144	\$38,187	\$252,905
Mountain Region	\$24,012	\$133,291	\$34,637	\$16,473	\$68,308	\$276,721
Total	\$114,210	\$619,362	\$101,992	\$65,943	\$246,925	\$1,148,430

Investments are currently being made to expand the accessibility of the Nehalem River waterways, specifically in the realm of lower impact water-craft recreation, including kayaking and canoeing. The Port’s investment in outdoor recreation activities and services may directly and indirectly capture local and non-local economic activity. Two additional kayak launches are set to be installed in Wheeler and Garibaldi in July 2022. Nehalem Bay State Park will also see campground upgrades funded by general obligation bonds approved by the legislature in 2021, increasing the park’s capacity to host more visitors and resulting water recreators along the river. In the Nehalem Bay, there are several boat launches, including those located in the City of Nehalem, the Tillamook County Boat Ramp, the City of Wheeler Waterfront Park, the Wheeler Marina, Nehalem Bay State Park, Brighton Marina, and Jetty Fishery. The expansion of new infrastructure for recreational boating caters to the increased activity in the Nehalem River Valley area, including the river channel that the Port of Nehalem is responsible for ensuring its accessibility.

In a 2021 ‘Oregon Coastal Port Report’ published by the Oregon Coast Visitors Association (OCVA), the jurisdictions within the Port of Nehalem’s district were reported to have an exceedingly high volume of visitors in 2020, with port established amenities in place to support kayaking, charter services, community events, and hiking/trails. In a review of infrastructure development and services, the report describes dredging, embankment repair, wayfinding, office & storage rental as core services for the Port. The following data was provided by OCVA report:

“The Oregon Department of Fish and Wildlife reported that the total number of guided inland trips was 299,899 (Tillamook Area). Economic contributions per angler per day vary depending on fishery and ranged from \$35.84 to \$66.34 for private boat trips and \$133.69 to \$181.18 for guided and charter trips. The Port of Garibaldi sold

more than 12,000 day passes and 272 season passes in 2018 to use the public boat launch, primarily utilized by recreational fishers and fishing guides.”

Proximity to Other Regional Ports

The Port of Nehalem is one of three port jurisdictions in Tillamook County, including the Port of Garibaldi and the Port of Tillamook Bay. Both ports have more diversified streams of operational revenue, including recreational, restaurant and manufacturing businesses, and infrastructure. The Port of Garibaldi distinguishes itself as a strong fishing port while the Port of Tillamook Bay is a driver of economic development through industrial and commercial activities. Given the scale of Port operations, focus on channel maintenance activities, and its limited revenue generating programming, the Port does not compete with the Port of Garibaldi or the Port of Tillamook Bay.

SITUATIONAL ANALYSIS

SWOT Analysis

STRENGTHS	WEAKNESSES
<p>Environmental Stewardship <i>The Port of Nehalem has an outstanding record of environmental stewardship of the Nehalem River for over 100 years. Port of Nehalem has been the only unit of local government dedicated solely to maintaining the navigability of the Lower Nehalem River and the economic viability of the Nehalem Valley.</i></p> <p>Mission Focus <i>The Port has been steadfast in remaining focused on its mission and has thus far been able to avoid “mission creep,” into extraneous activities.</i></p> <p>Tax Base <i>The Port has a tax base which they have reserved primarily for maintaining navigability of and access to the Nehalem River.</i></p> <p>Recreational Fishery <i>The Port has the benefit of having a strong recreational fishery resource in the lower Nehalem River.</i></p> <p>Location <i>The strategic location of the Nehalem Valley is a strength. Located at the mouth of one of the longest and most beautiful rivers in the State with an array of destination attractions, and one of the gateways of the Tillamook State Forest.</i></p>	<p>Limited Financial Resources <i>As a small port district, the Port of Nehalem has very limited financial resources.</i></p> <p>Limited Staffing <i>As the port operates with two part-time employees, limiting administrative capability. As a result of these limitations the Port often depends on its volunteer elected Commission members to perform administrative tasks and duties related to Port operations.</i></p> <p>Public Information <i>In the past the Port has provided very limited information regarding its operations. The current Commission has provided a useful web site to residents and visitors. More information should be provided as warranted.</i></p> <p>Identification of Short Term and Long Term Dredging Needs</p> <p>Lack of Buildable Waterfront Property</p> <p>Lack of Employment Lands (Commercial and Industrial) <i>Lack of market ready jobs producing lands (commercial and industrial) within the urban growth boundaries of Cities of Manzanita, Nehalem, and Wheeler. The lack of such sites significantly limits opportunities for new employment growth opportunities within the Port District.</i></p>

