

# Conceptual Business Plan for a

42(+/-) acre Old Mill site  
Garibaldi, OR

*prepared for:*

Port of Garibaldi  
Garibaldi, OR

October, 2020



*Prepared by:*

:: Market Advisory Group ::



# ACKNOWLEDGEMENTS

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For more information about the Port of Garibaldi, visit:

[www.portofgaribaldi.org](http://www.portofgaribaldi.org)

## **Port of Garibaldi Commissioners:**

Valerie Folkema, President

Bob Browning, Vice President

John Luquette, Secretary/Treasurer

Kelly Barnett, Commissioner

Paul Daniels, Commissioner

## **Port of Garibaldi Staff:**

Michael Saindon, Port Manager

Jessi Coon, Finance Manager

## **Prepared by:**

Market Advisory Group, LLC

Phone: 503.928.9376

PBS Engineering and Environmental, Inc.

Phone: 360.695.3488

# Limiting Conditions

Reasonable efforts have been made to ensure that the data contained in this study reflect accurate and timely information and are believed to be reliable.

This study is based on estimates, assumptions, and other information collected and developed by Market Advisory Group, LLC and PBS Engineering and Environmental, Inc. (MAG/PBS) from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that to our knowledge was current as of the date of this report, and MAG/PBS has not undertaken any update of its research effort since such date.

This report may contain prospective estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level or outcome will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective analysis may vary from those described in our report, and the variations may be material.

No warranty or representation is made by MAG/PBS that any of the projected values or results contained in this study will be achieved.

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# I. EXECUTIVE SUMMARY

Market Advisory Group, LLC and PBS Engineering and Environmental, Inc. (MAG/PBS) were retained to complete this market study to assess the site development potential for 42 acres located at the Old Mill site in Garibaldi, Oregon. The following points summarize our major findings and recommendations resulting from this assignment.

## Summary Observation

The Old Mill Center could provide the Port of Garibaldi both immediate and long-term opportunities to expand Port business expansion and economic development opportunities consistent with the Port's Mission.

The Old Mill Center's current operations and lease structures provide opportunities for growth. The site's underutilized and vacant land could become growth opportunities for future site development, job creation and revenue growth. Acquisition and development of the site is a low-risk proposition and may position the Port of long-term growth and job creation opportunities in service to the region's economic development strategy.

## Key Findings

### **Port Mission and Services**

The Port's mission is to maximize business and recreational opportunities within its district. The Port's Vision is to form strategic business and recreational relationships to maximize productivity for business and facility usage within its district, while maintaining its authentic fishing port character.

The Port provides an array of property for lease and development, and operates a marina and event facilities in the service of providing facilities for local businesses and related jobs and community recreation. The Old Mill Center operates facilities and services which are identical to those currently provided at the Port's Garibaldi facilities.

### **Port Organization**

The Port of Garibaldi is governed by an elected five-member Port Commission, whom oversees Port governance, tax/rate setting, and budget development. The Port Commission hires and manages a Port Manager, whom is responsible for operating all Port facilities and operations, and supervises all Port professional staff. It is assumed that the Port professional staff would expand by five full-time-equivalent employees, should it acquire and operate the Old Mill Center.

## **Market Conditions**

The greater Tillamook County region is, and will continue to be, a tourism destination for Oregon residents and out of state visitors. Notwithstanding the current community health crisis (COVID-19) and the related economic turbulence, the Tillamook region has numerous natural and economic assets which will form the basis for recovery once the community health crisis abates. Tourism has been a driver of economic growth, and will continue to be a key industry for the broader region.

Recognizing the value of tourism as a catalyst for economic activity, the Port of Garibaldi's interest in the Old Mill RV Center may provide an opportunity to diversify the Port's real estate and revenue portfolio in the short-term, while providing long-term growth potential.

## **Site Assessments**

In total, the subject site is suitable for an array of development uses. There are no apparent site conditions or regulatory conflicts that would prohibit site development nor that would make it financially infeasible to develop the site. Current uses of the site could be compatible with other uses allowed by the zoning code.

Several unique site conditions and assets will require additional study to determine the best approach for mitigating the specific conditions. Those unique conditions / assets include: Old Mill Moorage; Old Mill Smokestack; Site Fill Materials; and overall existing Building Conditions.

## **Existing Financial Analysis**

The Old Mill Center may not be operating at a level which provides an immediate financial return to a prospective acquirer. Records provided by the Old Mill Center were incomplete and a full assessment of the site's current operations was not possible.

Notwithstanding the limited existing conditions financial assessment, a detailed financial pro-forma was developed which modeled existing facility assets, published rental rate structures and spot inventory measurements. The financial pro-forma also factored likely operating cost structures and potential debt service and tax obligations. The financial pro-forma model forecasts that the Old Mill Center facilities could result in a "positive" cash flow to the Port, if the projected revenue and cost structures were to be achieved.

## **Growth Opportunity Zones**

It is estimated that roughly fifty-percent (50%) of the existing site is currently used in a manner considered optimal (ex. RV center, existing commercial/industrial tenants, RV Storage). It is estimated that the remaining fifty-percent (50%) of the site could be redeveloped and dedicated for public open spaces/trails.

Roughly thirty-percent (30%) of the site could be redeveloped. New development on the site could yield up to the following estimates of new leasable spaces:

- Office / flex spaces: up to 15,000 (+/-) sqft;
- Industrial / flex spaces: up to 30,000 (+/-) sqft;
- RV storage expansion: up to 40-50 spaces;
- Overnight lodging: up to 85 units (either a combination or single use as hotel or glamping type permanent lodging); and,
- Community event pavilion: up to 7,500 (+/-) sqft.

### **Capital Facility Improvement Concepts**

Investment in capital facility upgrades of the site will need to occur over the years, both as a function of routine maintenance and upgrading of site conditions and also as a function of new growth. Conceptual capital facility investments range from: circulation upgrades; building and RV camping center upgrades; site amenities for recreation and tourism; and, utility upgrades to support new site development.

### **Pre Development Site Studies**

Pre development site studies were completed for key development parameters, and key findings from those studies include:

- Roadways. Site roadways can be upgraded over time to include multi-modal access, and stormwater management can be achieved through innovative sustainable solutions.
- Utilities. Public utilities (water, sewer, storm) serve the majority of the site, and may need to be both upgraded and extended to new growth areas in order to support additional site development. Private utilities (power, telephone) exist on site, and will need to be extended to new development sites.
- Geotechnical. Site soils are susceptible to seismic liquefaction. New development and building foundation structures will need to be studied further, and engineered/constructed to account for ground stability conditions.
- Environment (hazards). Site clean-up from prior industrial uses has been recorded, and No-Further-Action findings have been provided by the state of Oregon DEQ. Future site development and ground disturbing activities will likely need to incorporate a soil management plan to monitor future soil and potential contaminant movement.
- Natural Resources. No apparent natural resource or endangered species exist on site which would preclude site development. Prior mapping of regulatory wetlands is no longer valid, due to lack of current wetland indicators. Verification mapping may need to occur in the future.
- Traffic. Site trip generation and traffic demands are limited. Future growth in traffic, assuming development of portions of the site will not trigger significant site access improvements. However modest improvements to key intersections may be beneficial.

## **Future Development Strategy**

Control of site development, in terms of tenant selection and building/site design should be a priority of the Port. The amount of control the Port can vary from less to more control. The Port possesses four primary approaches to site development including: 1) Spec development with lease; 2) speculative development without/pre-lease; 3) ground lease; and, 4) leave vacant.

It is recommended that the Port's development strategy is to undertake a Spec development approach with leases committed prior to commencing building construction.

Additional Master Planning, building prototyping, site studies, and development of project financial Proformas are the most logical next steps. This work should be done in conjunction and partnership with the Port of Garibaldi, stakeholders, and relevant service providers. Future development should implement the Ports Vision Plan, avoid conflicts with existing RV Center patrons, and support community economic and development goals.

Development does have risks. Identification of risk factors and corresponding containment strategies should be a key work effort prior to committing to a development strategy. Known development risks for the site include: building costs, soil conditions and related building foundation costs, and, securing good tenants with beneficial lease (preferably long-term) structures. As new risks are identified, they should be carefully evaluated.



## II. Port Mission and Services

The Port of Garibaldi has prepared numerous recent planning and capital improvement related studies. It is having ongoing relationships with City of Garibaldi staff and consultants to provide conceptual planning and engineering concepts for both projects and ideas that are introduced by staff, the Commission as well as partners to Port activities. The following past and current planning studies provide context for current understanding and future possibilities at the Port and subject site.

**Port Mission:** The Port of Garibaldi exists to maximize business and recreational opportunities within its district.

**Port Vision:** The Port of Garibaldi forms strategic business and recreational relationships to maximize productivity for business and facility usage within its district, while maintaining its authentic fishing port character.

**Capital Facility Goal:** Assure adequate capital facilities are developed and maintained to serve commerce and recreational opportunities and support jobs within the port district.

**Management Goal:** Pursue ongoing success in meeting the Port's mission and vision through successful management of organizational and physical resources.

**Financial Goal:** Enable the Port to meet its mission through financial stability.

**Environmental Goal:** Ensure continuous environmental stewardship of the land and water resources through development and operations of facilities under the Port's control.

**Marketing Goal:** Market the Port's services and assets to local tax payers, tourists and potential tenants.

### Port of Garibaldi Strategic Business & Capital Facilities Plan (2017)

The Port's Plan is prepared in fulfillment of state requirements. It is prepared to help guide policy, project and fiscal policy at the Port, with the goal of implementing the economic and community development goals established for the Port district.

### **Specific Findings:**

**Section C. Target Markets:** Any opportunities for the acquisition of land for the purpose of expansion of Port capital assets and development in support of the Port's Mission, Vision & Goals will be pursued and considered.

**Section E.1.** Demand Summary: Targeted commercial and industrial development program of: Marina supplies and services; Food processing and Industrial; Retail and Entertainment; Services; Lodging; and, Government.

#### Target Commercial and Industrial Development Program

The anticipated level of development is expected to require between 13 and 28 net buildable acres over the 20-year planning horizon (2010-2030).

- Marina Supplies and Services (4,000 to 9,000 square feet, plus additional slips)
- Food Processing and Industrial (54,000 to 166,000 square feet)
- Retail & Entertainment (10,000 to 48,000 square feet)
- Services (24,000 to 106,000 square feet)
- Lodging (9,000 to 46,000 square feet, or 22-115 rooms)
- Government (6,000 to 36,000 square feet)

#### C. Management Plan

**Goal 1.** Develop successful organizational and physical resource management techniques to support commerce and recreational activities.

**Policy:** The Port will identify, pursue and support target businesses most suited to locate on Port property.

**Strategy 1.** Develop standard lease documents that encourage best use of Port properties, and to convey pre-screening/expectations; terms and rates.

**Strategy 2.** Pursue land use flexibility and rezoning efforts as needed for WD and WM zones consistent with the Port's vision, city zoning, and state law.

**Strategy 3.** Pursue opportunities for expansion of Port property through land acquisition and/or through partnerships with other government organization or the private sector.

**Goal 3.** Integrate and foster the use of planning to guide the Port.

**Policy:** The Port of Garibaldi supports strategic planning as a tool to gauge progress toward successful management of resources, assets and financial needs.

**Strategy 1.** Support and actively encourage economic development, redevelopment and revitalization properties located adjacent to the Port property in Garibaldi and Bay City that are consistent with the vision and character of the region.



**Strategy 2.** Complete a Boat Basin Breakwater/Seawall Feasibility study, and supportable design and development of a barrier to mitigate sediment deposit and storm damage to the Port’s boat basin and mooring infrastructure.

**Goal 4.** Be a visible leader and improve strategic government, constituent and private business developer relationships.

**Policy:** Port staff and commission members shall participate in inter-governmental forums related to target industry development.

**Strategy 1.** Continue to work with local, state, and federal agencies to support jetty repairs, maintenance, and improvements to ensure the safety of all mariners and enhance the economic vitality of the Port and region.

**Strategy 2.** Continue to support, assist, and encourage diversify and adaptability in current and future business to ensure the Port’s resiliency to changing markets and a fluctuating economy.

## **H. Marketing Plan**

**Goal 1. Market the Port District; its assets, opportunities, innovations and communities**

**Policy:** The Port shall work to implement marketing materials that focus on Port district and local community assets, resources, job opportunities, and land availability.

**Strategy 1.** Increase the Port’s visibility and access with improved Highway 101 signage, 7th Street streetscape enhancements, and a future Highway 101/7th Street signal.

**Strategy 2.** Partner with local tourism entities, such as the, Visit Garibaldi, Tillamook Coast Tourism, District Communities, Oregon Coast Scenic Railroad, local stakeholders, Tillamook County Transient Lodging Tax (TLT) Grant Program, and Oregon State to promote tourism, commerce, and economic development.

**Strategy 3.** Partner with District and local stakeholders to grow branding and marketing opportunities that are mutually beneficial to the Port District and Tillamook County.

**Strategy 4.** Develop new “attractors” for visitors (plaza/restaurant/pub)

**Strategy 5.** Create marketing materials (brochures, websites, etc.) for three identified markets: 1). Local Constituents; 2). Tourism; and 3). Potential Tenants.

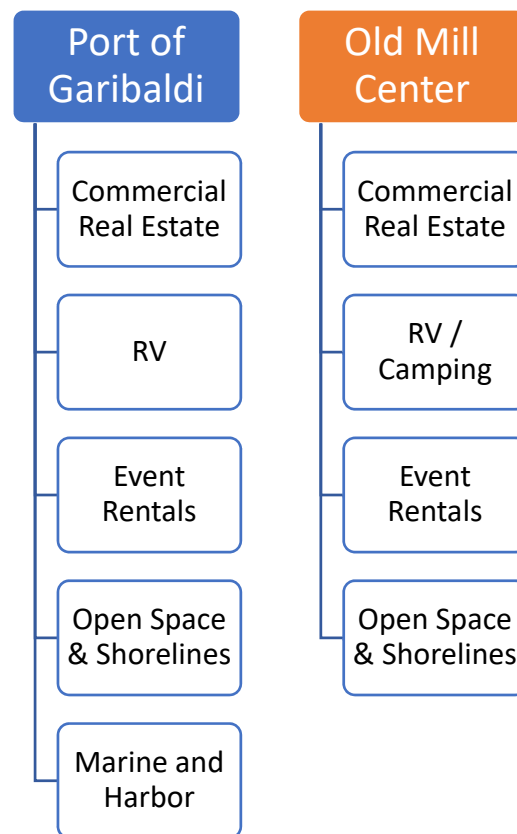
## Port Services

The Port of Garibaldi currently operates an array of real estate and marine harbor facilities and special event activities. The primary business of current Port operations includes: marine harbor, RV camping, public parks and open space, and various real estate assets in the forms of open storage, buildings and leases, harbor maintenance and dredging, public parking and service buildings, and coordinates with regional partners on special events.

The Old Mill Center is a mixed-use RV and commercial center located on 42 acres directly east and adjacent to the Port's primary district property. The Old Mill Center's business portfolio is similar in nature to the Port's existing business and tenant profile. It is assumed that synergies exist and Port management is familiar with operating the types of activities and commercial leases which exist at the Old Mill Center. Thus, operating efficiencies may be achieved by should the Old Mill Center be acquired.

A cross-walk of the general types of business activities which the Port is currently managing, compared to those which exist at the Old Mill Center site is listed in figure 4.

Figure 4. Cross-walk of Products and Services

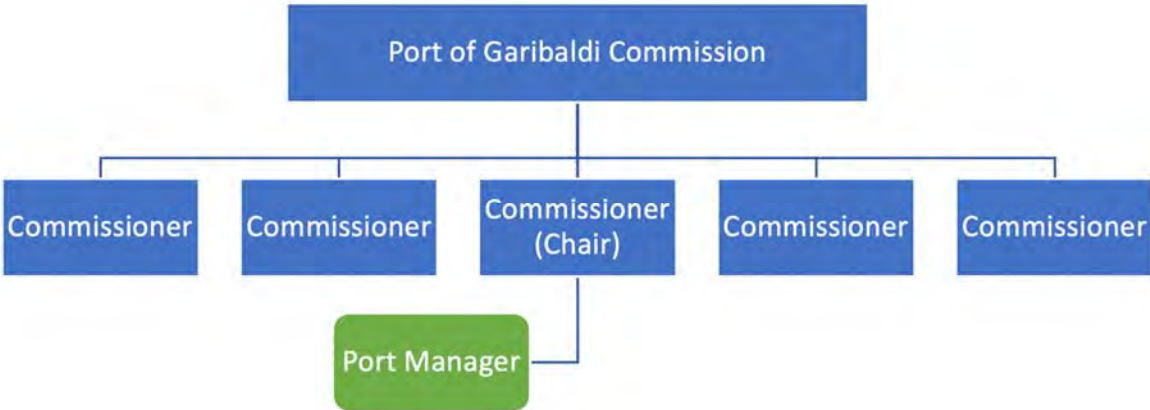


# III. Organization

The Port of Garibaldi (Port), located in Garibaldi, Oregon, is organized as Port District within the state of Oregon. The Port of Garibaldi is in the business of promoting and facilitating community economic development through the acquisition, operating, maintaining, and improving of real estate and marine facilities for the benefit of the citizens of the Port District. The Port of Garibaldi district is located within Tillamook County, Oregon.

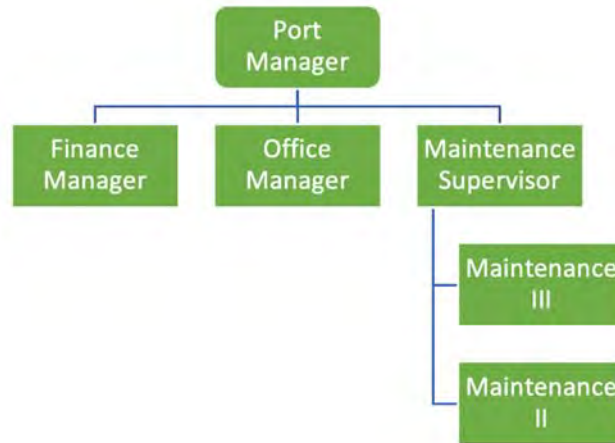
The Port is governed by an elected Port Commission, comprising five Commissioners which are elected at-large. The Port is managed by a Port Manager, which is appointed by the Port Commission. The Port Commission is responsible for setting Port District policy, establishing tax assessment rates, fees and charges, and adopting the Port Districts annual Budgets for operating and capital expenditures. The Port Commission organizational chart is listed in Figure 1.

Figure 1. Port District Commission Organization Chart



The Port Manager is responsible for carrying out the day-to-day functions of the Port District, including management of all business affairs, personnel, implementing all Port Commission policies and ordinances, and advancing the economic return of all port assets. Current Port professional staff include six full-time equivalent employees. The Port’s professional staff organizational chart is listed in Figure 2.

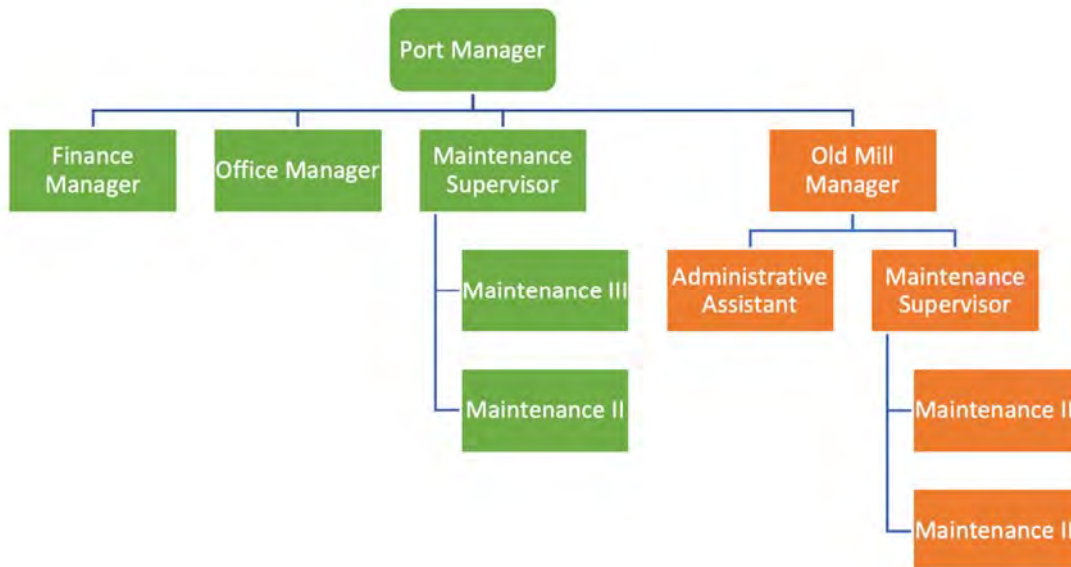
Figure 2. Existing Port Manager Organization Chart

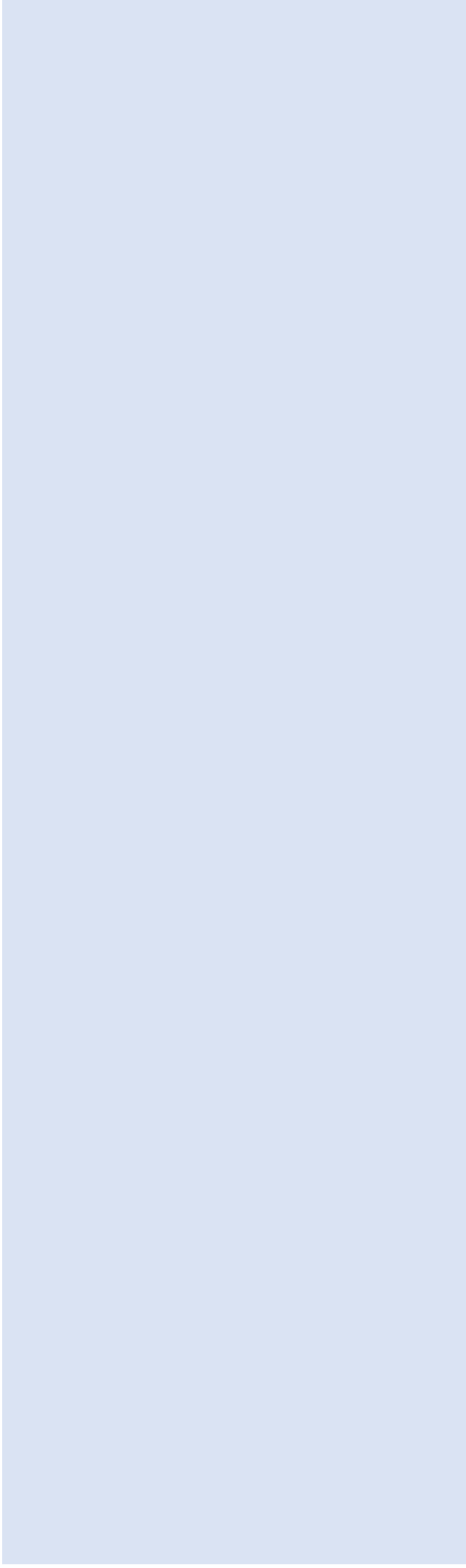


New Management Team

Acquisition of the Old Mill RV Center (Old Mill Center) will require additional staff under the supervision of the Port Manager. It is estimated that it may require up to five new full-time-employees to manage the Old Mill Center business affairs, leasing, and maintenance functions. It is assumed that all back-office (finance, office support) and some maintenance assistance can be provided by the existing Port staff. A conceptual organization chart, upon assimilation of the Old Mill Center operations, is represented in Figure 3.

Figure 3. Port Manager Organization Chart –Old Mill Center acquisition





# IV. Market Conditions

Growth within the broader North Coast and Tillamook county markets is expected to be steady and remain in a relatively *slow-growth* pattern over the next two decades . Leading up to the sudden economic disruption of the COVID-19 worldwide pandemic, the County’s population was forecast to grow at a modest annualized increase of 0.6% (Table 1). Despite slow growth patterns, the future forecasts do project positive growth and demand for new business formation and related real estate services.