OPPORTUNITIES	THREATS
<p>Ecotourism <i>May provide a growth market for Nehalem Bay visitors including kayaking, wildlife and bird watching. In addition, proximity to the Tillamook Forest, National Tillamook Bay Estuary Program and existing amenities within the Nehalem Valley makes it a perfect location for a variety of ecotourism activities and attractions.</i></p> <p>Historic/Cultural Tourism <i>Ways in which to explore the rich history of the area is virtually untapped at the present time. The history of the local area is fascinating with legends of buried treasures, shipwrecked Spanish galleons, Native American legends, and the most likely landfall of explorer Sir Francis Drake.</i></p> <p>Wheeler Waterfront Development <i>Currently one the primary economic hubs of the Port District and one of the primary access points for users of the Nehalem River. Additionally, it is the location of very limited supply of buildable waterfront property within the Port District.</i></p> <p>Local Partnerships/Business Opportunities <i>Small business and home-based businesses will likely continue to be a potential growth area for the Nehalem Valley.</i></p> <p>Neighboring Portland MSA Population Growth <i>Local growth as a result of concurrent growth in the Portland MSA (Metropolitan Statistical Area) will likely continue to be a source of opportunity and coastal economic opportunities and synergies arise.</i></p>	<p>Increasing costs of federal/state regulations and permitting costs/process <i>Increasing costs of federal permitting is one of the biggest threats to smaller port districts such as the Port of Nehalem. Costs to permit and undertake necessary dredging and other related projects have outpaced the fixed or declining revenue bases of smaller port districts</i></p> <p>Portland MSA Population Growth <i>While there are possible economic opportunities to take advantage of as the Portland MSA, and therefore resources, grow, there are also downside that must be recognized. Recent and expected future growth of the Portland MSA proposes a simultaneous threat to economic viability of the Nehalem Valley when considering the increased demand for vacation homes that crowds out local housing need and constrains local and county land use planning.</i></p> <p>Lack of Dredging Plan <i>The Port will have a preliminary dredging strategy outline in place as a result of this update.</i></p> <p>Rails to Trails Planning <i>The alignment of the trail corridor (Port of Tillamook Railroad) is along the Wheeler waterfront. The limited amount of buildable land along the waterfront needs to be preserved for future private investment (e.g. taxable investment).</i></p>

Critical Issues and District Needs

Channel Maintenance

The inability to properly dredge, and therefore ensure the safe and secure navigation of the Nehalem River waterway, is in direct conflict with the Ports mission. The greatest barrier to proper dredging is the challenging environmental permitting process, which has greatly impeded the efforts of the Port of Nehalem to address waterway issues in the District.⁶ Maintaining adequate dredging is central to the Port’s mission to maintain the navigability along the Lower Nehalem River, Bay, and estuary. Ports, particularly smaller ones, are often challenged with the sole burden of managing the permit process and covering dredging expenses. The Port of Nehalem previously proposed cost sharing strategies with nearby entities, but ultimately these proposals fell through. Recognizing the surmounting cost of dredging, past legislative actions has allowed several smaller ports to received financial aid. Ports benefiting from this assistance include Bandon, Brookings Harbor, Garibaldi, Gold

⁶ One of the other significant barriers to moving forward with the permitting process is determining suitable sites for dredge spoil relocation. While Tillamook County maintains a list of sites, many of those sites may be impacted by other pending federal regulations.