Table 1. Population Growth Forecasts (2000-20Xx)

Area / Year	2017	2020	2025	2030	2035	2040	Total Growth	AAGR (2017-2040)
Tillamook County	26,071	26,652	27,519	28,247	28,879	29,439	3,369	0.6%
Bay City UGB	1,417	1,462	1,548	1,636	1,727	1,815	397	1.3%
Garibaldi UGB	795	800	822	843	863	879	84	0.5%
Manzanita UGB	884	929	1,004	1,081	1,156	1,226	342	1.8%
Nehalem UGB	1,240	1,278	1,373	1,472	1,566	1,663	423	1.6%
Rockaway Beach UGB	1,565	1,615	1,684	1,750	1,814	1,877	312	0.9%
Tillamook UGB	5,569	5,616	5,875	6,108	6,311	6,482	913	0.7%
Wheeler UGB	408	414	436	456	474	490	82	0.9%
Outside UGB Area	14,192	14,538	14,777	14,901	14,968	15,007	815	0.3%
Oregon	4,141,100	4,252,100	4,516,200	4,768,000	4,995,200	5,203,000	1,061,900	1.2%

Source: Population Research Center, Portland State University, July 1, 2017  
 Final Forecasts represent populations as of July 1 of each year  
 AAGR = Average Annual Growth Rate from period 2017-2040

**Tillamook County**

Growth rate is half the state Average Annual Growth Rate (0.6% to 1.2%) and Garibaldi’s AAGR is slower than the countywide average

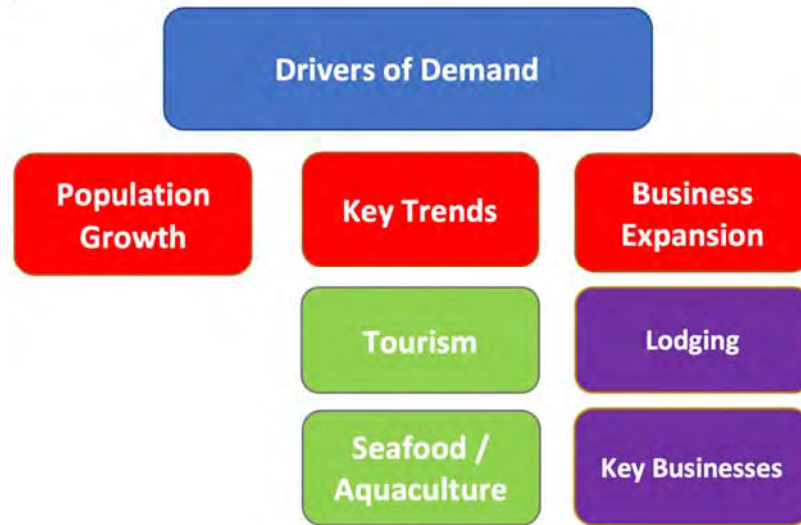
**2<sup>nd</sup> slowest percent growth** for urban areas in Tillamook County for periods 2018-2030 and 2018-2040

## Future Demand for Lodging, Tourism and Additional Commercial Services

For the Port of Garibaldi, future demand and growth opportunities are primarily related to:

- 1) commercial/industrial development related marine / aquaculture service industries;
- 2) businesses which support or expand upon existing regional services; and,
- 3) tourism related services including lodging, eating establishments, and event facilities. The key drivers of demand are reflected in Figure 5.

Figure 5. Drivers of Demand



## North Coast Region - Employment Growth Forecasts

For State industry employment forecast purposes, the North Coast region comprises the five counties of Benton, Clatsop, Columbia, Lincoln, and Tillamook Counties.

### Key Forecast Findings:

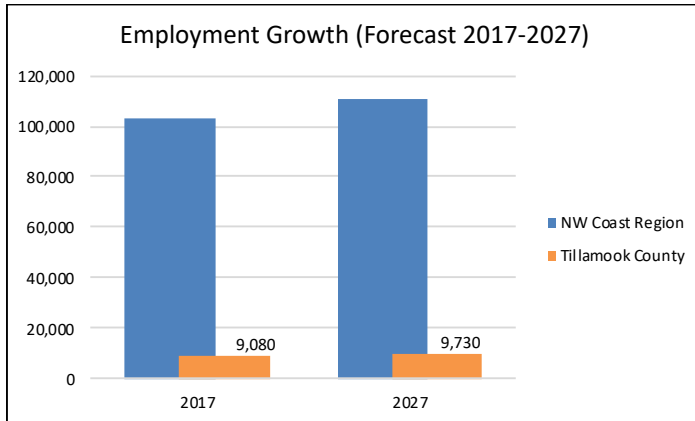
- The 2017-2027 forecast for this region estimates a 7% increase in total employment and an 8% increase in private employment (non-government).
- Total employment increase of 7,300 jobs across the 5 counties forecast.
- Employment increases in Construction, Food Manufacturing and Leisure/Hospitality are expected.

## Tillamook County Forecast (2017-2027)

State forecasters estimate growth for the 5 county North Coast region. The MAG team prepared a sub-forecast for the same period for just Tillamook County. The Tillamook County forecast is a linear trend line employment growth forecast key industries, beginning from the year 2017 certified industry employment forecasts provided by the Oregon Employment Department.



Figure 6 Tillamook County Employment Forecasts (2017-2027) (source: computer by Market Advisory Group)



- Forecast total private employment growth = 8%

- Total industry employment is forecast to increase by 650 (+/-) jobs

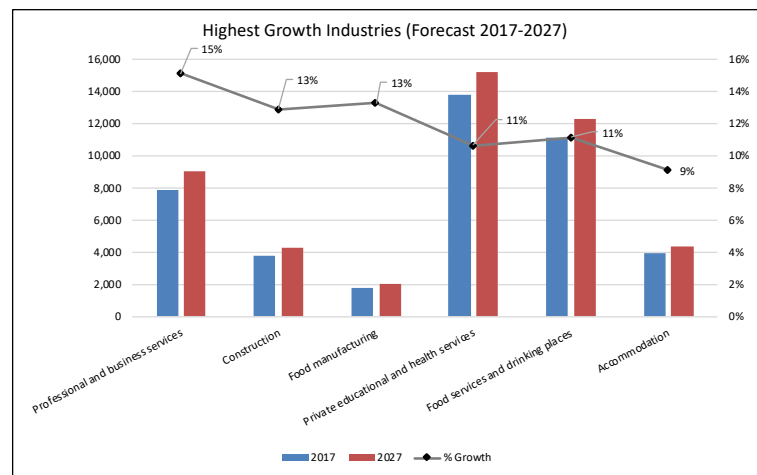
### Highest Growth Industries:

Highest growth industries Forecast for the North Coast region are listed in Figure 7. Growth in key industries with a high Location Quotient<sup>1</sup> include:

- Food Manufacturing: **Growth Rate = 13%; Location Quotient = 1.6**
- Food Services/Accommodation: **Growth Rate = 9-11%; Location Quotient = 1.6**

Figure 7. North Coast Region – Highest Economic Growth Sectors (2017-2027)

(source: Oregon Employment Department)



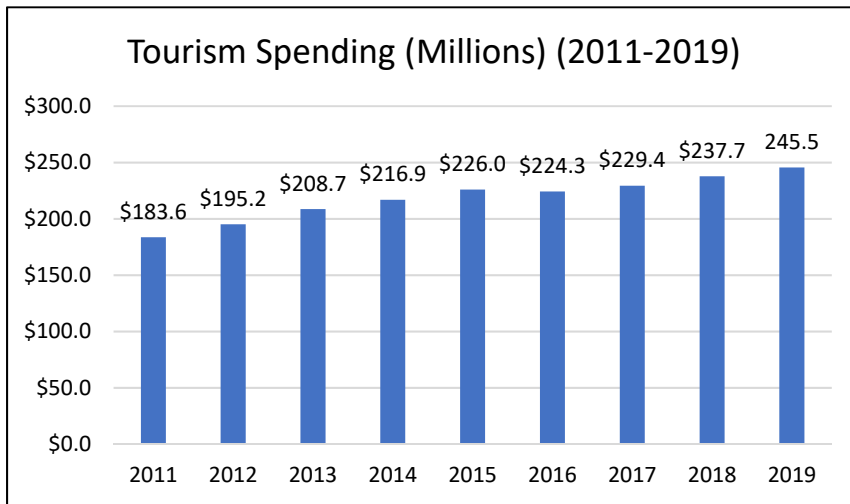
## Tourism Forecast

Tourism is and will continue to be a main driver of the Tillamook County economy in the decades ahead.

<sup>1</sup> Location Quotient is defined as a way of quantifying how concentrated a particular industry, cluster, occupation, or demographic group is in a region as compared to the nation. It can reveal what makes a particular region “unique” and what industries are concentrated in a region, in comparison to the national average.

Within the last decade, tourism spending within Tillamook County has increased by over 30%. Current estimates figure that over \$245 Million was spent within Tillamook County in 2019. It is estimated that roughly \$108K spent by supports one-job. By that estimate, current visitor spending supports nearly 2,200 jobs within Tillamook County, or roughly twenty-three percent of total non-farm employment.

Figure 8: Source: Dean Runyan Associates (2018)



In addition to employment, tourism spending is directly associated with land development and building needs. In the past several years, focused tourism planning and marketing has begun to yield dividends regarding overall growth in tourism visits and tourism spending with the region. Ongoing strategic planning provides direction for growing the County’s tourism market.

Figure 9: Source: Dean Runyan Associates (2018)

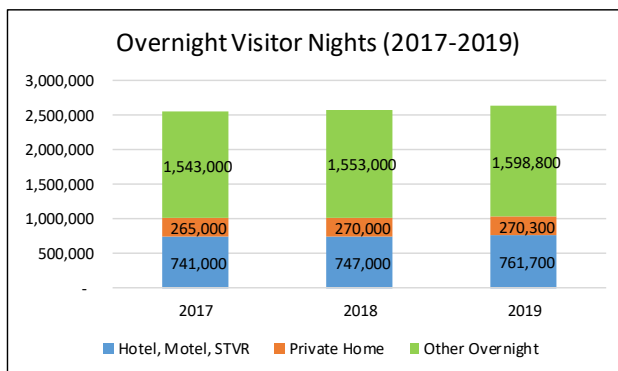
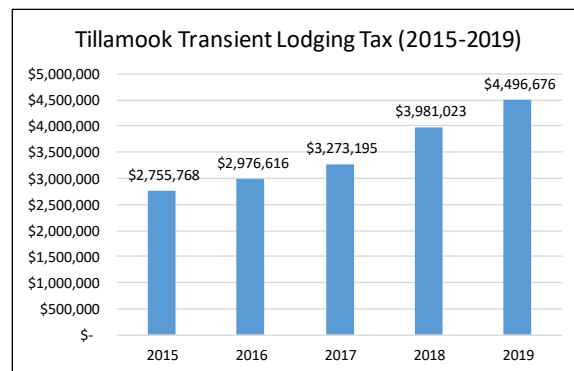


Figure 10: Source: Tillamook County (2019)



## Growing Regional Tourism

The Tillamook County and greater North Coast region is a key tourism location within the state of Oregon and greater western US. Within the Tillamook region, many providers and entities are coordinating their development opportunities for the purposes of expanding tourism

opportunities to drive consumer spending as an economic development strategy within the region.

Strategic planning among tourism partners has provided a comprehensive inventory of existing amenities, events, and gaps. Several tourism facility and amenity gaps have been targeted for the community of Garibaldi, and in some cases the Old Mill Center property specifically.

The ***Tillamook County Tourism Investment Strategic Plan (March 2019)*** presents a comprehensive review of demand, needs and gap analysis. Findings and recommendations which are applicable to the Old Mill Center, or which could satisfy in some manner by future growth the development of the Old Mill Center include the following:

***What are Oregon Coast Visitors Looking for?***

- Waterfront; Camping; Cultural activities/attractions; Fine dining/exceptional culinary experiences.

***What Facilities are Needed?***

- Dining and lodging near or above water and ocean; increased access to beaches, viewpoints and trails; more 3-4 start or full-service lodging; development and promotion of bayside waling running and cycling trails in Garibaldi.

***Conference Event and Interpretive Centers:***

- Cultural centers, multi-purpose facilities to allow for performing arts, conferences/events, exhibitions, educational opportunities and the like.

***Visitor Experience (enhancements):***

- State and RV Parks to add more yurts, cabins and other forms of “luxury camping”; introduce high quality, nature based “boutique lodging” involving forest, river mountain and ocean view locations.

**Key Market Findings:** The Old Mill Center is a key regional tourism asset. The Center’s RV/camping facilities, event/meeting rooms; and restaurant support regional tourism. The site’s location adjacent to the Garibaldi harbor and ability to support regional assets and events such as the scenic coast railroad, planned salmon-berry trail and programmed events in Garibaldi (e.g. Food Trail, Crave the Coast, Shop the Docks, etc.) create synergies within the existing tourism portfolio. Underutilized and vacant land within the Old Mill Center provide growth opportunities to build facilities which are noted as existing gaps within the tourism Strategic Investment Plan.

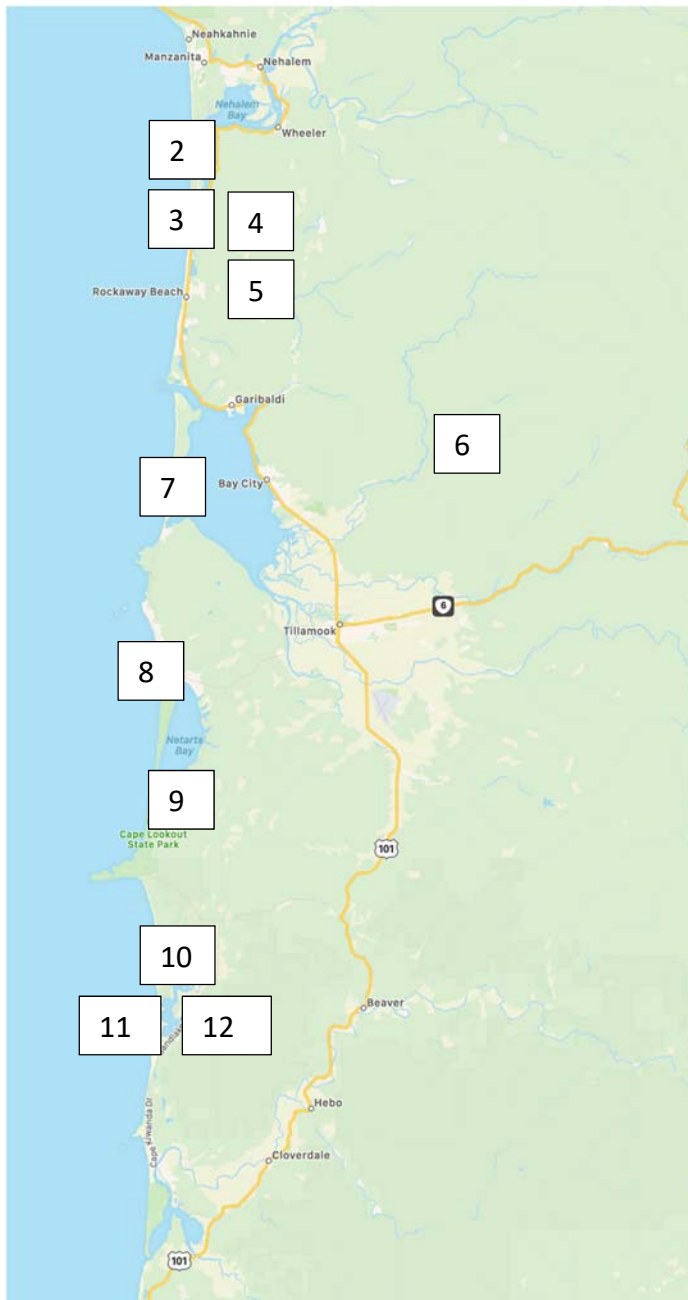
## Old Mill Center –Market Competition and Demand

The market area is defined by those RV/Tent camping centers generally within 50+/- miles of the Old Mill RV Center, and along the Oregon Coast of major water feature. The market competition is a range of competitive properties, from state parks, county parks, and private

facilities. Each facility has unique competitive attributes and varying rental rate structures. Within the competitive region, there exist hundreds of RV camping spaces from the properties listed below.

Figure 11. RV / Tent Camping Competition

- 1) Nehalem Bay State Park (19 miles)
- 2) Shorewood RV Resort (3.5 miles)



- 3) Barview Jetty County Campground (2 miles)
- 4) Harborview RV Park (<1 mile)
- 5) Port of Garibaldi RV Park (<0.5 mile)
- 6) Misty River RV Park and Glamping (14 miles)
- 7) Netarts Bay Garden RV Resort (15 miles)
- 8) Cape Lookout State Park (19 miles)
- 9) Whalen Island County Campground (29 miles)
- 10) Pacific City RV & Camping Resort (31.8 miles)
- 11) Hart's Camp Airstream Hotel & RV Park (33 miles)
- 12) Cape Kiwanda RV Resort (33 miles)

## Competitive Market Rate Summaries

A complete inventory of published rates and collection by telephone (where not published) was completed for each competitive property in August 2020. Not every property had a similar rate structure and did not equally provide for daily, weekly or monthly rates. Also, each site had different services and amenities. Due to this variation, a range scale was developed for comparing the different rate structures.

### Published Rate Findings: DAILY, WEEKLY

*DISCLAIMER: Rates were assembled from published rate sheets and in some cases telephone confirmation. All rates subject to final verification and may vary from those published in this report.*

Table 2. Competitive Market Rates (Day)

Competitive Market Summary (Daily, August 2020)		
		Average <b>DAILY</b> Rate (Peak)
<b>Hart's Camp Airstream Hotel &amp; RV Park</b>		
RV	16	\$69.00
Airstream Hotel (RV)	8	\$229.00 - \$339.00
<b>Pacific City RV &amp; Camping Resort /1</b>		
RV*	300	\$67.00
<b>Cape Kiwanda RV Resort</b>		
RV	113	\$63.00 - \$68.00
<b>Old Mill RV Center</b>		
RV		\$44.72 - \$55.90
<b>Netarts Bay Garden RV Resort</b>		
RV	88	\$43.60 - \$51.43
<b>Misty River RV Park</b>		
RV	61	\$45.00 - \$49.00
<b>Harborview RV Park</b>		
RV	31	\$44.00 - \$45.00
<b>Port of Garibaldi RV Park</b>		
RV	48	\$44.00
<b>Barview Jetty Campground</b>		
RV	73	\$33.00 - \$38.00
<b>Cape Lookout State Park</b>		
RV	38	\$31.00 - \$37.00
<b>Nehalem Bay State Park</b>		
RV / Tent	265	\$31.00 - \$35.00
<b>Whalen Island County Campground</b>		
RV/Tent	33	\$22.00 - \$27.00
<b>Shorewood RV Resort</b>		
RV	102	Unkonwn

Note: 1. Pacific City RV Resort is a membership resort. Non-member rates vary.

Table 3. Competitive Market Rates (Week)

Competitive Market Summary (Weekly, August 2020)		
		Average <b>WEEKLY</b> Rate (Peak)
<b>Hart's Camp Airstream Hotel &amp; RV Park</b>		
RV (September 2020 quote)	16	\$445.00
Airstream Hotel (RV)	8	
<b>Cape Kiwanda RV Resort</b>		
RV	113	\$407.00
<b>Old Mill RV Center</b>		
RV		\$296.31 - \$357.76
<b>Netarts Bay Garden RV Resort</b>		
RV	88	\$259.38 - \$306.33
<b>Misty River RV Park</b>		
RV	61	\$245.00 - \$275.00
<b>Harborview RV Park</b>		
RV	31	\$264.00
<b>Port of Garibaldi RV Park</b>		
RV	48	\$215.00
<b>Pacific City RV &amp; Camping Resort /1</b>		
RV*	300	TBD
<b>Barview Jetty Campground</b>		
RV	73	NA
<b>Cape Lookout State Park</b>		
RV	38	NA
<b>Nehalem Bay State Park</b>		
RV / Tent	265	NA
<b>Whalen Island County Campground</b>		
RV/Tent	33	NA
<b>Shorewood RV Resort</b>		
RV	102	NA

Note: 1. Pacific City RV Resort is a membership resort. Non-member rates vary.

## Key RV/Camping Demand Findings:

Current lodging demand exceeds available inventory. And despite hundreds of RV camping sites within the immediate market region, existing campgrounds often experience 100% capacity periods during the peak summer travel season, and providers such as the Port of Garibaldi and other often generate pre-season waiting lists for RV spaces well before season rentals are open for booking. This anecdotal and factual information demonstrates pent-up demand for lodging and is indicative of the tourism draw (particularly during the summer travel season) to North Coast destinations.

The COVID-19 related demand and travel reductions, have proven challenging to some immediate activities and likely have created some reductions in lodging, eating establishment and overall tourist related visits during the summer of 2020. However, despite those acute circumstances, the state of Oregon economists forecast the following:

*“While the North Coast is hard-hit today due to their exposure to leisure and hospitality, this is not a long-run headwind. Our office fully expects travel, tourism, and going out to eat to essentially recover fully in the decade ahead.”<sup>2</sup>*

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<sup>2</sup> Oregon Economic and Revenue Forecast, June 2020, Office of Economic Analysis

## RV / Camping Center Trends

Future market demand for RV and related camping facilities is projected to be strong and sustained in the short to mid-term. Demand for camping opportunities accelerated quickly during the spring/summer of 2020, due to rapid shifts in lodging options and consumer preferences brought about by the COVID-19 pandemic. In spite of this sudden increase in demand for the RV/lodging camping type, net positive growth and evolving trends indicate that the RV/camping demand will create positive growth opportunities in the future.

Key Camping Growth Indicators include:

- Growth in regional and west coast populations (e.g. Portland/Salem metro areas, and multi-state western market regions including WA, OR, ID, CA).
- Research of KOA North American Camping Report (2019) finds the following:
  - o A sustained year-over-year net increase in the total number of “camping households” (Figure 12);
  - o A higher distribution of residents who camp concentrated in the “western US” compared to the United States average (Figure 13);
  - o A consumer preference for “shorter-distance” camping trips and destinations (Figure 14); and,
  - o A consumer preference for location, quality and amenities as high priorities for campers when making a campground choice (figure 15).