Beach, Port Orford, Siuslaw, and Umpqua.⁷ Most recently, the Port of Nehalem was not included in Oregon's 2021 Federal Energy and Water Appropriations. With the recommendation to bring a consultant into the Port's operations, there will be more technical capacity to ensure that the Port can remain engaged and take on a more advocacy role on a state and federal level among such a small team.

Increasing sediment build up on the banks of the Nehalem Bay and into the Lower Nehalem River region has significantly impeded the current and prospective economic activity of neighboring jurisdictions including the water and waterfront related business in the Cities of Nehalem and Wheeler. Without adequate access to these waterways, communities in the District have been unable to realize the full extent of commercial and recreational fishing and other water-related activity. Non-dredging solutions for improving access to docks in the District include expanding the docks further into the Nehalem River, however the downside of this option is that it also consequently increases obstruction in the Nehalem River navigation channel.⁸

The need to dredge the navigable portions of the Nehalem River has become an existential threat to the Port as well as business and recreation activities that need to use the waterway. Through the assistance of consultants who are experts in these types of permits, the Port intends to work with public and private partners in Tillamook County to ensure that sustainability is implemented into the process.

Businesses operating along the waterfront generate revenue from a number of goods and services unique to its geologic landscape, including waterfront lodging (that may include dock access), live seafood sales, recreational fishing and crabbing services and retail goods, and traditional moorage.⁹ The four-decade deferment of adequate dredging has been regarded as a chronic problem for business and private property owners, with effects ranging from personal recreational losses to significant economic damage. The increase of sediment along the sand bar, at the South Jetty in particular, has made the exit into the ocean a more dangerous proposition for fishers, thereby decreasing the number of boats willing to traverse that area and instead opt for safer waters in the bay and river.¹⁰ Increased sediment also dictates the duration that boats can be out in the bay, constricting the frequency that recreational fishing businesses can put people out on the water and driving down revenue.

For businesses within the Port district that operate in the fishing and recreation industry, the health of the waterway directly effects the services and experiences they can offer residents and visitors. At one marina, as much as 45% of moorage space has been compromised due to the buildup of siltation around their docks – resulting in customers, frequently residents within the community, turned away. Limited moorage may translate to less visiting patrons able to dock their boats and therefore resulting in diminished interest in staying overnight, partaking in fishing opportunities, visiting local shops, or dining at local restaurants. But it primarily signifies a shrinking community asset and popular recreational pastime. Since the Nehalem Bay economy transitioned from predominantly commercial fishing and timber processing to include recreational fishing and outdoor recreation, the tourism industry has been a dominant economic driver. Much of the tourism economy is driven by the influx of dollars outside of the community as residents from Portland take advantage of the unique

⁷ In 2016, the Army Corps of Engineers allocated an additional \$9 million towards operations and maintenance dredging projects at Oregon's small ports. <https://defazio.house.gov/media-center/press-releases/rep-defazio-announces-increase-in-critical-funding-for-oregon-s-small>

⁸ In 2018 the USGS conducted a sedimentation study tracking the extent of and rate of sedimentation in the Nehalem Bay to better understand sedimentation patterns. The Sedimentation Study can be found here: <https://www.usgs.gov/centers/oregon-water-science-center/science/nehalem-bay-sediment-study>

⁹ ColPac interviewed 10 stakeholders whose businesses operate directly on the bay or lower Nehalem riverfront or are impacted by waterfront activity.

¹⁰ In an online publication, Oregon Fishing Info instructs boaters that *"The entire area between the beach and the 30-foot curve is bar area and breaks on the ebbing current. The safest channel across the bar is subject to frequent change. Boaters proceeding out should stop just inside the entrance and carefully evaluate the bar. If the bar is breaking, do not cross. If you decide to cross, pick the calmest area and proceed, but do not attempt to turn around if the bar is breaking."* Fishing in Oregon's Coastal Waters, Oregon Fishing Info, http://oregonfishinginfo.com/Nehalem_Bay.html.

waterways and fishing expertise of the multi-generational families that built the marine industry in the Nehalem Bay region.

Adequate and safe dock space is a central asset for fishing and many lodging businesses located on the waterfront and the encroaching sediment build up impedes not only the present service capacity, but also poses a long-term threat to the business viability. As one of the most significant assets of a waterfront business is rendered ineffectual, the value proposition of the business also declines. The increasing devaluation of businesses along the waterway has consequences for the longevity of marine business in the area and the entrepreneurial health of the community overall. Moreover, many businesses owners in the Port district are highly knowledgeable, often on a personal level, of their fellow business owners — suggesting an inherent (or highly valued) community identity that reaches beyond the economic dimension of the business community.

The economic performance of one business has implications on the greater business network and the overall fabric of the community. In interviews with stakeholders, the discussion of the waterway is inherently a conversation about the history and identity of the communities themselves. Without a healthy waterway, we might see the decline of property values as residents no longer have access to traverse the river. The other side of the coin reveals a tantamount community impact. Outdoor recreation in the form of boating, fishing, crabbing, and purchasing local seafood relies on the maintenance of the waterways. If those activities are no longer feasible, the local market for recreation will be stunted with compounding implications for the larger tourism economy that attracts thousands of visitors coming from the Portland metro area and beyond.

Those interviewed attested to the success of the Port's work in the deployment of navigational tools along the Lower Nehalem River and Bay area. However, there is a wide array of boaters that frequent the Bay and along the river, including marina rental customer, state park visitors, private boaters — some of whom might not be expert in the navigational tools. The Port could play a role in ensuring that their channel maintenance efforts reach those who recreate in the district's often mercurial water by posting additional information on their website.

Both the Port and private and public entities have expressed interest in collaborating to address the buildup of siltation and delayed dredging activity. Being able to coalesce around a clear strategic plan addressing the district's dredging needs will be paramount in aligning interests and facilitating actions.

An additional consideration is the increasing occurrence of derelict vessels and docks negatively affecting the navigability of the channel, among a multitude of other safety concerns including water and environmental hazards. While instances of disruption due to derelict marine materials are not in the direct purview of the Port, it is appropriate for Port-lead recourse to be established, especially as the prime responsible entity for ensuring the safe navigability of the Nehalem waterways as well as a prime stakeholder in ensuring ecological protection of the channel. In that role, the Port could devise a plan to address hazards, whether they be the technical responsibility of private owners, or not. In more recent, large-scale incidents of derelict vessels, the Department of State Lands has approached the issue of derelict vessels through a collaborative process, engaging local, regional, and state partners. It is customary for public safety units and Oregon public ports to undertake issues that arise in their district waterways to ensure that they do not evolve into higher risk scenarios and compromise Port and/or community operations. Undertaking this responsibility affirms and reiterates the Port's role as a marine and community steward. For the Port of Nehalem, devising a strategy to address the presence of derelict vessels and docks could provide new pathways and protocol for a small team to confidently follow when problems arise. In order to take advantage of its role as an economic agent in the region, proper regulations will ensure that the Port team is confident and efficient when engaging with waterway-related risks.

Business Opportunities & Real Estate Investments

In terms of operational and program related income available to the balance sheet of other ports, the Port of Nehalem has limited revenue-raising opportunities with only one revenue producing property. Waterfront property development may prove fruitful but recruiting long-term business partners has proven difficult with constrained water-related infrastructure and staff capacity. A review of the potential to unload or redevelopment the Port's other real estate holdings may reveal other opportunities. Among businesses interviewed, local entrepreneurs expressed interest in partnering with the Port on waterfront development opportunities, suggesting that the Port to may play a role in local development advocacy, dredging cost sharing, or other investment/development opportunities that are mutually, economically beneficial to the port and potential partners as well as in alignment with the Port's goal to be a more prominent economic driver in the region.

Ecological Monitoring

The Port's Nehalem Bay Shoreline Stabilization project is an important initiative directly relevant to the ecological preservation of the Nehalem Bay region. A cormorant hazing project was completed in May 2022. The Port's relationship with ODFW is also central to their ecological commitments.