Figure 12. (Source: KOA North American Camping Report, 2019)

### GROWTH IN U.S. CAMPING HOUSEHOLDS

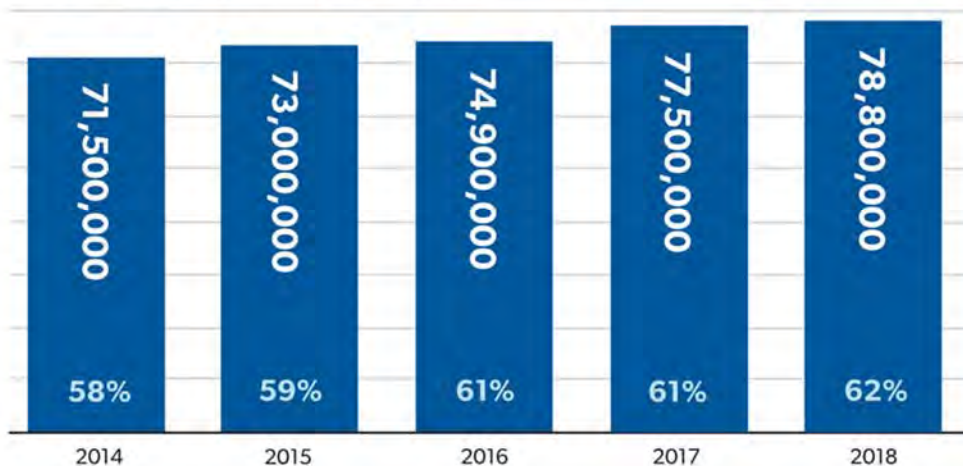




Figure 13. (Source: KOA North American Camping Report, 2019)

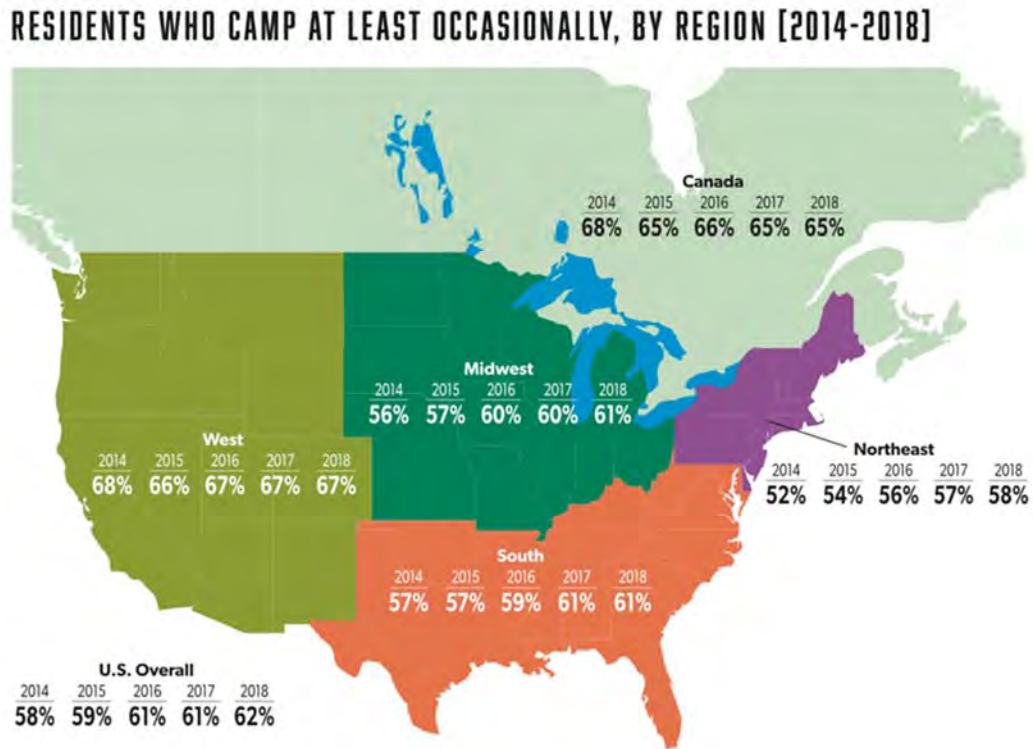


Figure 14. (Source: KOA North American Camping Report, 2019)

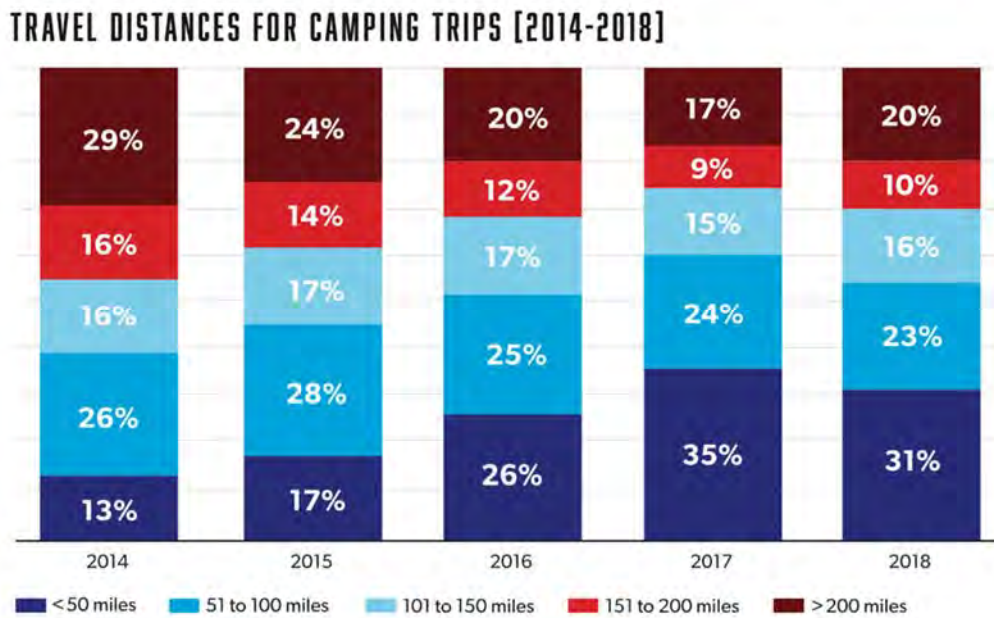
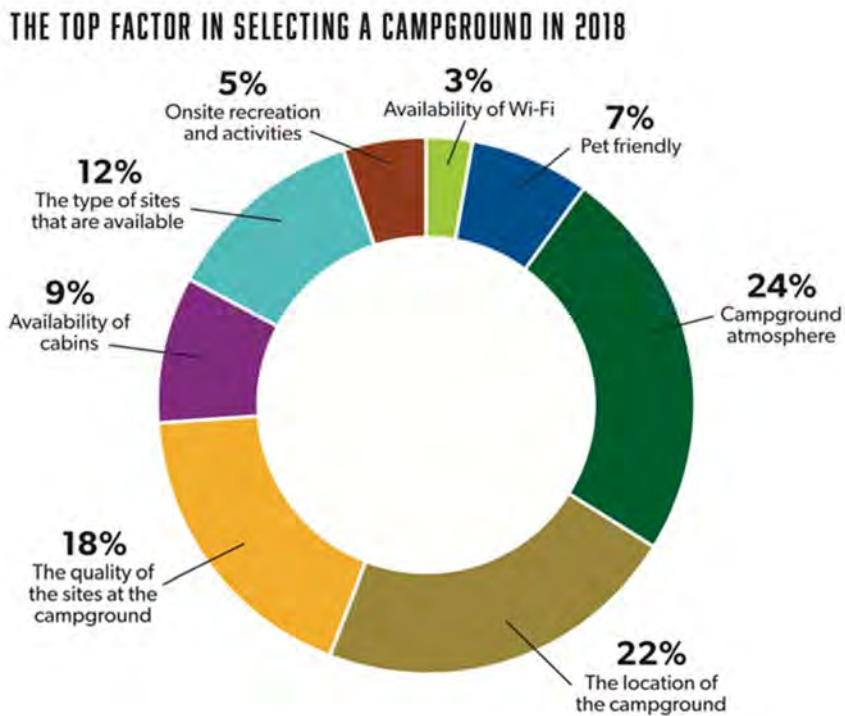


Figure 15. (Source: KOA North American Camping Report, 2019)



**Key Market Finding:** Given the Old Mill RV Center’s core assets and income producing business, the RV/camping center is key to the Old Mill Center’s financial viability. The RV/camping Center’s existing inventory of nearly 200 combined full-no-service campground units provide an array of accommodation types (e.g. Long-term sites, transient sites, and group/event sites), the future market forecast portends strong and stable demand for the Old Mill RV Center’s camping facility assets.

## Other RV/Camping Trends

### Glamping

Driven by “Gen-X and Millennial” consumer preferences, glamping has been gaining in popularity. Glamping describes a type of “camping” which combines unique (and often luxury) accommodations with an emphasis on nature or immersion into a cultural experience. Some call it luxury camping. Some call it glamorous camping. It is a form of travel that combines “experiences with accommodations”. Together, the experience walking away from superficial tourist activities and embracing an immersive cultural environment.

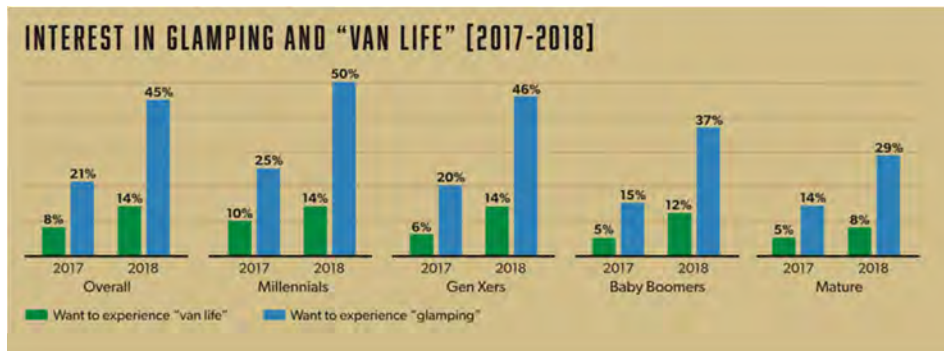


Figure 16. Glamping Demographic Profile

Source: KOA North American Camping Report (2019)

### More Full-Time Use

Forecasts indicate more full-time RV users in future years. This trend will be accelerated in some areas due to COVID recessionary economic impacts. However, the underlying driver is the rise of minimalism and tiny home popularity.

### More Sustainable RV Units and Campgrounds

Design features of future RV/trailer units include increased emphasis on kitchen and dining facilities. That includes both larger cooking/dining areas and better equipment to accommodate current lifestyles of more gourmet style cooking consumer preferences. Added to this are increasing focus on off-grid and sustainable design features. Those include full self-contained units with composting toilets, and units with solar electrical arrays and increases in technology overall (Wi-Fi, satellite, etc.)

### RV/Camping as Luxury Accommodations (Hotel sharing model)

The sharing economy has come to the RV community. Airbnb and other short-term rental companies transformed the sharing (rental) markets for fixed housing and the same is occurring for the RV product. This trend will increase the numbers of "first-time" consumers, and expand the overall RV/Camper demand. It is presumed that over time, this will increase the overall utilization of RV/Trailer camper units and will increase demand for sites. These operators provide RV/Tent accommodations combining the hotel and glamping adventure and experience concierge model.



## Potential Target Commercial Tenants

Based on the industry employment growth analysis and findings, several “target tenant types” have been identified that are consistent with market trends and community development objectives. Those opportunities include, but are not limited to the following ideas:

- **Entrepreneurs and Professional Businesses:** includes small businesses, providing professional and consulting services. Examples could include services such as engineering, environmental consulting, and other services professionals.
- **Artisan Makers and Sub-regional Cold Storage Warehouses:** includes businesses that require light industrial/flex buildings for expanding specialty manufacturing operations (wood working, boat parts, food/beverage processing; as well as warehouse/distribution retail showroom and a sub-regional cold storage warehouse facility.
- **Food/Beverage Processing:** Dairy, meat and seafood related food and beverage operations are already key components of the Tillamook County economy. There are a variety of cuisines, breweries and distilleries along the North Coast. Expansion of the food/beverage cluster could be assisted by a designated food cart pod area, and continued partnerships with Community College and local high school training programs.
- **Lodging:** new or expanded overnight accommodations will be needed to accommodate growth in visitation, group and business demand from overnight travelers. New facilities that accommodate events and trade association conventions could augment demand, particularly during off-peak shoulder months. Specialty lodging such as floating Boatels could attract visitors far and wide.
- **RV / Equipment Storage:** new and improved RV storage, including covered and electrical services to support long and short-term tenant and transient storage needs. Long-term equipment, materials and fleet storage for regional industries and businesses, which need additional outside or covered storage areas which support key industries.
- **Arts/Entertainment/Recreation:** another way to enhance off-peak visitation is to provide locations and events related to arts, entertainment and recreation. A mix of indoor and outdoor facility options could include: seasonal operations for mountain biking, and eco-tours on kayaks and stand up paddle boards.
- **Industry Associations and Research and Development:** the region’s high cluster of agriculture, aquaculture and commercial fishing operations offers opportunities to pursue both established associations and entrepreneurs working in these industries to establish a new footprint at the Old Mill Center. New or rehabilitation of existing buildings provides a unique laboratory of active industry to foster new businesses which could include a research and development cluster geared towards expanding the key industries. Ongoing initiatives including the Port’s

small commercial fisheries supply chain business development efforts may yield demands for space in the form of a Seafood Services Hub and related industry consulting.

Table 4. Growth Industries with High Location Quotient (LQ)

**LQ Analysis, Potential target opportunities for Port of Garibaldi**

NAICS	NAICS Title	LQ (2018)	Tenant prospects
112	Animal production	23.4	aquaculture
487	Scenic and sightseeing transportation	9.9	water recreation
311	Food manufacturing	7.0	seafood processing
113	Forestry and logging	6.0	support services
324	Petroleum & coal products manufacturing	5.7	
114	Fishing, hunting and trapping	5.7	commercial fishing
721	Accommodation	4.1	lodging/boatel
221	Utilities	3.4	
712	Museums, parks and historical sites	3.4	museum/group meeting facility
321	Wood product manufacturing	3.1	support services
237	Heavy and civil engineering construction	2.0	consulting/engineering services
484	Truck transportation	1.8	
312	Beverage & tobacco product manufacturing	1.8	brewery/distillery
813	Membership organizations & associations	1.7	trade association
519	Other information services	1.7	
447	Gasoline stations	1.5	
622	Hospitals	1.4	
445	Food and beverage stores	1.4	
485	Transit and ground passenger transport	1.4	
491	Postal service	1.3	
452	General merchandise stores	1.3	
814	Private households	1.3	
453	Miscellaneous store retailers	1.2	maritime supplies
722	Food services and drinking places	1.2	
442	Furniture and home furnishings stores	1.1	

**Key Findings:** The net positive job growth forecast for the Tillamook county region creates unique growth opportunities for the Port of Garibaldi. The Old Mill Center’s real estate assets compliment the Port’s and add additional opportunities for expanded growth potential, without over-extending the Port into new business types.

The Old Mill Center site is a unique waterfront location on the Oregon north coast which has a high amenity value, despite not being adjacent to the Pacific Ocean beaches. These existing attributes, and non-beachfront location, provide advantages to real estate development, since the Port can focus on creating new real estate development and tenant leases consistent with light-industrial and aquaculture (and marine dependent industries, food assembly and manufacturing) in and effectively managing and expanding the lodging operations over time.





# V. Existing Site Assessments

The subject Old Mill site comprises 4 legal tax lots (Tillamook County Assessor). It is assumed that easements exist for public and private utilities which service the site. Additional easements may be present, and should be evaluated as part of a full Title review. The greater site (the Old Mill peninsula) contains two additional parcels owned by the Port of Garibaldi.

Table 5: Summary of the total parcel and site acreage.

Tax Parcel ID	Acreage	Owner
100	2.57	Old Mill Investment LLC
200	24.89	Old Mill Investment LLC
201	9.62	Old Mill Investment LLC
500	4.92	Old Mill Investment LLC
Sub Total	42	
300	1.69	Port of Garibaldi
400	7.25	Port of Garibaldi
Sub Total	8.94	
<b>Site Total</b>	<b>50.94</b>	



Figure 17:  
Parcel Map Color Key:

Pink: Old Mill Investment LLC (approximately 42 acres)

Blue: Port of Garibaldi, OR (approximately 8.94 acres)

Red: Lot ID number



Development of the site is predicated a host of factors, including zoning, market demand, cost, and overall site conditions. Several key site studies were initiated for key site conditions which may affect future use of the site.

## Existing Site Assets

Current site development is a mixture of rental lease areas and open space. The predominant active use of the site is a full service RV and tent camping enterprise. Full and partial service RV and tent camping sites are leased for daily and long-term stays. Large open fields are available for group events. Leased spaces for restaurant, apartment rentals, small business, and community meeting/recreation spaces are also available.

A summary of the general site uses are listed in Table 6.

Table 6: Summary of Site uses:

Site Use	Unit Count /1	SQ Feet /2	Descriptive Notes
<b>RV Sites</b>	162 (+/-)		<b>Full Service Sites:</b> (W, S, E: 50/30 amp) - 132 <b>Partial Service Sites:</b> (W, E: 50/30 amp) - 32
<b>Tent Camping Sites</b>	54 (+/-)		<b>Partial Service Sites:</b> (W) - 19 for tents only <b>No Services:</b> - 35 for tents / RV
<b>Commercial Lease Buildings</b>		24,800 (+/-)	<b>Primary Commercial building:</b> - 1 RV leasing office (owner use) - 1 Event room / commercial kitchen (lease) - 1 Community meeting room (lease) - 5 offices (lease) - 1 laundromat (tenant use)  <b>Commercial building #2:</b> - 1 restaurant/bar (lease) - 3 rental apartments (lease)  <b>Industrial building:</b> - 1 lease space

<b>Maintenance and Svc Buildings</b>		6,700 (+/-)	<b>Maintenance building:</b> - 1 for owner use  <b>Shower / restroom buildings:</b> - 2 full-service restroom/shower buildings for camping center tenant use
<b>RV / Open Storage</b>	45 (+/-)		Monthly lease for RV center site tenants and non-tenants

+Notes:

1. Estimate from site drawings and field visit. Actual numbers may vary slightly.
2. Estimate from Tillamook County Assessor records
3. Services key: W = water; S = sanitary sewer; E = electricity

## Zoning and Entitlements

**Summary:** The subject site is located within three zoning districts and subject to two additional zones:

**Primary Zoning:**

- **Water-Dependent Development Zone (WD)** (Zoning Code Chapter 18.35);
- **Waterfront Mixed-Use Zone (WM)** (Zoning Code Chapter 18.40);
- **Estuary Conservation 2 (Zoning Code Chapter 18.70)**

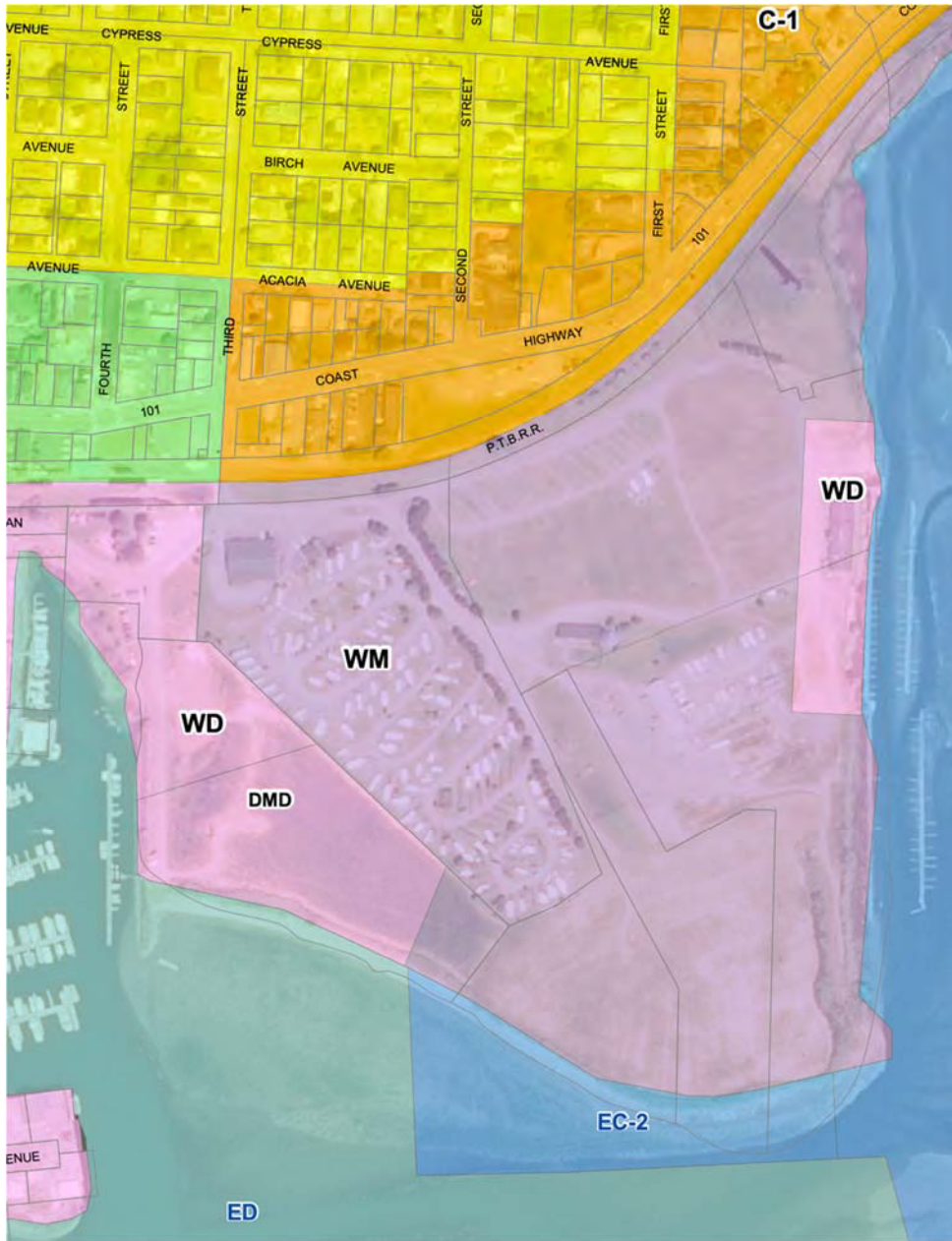
**Abutting Zones (in-water):**

- Estuary Development (Zoning Code Chapter 18.756)
- Dredge Material Disposal Overlay Zone (DMD) (Zoning Code Chapter 18.45)

Because the site is split zoned, the Port may need to assess whether that is an impediment to future development. If so, then choose which zone corresponds best to the preferred development type and work with the City of Garibaldi to revise the zoning boundaries and designation. The City may require a Land Use District Map amendment (Zoning Code Chapter 18.200)

\*It is assumed that the Dredge Material Disposal overlay zone (Port properties) will remain unchanged. Currently, the Port of Garibaldi uses the parcel for fishing equipment open storage and a seasonal public market. If needed and desirous, the Port could assess the tradeoff of removing the zoning overlay designation and may need to find an alternative site for dredge material fill.

Figure 18. Garibaldi Zoning Districts Map (Source: City of Garibaldi)



**Zoning Key:**

- WD** – Water Dependent Development Zone (Chapter 18.35)
- WM** – Waterfront Mixed-Use Zone (Chapter 18.40)
- DMD** – Dredge Material Disposal Site Protection Overlay Zone (Chapter 18.45)
- EC-2** – Estuary Conservation 2 Zone (Chapter 18.70)
- E-D** – Estuary Development Zone (Chapter 18.75)
- C-1** – Commercial Zone (Chapter 18.25)
- D-1** – Downtown Zone (Chapter 18.27)

# Key Zoning Code Provisions

## Use Table (Zoning Code Chapter 18)

- **Allowed Uses:**
  - o WD Zone: the WD zone is intended to provide an area for uses that are water dependent or related. Which means, that is the primary function of this zone. Uses which are not dependent or related to the water but are ancillary to that use (i.e. retail fish sales associated with seafood processing) may be allowed in this zone.
  - o WM Zone: the WM is intended allow a variety of mixed uses in a waterfront setting. , when they are compatible and do not interfere with adjacent water dependent uses in the WD zone.
  - o DMD Zone: the DMD zone is intended for disposal of dredge material spoils removed from the Garibaldi harbor and Tillamook Bay in order to support water-dependent development and navigational access requirements.
  
- **Conditional Uses:**
  - o Both the WD and WM zones allow for conditional uses which expand the use table to include nearly all uses which would be feasible and appropriate at the site. The only use which would be prohibited in any circumstance would be stand-alone single-family residential housing.
  - o The DMD zone restricts site development to permanent structures and those which would prohibit the addition of dredge material placement on an as-needed basis.
    - The Port could pursue a zoning map amendment to remove the DMD designation, subject to identification of an alternative dredge materials placement site and related City of Garibaldi permit processing.

## Unique criteria:

- Density: No minimum or maximum density requirements, but density is subject to Lot Dimension standards
- Lot Coverage: No maximum. However, lots must accommodate all use elements (i.e. building, parking, landscaping, ingress/egress)
- Building Height: 30 feet.
- Building Setbacks: vary from 10-15 feet, dependent upon zone and proposed and adjacent use type(s)

Table 7: Parcel Zoning Comparison (Source: City of Garibaldi)

<b>Use Type (general category)</b>	<b>WD</b>	<b>WM</b>
Industrial	YES (water dependent) Conditional Use (warehousing, storage, other)	Yes (water related)
Commercial	YES (marinas, support facilities, other water dependent)	Yes (water related)
Office	No (for stand-alone commercial offices)	Yes
Retail	Conditional Use (must be related to allowed commercial use, or support to fishing)	Yes
Retail Food / Restaurant	Conditional Use (must have view of water, and, must be attached to water-related or dependent use)	Yes
Light Manufacturing – Food & Beverage	No	Conditional Use
Hotel / Motel	No	Conditional Use
Multi-Family Housing	No	Conditional Use
Single-Family Housing	No	Yes (as part of mixed- use project or planned- unit-development)
Recreation	YES (low intensity, viewpoints, fishing)	YES
Public Park – Open Space	YES (low intensity or water dependent, parks)	YES
Parking Lot		YES (associated with marine) Conditional Use (non marine associated)
Outside Storage	Conditional Use (for marine equipment or waterborne commerce)	

## UNIQUE SITE CONDITIONS

The following site conditions are unique and influence the use potential of the subject site and should be evaluated further with special studies:

- Old Mill Recreational Pier and Moorage
- Old Mill Smokestack
- Garibaldi Harbor Expansion
- Site Fill Material
- Building Conditions

### Old Mill Moorage

The Old Mill moorage abutting the eastern frontage of the subject site, was at one time a vibrant and active launch facility and moorage for primarily private and recreational water craft. At peak use, the moorage could handle several hundred small water craft.

Over time the moorage has fell into disrepair. However, the City's Comprehensive Plan and zoning codes recognize the public benefit of the historic land use, and the codes provides guarantees which will enable rehabilitation to the in-water piling and structures, including navigation channel dredge maintenance.

Study of future needs and upgrade requirements should be undertaken to assess the costs and benefits of the moorage and launch facility upgrades to service future needs such as, kayak, stand-up paddleboard, and recreational boat use over time.



Figure(s) 19: Old Mill Marina (Source: Public Domain)



## Old Mill Smokestack

The Old Mill smokestack is an iconic history feature of Garibaldi. It could be repurposed for both aesthetic (iconic) and also potentially recreational purposes. Iconic features like the smokestack are often used as community and development gateway features and can serve as both a tourist attraction and community icon.

Beyond iconic purposes, creative adaptive reuse examples such as the Rastin Observation Tower (Aerial-Foundation Park, Mount Vernon Ohio) provide a potential template for how these types of historic relics can be turned into a community amenity. At a certain height, the view from the Garibaldi tower would allow visitors to see the entirety of the Tillamook Bay, Tillamook Forest and the Pacific Ocean, which could be a one of a kind views.

**Opinion provided by:** PBS Engineering and Environmental, Inc., October 2020

Rehabilitation of the structure to allow access by visitors is likely infeasible due to local seismic liquefaction issues and associated costs to stabilize the structure. If it desired to keep the structure as a landmark, a barrier should be placed around the base of the tower to keep visitors a safe distance from any potential falling debris. Construction of a new tower is likely less expensive than rehabilitation of the existing tower.

Planning level costs for three options as follows:

- 1) Remove existing tower: \$100,000 (+/-)
- 2) Construct new tower (size and amenity dependent): \$500,000 - \$1,000,000 (+/-)
- 3) Retrofit tower for seismic and visitor access: \$1,000,000 - \$1,500,000 (+/-)

Figure(s) 26: Old Mill Smokestack (Sources: Public Domain)



Rastin Observation Tower



# Fill Material

Since decommissioning of the Old Mill, significant transformation of the site has occurred, including removal of buildings and the addition of significant dredged fill material to the southern portion of the site.

Anecdotal reports by community members familiar with the site, indicate that the fill material disposed on site is exclusively dredge spoils from the Tillamook Bay. The dredge material was excavated as part of routine channel maintenance from the Port mooring basin along the southern frontage of the site to the Old Mill moorage. It is assumed no organic fill was added to the site. The dredge material forms a mound which is roughly 20 feet higher in grade on the southern tip of the site than the typical Old Mill site elevations.

Further study of the site fill to gauge liquefaction risks and to assess the capacity of the fill to hold building / structure foundations is recommended.

Figure(s) 21: Old Mill Site Fill (Source: Public Domain)

Site Fill Area





# Building Conditions

Site Buildings are in varying stages of repair and should be inspected to assess structural, electrical, HVAC and deferred maintenance conditions.

Figure(s) 22: Old Mill Building Conditions (Source: Public

New and original maintenance and lease steel (shed) buildings



Primary leased building, including large community room and commercial kitchen



Multi-tenant leased building, which includes restaurant/bar, and three apartment rentals



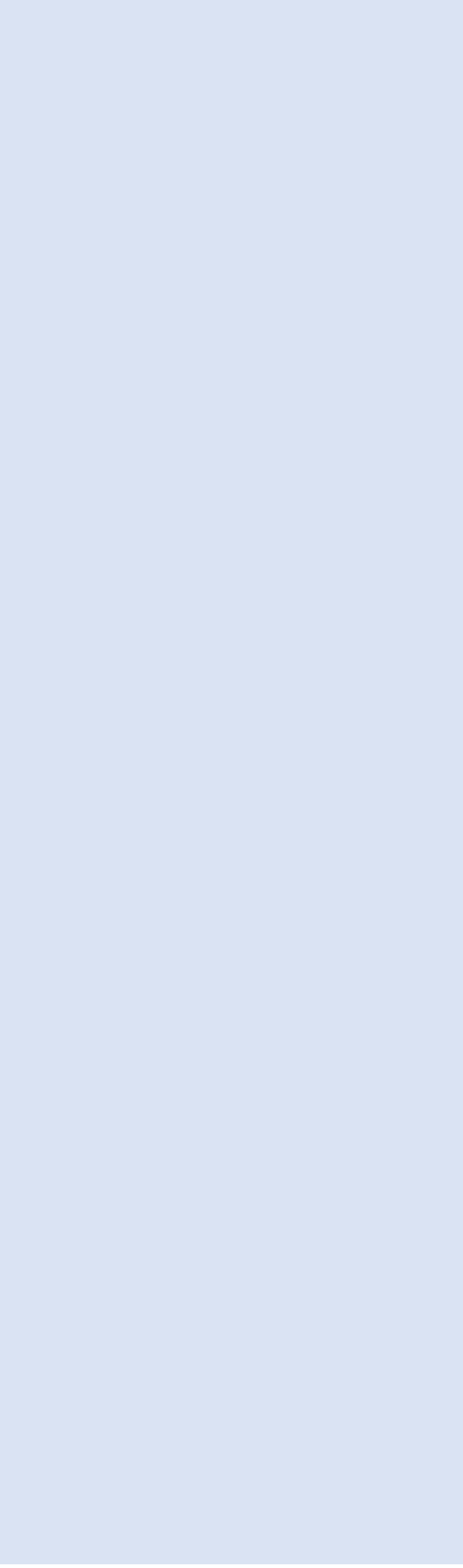
Leased Community and recreational center for RV/tent camping tenants and public access.





Figure(s) 23. Old Mill Center on-site infrastructure, roadways, utilities, RV pads, shared restroom/shower facilities.





## VI. Future Financial Analysis

*(With Assumptions Regarding Rent-Roll and Expenses)*

The purpose of the financial analysis is to provide the Port a “general outlook” in regards to what income the property may be able to produce, based on current real estate portfolio and conditions. The financial analysis is designed to estimate potential revenues, expenses, net-income and potential debt that could be incurred and serviceable based on current site financial performance. The results of the analysis may assist the Port in future decision making.

### Future Financial Analysis: Methodology

**Net Income** is the key metric for assessing property valuation and return-on-investment in commercial real-estate. The Port Commission, district stakeholders and lenders may want to ensure the property asset has economic value prior to investment. In this case, economic value can be viewed as net-income, and also, that economic development opportunities in new jobs and tourism is growing (or being preserved).

Lenders concentrate primarily on the net income a property is currently producing. Lenders typically don't want to offer debt financing for “projected income” unless there is strong reason to believe that income can be realized through extensive market and financial analysis, backed-up by the Owner's proven track record in managing and developing commercial real estate.

Since the Net-Income Operating Statement is paramount to investment analysis, the remainder of this financial analysis will present a reasonable forecast of financial returns and potential debt underwriting based on the inputs noted above and listed below.

### Financial Analysis: Key Assumptions

The following key assumptions drive revenue and cost factors in the financial analysis. Full detail of each input assumption can be found in the detailed spreadsheet models in the Appendix. Key input assumptions include:

- **Unit Counts:** As measured in August field visit and aerial photography; and, verified by telephone with Old Mill Center leasing staff.

- **Rent / Lease Rates:** As published by the Old Mill RV Center; verified by telephone with Old Mill Center leasing staff; and, estimated by commercial real estate broker familiar with market conditions.
- **Vacancy Rates:** As measured in August field visit and aerial photography; and, verified by telephone with Old Mill Center leasing staff.
- **Payroll Costs:** As forecast by Port of Garibaldi staff (assumed 5 FTE in various wage classifications and assumed to be full benefit employees).
- **Recurring Operating Expenses:** As interpolated and re-forecast from Old Mill RV Center 2018 and 2019 financial statement (unaudited); and, anecdotal input by Port of Garibaldi staff.
- **Debt Financing Terms:** As interpolated from market debt terms for public agency financing through state of Oregon entities; and, anecdotal input by Port of Garibaldi staff.

## Real Estate Portfolio and Vacancy Analysis

Estimating future financial returns from the Old Mill Center is based on the existing real-estate portfolio and current occupancy (vacancy) estimates.

*Disclaimer: Market Advisory Group did not have access to the existing Old Mill RV Center's existing audited financial statements, verified rent-roll and current tenant leases.*

The Financial Analysis was prepared using the following inputs:

- Field data collection which included:
  - o Review of Tillamook County Assessor data;
  - o site assessments and inventory;
  - o site vacancy spot analysis (August & Sept 2020);
  - o anecdotal input from Old Mill RV Center (website, leasing and maintenance staff); and,
  - o anecdotal input from market regional commercial real estate broker.
- Analyst judgement based.

The Portfolio and Vacancy Analysis summary are listed in Tables 6 and 7.

Table 6. RV/ Camping Center Portfolio and Vacancy Analysis

<b>RV &amp; Tent Camping</b>		<b>Units /1</b>	<b>Vacancies /2</b>	
<b>RV</b>	<b>Space Count</b>		<b>Vacant</b>	<b>% Vacant</b>
<b>Long Term Full Svc: W/S/E, 50/30 a</b>	<b>62</b>		<b>16</b>	<b>26%</b>
Long Term - Pull Through				
50 amp Svc	9		1	11%
Regular Svc	1		1	100%
Long Term - Back In				
50 amp Svc	16		4	25%
Regular Svc	31		5	16%
Long Term - Short Length				
50 amp Svc				
Regular Svc	5		5	100%
<b>RV</b>	<b>Space Count</b>		<b>Vacant</b>	<b>% Vacant</b>
<b>Short Term Full Svc: W/S/E 50/30 a</b>	<b>70</b>		<b>24</b>	<b>34%</b>
Full Hookups Pull Through				
50 amp Svc	9		2	22%
Regular Svc	10		3	30%
Full Hookups Back In				
50 amp Svc	22		7	32%
Regular Svc	29		12	41%
<b>RV</b>	<b>Space Count</b>		<b>Vacant</b>	<b>% Vacant</b>
<b>Short Term Partial Svc: W/E Service,</b>	<b>32</b>		<b>22</b>	<b>69%</b>
Pull Through	18		11	61%
Back In	14		11	79%
<b>Tent Camping</b>	<b>Space Count</b>		<b>Vacant</b>	<b>% Vacant</b>
<b>Tent Camping Total</b>	<b>19</b>		<b>9</b>	<b>47%</b>
Water Svc - shared	19		9	47%
<b>Tent Field</b>				
<b>Tent Field Camp Sites</b>	<b>35</b>		<b>28</b>	<b>80%</b>
Half Field	2		NA	NA
Full Field	1		1	100%

Notes: 1. Estimate from published documents and field counts. Final unit count may vary.

2. Vacancy as measured from field aerial photo reconnaissance, August 11, 2020; 12:20 PM

Table 7. Old Mill Center Commercial Portfolio and Vacancy Analysis

Commercial Buildings	SQ/FT	Vacant	% Vacant
<b>Bldg A: Leasing, Offices and Event Rooms</b>			
1st Floor	8,014		
- Leased Space (1 unit)		0	0%
2nd Floor	3,200		
- Leased Spaces (5 units)		2	40%
<b>Buidling B: Kelley's</b>			
1st Floor	6,274		
- Restaurant/Bar (1 unit)		0	0%
- Apartment (1 unit)		0	0%
2nd Floor	2,652		
- Apartment (2 units)		0	0%
Total	20,140		

Industrial Buildings	SQ/FT	Vacant	% Vacant
<b>Maintenance Shop</b>	4,800	N/A	N/A
<b>Blue Metal Building</b>	2,400		
- Leased Space (1 unit)		0	0%
Total	7,200	0	0%

Outdoor RV Storage	Units	Vacant	% Vacant
<b>RV &amp; Trailer/Open Storage</b>	40-50		
- 40-50 Units		9 +/-	TBD
	40-50	9 +/-	TBD

Notes: Site assets compiled by MAG, as of 8-5-2020, as inventoried from Tillamook County Assessor records, site visit, and telephone verification with Leasing Office. Actual buidlng size and unit counts may vary.

## Projected Rent Roll (optimized)

The proposed Rent-roll is an **idealized future rent-roll** for a full YR 1 of operations (for the purposes of this analysis, that is referred to as YR 2021).

**As presented, the forecast Rent Roll and Effective Income, assumes the Port of Garibaldi could operate the site assets at a higher occupancy and lease level than the existing condition.**



The rent-roll includes rental rates equivalent to those confirmed through: existing published rates on web-site, verification by telephone with Old Mill Center leasing office; and as estimated in consultation with local commercial real-estate broker.

Rent-roll and Effective Income has been estimated for the RV/Camping Center (Table 8) and Commercial real estate inventory (Table 9).

**Revenue, Lease Rates and Vacancy Categories**  
**EACH ASSUMPTION CAN VARY AND WILL AFFECT ACTUAL RESULTS ACHIEVED**

Table 8. Rent-roll - RV/camping Center (assumed stabilized year: 2021)

<b>RV &amp; Tent Camping</b>		<b>Spaces</b>	<b>PROJECTED EFFECTIVE REVENUE</b>		
			<b>Total Summer Rents</b>	<b>Total Winter Rents</b>	<b>Total Annual Rents</b>
<b>RV</b>			4	8	
<b>Long Term Total</b>		<b>60</b>			
Long Term - Pull Through					
50 amp Svc		9	\$ 22,950	\$ 37,800	\$ 60,750
Regular Svc		1	\$ 2,465	\$ 4,060	\$ 6,525
Long Term - Back In					
50 amp Svc		15	\$ 34,425	\$ 56,700	\$ 91,125
Regular Svc		29	\$ 64,090	\$ 105,560	\$ 169,650
Long Term - Short Length					
50 amp Svc					
Regular Svc		6	\$ 9,900	\$ 6,600	\$ 16,500
<b>Regular Stay Total</b>		<b>102</b>			
Full Hookups Pull Through					
50 amp Svc		9	\$ 52,486		\$ 52,486
Regular Svc		10	\$ 52,406		\$ 52,406
Full Hookups Back In					
50 amp Svc		22	\$ 89,164		\$ 89,164
Regular Svc		29	\$ 120,817		\$ 120,817
W/E Service (30 amp)					
Pull Through		18	\$ 52,378		\$ 52,378
Back In		14	\$ 33,540		\$ 33,540
<b>Tent Camping</b>					
<b>Tent Camping Total</b>		<b>19</b>			
Water Svc - shared		19	\$ 16,211		\$ 16,211
<b>Tent Field</b>					
<b>Tent Field Camp Sites</b>		<b>35</b>			
Half Field		2	\$ 3,550		\$ 3,550
Full Field		1	\$ 3,700		\$ 3,700
<b>GRAND Totals</b>			<b>\$ 588,829</b>	<b>\$ 210,720</b>	<b>\$ 799,549</b>

**Revenue, Lease Rates and Vacancy Categories**  
**EACH ASSUMPTION CAN VARY AND WILL AFFECT ACTUAL RESULTS ACHIEVED.**

Table 9: Rent-roll – Commercial Buildings (assumed stabilized year: 2021)

<b>Commercial Buildings</b>		SQ/FT	Rent (\$/SF)	Rent (unit)	Vacancy Factor	# of Events	Total Monthly Rent	Total Annual Rent
<b>Bldg A: Leasing offices and Community Room</b>								
1st Floor		8,014						
Lease Space 1								
2nd Floor		3,200						
Lease Space 2				\$ 250.00	10%		\$ 250.00	\$ 2,700.00
Lease Space 3				\$ 250.00	10%		\$ 250.00	\$ 2,700.00
Lease Space 4				\$ 250.00	10%		\$ 250.00	\$ 2,700.00
Lease Space 5 (Oregon Scenic RR)				\$ 250.00	0%		\$ 250.00	\$ 3,000.00
<b>Buidling B: Kelley's</b>								
1st Floor		6,274						
Restaurant / Bar				\$ 1,250.00	0%		\$ 1,250.00	\$ 15,000.00
Apartment 1				\$ 1,500.00	10%		\$ 1,500.00	\$ 16,200.00
2nd Floor		2,652						
Apartment 2				\$ 1,500.00	10%		\$ 1,500.00	\$ 16,200.00
Apartment 3				\$ 1,500.00	10%		\$ 1,500.00	\$ 16,200.00
							<b>Total</b>	<b>\$ 74,700.00</b>
<b>Industrial Buildings</b>								
Maintenance Shop		4,800	\$ -	\$ -			\$ -	\$ -
New Leased Space		2,400	\$ 0.65	\$ 1,560.00	0%		\$ 1,560.00	\$ 18,720.00
							<b>Total</b>	<b>\$ 18,720.00</b>
<b>Outdoor RV Storage</b>								
RV & Trailer/Open Storage		40		\$ 75.00	10%		\$ 2,700.00	\$ 32,400.00
		5		\$ 100.00	20%		\$ 400.00	\$ 4,800.00
							<b>Total</b>	<b>\$ 37,200.00</b>
Note: Assum								
<b>Event Facilities</b>								
Main Lodge Event Room								
1-day Events				\$ 300.00	0%	12		\$ 3,600.00
3-day Events				\$ 1,200.00	0%	3		\$ 3,600.00
Meeting Room (2nd Floor)								
1-day Events				\$ 100.00	0%	12		\$ 1,200.00
2-day Events				\$ 350.00	0%	3		\$ 1,050.00
Building C: BBQ House / Community Roor		2,276						
1-day Events				\$ 150.00	0%	6		\$ 900.00
3-day Events				\$ 450.00	0%	2		\$ 900.00
							<b>Total</b>	<b>\$ 11,250.00</b>
<b>Services / Concessions</b>								
Laundromat		\$ 9,500						\$ 9,500.00
Concessions (misc. supplies).		\$ 1,000						\$ 1,000.00
							<b>Total</b>	<b>\$ 10,500.00</b>

**Grand Total \$ 152,370.00**

# Net Operating Income Analysis

The Operating Statement measures a property's Income and Expenses. It includes the following information:

- **Effective Income:** The anticipated income a property may generate based on all site assets, after factoring adjustments for vacancy and collection loss and other adjustments including mark-to-market
- **Recurring Expenses:** the anticipated normal and recurring operating expenses (does not include taxes or debt service).
- **Net operating income:** the anticipated Net income remaining after all operating expenses.
- **Non-Recurring Expenses:** the non-routine maintenance costs, leasing costs, capital improvement (building) costs, annual debt service, taxes, depreciation and optional replacement reserves.
- **Net Cash Flow:** The anticipated income remaining, after subtracting all recurring and non-recurring expenses from effective income.

The Old Mill RV Center is a mixed-use commercial center, where income is generated from commercial leases for a myriad of types of commercial ventures. Lease income is generated primarily from the following sources.

## **Effective Income Sources: From Projected Rent Roll (optimized) Analysis**

- RV and Tent Camping Spaces
- Office Space
- RV Storage
- Restaurant/Bar
- Apartments
- Meeting Room Rentals
- Industrial Warehouse (*space not currently available for lease, but expected in future*)
- Concession Revenue (laundromat, RV Center supplies)

## **Normal Operating Expense Sources: Those typical of a commercial real-estate venture.**

- Cost of Goods sold, Fees, Insurance, Maintenance expenses, Office expenses, Promotions, Reimbursements, Utilities, (etc.).
  - o These projections were derived by comparing Old Mill RV Center P&L statements (2019, 2018); and input provided by Port of Garibaldi based on their experience in real estate / property management:
- Salary & Wages, Benefits, Insurance, Pension, Taxes.
  - o These projections were derived by Port of Garibaldi estimate of fully loaded staffing costs at Old Mill Center – 5 full time equivalent employees:

Based on the assumptions integrated into the financial pro-forma analysis for a stabilized YR 1 of operations (assumed to be: YR 2021), the Old Mill RV Center ***could possibly generate*** a net operating income of **roughly \$428,000**. (before deducting taxes, debt and other non-regular expenses)

Table 10. Project Net Operating Income (YR 2021)

Revenue Projections		2021
<b>x000</b>	<b>Revenue</b>	
	Gross Potential Revenue <sup>a</sup>	
	RV / Camping Center	\$ 799,549
	Commercial Buildings	\$ 74,700
	Industrial Buildings	\$ 18,720
	Outdoor RV Storage	\$ 37,200
	Event Facilities	\$ 11,250
	Services / Concessions	\$ 10,500
	Less: Bad Collections 0.50%	\$ (4,760)
<b>Effective Gross Income</b>		<b>\$ 947,159</b>
Operating Expense Projections		2021
<b>5000</b>	<b>Cost of Goods Sold</b>	
	Cost of Goods	\$ 2,500
<b>6000</b>	<b>General Expenses</b>	
	Auditing and Filing Fees	\$ 5,000
	Dues	\$ 1,000
	Insurance, general	\$ 16,964
	Insurance, health a	\$ 53,160
	Legal Fees	\$ 5,000
	Maintenance	\$ 50,000
	Miscellaneous	\$ 10,000
a	Office Expense	\$ 10,000
	Payroll Taxes b	\$ 12,865
	Pension c	\$ 49,121
	Professional Fees	\$ 7,500
	Promotion and Publication	\$ 10,000
	Salaries and Wages d	\$ 164,116
	Travel	\$ 1,000
	Utilities	\$ 120,000
<b>Summary of Operating Expenses</b>		
5000	Cost of Goods Sold	\$ 2,500
6000	General Expenses	\$ 515,726
<b>Operating Expenses</b>		<b>\$ 518,226</b>
Net Operating Income Analysis		
	Gross Revenue	\$ 947,159
	Gross Expenses	\$ 518,226
<b>Net Operating Income</b>		<b>\$ 428,933</b>

**EACH ASSUMPTION CAN VARY AND WILL AFFECT ACTUAL RESULTS ACHIEVED.** Disclaimer: The YR 2021 NOI analysis is best used as an “order of magnitude” estimate of what could be achieved, IF, the assumptions included in the analysis occur as forecast.

## Maximum Debt Analysis

Generally, commercial property debt financing is measured using two methods. Debt financing is typically factored to the greatest value derived from either of the two methods.

**LTV Method:** is calculated by applying loan terms in relation to estimated property value. The property value is derived by applying the market capitalization rate to net operating income.

**DSCR Method:** is calculated by taking the net operating income adjusted by the debt service coverage ratio, to estimate a monthly debt service payment amount. The monthly debt service payment is then related to maximum loan amount.

The Old Mill RV Center could support debt from each of the methods as follows:

1. **Loan to Value (LTV) method** (80/20 loan at 9% CAP Rate): **\$3,800,000**
2. **Debt Service Coverage Ratio (DSCR) method** (DSCR of 30%): **\$5,750,000**

Table 11. Maximum Debt Analysis

### Debt Analysis

<b><i>Pro-forma Net Operating Income (NOI) and Loan Terms</i></b>	
Pro Forma NOI <sup>a</sup>	\$428,933
Capitalization Rate <sup>b</sup>	9.00%
Value of Income Property Only (NOI / Cap Rate)	<u>\$4,765,927</u>
<b>Loan Terms</b>	
Interest Rate	4.00%
Amortization (years)	30
<b>LTV Method</b>	
<b>Debt Based on Loan to Value (LTV)</b>	
Maximum LTV Percentage <sup>c</sup> (80/20 - Loan/Equity)	80.00%
<b>Maximum Loan Based on LTV for Income Property</b>	<b><u>\$3,812,741</u></b>
<b>DSCR Method</b>	
<b>Using Debt Coverage Ratio (DCR)</b>	
Monthly NOI (from Operating Statement)	35,744
Maximum DSCR (30%)	1.30
Maximum Monthly Payment (NOI/DCR/12)	<u>\$27,496</u>
<b>Maximum Loan Based on DSCR for Income Property</b>	<b><u>\$5,759,290</u></b>
<b>Maximum Loan (Greater of LTV or DSCR Result)<sup>d</sup></b>	<b><u>\$5,759,290</u></b>

Notes:

- a. The pro forma NOI figure based on the projected income and expenses
- b. The assumed CAP rate is the market average ranging from 8% - 10%
- c. Assumed maximum LTV ratio from state of Oregon public financing sources
- d. Maximum Loan amount based on DSCR underwriting at a 30% coverage ratio.

## Net Cash Flow Analysis

Net-Cash-Flow analysis provides the most comprehensive picture of whether the Old Mill RV Center site could generate sufficient financial returns to break-even (generate sufficient revenue and cover all expenses), and not impede current Port operations.

As noted previously, each of the assumptions built into the pro-forma analysis is variable and subject to factors such as: market conditions and demand, owner management and strategy, and loss prevention, and debt terms.

Non Recurring Expenses: Included in the Net Cash Flow analysis are expenses such as Taxes, Debt Service and Capital Reserves. The assumed terms for each category as noted as follows.