Demand Analysis

It is expected that seasonal visitation to coastal recreational destinations, including the Nehalem Riverway, will continue to rise as summer temperatures in metro areas maintain the trajectory of regularly exceeding coastal temperatures. The Port recognizes the increasing need for adequate and safe watercraft infrastructure to accommodate motorized and non-motorized infrastructure. As articulated by a business during interviews, the Port is well positioned to work directly with other stakeholders in pursuing funding to provide new recreation infrastructure, including the Marine Board program to bring nonmotorized infrastructure into a high demand region. The Port hopes to establish a partnership with the City of Nehalem to work collaboratively on this recreation initiative as a part of greater opportunities to improve the Nehalem's downtown waterfront area.

Risk Analysis

Accommodating the elevated visitation levels of recreational fishers as well as outdoor enthusiasts must be accompanied by adequate infrastructure. In a 2019 report released by the Oregon State Park's House Committee on Natural Resources, it was determined that "maintaining facilities to serve a high volume of visitors, coastal erosion, litter and marine debris, and visitor safety are the lead management challenges" with the prospect and reality of significantly increased coastal visitation and recreation. In not addressing degrading infrastructure that serves the influx of waterway users, the region will become both less attractive to those seeking recreation in the water and the natural landscape of the Nehalem Bay and thereby negatively impact the region's businesses.

Another concern that arises from the lack of adequate waterway maintenance and proactive waterway management is safety of water users. The popularity of the Nehalem River region becomes more apparent every year, and thus the need for wayfinding and informational signage, accessible dockage, and ladders increases as well. The pace of visitation will not slow but without adequate and safe infrastructure, the instances of accidents will most likely increase. Safety is especially important for waterfront businesses that benefit from positive experiences and confront liabilities with negative experiences, particularly when they are called upon to intervene in an unsafe situation.

FACILITIES AND BUSINESS PLAN

Construction Projects

The Port is currently undertaking improvements to its metal building. It also has plans to improve its dock.

The Port will also respond to opportunities as they arise. The Port has a sound financial position, with low debt and reserves.

The Port will continue to invest in regular maintenance and upgrade existing assets as needed.

Non-Construction Projects

The Port will continue to work with District jurisdictions, the Department of State Lands and Tillamook County on Nehalem Bay Wastewater bank stabilization project.

During the next five years, the Port plans to pursue a navigational dredging permit. After a period of outreach to state and local stakeholders, the Port will identify an outside expert in the federal permitting process to assist the Port with the permit process.

Potential Sources of Finance

Through sound management, the Port of Nehalem is in a strong financial position. The Port has retired its long-term debt and has continued to build its reserve funds. Despite this strong financial position, the Port will require grant funding for projects, particularly projects related to maintaining navigation and improving waterway safety and accessibility. Cost sharing larger infrastructure projects/mutually beneficial initiatives is something that has been mentioned by community stakeholders. Exploring the feasibility of public/private partnerships would be a worthwhile endeavor for the Port.

Port of Nehalem Capital Facilities Plan

Project	Duration	Priority	Cost/Source of Funds
Improvements to metal storage building	1 – 2 years	2	Property Maintenance Reserve Fund
Ensure maintenance of tugboat to continue to maintain the Nehalem River navigational channel by the removal of snags and dead-heads that pose safety problems and hazards to river users: power boats, canoes and kayaks.	ongoing	1	Equipment Reserve Fund
Continue to track and evaluate waterfront properties for potential acquisition and public/private investment to stimulate the local economy.	Ongoing	2	Public-private partnership (partial private investment)

Port of Nehalem Facilities Master Plan

Project	Duration	Priority	Cost/Source of Funds
Install permanent kayak/SUP lockers near the North Nehalem dock.	1 year	2	County Transient Lodging Tax Oregon State Marine Board's

			Boating Facility Grants
Improvements to port-owned dock	1 year	1	Property Maintenance Fund

Port of Nehalem Operations Plan

Project	Duration	Priority	Cost/ Source of Funds
Update website with Port operations and management info	Ongoing	1	General Funds
Continue to work with District jurisdictions, the Department of State Lands and Tillamook County on Nehalem Bay Wastewater bank stabilization project.	Ongoing	2	
Pursue a navigational dredging permit. After a period of outreach to state and local stakeholders, the Port will identify an outside expert in the federal permitting process to assist the Port with the permit process	2023 - 2028	1	Federal & State Grants Limited Reserve Fund for Channel Maintenance
Onboard a consultant to assist in next steps and explore funding opportunities for dredging activities.	2023	1	General Fund

FINANCE PLAN

The Port of Nehalem has maintained a healthy financial performance for the past five fiscal years and is expected to maintain a similar position during FY 2022 and FY 2023.