- Taxes: For this estimate, the taxes due are based on the prevailing Transient Lodging Taxes due from RV / Camping activity.
- Debt service. Assumes in initial loan of \$4,607,432, fully amortized over a 30-year term, with fixed interest rate of 4% APR.
- Capital Replacement Reserves. Assumes a capital replacement set-aside equivalent to a fixed rate of 2.5% of the annual Effective Income.

Annual Cost Escalation. In preparing this 6-year scenario, assumptions were incorporated regarding nominal revenue and expense escalation. Those escalation assumptions were derived from factors such as: typical consumer-price-index (CPI) adjustments, nominal rent/lease increases (limited due to lack of understanding for existing lease terms); and, growth models for Payroll related expense categories.

The results of the Net-Cash-Flow analysis find that the Old Mill RV Center could produce a nominal net positive cash flow. The Net Cash Flow including a 6-year forecast is presented in Table 12.

Table 12. Net Cash Flow Analysis

Effective Gross Income (YR)	2021	2022	2023	2024	2025	2026
<b>Revenues</b>	\$ 947,159	\$ 955,443	\$ 963,812	\$ 974,866	\$ 983,408	\$ 992,038
<b>Operating Expenses (YR)</b>						
Cost of Goods Sold	\$ 2,500	\$ 2,625	\$ 2,756	\$ 2,894	\$ 3,039	\$ 3,191
Operating Expenses	\$ 515,726	\$ 533,579	\$ 552,149	\$ 571,469	\$ 591,572	\$ 612,494
<b>Operating Expenses</b>	\$ 518,226	\$ 536,204	\$ 554,905	\$ 574,363	\$ 594,610	\$ 615,684
<b>Net Operating Income</b>	\$ 428,933	\$ 419,239	\$ 408,907	\$ 400,503	\$ 388,798	\$ 376,353
<b>Debt Service &amp; Reserve Expense</b>						
Taxes	\$ 91,548	\$ 92,868	\$ 93,796	\$ 94,734	\$ 95,682	\$ 96,638
Depreciation						
Debt Service	\$ 263,959	\$ 263,959	\$ 263,959	\$ 263,959	\$ 263,959	\$ 263,959
Capital Replacement Reserve	\$ 23,679	\$ 23,886	\$ 24,095	\$ 24,372	\$ 24,585	\$ 24,801
<b>Net Debt &amp; Reserve Expenses</b>	\$ 379,186	\$ 380,713	\$ 381,851	\$ 383,065	\$ 384,226	\$ 385,398
<b>Net Cash Flow</b>	\$ 49,747	\$ 38,526	\$ 27,057	\$ 17,439	\$ 4,572	\$ (9,045)
<b>Balance: Capital Replacement Reserve</b>	\$ 23,679	\$ 47,565	\$ 71,660	\$ 96,032	\$ 120,617	\$ 145,418
<b>Balance: Loan</b>	\$ 4,526,293	\$ 4,441,849	\$ 4,353,964	\$ 4,262,499	\$ 4,167,308	\$ 4,068,238

## Financial Scenarios and Sensitivity Testing

The foregoing analysis is a forecast, and is subject to future market conditions which are unknown. It is not a guarantee or predictive of what may occur. However, the analysis provides a **Projection** of a future financial outcome for the Old Mill Center .

Considering the future unknowns, it is prudent to undertake scenario and sensitivity testing to evaluate different future outcomes.

A brief summary of the relevant tests includes:

- **Sensitivity Testing** which includes preparing multiple pro-forma simulations with different revenue and expense assumptions to test the sensitivity and risks associated with each scenario.
- **Growing Site Revenue** through implementing better lease terms and also from new site development, where new income producing assets can be expanded to increase overall Effective Income.
- **Containing Site Costs** where the site owner develops long-term plans for maintaining and operating the site at the most advantageous cost structures.

Given the nominal Net-Cash-Flow projected in the current financial analysis, analysis of future growth options and cost containment methods are a reasonable approach in assessing the viability for better return on investment.





## VII. Growth Opportunity Zones

The Old Mill Center comprises 42 acres. Existing site uses are predominantly the RV / Camping uses and support buildings. A nominal amount of the site is used for commercial, industrial, and open storage uses.

For the purposes of growth opportunity evaluation, the site has been broken into 7 zones. Each of the zones retains unique characteristics and only select zones have growth potential.

Site Character Summary:

- Roughly 50% of the site is considered fully developed/utilized, and not considered a growth area.
- Roughly 30% of the site, or 12 +/- acres could be considered under-utilized and available for new development.
- Roughly 9 acres +/- dedicated for future waterfront trails and open space and public access.

A summary accounting and rough acreage for each site zone is listed in Table 15, and approximate site diagram reflected in figure 24.

Table 15. Existing / Future Site Use Programming.

Zone	Use	Acres (approximate)	New Growth Opportunity
1	Commercial	1.5	-
2	Port Property	9.0	N/A
3a	RV Center	8.0	-
3b	RV / Camping	8.0	-
4	Commercial / Govt / Non-profit	4.0	YES
5	Industrial / Open Storage	5.0	YES
6	Hotel / Lodging / Event Pavilion	7.0	YES
7	Open Space (Trails, Park)	8.5	YES

Figure 24. Growth Opportunity Zones



# GROWTH OPPORTUNITIES – Summary

Future Growth opportunities are primarily related to converting under-utilized land area and making those areas available for conversion to higher use and greater income producing potential. New development within the Old Mill site could result in new opportunities for job creation, economic activity, and a higher return on investment for the Port of Garibaldi. The growth zones are: Zone 4, Zone 5 and Zone 6.

A summary of the potential growth opportunities is noted in Table 16.

Table 16. Old Mill Site Growth Opportunity Zones (SQFT and Units)

Zone	Commercial / Industrial	Storage Spaces	Room Units	Food Services	Event Pavilion
4	15,000				
5	30,000	40-50			
6			55-85	Yes	5,000 – 7,500
<b>Total</b>	<b>45,000</b>	<b>40-50</b>	<b>55-85</b>	<b>Yes</b>	<b>5,000-7,500</b>

Further study and site planning for the site zones 4, 5 and 6 should be advanced in order to determine detailed estimates of site plan, permitting, site construction, and financial return assumptions. Those studies should be considered, if the Port acquires the site.

*Disclaimer. Zone 6 is unique and provides a great growth opportunity for potentially a signature lodging, event or other active commercial uses. However, this zone is going to be the most difficult to develop due to lack of utilities and due to uncertain soil stability conditions. Additional site studies and master planning should commence to evaluate the true potential of Zone 6 development.*

Detailed characterization of each site Growth Zone (Zones 4, 5, 6), and a preliminary exploration of site programming, site planning and design, and associated capital facility and site enhancements are presented and described in the following site Zone summaries.

## Growth Zone 4 Figure(s) 25



**Acres: 4.0 +/-**

**Primary Uses:**

- Restaurant: 1
- Rental Apartments: 3
- Open Field RV/tent camping: 35 (+/-)

**Existing Building SQFT:**

-8,926

**Key Features:**

- Mixed use restaurant / rental apartment building
- Marine launch and moorage facilities

**Constraints / Deficiencies:**

- Dilapidated marine launch and moorage facilities
- Deferred maintenance on primary building structure

**Future Growth:**

- New commercial/office building(s); up to 15,000 SQFT
- Remodel and re-lease existing building to new tenant(s)

**Potential Capital Facility Upgrades:**

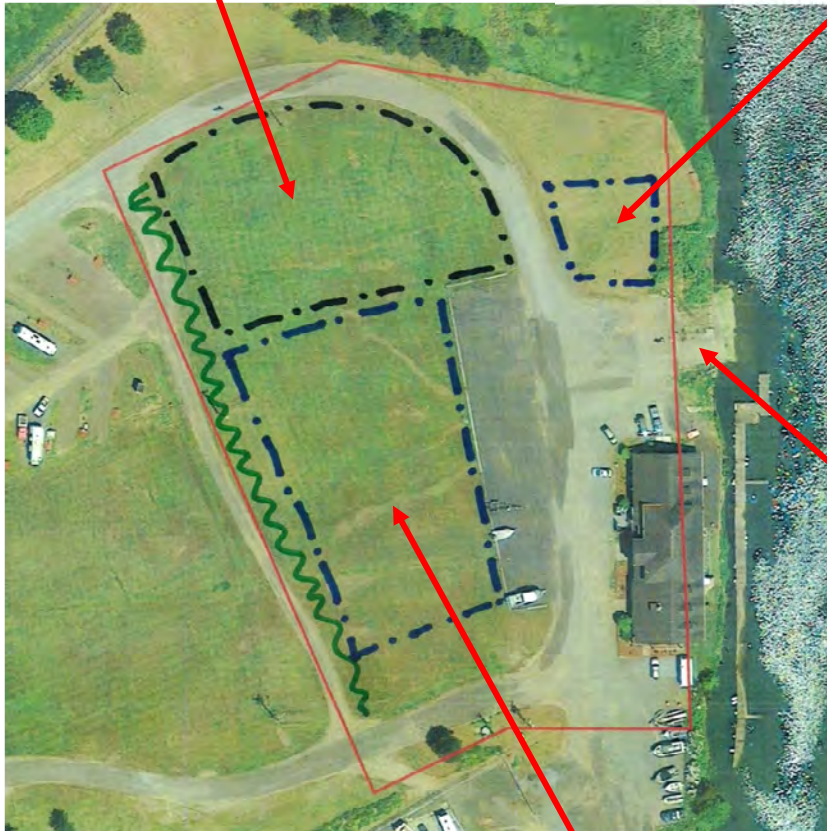
- Pave perimeter roadway access, and improve existing parking lots.
- Rehabilitate marine launch ramp for recreational access (walk-in only)
- Retain and rehabilitate portions of existing marine moorage structures to serve day-use non-motorized recreational water activities; and, decommission remainder.
- Install landscape buffers / fencing between zones 4 and 3b/5.



# Zone 4: Growth Opportunities



Office bldg. / rental center parking.



Event / rental center and launch ramp and dock facility upgrades.



Commercial/Office building expansion: up to 15K sqft. Cost effective steel or pre-built modular building designs



## Growth Zone 5 Figure(s) 26



**Acres: 5.0 +/-**

**Primary Uses:**

- Maintenance shed
- Industrial Building
- RV / Open Storage: 55 spaces (+/-)

**Existing Building SQFT:**

-7,200

**Key Features:**

- Mixed use restaurant / rental apartment building
- Marine launch and moorage facilities

**Constraints / Deficiencies:**

- No sewer service
- Deferred maintenance on maintenance building structure
- Ad-hoc fill material and grade change on SE corner of site

**Future Growth:**

- New flex industrial building(s); up to 20K sqft
- Expansion of RV / open storage area; up to 50%

**Potential Capital Facility Upgrades:**

- Relocate and construct new driveway access to Zone 5, and abandon current site access at NW corner.
- Pave N/S street frontages, including pedestrian pathway on east side of street.
- Extend Sanitary Sewer service to site and connect to existing buildings.
- Rehabilitate maintenance shop to address deferred maintenance.
- Install landscape buffer / fencing between zones 3b/4 and 5.

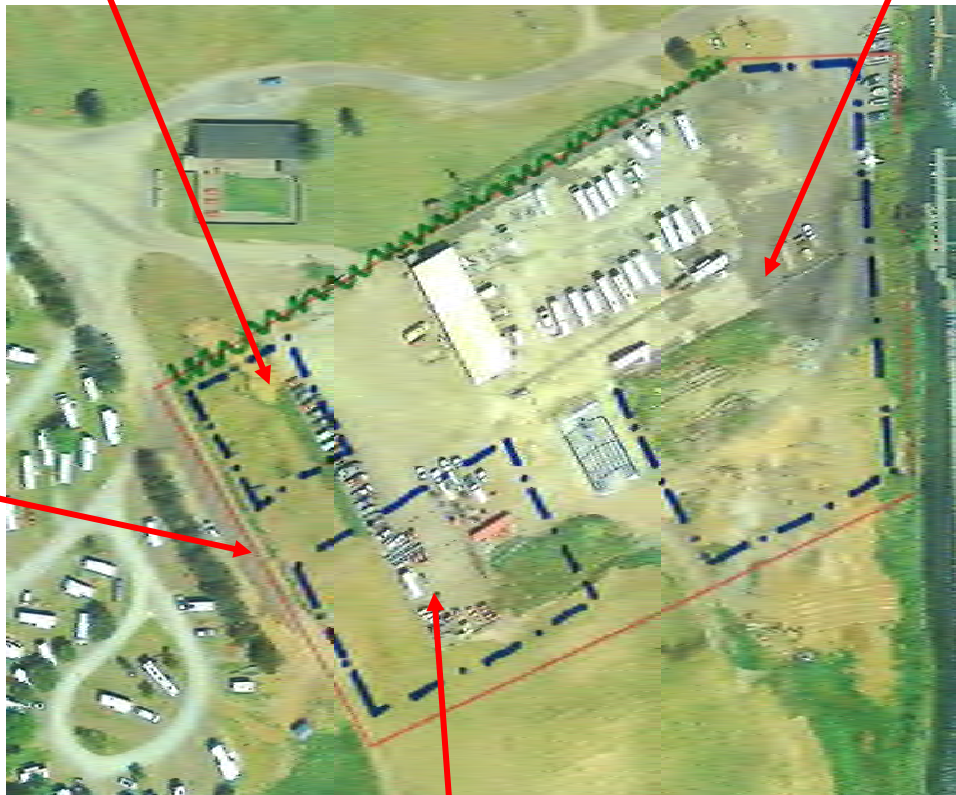


# Zone 5: Growth Opportunities

Flex Commercial/Industrial building expansion: up to 30K sqft.



RV Storage Expansion: up to 40-50 units, and addition of covered spaces



Roadway and intersection / site access upgrades

Industrial/Flex Cost effective steel or pre-fab modular building designs





## Growth Zone 6 Figure(s) 27



**Acres: 7.0**

**Primary Uses:**

- Open space
- Group RV / tent camping

**Existing Building SQFT:**

- None

**Key Features:**

- Vacant land with signature views of Tillamook Bay and Estuary
- Waterfront site

**Constraints / Deficiencies:**

- No public utility services (water, sewer, stormwater)
- No private utility services (power)
- Fill material may not be suitable for building construction without ground stabilization

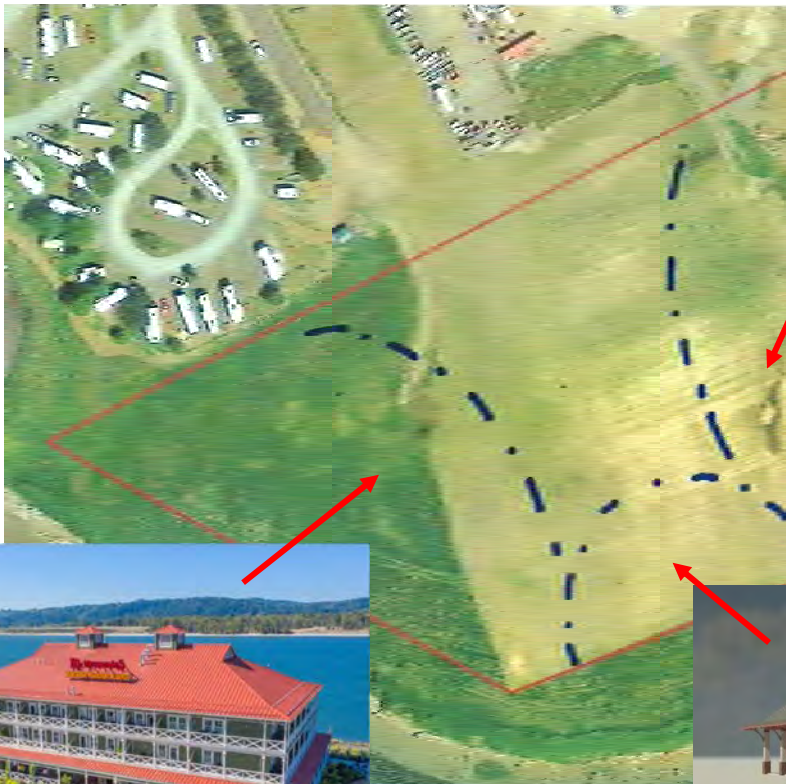
**Future Growth:**

- Hotel lodging (full service): 40-60 rooms
- Glamping lodging (full service): up to 25 units
- Event Pavilion: 5,000-7,500 SQFT

**Potential Capital Facility Upgrades:**

- Extend N/S roadway access to site, including pedestrian walkway on east frontage.
- Extend all public utilities (Water, Sanitary Sewer, Stormwater) to site..

# Zone 6: Growth Opportunities



PHASE  
Glamping Center: up to 25 units



Full Svc Hotel: up to 60 rooms, restaurant/banquet services to Pavilion.



Event Pavilion: conferences, special and community events





## VIII. Future Capital Facility Concepts

Investment in capital facility upgrades of the site will need to occur over the years, both as a function of routine maintenance and upgrading of site conditions and also as a function of new growth.

The following concepts are based on implementation of the Growth scheme, and future new development investments in Zones 4, 5 and 6. Cost estimating is not provided, since each of the capital facility investment concepts are proposals, and have not been endorsed by subsequent site studies.

Table 17. Capital Facility Plan Concepts (by Zone)

Project ID	General Description
<b>Zone 1</b>	
1A	Pave roadway access and parking.
1B	Intersection / access upgrades to street connection with American Avenue and connecting to US 101.
1C	Upgrade entrance monument and landscape feature.
1D	Miscellaneous building structure improvements for routine and deferred maintenance.
<b>Zone 3a</b>	
3A	Pave N/S Street adjacent to east frontage, to include pedestrian walkway on east side of street.
3B	Intersection / access upgrades to primary N/S street entrance
3C	Pave internal circulator street accessway for RV sites
3D	Miscellaneous RV parking pad, amenity improvements for routine and deferred maintenance.
<b>Zone 3b</b>	
3E	Pave perimeter roadway access, to include pedestrian walkway on east side of N/S primary street
3F	Pave internal circulator road access for RV sites.
3G	Relocate and reconfigure intersection / access upgrades to primary N/S street entrance, remove/relocate access drive to Industrial uses (Zone 5).
3H	Miscellaneous parking pad, amenity improvements for routine and deferred maintenance.
3I	Relocate / improve playground facilities from Zone 5 to adjacent to Rec building.
3J	Enhance Rec / BBQ center and consider re-activating seasonal pool.



3K	Install landscape buffers / fencing between Zones 3b and 4/5.
<b>Zone 4</b>	
4A	Pave perimeter roadway access.
4B	Pave and improve existing parking lots.
4C	Rehabilitate marine launch ramp for recreational access (walk-in only)
4D	Retain and rehabilitate portions of existing marine moorage structures to serve day-use non-motorized recreational water activities.
4E	Decommission portions of marine moorage, in conjunction with estuary restoration program.
4F	Install landscape buffers / fencing between zones 4 and 3b/5.
<b>Zone 5</b>	
5A	Relocate and construct new driveway access to Zone 5, and abandon current site access at NW corner.
5B	Pave N/S street frontages, including pedestrian pathway on east side of street.
5C	Extend Sanitary Sewer service to site and connect to existing buildings.
5D	Rehabilitate maintenance shop to address deferred maintenance.
5E	Install landscape buffer / fencing between zones 3b/4 and 5.
<b>Zone 6</b>	
6A	Extend N/S roadway access to site, including pedestrian walkway on east frontage.
6B	Extend Water and Sanitary Sewer to site.
6C	Install new Stormwater outfall to service site.
<b>Zone 7</b>	
7A	Construct trail/walkway, viewpoints, and open spaces along water edge consistent with Garibaldi Comprehensive Plan vision and to include connection with facilities on Port of Garibaldi properties and in vision with Salmonberry Trail concepts.
7B	Rehabilitation of Old Mill Smokestack (subject to further study)

# Circulation & Site Improvement Concepts

Figure 28.





# Landscape & Amenity Improvement Concepts

Figure 29.





# Utility Improvement Concepts

Figure 30.





# IX. PRE-DEVELOPMENT FEASIBILITY STUDIES

## Scope of Work

The Port of Garibaldi is evaluating the feasibility of purchasing and redeveloping the existing Old Mill Site that lies to the south of Hwy 101 and east of the existing Port property. The site is approximately 42 acres current uses include RV and tent camping, commercial and light industrial uses, and public event space. The Port would like to evaluate the feasibility of continuing the existing uses and feasibility of redeveloping the site to expand uses which meet the Port's mission and goals.

The intent of this report is to review the existing site conditions and identify opportunities and constraints related to redevelopment. Issues to be evaluated include utility infrastructure, traffic circulation, natural resources, environmental conditions, and geotechnical conditions.

The existing site uses and potential redevelopment concept is illustrated in Appendix A and serves as a background for the infrastructure exhibits in Appendix B.

## Base Mapping and Aerial Photography

PBS utilized an Unmanned Aerial System (UAS) to photograph and collect topographic survey data of the study area. The UAS is able to gain accurate elevation information for hard surfaces and areas without dense vegetation. This information was correlated to selected ground shots to establish the vertical datum based on NAVD88 and horizontal datum of Oregon State Plane, North Zone. The UAS also captured a series of high-resolution photos that were combined to produce an ortho photo which was used for the exhibits and analysis presented in this report. Areas outside the boundaries of the site were supplemented with Google Earth© imagery for clarity and context.

## Roadway and Utility Conditions

The existing roadways within the Old Mill site are a mix of asphalt and gravel surfaces. The asphalt is in generally poor condition. The entrance from Hwy 101, railroad crossing and intersection with American Avenue are generally paved, although there are significant sections that have failed and have been filled with gravel. The parking lot around the event center and some of the circulation roads in the RV Park are also paved, but in poor condition. Most of the access roads to the east and south, including the parking lot around Kelly's Place are gravel. Improving the condition of the roadway network would be highly recommended to facilitate

redevelopment of the site and expansion of the existing facilities. Due to the poor condition of the existing pavement, it is likely that full depth reconstruction will be required to establish the required subgrade support for the new asphalt. Reconstructing the roadways will also require water quality treatment for the new pavement which is addressed in the stormwater section below. Roadways will likely need to be constructed to City of Garibaldi standard roadway section for Local Roads, unless a Road Standards Modification is approved for the redevelopment. One possible modification would be to eliminate the curbs on each side and provide water quality treatment and conveyance in a shallow roadside ditch. This may blend more with the nature of the site and the anticipated level of redevelopment. This option should be explored in greater detail during conceptual site design.

## Sanitary Sewer Evaluation

Sanitary sewer service for the existing site is provided by a series of pump stations and force mains that run east/west through the middle of the site. It is assumed that the RV park is served by a gravity sewer that connects to one of the pump stations on the northwest section of the site. Any redevelopment of the site will require updates or expansion of the existing sanitary sewer system. Due to the flat nature of the site, it is anticipated that an additional pump station may be required to service additional buildings on the site.

## Water System Evaluation

There is an existing 10-inch water line along the north side of the site with two 8-inch lines extending south into the site. One line serves the existing restaurant and the other serves the park restroom. There is also a 3-inch water meter that serves the RV Park that connects to the 10-inch water line. Future redevelopment could construct an 8-inch loop system between the two existing lines which should be adequate to serve any uses contemplated for the site. The available flow and pressure will need to be investigated further to verify that fire flow is available throughout the site under future development conditions.

## Storm Sewer Evaluation

The Old Mill Site is currently served by five storm outfalls. The northern most outfall is an 18-inch box culvert that serves a large area of Garibaldi and it is unknown if it has capacity for additional runoff. The other outfalls are located along the east side of the site and range in size from 6-inch to 12-inch diameter. Existing runoff is collected at localized low points in area drains or catch basins and routed to one of the outfalls.

Redevelopment will require runoff from new pollution generating impervious surfaces to be treated prior to discharge to the bay. Water quality treatment may be provided by either bioretention facilities located in open spaces, or mechanical treatment systems. Roof drains

should be isolated from the street runoff to the extent practical to reduce the size of water quality facilities. The Tillamook Bay is considered flow-control exempt by the Department of Environmental Quality (DEQ), so stormwater detention will not be required.