The Port is structured with five funds: general fund, channel maintenance reserve fund, property maintenance reserve fund, equipment reserve fund, and a contingency reserve fund. The Port retired one long term property loan debt fund in recent years.

Financial goals and objectives of the Port include maintaining a low debt load, while maximizing the use of grants, governmental partnerships, and other outside funding sources for capital projects. Developing and maintaining relationships with state funding agencies, including Business Oregon, ODOT, and others, is critical for attracting this funding.

The port's overall financial performance has been positive. Revenues across all funds increased from nearly one million in FY 2017 to just over two million in FY 2021, or at an average annual rate of 16.2 percent. Expenses remained steady at just under one million. As a result, overall net revenue remained positive except for FY 2017 and FY 2019 where expenses exceed revenues by \$10,500 and \$92,925, respectively.

Port of Nehalem Financial Performance by Fund

	ACTUALS					CAGR
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	
General Fund						
Cash on Hand	242,620	236,898	593,540	781,322	799,089	
Revenue	209,801	191,109	356,831	323,462	345,391	
TOTAL RESOURCES	452,421	428,007	950,371	1,104,784	1,144,480	20.4%
Expenditures	118,762	38,665	85,532	171,712	226,933	
Reserve & Unappropriated Balance	217,500	117,040	864,839	782,042	629,088	
TOTAL REQUIREMENTS	336,262	155,705	950,371	953,754	856,021	20.5%
Reserve Fund - Channel Maintenance						
Cash on hand	527,126	603,326	693,326	803,326	803,326	
Transferred from other funds	74,200	70,000	110,000	110,000	110,000	
TOTAL RESOURCES	601,326	673,326	803,326	913,326	913,326	8.7%
Materials & Services	601,326	670,808	803,326	9,377	8,594	
Reserve	0	0	0	903,949	904,732	
TOTAL REQUIREMENTS	601,326	670,808	803,326	913,326	913,326	
Reserve Fund - Property Maintenance						
Cash on hand	0	10,000	9,575	19,575	19,575	
Transferred from other funds	10,000	10,000	10,000	10,000	10,000	
TOTAL RESOURCES	10,000	20,000	19,575	29,575	29,575	24.2%
Materials & Services	0	0	0	4,201		
Reserve	10,000	20,000	19,575	25,374	29,575	
TOTAL REQUIREMENTS	10,000	20,000	19,575	29,575	29,575	
Reserve Fund - Equipment						
Cash on hand	7,500	22,500	67,500	67,500	87,500	
Transferred from other funds	7,500	45,000	20,000	20,000	40,000	
TOTAL RESOURCES	15,000	67,500	87,500	87,500	127,500	53.4%
Materials & Services	0	0	0	9,270	112,459	
Reserve	15,000	67,500	87,500	78,230	15,041	
TOTAL REQUIREMENTS	15,000	67,500	87,500	87,500	127,500	
Reserve Fund - Property Loan Debt Fund RETIRED						
TOTAL RESOURCES	0	0	0	30,000	5,900	
TOTAL REQUIREMENTS	60,000	60,000	60,000	30,048	5,583	-37.8%
Reserve Fund - Contingency						
Cash on hand		0	0	0	40,000	
Transferred from other funds		29,500	40,000	40,000	105,000	
TOTAL RESOURCES		29,500	40,000	40,000	145,000	48.9%
Materials & Services		29,500	40,000	0	145,000	
Reserve		0	0	40,000	0	
TOTAL REQUIREMENTS		29,500	40,000	40,000	145,000	