If the roadways are reconstructed, the new pavement area will need to be treated for water quality prior to discharge to Tillamook Bay. One option for providing treatment is constructing the road as a shed section and construct a bioretention facility on the low side of the street. The bioretention would need to have a bottom width of 4 feet and would need approximately 40 feet of bioretention for every 100 feet of roadway. This would provide locations for other access points along the roadway. A second option is to provide mechanical treatment in catch basins which would require less space, but would require annual maintenance. Reconstructed parking areas could provide water quality treatment in bioretention areas place in the landscape islands. A parking lot of 40 spaces (10,000 square feet) would require a bioretention area of about 540 square feet (90ft x 6 ft). If mechanical treatment is utilized, each parking lot would require a treatment catch basin with one or two cartridges.

## Private Utility Capacity

Discussions with Tillamook PUD indicate that the existing power grid is sufficient to support redevelopment of the Old Mill Site. The existing site is served by a mix of aerial and underground lines and all poles, except for one is owned by the PUD.

CenturyLink provides internet service to the site through copper wire. Fiber optic is available to the west of the site and could be extended to the redeveloped site. This extension may require a new utility crossing under the railroad which may take about 6 months to permit.

Other utilities that serve the area include Coastcom, Tillamook Lightwave, and WCI/Tyco Telecommunications. These utilities indicated that their service modifications would be determined at the time redevelopment plans become more formalized.

## Critical Areas Analysis

Permitting issues will arise from impacts to either wetlands or the tidal waters of Tillamook Bay. The following is a summary of potential impacts and permitting strategies.

- The area of the historic smoke stack may contain wetlands and further study will be required if this area is included in redevelopment plans.
- The existing dock area on the east side of the site could possibly be rehabilitated. If this work disturbs the existing piles, it would likely require a Biological Assessment in addition to DSL and USACE permits. If this work only reconstructs the docks, it may only require a DSL and USACE permit.



- If a new storm outfall needs to be constructed to service redevelopment, it will require DSL Permit and USACE Permit under Section 10, Waters of the US.
- There are no restrictions or buffers on redevelopment on the upland area.

## Geotechnical Conditions

The soils within the Old Mill Site are largely unconsolidated alluvial fan deposits that consist of clay, silt, sand, and gravel alluvium deposited by rivers and tidal mud flats. Dredge material has also been placed on the site which is assumed to consist of similar soil groups. These soils are subject to liquefaction during an earthquake and any structures constructed on the site will need to take this into account. Based on the information that can be obtained from a literature study, we would assume that any structure, even light, wood frame, single story structures would require ground improvements to account for the potential of lateral spreading. Foundation types may include stone columns or deep soil mixing to support shallow footings, or deep foundations (piling). During refinement of the redevelopment plan, a geotechnical investigation should be undertaken consisting of at least 12 borings / test pits within the Old Mill site to characterize the soil and identify specific mitigation measures that may be required.

## Environmental Conditions

In December 2002, after multiple investigations over a period of five years, DEQ issued a No Further Action determination, which concluded that site-related contaminants in soil, groundwater, surface water, and sediment do not pose a threat to human or ecological receptors. DEQ indicated that the assessment is based on the current land and water uses at the site. DEQ did not consider a drinking water pathway because groundwater is not currently used for drinking water. DEQ concluded that “there are no unacceptable risks for human or ecological receptors that may be exposed to contamination present in soil, groundwater, surface water, or sediment at the site, and that removal or remedial action is not warranted.” DEQ subsequently concluded that all requirements for site investigation and risk evaluation under the Consent Order had been met. DEQ recommended the following:

- No further action
- Removal of the site from the Confirmed Release List
- Issuance of a Certification of Completion from the existing Consent Order ECSR-NWR-01-12
- Decommissioning of onsite monitoring wells.

For any future redevelopment of the site, DEQ recommended development of a soil management plan to assess the on-site soils and determine how they should be managed. The preferred method of soil management is to reuse the soil on site. If there is not an acceptable location on site to reuse excavated material, another port owned site would be more easily permitted. Off-site disposal will require characterization of the soil and proper permits for disposal of the identified contaminants.

## Traffic Volume Projections

Traffic projections were developed for the existing site uses and the proposed expansion contemplated in this study. Site development was only considered for a 10-year development horizon and redevelopment of Zone 6 was not included in this analysis. The existing uses are estimated to generate 110 trips in the AM peak hour and 117 trips in the PM peak hour. Site redevelopment is projected to increase these volumes to 140 trips in the AM peak hour and 153 trips in the PM peak hour. This represents an increase of 302 daily trips to and from the site. It is anticipated that the intersection of Hwy 101 and Second Street will need to be improved to support redevelopment or a new access point at Third Street may be required to provide adequate storage length and sight distance. A formal traffic study will be required to support redevelopment plans and should consider redevelopment of the entire site.

## Summary

The following table illustrates the anticipated level of constraints and study required to realize redevelopment in each zone. This table is intended to provide a quick overview of the level of effort and expense likely to be incurred in each zone and is limited to the information and issues identified in this study.

Table 18.

Site Study	Zone 1	Zone 3a	Zone 3b	Zone 4	Zone 5	Zone 6	Zone 7
Roadway and Utilities							
Natural Resources							
Environmental Conditions							
Geotechnical Conditions							
Circulation and Access							

### Color Key

	No major known constraints or conditions
	Moderate constraints and conditions identified. Further study recommended
	Significant constraints or conditions identified. Further study and /or capital upgrades required





# X. Future Development Strategy

The Port of Garibaldi has several options for site development within each of the identified Old Mill Center growth zones. Determining Highest / Best Use of future Growth Zone is both a quantitative and qualitative pursuit.

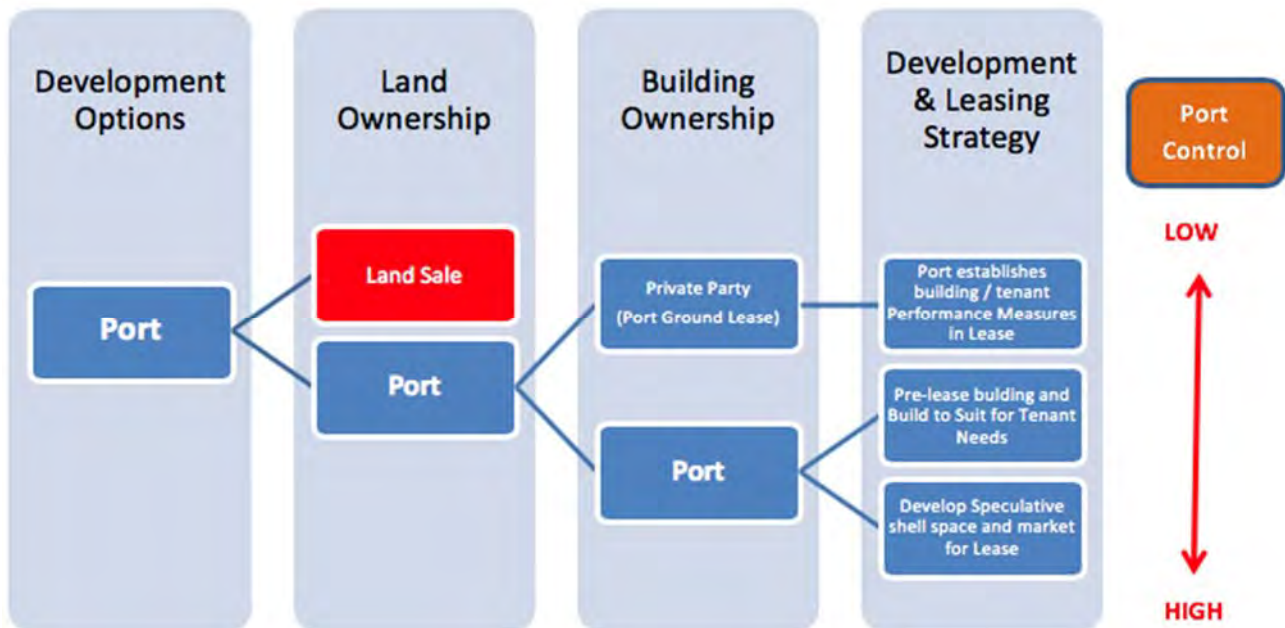
## Development Options

Control of site development, in terms of tenant selection and building/site design should be a priority of the Port. The amount of control the Port can vary from less to more control.

The Port possesses four primary approaches to site development including: 1) Spec development with lease; 2) speculative development without/pre-lease; 3) ground lease; and, 4) leave vacant. These options provide the Port with varying levels of involvement, control, risk and financial returns.

The following matrix in Figure 31. reflects a summary of the development control options available to the Port. A detailed description of each strategy follows.

Figure 31. Port Development Options



Spec Development / with Pre-Lease: An optimal level of control is retained when the Port manages all phases of the development process (from leasing to building construction). That would typically be associated with the pre-lease / spec building option. In that scenario, it is assumed the Port may also be able to extract the highest financial return over the long-run,

since the building should be designed to suit a variety of primary tenant needs (i.e. build a flex / industrial building type). In this option, the Port can customize the building to match a build-to-suit model, if the lease term is of significant duration, to de-risk the cost of custom-building upgrades and re-lease risks.

Spec Development / without Lease. The Port retains the maximum degree of control over site development and building design, however provides a high degree of financial risk should the property not lease-up quickly, or does not return enough lease revenue which could contribute to overall financial loss to the Port. Further, extended period of vacancies can lead to negative perceptions of the Port site and could affect re-lease negotiations among existing tenants.

Ground Lease: The Port would possess the least control in a ground lease development strategy, because the building owner will control a certain degree of autonomy for final building design and therefore as the tenant vacate, the building may be more difficult to modify and re-lease, if the building was designed to meet a specific tenant design criterion.

Leave Vacant: Leave site vacant to future point in time where site development is economically feasible. Interim uses could be temporary park, open space, transient events, and short-term overnight camping.

# Development Strategy

The MAG/PBS offer the proposed prioritization of development strategies. Should the Port pursue additional site development within the Old Mill growth zones, it should consider building and tenant selection by prioritizing: pre-lease / spec development as the first priority, and then evaluate different development relationships if that option is not feasible.

Table 19. Development Strategy Priorities

Development Concept	Factor: Control	Factor: Financial Risk/Return	Factor: Community Benefit	Consider Further
<b>Spec Development</b>	<b>+</b>	<b>+ / +</b>	<b>+ / =</b>	Consider with pre-lease commitment as a first priority for new commercial industrial space. Consider spec for additional RV storage.
<b>Ground Lease (owner spec)</b>	<b>-</b>	<b>= / +</b>	<b>+ / =</b>	Consider only if lease terms are beneficial and long-term. Consider lease covenants that allow for some building design oversight.
<b>Leave Vacant</b>	<b>+</b>	<b>= / -</b>	<b>=</b>	Avoid long-term. Deprives Port of generating new cash flow to underwrite acquisition and operating costs

Key: Qualitative Assessment Indicators

- + Indicates generally positive or potentially beneficial outcomes
- = Indicates generally neutral or potentially equal outcomes
- Indicates lack of benefit or potentially negative outcomes

*Analyst Note: Any given scenario can potentially be made better or worse based on an array of site development, economic and financial variables. The analyst’s opinions are made when comparing each alternative concept to another. The intent of the analysis was to generally attribute and differentiate broad potential outcomes.*

## Site Development Strategy & Sample Pro-forma

Given the market conditions, site characteristics and need to generate additional net income within the short-medium term, the MAG / PBS team offer the following opinions and observations for site development.

**Growth Zone 4 - Strategy:**

- 1) Pre-lease Existing Building Renovation
- 2) Pre-Lease / Spec Development of new Office-Flex space



Office-Flex building expansion. Cost effective steel or modular building designs



**Growth Zone 5 - Strategy:**

- 1) Spec Development expansion of RV-open Storage space
- 2) Pre-lease / Spec Development new Flex-industrial space



Industrial-Flex Cost effective steel or modular building designs





# New Development: Sample Pro-forma

## 5,000 SQFT: Office – Flex Spaces. (sample Proforma)

<b>Building Cost and Lease Income Analysis</b>			
Building Scenario: 5,000 SQFT SQFT			
<b>Bldg SQFT</b>	<b>5,000</b>		
<b>Building Cost Range /1</b>			
<b>LOW Cost / SQFT</b>	\$	115	
<b>HIGH Cost / SQFT</b>	\$	150	
<b>Construction Cost</b>			
<b>LOW Cost / Total</b>	\$	575,000	
<b>HIGH Cost / Total</b>	\$	750,000	
<b>RMV / Lease Rate /2, 3</b>		<b>10%</b>	<b>8%</b>
			<b>5%</b>
<b>Gross Rent: LOW Cost</b>			
YR	\$	57,500.00	\$ 43,125.00
MO	\$	4,791.67	\$ 3,593.75
SQFT (YR)	\$	11.50	\$ 8.63
SQFT (Mo.)	\$	0.96	\$ 0.72
<b>Gross Rent: HIGH Cost</b>			
YR	\$	75,000.00	\$ 56,250.00
MO	\$	6,250.00	\$ 4,687.50
SQFT	\$	15.00	\$ 11.25
SQFT (Mo.)	\$	1.25	\$ 0.94



**Notes:**

1. Building Cost Range estimates are derived from Oregon market data and current online resources (buildingjournal.com). Construction costs are assumed to include the following: materials and labor, contingencies, profit and bonding costs.
2. The Port of Garibaldi real estate policy aspires to have all commercial leases return a CAP Rate of 10%. The CAP Rate is measured in relation to the Real Market Value as established by the County Assessor or by an independent appraisal. Not all current leases are set at the aspirational goal of 10%. The Port has discretion to set commercial lease rates at values less than 10%, if they lease is structured to provide other value to the Port, or, when designed to achieve the 10% goal over time through annual escalation adjustments or other. For this analysis, it is assumed that the County Assessor would establish the RMV for the Building Improvements at the "new construction market value" which is assumed to be equal to the final/actual cost of construction.
3. It is assumed that all Port commercial leases are Triple-Net (NNN). The tenant would pay for all costs of: insurance, taxes, and utilities. It is also assumed that the Port may apply additional lease costs to pay for common area maintenance, assessments (applicable to other Port tenants for capital improvements) and other direct or pro-rata charges deemed relevant and applicable for the success of Port and tenant operations.

**5,000 SQFT: Office – Flex Spaces (continued)**  
**Building Cost and Net Income Analysis**

Bldg SQFT **5,000**

**Building Cost Range**

HIGH Cost / SQFT \$ 150

**Construction Cost**

HIGH Cost / Total \$ 750,000

**Loan Amount /1**

Initial Debt \$ 600,000

RMV / Lease Rate	10%	8%	5%
<b>Gross Rent: HIGH Cost</b>			
YR	\$ 75,000.00	\$ 56,250.00	\$ 37,500.00
MO	\$ 6,250.00	\$ 4,687.50	\$ 3,125.00
SQFT	\$ 15.00	\$ 11.25	\$ 7.50
SQFT (Mo.)	\$ 1.25	\$ 0.94	\$ 0.63

**Debt Service: /1**

Annual Total	\$ (27,134.82)	\$ (27,134.82)	\$ (27,134.82)
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**Net Lease Income: /2**

Annual Total	\$ 47,865.18	\$ 29,115.18	\$ 10,365.18
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Notes:

- Construction loan provided by Business Oregon – Port Revolving Loan Fund. Financing terms are assumed to be:
  - Term: 25-Years
  - Interest Rate: 1%
  - Debt / Equity: 80 / 20 (down payment)
- Net Lease Income is the derivative of Gross Rent – Debt Service. All Leases are assumed to be NNN leases. Other Owner Operating Costs are subtracted after Net Lease Income.



## 15,000 SQFT: Industrial – Flex Spaces (sample Proforma)

### Building Cost and Lease Income Analysis

Building Scenario: 15,000 SQFT

Bldg SQFT **15,000**

#### Building Cost Range /1

LOW Cost / SQFT	\$	115
HIGH Cost / SQFT	\$	150

#### Construction Cost

LOW Cost / Total	\$	1,725,000
HIGH Cost / Total	\$	2,250,000



RMV / Lease Rate /2, 3	10%	8%	5%
<b>Gross Rent: LOW Cost</b>			
YR	\$ 172,500.00	\$ 129,375.00	\$ 86,250.00
MO	\$ 14,375.00	\$ 10,781.25	\$ 7,187.50
SQFT (YR)	\$ 11.50	\$ 8.63	\$ 5.75
SQFT (Mo.)	\$ 0.96	\$ 0.72	\$ 0.48
<b>Gross Rent: HIGH Cost</b>			
YR	\$ 225,000.00	\$ 168,750.00	\$ 112,500.00
MO	\$ 18,750.00	\$ 14,062.50	\$ 9,375.00
SQFT	\$ 15.00	\$ 11.25	\$ 7.50
SQFT (Mo.)	\$ 1.25	\$ 0.94	\$ 0.63

#### Notes:

1. Building Cost Range estimates are derived from Oregon market data and current online resources (buildingjournal.com). Construction costs are assumed to include the following: materials and labor, contingencies, profit and bonding costs.

2. The Port of Garibaldi real estate policy aspires to have all commercial leases return a CAP Rate of 10%. The CAP Rate is measured in relation to the Real Market Value as established by the County Assessor or by an independent appraisal. Not all current leases are set at the aspirational goal of 10%. The Port has discretion to set commercial lease rates at values less than 10%, if they lease is structured to provide other value to the Port, or, when designed to achieve the 10% goal over time through annual escalation adjustments or other. For this analysis, it is assumed that the County Assessor would establish the RMV for the Building Improvements at the "new construction market value" which is assumed to be equal to the final/actual cost of construction.

3. It is assumed that all Port commercial leases are Triple-Net (NNN). The tenant would pay for all costs of: insurance, taxes, and utilities. It is also assumed that the Port may apply additional lease costs to pay for common area maintenance, assessments (applicable to other Port tenants for capital improvements) and other direct or pro-rata charges deemed relevant and applicable for the success of Port and tenant operations.

## 15,000 SQFT: Industrial – Flex Spaces. (continued)

### Building Cost and Net Income Analysis

Bldg SQFT **15,000**

#### Building Cost Range

HIGH Cost / SQFT \$ 150

#### Construction Cost

HIGH Cost / Total \$ 2,250,000

#### Loan Amount /1

Initial Debt \$ 1,800,000

RMV / Lease Rate	10%	8%	5%
<b>Gross Rent: HIGH Cost</b>			
YR	\$ 225,000.00	\$ 168,750.00	\$ 112,500.00
MO	\$ 18,750.00	\$ 14,062.50	\$ 9,375.00
SQFT	\$ 15.00	\$ 11.25	\$ 7.50
SQFT (Mo.)	\$ 1.25	\$ 0.94	\$ 0.63

#### Debt Service: /1

Annual Total	\$ (81,404.45)	\$ (81,404.45)	\$ (81,404.45)
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#### Net Lease Income: /2

Annual Total	\$ 143,595.55	\$ 87,345.55	\$ 31,095.55
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#### Notes:

- Construction loan provided by Business Oregon – Port Revolving Loan Fund. Financing terms are assumed to be:
  - Term: 25-Years
  - Interest Rate: 1%
  - Debt / Equity: 80 / 20 (down payment)
- Net Lease Income is the derivative of Gross Rent – Debt Service. All Leases are assumed to be NNN leases. Other Owner Operating Costs are subtracted after Net Lease Income.

# 40 Unit: RV / Storage Expansion Spaces (sample Proforma)

## Building Cost and Lease / Net Income Analysis

Building Scenario: 40 new RV / Open Storage Spaces

**RV Storage Spaces 40**

**Construction Cost /1**

<b>HIGH Cost / Total</b>	\$ 100,000
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**Loan Amount /1**

Initial Debt	\$ 80,000
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**Lease Rate /2**

	\$ 150	\$ 100	\$ 75
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**Gross Rent:**

YR	\$ 72,000.00	\$ 48,000.00	\$ 36,000.00
MO	\$ 6,000.00	\$ 4,000.00	\$ 3,000.00

**Debt Service: /3**

Annual Total	\$ (8,410.00)	\$ (8,410.00)	\$ (8,410.00)
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**Net Lease Income: /4**

Annual Total	\$ 63,590.00	\$ 39,590.00	\$ 27,590.00
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Notes:

1. Building Cost Range estimates are derived from Oregon market data and current online resources (buildingjournal.com). Construction costs are assumed to include the following: materials and labor, contingencies, profit and bonding costs. It is assumed construction of fencing, security and partially covered spaces.
2. Existing Old Mill Center RV Storage monthly lease rates vary from \$75.00/mo. for guests of the RV Center, and \$100.00/mo. for non-guest renters. It is assumed that the market rates can be increased, and specific premiums granted for full or partially covered storage spaces.
3. Construction loan provided by Business Oregon – Port Revolving Loan Fund. Financing terms are assumed to be:
  - Term: 10-Years
  - Interest Rate: 1%
  - Debt / Equity: 80 / 20 (down payment)
4. Net Lease Income is the derivative of Gross Rent – Debt Service. All Leases are assumed to be NNN leases. Other Owner Operating Costs are subtracted after Net Lease Income.

## STRATEGIC OBSERVATIONS

Additional Master Planning, Building Prototyping, Site Studies, and development of project financial Proformas are the most logical next steps. This work should be done in conjunction and partnership with the Port of Garibaldi, stakeholders, and relevant service providers.

The following observations introduce topics for additional Port review and discussion.

### Site Development Factors

Development of the growth areas at the Old Mill Center site is subject to additional factors. In other words, the highest and best use of the site is not solely based on the development option that creates the greatest financial value. Rather, the final determination of probably highest and best use must consider additional factors, including the following:

#### **X1. Implements the Port's Vision Plan.**

The Port could pursue a long-term development strategy of the Old Mill Center which enhances the regional economic development and tourism experience by improving the site in ways which reflect the character of the Port's Vision Plan. Improving gateways, constructing the waterfront trail network, and improving the site's key assets can serve the purpose of drawing additional visitors to Old Mill Center site. The desire for increased visitation at both the Old Mill Center and adjacent Port properties, can synergize regional assets including streetscape, regional trail and tourism amenities (ex. Salmonberry Trail, Oregon Coast Scenic Railroad).

Additionally, the Port has current plans for site enhancements at their properties, including:

- development of an expanded boat moorage basin which would expand recreational and day-use activity at the Port.
- Increase activities associated with special and regional events, including expanded use of its Event Site.
- Enhance site circulation and multi-modal amenities connecting the sites to US 101.

It is believed that these infrastructure and event programming strategies will increase tourist activity at the Port site, which in turn will expand awareness and patronage of existing RV/camping and commercial activities at the Old Mill Center site.

Any new development at the Old Mill Center site should preserve and promote the Port's long-term business development and tourism options.

## **X2. Avoid Conflicts with the Old Mill Center’s RV/Camping Activity and Function.**

The Port site is predominantly used by commercial businesses which rely the efficient functioning of the Port’s commercial fishing harbor. The Old Mill Center site is predominantly used as an RV / Camping center.

Introducing new buildings and tenants to the Old Mill Center should create a synergy with the site and avoid any noise or other nuisances which could conflict with the existing RV Center function(s). Potential conflicts include: building location, parking demands (specifically for high-visitor events); hours of commercial tenant operations and provision of quiet enjoyment for the tenant; potential smell-noise-other sources of potential nuisance conflict.

## **X3. Supports Community Economic and Development Goals.**

The Port’s Mission is to maximize business and recreational opportunities within its district. Further the Port’s Vision is to form strategic business and recreational relationships to maximize productivity for business and facility usage within its district, while maintaining the marine harbor and the Port’s authentic fishing character.

The Port’s Mission and Vision compel a careful balancing of commercial and recreational aspirations. Old Mill Center site development should craft a careful blend of quantitative (financial and jobs) and qualitative (recreational and community) outcomes. Given the limited quantity of Port land which is available for job creating development, this scarcity creates additional pressure for the Port to get the balance right. Addition of the Old Mill Center site to the Port’s real estate portfolio provides a greater inventory and opportunity to advance the Port’s community and economic development goals.

## **Additional Studies and Risks**

Identification of risk factors and corresponding containment strategies should be a key work effort prior to committing to a development strategy. Risk areas and containment strategies are numerous, and the following summary provides a discussion of key risks as of this current assessment. As new risks are identified, they should be carefully evaluated.

### **Building Costs**

Building costs are a key risk factor for the Port. The type of building and overall aesthetics and finishes will directly affect the total costs associated with a particular development strategy. To that end, the Port may want to explore innovative and maximally flexible development formats that can be built at minimal costs and which can be configured and leased to a variety of tenants – i.e. construct a flex-industrial shell building format.



By utilizing a pre-lease (or built to suit) development strategy, the Port can ensure that the building that is delivered is leasable from the start. And despite specific tenant requirements, the Port should limit the amount of customization to ensure the greatest interior flexibility (i.e. shell space) so that as tenant turn-over occurs, the building can be reconfigured at minimal cost and which casts the widest net in terms of suitability for future tenants.

Conducting early cost and bidding evaluations of the site and building plans will help reduce risk prior to formal bid solicitation.

## **Soil Conditions**

The site's soil conditions are fill material, assumed to be a combination of dredge materials and other soils. The Port gained valuable insights related to the soil conditions found in the general peninsula areas in a prior phase of wharf and Commercial Ave construction, and those lessons may be applicable at this site.

Risks related to the underlying soil conditions and cost premiums related to tsunami/flood zoning building structural criteria should be explored early in the process to determine potential cost impacts.

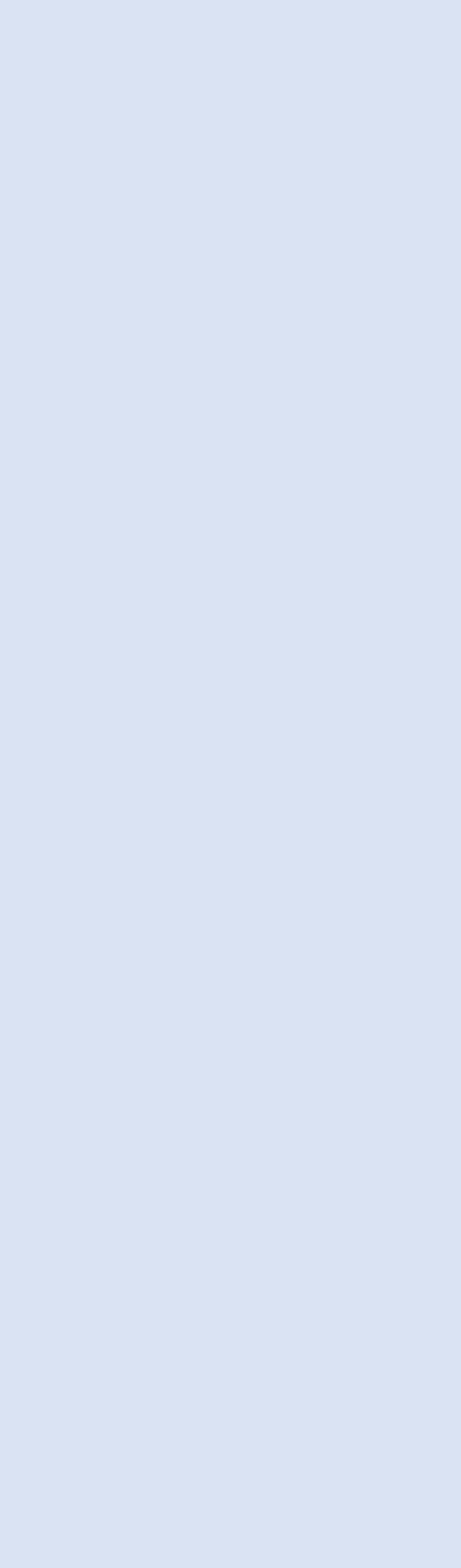
Retaining a geotechnical engineer early in the site development process, to gauge the suitability of, and structural stability requirements of the site's soil condition.

## **Tenant Selection and Leasing**

Tenant identification and selection as part of a pre-leasing strategy is a key factor in the overall development program. The tenant should be compatible (in use and impacts) to the other site tenants. This means that tenants which produce abnormal operating impacts (ex. parking, noise, smells, and visual impacts) should be carefully evaluated.

The market analysis provided examples of industries which could be tenant candidates due to both the forecast for likely growth within the region and also due to their concentration. Additionally, the Port periodically receives tenant inquiries which those types of targets should be pursued.

The Port should develop a priority tenant profile matrix and prepare and implement a marketing plan to pursue tenant leads.



## XI. Appendix

Revenue – RV / Camping Center

Revenue – Commercial Buildings

Payroll Forecast

Net Operating Income Analysis

Maximum Debt Analysis

Loan Financing Amortization Terms

Old Mill RV Center: Existing Financial Analysis & Valuation

Pre Development Study Technical Reports

- Utility Assessment
- Critical Areas Analysis
- Geotechnical Analysis
- Environmental Conditions
- Traffic Projections

# Pro-forma Revenue – RV / Camping Center

## RV CENTER EFFECTIVE REVENUE ANALYSIS

RV & Tent Camping	Spaces	YR 2020 Published Rental Rates						VACANCY ASSUMPTIONS (ADJUSTABLE)				RENTAL DAYS (ADJUSTABLE)			RENTAL RATE DISTRIBUTION (ADJUSTABLE)			PROJECTED EFFECTIVE REVENUE					
		Summer			Winter			# of Events (weekday)	# of Events (weekend)	Vacancy (Summer)	Vacancy (Winter)	Rental Days	Rental Weeks	Rental Months	% Daily	% Weekly	% Monthly	Total Summer Rents	Total Winter Rents	Total Annual Rents			
		Day	Week	Month	Day	Week	Month																
<b>RV</b>																							
<b>Long Term Total</b>	<b>60</b>																						
Long Term - Pull Through																							
50 amp Svc	9	\$ 55.90	\$ 357.76	\$ 750.00	\$ 50.31	\$ 307.45	\$ 650.00			15%	30%			12			0%	0%	100%	\$ 22,950	\$ 37,800	\$ 60,750	
Regular Svc	1	\$ 55.90	\$ 357.76	\$ 725.00	\$ 50.31	\$ 307.45	\$ 625.00			15%	30%			12			0%	0%	100%	\$ 2,465	\$ 4,060	\$ 6,525	
Long Term - Back In																							
50 amp Svc	15	\$ 44.72	\$ 296.31	\$ 675.00	\$ 39.13	\$ 245.96	\$ 575.00			15%	30%			12			0%	0%	100%	\$ 34,425	\$ 56,700	\$ 91,125	
Regular Svc	29	\$ 44.72	\$ 296.31	\$ 650.00	\$ 39.13	\$ 245.96	\$ 550.00			15%	30%			12			0%	0%	100%	\$ 64,090	\$ 105,560	\$ 169,650	
Long Term - Short Length																							
50 amp Svc																							
Regular Svc	6	\$ 39.13	\$ 245.96	\$ 550.00	\$ 35.54	\$ 195.65	\$ 450.00			25%	75%			12			0%	0%	100%	\$ 9,900	\$ 6,600	\$ 16,500	
<b>Regular Stay Total</b>	<b>102</b>																						
Full Hookups Pull Through																							
50 amp Svc	9	\$ 55.90	\$ 357.76	\$ 750.00	\$ 50.31	\$ 307.45	\$ 650.00			20%	100%	120	20	4	40%	50%	10%			\$ 52,486	\$ 52,486		
Regular Svc	10	\$ 55.90	\$ 357.76	\$ 725.00	\$ 50.31	\$ 307.45	\$ 625.00			20%	100%	120	20	4	40%	50%	10%			\$ 52,406	\$ 52,406		
Full Hookups Back In																							
50 amp Svc	22	\$ 44.72	\$ 296.31	\$ 675.00	\$ 39.13	\$ 245.96	\$ 575.00			25%	100%	120	20	4	40%	50%	10%			\$ 89,164	\$ 89,164		
Regular Svc	29	\$ 44.72	\$ 296.31	\$ 650.00	\$ 39.13	\$ 245.96	\$ 550.00			25%	100%	120	20	4	40%	50%	10%			\$ 120,817	\$ 120,817		
W/E Service (30 amp)																							
Pull Through	18	\$ 50.31	\$ 273.91	\$ 575.00	\$ 44.75	\$ 223.60	\$ 475.00			50%	100%	120	20	4	60%	40%	0%			\$ 52,378	\$ 52,378		
Back In	14	\$ 39.13	\$ 245.96	\$ 500.00	\$ 33.54	\$ 195.65	\$ 400.00			50%	100%	120	20	4	60%	40%	0%			\$ 33,540	\$ 33,540		
<b>Tent Camping</b>																							
<b>Tent Camping Total</b>	<b>19</b>																						
Water Svc - shared	19	\$ 27.95	\$ 195.65							75%	100%	120	20		90%	10%				\$ 16,211	\$ 16,211		
<b>Tent Field</b>																							
<b>Tent Field Camp Sites</b>	<b>35</b>																						
Half Field	2	\$ 350.00	\$ 500.00							75%	100%	120	20		90%	10%				\$ 30,745	\$ 30,745		
Full Field	1	\$ 700.00	\$ 1,000.00																	\$ 3,550	\$ 3,550		
																				\$ 3,700	\$ 3,700		
<b>GRAND Totals</b>																					<b>\$ 588,829</b>	<b>\$ 210,720</b>	<b>\$ 799,549</b>

## Pro-forma Revenue – Commercial Buildings

Commercial Buildings	SQ/FT	Rent (\$/SF)	Rent (unit)	Vacancy Factor	# of Events	Total Monthly Rent	Total Annual Rent	
<b>Bldg A: Leasing offices and Community Room</b>								
1st Floor	8,014							
Lease Space 1								
2nd Floor	3,200							
Lease Space 2			\$ 250.00	10%		\$ 250.00	\$ 2,700.00	All utilities except Wifi Range in size from 10/12 to 10x20
Lease Space 3			\$ 250.00	10%		\$ 250.00	\$ 2,700.00	All utilities except Wifi
Lease Space 4			\$ 250.00	10%		\$ 250.00	\$ 2,700.00	All utilities except Wifi
Lease Space 5 (Oregon Scenic RR)			\$ 250.00	0%		\$ 250.00	\$ 3,000.00	All utilities except Wifi
<b>Buidling B: Kelley's</b>								
1st Floor	6,274							
Restaurant / Bar			\$ 1,250.00	0%		\$ 1,250.00	\$ 15,000.00	NNN (assumed rate of \$1,250/month). Market broker opinion is current rent \$850 mo
Apartment 1			\$ 1,500.00	10%		\$ 1,500.00	\$ 16,200.00	All utilities except Wifi Studio type apartment
2nd Floor	2,652							
Apartment 2			\$ 1,500.00	10%		\$ 1,500.00	\$ 16,200.00	All utilities except Wifi 2-3 bedroom
Apartment 3			\$ 1,500.00	10%		\$ 1,500.00	\$ 16,200.00	All utilities except Wifi 2-3 bedroom
						<b>Total</b>	<b>\$ 74,700.00</b>	

Industrial Buildings	SQ/FT	Rent (\$/SF)	Rent (unit)	Vacancy Factor	# of Events	Total Monthly Rent	Total Annual Rent
Maintenance Shop	4,800	\$ -	\$ -			\$ -	\$ -
New Leased Space	2,400	\$ 0.65	\$ 1,560.00	0%		\$ 1,560.00	\$ 18,720.00
						<b>Total</b>	<b>\$ 18,720.00</b>

Outdoor RV Storage	Spaces	Rent (\$/SF)	Rent (unit)	Vacancy Factor	# of Events	Total Monthly Rent	Total Annual Rent	
RV & Trailer/Open Storage	40		\$ 75.00	10%		\$ 2,700.00	\$ 32,400.00	Guest Rate
	5		\$ 100.00	20%		\$ 400.00	\$ 4,800.00	Non-Guest Rate
						<b>Total</b>	<b>\$ 37,200.00</b>	

Event Facilities	SQ/FT	Rent (\$/SF)	Rent (unit)	Vacancy Factor	# of Events	Total Monthly Rent	Total Annual Rent
<b>Main Lodge Event Room</b>							
1-day Events			\$ 300.00	0%	12		\$ 3,600.00
3-day Events			\$ 1,200.00	0%	3		\$ 3,600.00
<b>Meeting Room (2nd Floor)</b>							
1-day Events			\$ 100.00	0%	12		\$ 1,200.00
2-day Events			\$ 350.00	0%	3		\$ 1,050.00
<b>Building C: BBQ House / Community R</b>							
1-day Events	2,276		\$ 150.00	0%	6		\$ 900.00
3-day Events			\$ 450.00	0%	2		\$ 900.00
						<b>Total</b>	<b>\$ 11,250.00</b>

Services / Concessions	Allowance / YR	Rent (\$/SF)	Rent (unit)	Vacancy Factor	# of Events	Total Monthly Rent	Total Annual Sales
Laundromat	\$ 9,500						\$ 9,500.00
Concessions (misc. supplies).	\$ 1,000						\$ 1,000.00
						<b>Total</b>	<b>\$ 10,500.00</b>

Lump Sum  
Lump Sum Allowance

**Grand Total \$ 152,370.00**



# Pro-forma Payroll Forecast

YEAR 2021															
ESTIMATE OF WAGE, BENEFIT, TAX EXPENDITURES															
Base Salary	Monthly	Hours	Monthly	Hourly	Rate							Year			
COLA			173.33	20.00								41,599.00			
STEP			173.33	18.00								37,439.00			
Wages												31,199.00			
Manager	3,466.60		173.33	20.00								41,599.00			
Mtc. Supervisor	3,119.94		173.33	18.00								37,439.00			
Maintenance III	2,599.95		173.33	15.00								31,199.00			
Maintenance III	2,599.95		173.33	15.00								31,199.00			
Admin Assistant	1,890.00		135.00	14.00								22,680.00			
	<b>13,676.44</b>											<b>164,116.00</b>			
Port's															
Tax Contribution	SSI	Medicare	State												
	Employer	Unemploy'm	WBFB	Other											
	6.2000%	1.4500%	0.1000%	1.4000%											
Wages		214.93	50.27	3.47	2.43							271.09	Year		
Manager		193.44	45.24	3.12	2.43							244.22	3,253.06		
Mtc. Supervisor		161.20	37.70	2.60	2.43							203.93	2,930.66		
Mtc. III		161.20	37.70	2.60	2.43							203.93	2,447.11		
Mtc. III		117.18	27.41	1.89	2.43							148.91	2,447.11		
Admin. Assistant		<b>847.94</b>	<b>198.31</b>	<b>13.68</b>	<b>12.14</b>							<b>923.16</b>	<b>1,786.86</b>		
													<b>12,864.81</b>		
Health Ins.															
Position	Type	Vision	Dental	Life	Short Dis	Long Dis	Total	Total					Year		
Manager	Single	750.00	55.50	12.08	20.70	30.32	885.98	885.98					10,631.76		
Mtc. Supervisor	Single	750.00	55.50	12.08	20.70	30.32	885.98	885.98					10,631.76		
Mtc. III	Single	750.00	55.50	12.08	20.70	30.32	885.98	885.98					10,631.76		
Mtc. III	Single	750.00	55.50	12.08	20.70	30.32	885.98	885.98					10,631.76		
Admin. Assistant	Single	750.00	55.50	12.08	20.70	30.32	885.98	885.98					10,631.76		
<b>TOTAL</b>													<b>4,429.90</b>	<b>53,158.80</b>	
<b>Increase</b>															
Manager	6%	23.93%											1,037.55	12,450.64	
Mtc. Supervisor	6%	23.93%											933.80	11,205.58	
Mtc. III	6%	23.93%											778.17	9,337.98	
Mtc. III	6%	23.93%											778.17	9,337.98	
Admin. Assistant	6%	23.93%											565.68	6,788.12	
													<b>4,093.36</b>	<b>49,120.30</b>	
<b>Increase</b>	Annual	Rate													
Manager	\$	41,599	\$	0.18											74.88
Mtc. Supervisor	\$	37,439	\$	3.37											1,261.70
Mtc. III	\$	31,199	\$	3.37											1,051.42
Mtc. III	\$	31,199	\$	3.37											1,051.42
Admin. Assistant	\$	22,680	\$	0.11											24.95
			\$	-											0.00
			164,117.28												<b>3,464.37</b>
Workers Comp.															
Salary	Taxes	Health	PERS	WC	TOTAL	Hrly	TOTAL					282,724.28			
Manager	41,599.00	3,253.06	12,451.00	74.88	68,009.94	32.70	68,009.94								
Mtc. Supervisor	37,439.00	2,930.66	11,206.00	1,261.70	63,469.37	40.69	63,469.37								
Mtc. III	31,199.00	2,447.11	10,632.00	1,051.42	54,667.53	26.28	54,667.53								
Mtc. III	31,199.00	2,447.11	10,632.00	1,051.42	54,667.53	26.28	54,667.53								
Admin. Assistant	22,680.00	1,786.86	10,632.00	24.95	41,911.81		41,911.81								
<b>TOTAL</b>	<b>164,116.00</b>	<b>12,864.81</b>	<b>53,160.00</b>	<b>49,121.00</b>	<b>3,464.00</b>	<b>282,726.00</b>	<b>282,726.00</b>								

## Pro-forma Net Operating Income Analysis

Revenue Projections		YEAR										
		2021	% Increase	2022	% Increase	2023	% Increase	2024	% Increase	2025	% Increase	2026
<b>x000</b>	<b>Revenue</b>											
	Gross Potential Revenue <sup>a</sup>											
	RV / Camping Center	\$ 799,549	1.00%	\$ 807,544	1.00%	\$ 815,620	1.00%	\$ 823,776	1.00%	\$ 832,014	1.00%	\$ 840,334
	Commercial Buildings	\$ 74,700		\$ 74,700		\$ 74,700	2.00%	\$ 76,194		\$ 76,194		\$ 76,194
	Industrial Buildings	\$ 18,720		\$ 18,720		\$ 18,720	2.00%	\$ 19,094		\$ 19,094		\$ 19,094
	Outdoor RV Storage	\$ 37,200		\$ 37,200		\$ 37,200	2.00%	\$ 37,944		\$ 37,944		\$ 37,944
	Event Facilities	\$ 11,250	2.00%	\$ 11,475	2.00%	\$ 11,705	2.00%	\$ 11,939	2.00%	\$ 12,177	2.00%	\$ 12,421
	Services / Concessions	\$ 10,500	1.00%	\$ 10,605	1.00%	\$ 10,711	1.00%	\$ 10,818	1.00%	\$ 10,926	1.00%	\$ 11,036
	Less: Bad Collections	0.50%	\$ (4,760)	\$ (4,801)	\$ (4,843)	\$ (4,899)	\$ (4,942)	\$ (4,985)				
	<b>Effective Gross Income</b>	<b>\$ 947,159</b>		<b>\$ 955,443</b>		<b>\$ 963,812</b>		<b>\$ 974,866</b>		<b>\$ 983,408</b>		<b>\$ 992,038</b>
<b>Operating Expense Projections</b>												
		<b>2021</b>	<b>% Increase</b>	<b>2022</b>	<b>% Increase</b>	<b>2023</b>	<b>% Increase</b>	<b>2024</b>	<b>% Increase</b>	<b>2025</b>	<b>% Increase</b>	<b>2026</b>
<b>5000</b>	<b>Cost of Goods Sold</b>											
	Cost of Goods	\$ 2,500	5.00%	\$ 2,625	5.00%	\$ 2,756	5.00%	\$ 2,894	5.00%	\$ 3,039	5.00%	\$ 3,191
<b>6000</b>	<b>General Expenses</b>											
	Auditing and Filing Fees	\$ 5,000	2.00%	\$ 5,100	2.00%	\$ 5,202	2.00%	\$ 5,306	2.00%	\$ 5,412	2.00%	\$ 5,520
	Dues	\$ 1,000	2.00%	\$ 1,020	2.00%	\$ 1,040	2.00%	\$ 1,061	2.00%	\$ 1,082	2.00%	\$ 1,104
	Insurance, general	\$ 16,964	2.00%	\$ 17,408	2.00%	\$ 17,864	2.00%	\$ 18,336	2.00%	\$ 18,824	2.00%	\$ 19,327
	Insurance, health a	\$ 53,160	2.50%	\$ 54,489	2.50%	\$ 55,851	2.50%	\$ 57,248	2.50%	\$ 58,679	2.50%	\$ 60,146
	Legal Fees	\$ 5,000	2.00%	\$ 5,100	2.00%	\$ 5,202	2.00%	\$ 5,306	2.00%	\$ 5,412	2.00%	\$ 5,520
	Maintenance	\$ 50,000	2.50%	\$ 51,250	2.50%	\$ 52,531	2.50%	\$ 53,845	2.50%	\$ 55,191	2.50%	\$ 56,570
	Miscellaneous	\$ 10,000	2.50%	\$ 10,250	2.50%	\$ 10,506	2.50%	\$ 10,769	2.50%	\$ 11,038	2.50%	\$ 11,314
a	Office Expense	\$ 10,000	2.00%	\$ 10,200	2.00%	\$ 10,404	2.00%	\$ 10,612	2.00%	\$ 10,824	2.00%	\$ 11,041
	Payroll Taxes b	\$ 12,865		\$ 13,501		\$ 14,169		\$ 14,870		\$ 15,606		\$ 16,379
	Pension c	\$ 49,121		\$ 51,577		\$ 54,155		\$ 56,863		\$ 59,705		\$ 62,692
	Professional Fees	\$ 7,500	2.50%	\$ 7,688	2.50%	\$ 7,880	2.50%	\$ 8,077	2.50%	\$ 8,279	2.50%	\$ 8,486
	Promotion and Publication	\$ 10,000	2.50%	\$ 10,250	2.50%	\$ 10,506	2.50%	\$ 10,769	2.50%	\$ 11,038	2.50%	\$ 11,314
	Salaries and Wages d	\$ 164,116		\$ 172,322		\$ 180,939		\$ 189,986		\$ 199,486		\$ 209,459
	Travel	\$ 1,000	2.50%	\$ 1,025	2.50%	\$ 1,051	2.50%	\$ 1,077	2.50%	\$ 1,104	2.50%	\$ 1,131
	Utilities	\$ 120,000	2.00%	\$ 122,400	2.00%	\$ 124,848	2.00%	\$ 127,345	2.00%	\$ 129,892	2.00%	\$ 132,490
	<b>Summary of Operating Expenses</b>											
5000	Cost of Goods Sold	\$ 2,500		\$ 2,625		\$ 2,756		\$ 2,894		\$ 3,039		\$ 3,191
6000	General Expenses	\$ 515,726		\$ 533,579		\$ 552,149		\$ 571,469		\$ 591,572		\$ 612,494
	<b>Operating Expenses</b>	<b>\$ 518,226</b>		<b>\$ 536,204</b>		<b>\$ 554,905</b>		<b>\$ 574,363</b>		<b>\$ 594,610</b>		<b>\$ 615,684</b>
<b>Net Operating Income Analysis</b>												
	Gross Revenue	\$ 947,159		\$ 955,443		\$ 963,812		\$ 974,866		\$ 983,408		\$ 992,038
	Gross Expenses	\$ 518,226		\$ 536,204		\$ 554,905		\$ 574,363		\$ 594,610		\$ 615,684
	<b>Net Operating Income</b>	<b>\$ 428,933</b>		<b>\$ 419,239</b>		<b>\$ 408,907</b>		<b>\$ 400,503</b>		<b>\$ 388,798</b>		<b>\$ 376,353</b>
<b>Taxes, Debt and Dereciation Expenses</b>												
	Taxes (Lodging Tax)	\$ 91,548		\$ 92,868		\$ 93,796		\$ 94,734		\$ 95,682		\$ 96,638
	Depreciation	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
	Debt Service	\$ 263,959		\$ 263,959		\$ 263,959		\$ 263,959		\$ 263,959		\$ 263,959
	Capital Replacement Fund (2.5% of Rev)	\$ 23,679		\$ 23,886		\$ 24,095		\$ 24,372		\$ 24,585		\$ 24,801
		<b>\$ 379,186</b>		<b>\$ 380,713</b>		<b>\$ 381,851</b>		<b>\$ 383,065</b>		<b>\$ 384,226</b>		<b>\$ 385,398</b>
<b>Free Cash Flow Analysis</b>												
	Net Operating Income	\$ 428,933		\$ 419,239		\$ 408,907		\$ 400,503		\$ 388,798		\$ 376,353
	Taxes, Debt, Depreciation, Reserves	\$ 379,186		\$ 380,713		\$ 381,851		\$ 383,065		\$ 384,226		\$ 385,398
	<b>Net Cash Flow</b>	<b>\$ 49,747</b>		<b>\$ 38,526</b>		<b>\$ 27,057</b>		<b>\$ 17,439</b>		<b>\$ 4,572</b>		<b>\$ (9,045)</b>

# Loan Financing Amortization Terms

<b>Maximum Loan Amount</b>	<b>\$5,759,290</b>
<b>Down Payment</b>	<b>\$1,151,857.97</b> 20%

	Enter values
<b>Loan amount</b>	<b>\$4,607,432</b>
Annual interest rate	4.00%
Loan period in years	30
Start date of loan	1/1/2021
<b>Monthly payment</b>	<b>\$ 21,996.58</b>
Number of payments	360
<b>Total interest</b>	<b>\$ 3,311,338.55</b>
<b>Total cost of loan</b>	<b>\$ 7,918,770.42</b>

No.	Payment Date	Beginning Balance	Payment	Principal	Interest	Ending Balance
1	2/1/2021	\$ 4,607,431.88	\$ 21,996.58	\$ 6,638.48	\$ 15,358.11	\$ 4,600,793.40
2	3/1/2021	\$ 4,600,793.40	\$ 21,996.58	\$ 6,660.61	\$ 15,335.98	\$ 4,594,132.79
3	4/1/2021	\$ 4,594,132.79	\$ 21,996.58	\$ 6,682.81	\$ 15,313.78	\$ 4,587,449.98
4	5/1/2021	\$ 4,587,449.98	\$ 21,996.58	\$ 6,705.08	\$ 15,291.50	\$ 4,580,744.90
5	6/1/2021	\$ 4,580,744.90	\$ 21,996.58	\$ 6,727.43	\$ 15,269.15	\$ 4,574,017.46
6	7/1/2021	\$ 4,574,017.46	\$ 21,996.58	\$ 6,749.86	\$ 15,246.72	\$ 4,567,267.60
7	8/1/2021	\$ 4,567,267.60	\$ 21,996.58	\$ 6,772.36	\$ 15,224.23	\$ 4,560,495.25
8	9/1/2021	\$ 4,560,495.25	\$ 21,996.58	\$ 6,794.93	\$ 15,201.65	\$ 4,553,700.31
9	10/1/2021	\$ 4,553,700.31	\$ 21,996.58	\$ 6,817.58	\$ 15,179.00	\$ 4,546,882.73
10	11/1/2021	\$ 4,546,882.73	\$ 21,996.58	\$ 6,840.31	\$ 15,156.28	\$ 4,540,042.42
11	12/1/2021	\$ 4,540,042.42	\$ 21,996.58	\$ 6,863.11	\$ 15,133.47	\$ 4,533,179.31
12	1/1/2022	\$ 4,533,179.31	\$ 21,996.58	\$ 6,885.99	\$ 15,110.60	\$ 4,526,293.32
13	2/1/2022	\$ 4,526,293.32	\$ 21,996.58	\$ 6,908.94	\$ 15,087.64	\$ 4,519,384.38
14	3/1/2022	\$ 4,519,384.38	\$ 21,996.58	\$ 6,931.97	\$ 15,064.61	\$ 4,512,452.41
15	4/1/2022	\$ 4,512,452.41	\$ 21,996.58	\$ 6,955.08	\$ 15,041.51	\$ 4,505,497.34
16	5/1/2022	\$ 4,505,497.34	\$ 21,996.58	\$ 6,978.26	\$ 15,018.32	\$ 4,498,519.08
17	6/1/2022	\$ 4,498,519.08	\$ 21,996.58	\$ 7,001.52	\$ 14,995.06	\$ 4,491,517.56
18	7/1/2022	\$ 4,491,517.56	\$ 21,996.58	\$ 7,024.86	\$ 14,971.73	\$ 4,484,492.70
19	8/1/2022	\$ 4,484,492.70	\$ 21,996.58	\$ 7,048.28	\$ 14,948.31	\$ 4,477,444.42
20	9/1/2022	\$ 4,477,444.42	\$ 21,996.58	\$ 7,071.77	\$ 14,924.81	\$ 4,470,372.65
21	10/1/2022	\$ 4,470,372.65	\$ 21,996.58	\$ 7,095.34	\$ 14,901.24	\$ 4,463,277.31
22	11/1/2022	\$ 4,463,277.31	\$ 21,996.58	\$ 7,118.99	\$ 14,877.59	\$ 4,456,158.32
23	12/1/2022	\$ 4,456,158.32	\$ 21,996.58	\$ 7,142.72	\$ 14,853.86	\$ 4,449,015.59
24	1/1/2023	\$ 4,449,015.59	\$ 21,996.58	\$ 7,166.53	\$ 14,830.05	\$ 4,441,849.06

# Old Mill Center: Existing Financial Condition & Property Valuation

## Existing Financial Condition

The Old Mill RV Center operators provided the Port of Garibaldi with two years of financial statements, as a good faith measure during the Port’s investigation of site acquisition. The Old Mill RV Center’s profit and loss statement was provided for years 2018 and 2019. It is not validated that those records are audited financial statements, and therefore the Port should view them as estimates, not final for the purposes of estimating existing and future value.

The Old Mill disclosed that during 2018 and 2019 that the site incurred extra-ordinary expenses for non-routine maintenance and building upgrades. The assertion is that the RV Center’s normalized Operating Expenses are lower than what was shown in the financial statements. Notwithstanding that assertion, the analysts determined that absent additional financial statements it was determined to use the 2018 and 2019 statements as presented in order to estimate recent, and expected Operating Expenses in the Net Income calculation.

The result of the Net Operating Income analysis find that in the most recent 2-year period, the Old Mill RV Center generates in the range of \$166,000 - \$188,000 in Net Operating Income (before taxes).

Table 1. Old Mill RV Center Financial Condition (2018, 2019)

<b>Net Operating Income</b>	<b>2019</b>	<b>2018</b>
Gross Operating Revenue	\$ 647,172	\$ 694,288
Gross Operating Expenses <sup>a</sup>	\$ 470,585	\$ 445,501
<b>NOI</b>	<b>\$ 176,587</b>	<b>\$ 248,787</b>

Note: NOI calculated before taxes

a. Operating Expenses adjusted for reported owner reported Extraordinary expenses

Disclaimer. This analysis is based on unadited summary financial statements provided by the Old Mill current operators. No access was provided to audited records, nor existing lease agreements. Therefore, the analysis should be considered speculative, based solely on information provided.

## Property Valuation

Property valuation is a very important concept in real estate investing because it is the main factor that determines the property's value for bank financing and insurance. Estimating property value prior to acquisition protects the potential buyer from paying too much for a real estate property, as well as protecting the bank from financing a property that is worth less than the amount it invests in.

The following methods are three common methods for property valuation are:

- **Income Method**
- **Replacement Value Method** (*substituted by Market Value Approach for this analysis*)
- **Comparative Sales Method**

Due to the diversity of assets at the Old Mill RV Center, and the analysts inability to assess each property asset and building in detail, the Replacement Value Method will not be used in this review. As an alternative, the Market Value method will be used. The Market Value will be derived from the Tillamook County Assessment Records (YR 2019). This method will serve as another data point in assessment existing property value.

## Income Method

The income approach is a property valuation method that is particularly common in commercial real estate and income generating properties. For the Old Mill RV Center, this is a very applicable method, since the premise of acquisition is to generate positive cash flow from each of the rental assets.

The main idea behind the income approach is to calculate the current value of a real estate property based on the net income it generates divided by the market relevant capitalization rate (CAP Rate). For the market, and given the recurring risk to guaranteed / stable income associated with transient and short-term leases of the rental assets, the CAP Rates for this type of mixed-use asset will trend in the range of 8%-10%.

The Income Approach property value is estimated using the following standard formula.  
PROPERTY VALUE = NOI/CAP RATE

**Findings:** Based on the Old Mill Center 2019 and 2018 Net Operating Income, using a CAP Rate of 8%-10%, the Old Mill Center Income Approach derived value ranges from \$1,760,000 - \$3,100,000 as reflected in Table 2.

Table 2. Old Mill Center Property Value: Income Capitalization Approach



Property Value (CAP Rate Income Approach)	2019	2018
8% CAP Rate	\$ 2,207,337	\$ 3,109,837
10% CAP Rate	\$ 1,765,870	\$ 2,487,870

## Market Value Method

County Assessors develop estimates of property value for the primary purpose of applying approved tax rates (i.e. Property tax, and other approved taxes). County Assessor values include a combination of land value and building value (based on current conditions). County Assessor's typically have vast amounts of data to assist in the estimation of value, and Assessor procedures typically require a periodic field appraisal, to verify property conditions. Further County Assessor estimates of value are subject to appeal, and as a result, are typically not significantly skewed, or out of place. Due to these factors, the County Assessor values are a valid reference point in determining property value.

County Assessor estimates of value are not necessarily equivalent to actual market value (the price that a property would sell for on the open market). That is because, it is possible that a property sale on the open market would close at a price either above or below the Assessor's estimate of value. Given that potential outcome (market sales either above or below Assessor value), the Assessor market value is a reasonable benchmark and proxy for current market value.

**Findings:** Based on the Tillamook County Assessor's office 2019 estimate of property value, the Old Mill RV Center's combined land and building assets are valued at: \$5,912,000. The detailed summary of Assessor values by parcel are listed in Table 3.

Table 3. Old Mill Center Property Value: Tillamook County Assessor (Market Approach)

Parcel ID	Acreage		RMV (2019)
100	2.57	Land	\$ 59,940.00
		Improvements	
<b>Total</b>			<b>\$ 59,940.00</b>
200	24.89	Land	\$ 2,231,810.00
		Improvements	\$ 894,290.00
<b>Total</b>			<b>\$ 3,126,100.00</b>
201	9.62	Land	\$ 1,776,970.00
		Improvements	\$ 445,530.00
<b>Total</b>			<b>\$ 2,222,500.00</b>
500	4.92	Land	\$ 500,400.00
		Improvements	\$ 3,830.00
<b>Total</b>			<b>\$ 504,230.00</b>
<b>Grand Total</b>			<b>\$ 5,912,770.00</b>

## Comparative Sales Method

The sales comparison approach uses the market data of sale prices to estimate the value of a real estate property. Property valuation in this method is done by comparing a property to other similar properties that have been recently sold. Comparable properties must share certain features with the property in question. Some of these include physical features such as square footage, number of rooms, condition, and age of the building; however, the most important factor is no doubt the location of the property.

Adjustments are usually needed to account for differences as no two properties are exactly the same. To make proper adjustments when comparing properties, real estate analysts must know the differences between the comparable properties and how to value these differences.

Three properties were selected for the Comparative Sales methods. Each property is a full-service RV Center. Each property is located within the Oregon Coast market region and each sale closed since year 2019. Those are the primary features of comparison. Limitations included: unable to verify actual site and building conditions, site and location amenities, or other features that are necessary to provide a good comparison of value and to make valid adjustments. Further, since each of these comparative properties were likely sold as in *Income Property*, the analyst was unable to review or verify any of the comparable financial statements, and therefore was unable to assess the income generated in order to conduct a comparative *Income Approach to derive a CAP Rate imputed value for comparison purposes*.

Notwithstanding each of those limitations, this comparative sale approach simply estimated the value of the RV spaces as a derivative of the total sales price to derive a “sale price per space” and has used that as a proxy for value.

**Findings:** Using the Comparative Sales Method, an average Price/RV Space was derived to be \$44,000 per space for a full-service space (ex. Water, electricity, sewer, wifi). The analysis assumed that Partial Service RV spaces would fetch half the value of a full-service space in the open market.

The conclusions of the Comparative Sales method are listed in Table 4.

Table 4. Old Mill Center Property Value: Sales Approach

RV Park	Location	RV Spaces	Sales Price	Sales Price / Space	Sale Year
Buds' RV Park	Gearhart, OR	35	\$ 2,060,000	\$ 58,857	2020
McKinleys Marina & RV Park	Waldport, OR	68	\$ 2,900,000	\$ 42,647	2019
Pleasant Valley RV Park	Tillamook, OR	76	\$ 2,333,000	\$ 30,697	2019
<b>Average</b>				<b>\$ 44,067</b>	

Old Mill RV Center	RV Spaces	Avg. Sales Price / Space	Value
Full Service (W,E,S)	132	\$ 44,000	\$ 5,808,000
Partial Service (W,E)	32	\$ 22,000	\$ 704,000

Note: Partial service value per space is assumed 50% of Full service spaces

**Property Value** **\$ 6,512,000**

# Reconciliation of Property Values Derived

Broker Opinion of Value: **No Opinion**

Explanation: There exist too great a variation among the results from the three valuation methods applied. The analyst is unable to verify the veracity of the Old Mill RV Center Net Operating Income given lack of access to current leases and additional years of audited financial statements, and, has been unable to verify the equivalency of the Comparable Sale properties limiting the relative value of those data points due to lack of comparative adjustments.

The real-market value of the Old Mill Center assets lies somewhere between the results from the Income Approach and Comparable Sales Approach. Further site verification of financial asset conditions are warranted. A summary of the results are listed in Table 5.

Table 5. Old Mill RV Center Property Value reasoned from Valuation Methods

Property Value	Result
Income Approach	\$1,760,000 - \$3,100,000
Market Approach (Assessor Value)	\$ 5,900,000
Comparable Sales Approach	\$ 6,500,000



# Old Mill Site Assessment

Existing Uses and Potential Redevelopment

Prepared for:

Port of Garibaldi

24 South A Street

Washougal, Washington 98671

October 15, 2020

PBS Project 71534.000



415 W 6TH STREET, SUITE 601

VANCOUVER, WA 98660

360.695.3488 MAIN

866.727.0140 FAX

[PBSUSA.COM](http://PBSUSA.COM)



# **Appendix A**

## **Utility Assessment**

## Memorandum

DATE: September 15, 2020

TO: Matt Ransom

FROM: John Buehler, PE

PROJECT: Port of Garibaldi – Old Mill Site  
Existing Utility Assessment  
PN 71534.000

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PBS contacted the following utilities to identify the existing utility infrastructure within the Old Mill Site. This memorandum documents the utilities available at the site and the general locations. This information is also summarized on the attached exhibit map.

### **CenturyLink**

Contact: Kerry Pozder | 541.401.3099 (C) | [Kerry.Pozder@centurylink.com](mailto:Kerry.Pozder@centurylink.com)

#### Summary:

On the Old Mill Site, CenturyLink has a network of services extending through the area to the existing facilities. The majority of service on the Old Mill site consists of copper. The main services are to the RV park and to the Main Clubhouse.

Along the Frontage Road, copper follows along the south side of the railroad heading out to the east.

Along HWY 101 (Garibaldi Ave) copper is located on the south side of the roadway.

Fiber/Ethernet services are within the area, just not directly on the site currently. Fiber services are provided on peninsula area to the west. It may be required to have a railroad crossing permit for fiber to be extended to the site. This permit to be obtained by CenturyLink could take a minimum of 6 months.

### **Tillamook PUD**

Contact: James Aman | 503.815.8629 (D) | [jaman@tpud.org](mailto:jaman@tpud.org)

#### Summary:

Overhead power on site is all within a private easements. All aerial is 3-phase power. On site there is both aerial and underground power. Only one pole within the site is privately owned, this is located by the gravel turnaround with a light attached for illumination of the driving surface.

Aerial power crosses the railroad at 3<sup>rd</sup> Street and 1<sup>st</sup> Street.

The 3<sup>rd</sup> Street crossing stops adjacent to the Clubhouse and provides power there. Underground power is also provided to the pump station adjacent to the railroad.

The 1<sup>st</sup> Street crossing follows the gravel drive south that borders the open camping area. This provides power to the restaurant, onsite restroom, and RV park. An underground service is provided to the boat repair shop and to a coast guard feature at the southern end of the peninsula.

### **City of Garibaldi Water**

Contact: Blake Lettenmaier | 503.322.0217(O) | [blake@ci.garibaldi.or.us](mailto:blake@ci.garibaldi.or.us)

#### Summary:

Water is located on the site and a 10" water main runs east/west along the frontage road. The 10" main is offset approximately 33' from the railroad tracks. An 8" water main flows south at the east end of the project that supplies water to a hydrant and the restaurant. An 8" water main also flows south from the middle of the site to the restroom.

A 3" water meter currently serves the RV park just off of the frontage road.

Water comes onto the site from a crossing at 3<sup>rd</sup> Street in addition to a crossing at the railroad at the east end of the site.

### **City of Garibaldi Sanitary Sewer**

Contact: Blake Lettenmaier | 503.322.0217(O) | [blake@ci.garibaldi.or.us](mailto:blake@ci.garibaldi.or.us)

#### Summary:

Per public records, there are connections for sanitary sewer on site. At the west end of the site sewer from the Port's restroom is pumped to a manhole adjacent to the Clubhouse where additional sanitary is collected. It is assumed that the RV park restroom discharge connects here though not shown. This sewer gravity flows to a pump station adjacent to the railroad. From there the sewer is pumped along an alignment through American Avenue to another public gravity system to the west.

Another pump station is located on the east side of the site near the restaurant. No public records were found for this pump station. It is assumed to serve the onsite restroom, restaurant, and boat repair shop.

### **City of Garibaldi Storm Sewer**

Contact: Blake Lettenmaier | 503.322.0217(O) | [blake@ci.garibaldi.or.us](mailto:blake@ci.garibaldi.or.us)

#### Summary:

A series of outfalls into the bay are located around the site. To the east there are 4 discharges. The furthest north discharge releases stormwater from the City system on Garibaldi Ave. The discharge transitions from an 18" pipe to box culvert.

Onsite in the vicinity of the open camping areas east edge, there is a localized low spot with collections of water. The stormwater is assumed to be collected and connect to a concrete storm drainage vault near the railroad that connects to the 18" discharge pipe. There is a 6", 8" and 12" discharge along the east for localized collection of gravel drive areas.

Within the RV park a series of drainage inlets collect water and gravity flow the water to the west to an outfall located near the restroom. This discharge is a 12" size.

### **Coastcom, Inc. and Tillamook Light Wave**

Contact: Doug Kroger | 541.272.7008 (D) | [doug.kroger@wavebroadband.com](mailto:doug.kroger@wavebroadband.com)

#### Summary:

Coastcom and Tillamook Light Wave (CTLW) are managed by Wave Broadband.

Most of the services are offsite for this utility. However, CTLW crosses under the railroad at 3<sup>rd</sup> Street and comes to overhead to provide service to the Clubhouse.

The remainder of the utility is underground in HWY 101 (Garibaldi Ave) as well as a service line directly under the railroad.

**WCI Inc. / TYCO Telecommunications**

Contact: O. Brad LeJeune | 503.706.6552 (C) | [O.LeJeune@acsalaska.com](mailto:O.LeJeune@acsalaska.com)

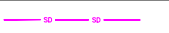

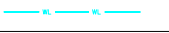

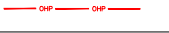


Summary:

Infrastructure for this utility solely resides under the Port of Tillamook Bay (POTB) railroad right of way located 9-12 feet from the center of the railroad.

Attachment(s): Old Mill Site Utility Map

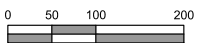


GENERAL NOTES:  
ALL PROPERTY LINES ARE APPROXIMATE

LEGEND	
	STORM PIPE
	STORM CULVERT
	WATER PIPE
	SANITARY PIPE
	OVERHEAD POWER LINE
	UNDER GROUND ELECTRIC
	UNDER GROUND TELEPHONE



Scale 1" = 100'



DESIGNED:  
JAB/ANW  
CHECKED:  
RED  
DATE  
SEPTEMBER 2020  
SHEET ID  
**EX1**  
SHEET 1 OF 1

PRELIMINARY



SITE UTILITY MAP FOR:  
**PORT OF GARIBALDI UTILITY ASSESSMENT**  
A SITE LOCATED IN GARIBALDI, OREGON



PBS Engineering and Environmental Inc.  
415 W 6th Street, Suite 601  
Vancouver, WA 98660  
360.695.3498  
pbsusa.com

# **Appendix B**

## **Critical Areas Analysis**



## MEMORANDUM

DATE: September 2, 2020

TO: Market Advisory Group, LLC

FROM: Brian Bieger, Sr. Scientist/Project Manager

PROJECT: Mill Site Development, PBS Project # 71458.000

REGARDING: Natural Resource Assessment

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### Introduction

PBS Engineering and Environmental Inc. (PBS) was retained by Market Advisory Group, LLC (Client), to complete a natural resources assessment on property owned and managed by the Port of Garibaldi. The purpose of this assessment is to detail the extent of known regulated natural resources as they relate to potential future development of the site.

### Background Information

The project area is located within the city limits of Garibaldi, Oregon, within Tillamook County. The approximately 50-acre parcel is located adjacent to Tillamook Bay, an estuary of the Pacific Ocean that covers a little more than 9,000 acres. The property is currently utilized for a variety of medium-intensity developments that include parking areas, a waterfront restaurant, RV park, and tourist centered developments including park areas and the Oregon Coast Scenic Railroad Station. There are a series of narrow floating docks located directly offshore from the southeast portion of the property. Photographs of these facilities show that they are in poor condition.

In order to determine the approximate extent of regulated natural resources on the property, relevant data from the US Fish and Wildlife Service (USFWS), National Oceanic and Atmospheric Administration (NOAA), Natural Resource Conservation Service (NRCS), and the National Marine Fisheries Service (NMFS) was reviewed. This data, combined with current and historic aerial photographs of the site, allowed PBS biologists to depict the approximate boundaries of natural resources with an accuracy level suitable for long-range planning.

### Natural Resources

Regulated natural resources on the site are limited to wetlands and waters of the United States (US). Jurisdictional wetlands are those terrestrial areas that have been identified as meeting wetland criteria. Except in certain cases, an area must meet all three criteria (vegetation, soils, and hydrology) to be determined to be a wetland. The National Wetland Inventory (NWI) for the project site is shown in Figure 1. As per Figure 1, the site is mapped as having both palustrine and estuarine wetlands. It should be noted, however, that NWI maps are produced through interpretation of aerial photographs and are not meant to represent the extent of jurisdictional wetlands on a site.

### Wetlands

The NWI map indicates two palustrine wetlands mapped on the southern portions of the site (Figure 1). Both wetlands appear to be incorrectly mapped. The large (4.5-acre) PUSCh wetland in the southwest portion of the site has been developed with paved parking and equipment storage areas. The two smaller PUBFh wetlands mapped on the southernmost portion of the property (combined 1.5 acres) are mapped as semi-permanently flooded, diked-impounded wetlands. Observations of current and historical aerial photographs do not indicate typical

photographic indicators of wetland presence. In addition, the NRCS soil maps for the site indicate that the area in question is dominated by nonhydryc urban land-udorthents soils comprising well-draining gravelly and very gravelly silt loam soils that likely do not support the formation of palustrine wetlands. Based on these indicators, it does not appear that wetlands occur within the areas mapped as containing wetlands.

Based on aerial photographs and Google street view photographs, there does appear to be areas that may potentially contain wetlands; these areas are limited to the extreme northeast section of the property near the Whitney Mill chimney. The area appears to be vegetated with facultative wetland vegetation. An on-site investigation would be necessary if jurisdictional wetlands occur are present in this area.

**Surface Waters**

The tidal waters of Tillamook Bay are regulated on federal levels by the US Army Corps of Engineers (USACE) and on state levels by the Oregon Division of State Lands (DSL) and the Oregon Department of Fish and Wildlife (ODFW). The limits and jurisdictions of these waters are based on different water surface elevations. These elevations are based on observed tidal water surfaces and which are then referenced to a terrestrial elevation reference (NAVD88) to give a terrestrial elevation of the extent of jurisdiction. Tidal datums were downloaded from NOAA station 9437540 located in Garibaldi, Oregon. To determine the surface elevation or “above sea level” elevations of the tidal elevations, the elevation of the mean lower-low water (which the tidal heights are based on) was obtained from nearby stations and this elevation was subtracted from the tidal heights. Table 1 below summarizes the tidal elevations for the project site. These elevations are shown on the project area in Figure 2.

**Table 1. Tidal Elevations**

<b>Tidal Elevation</b>	<b>Station 9437540 MLLW Values</b>	<b>NAVD88 Benchmark Elevation</b>	<b>Resulting NAVD88 Elevation</b>	<b>Elevational Boundary/Jurisdiction</b>
Mean high water (MHW)	7.61	0.40	7.21	Section 404 (RHA) waters /USACE
High Tide Line (MHHW)	8.32	0.40	7.92	Section 10 (CWA) Waters/USACE
Highest measured tide (HMT)	11.93	0.40	11.53	Tidal Waterway/DSL

MLLW: mean lower-low water  
MHW: mean high water  
MHHW: mean higher-high water  
HMT: highest mean tide  
RHA: Rivers and Harbors Act  
CWA: Clean Water Act

**Shoreline Habitat**

The shoreline habitat along the project site is marginal at best. Shoreline vegetation is a combination of maintained lawns, developed areas, and areas protected with angular rip-rap material. It appears that significant portions of the shoreline are vegetated with a dense strip of Himalayan blackberry shrubs. Aerial photographs taken during a lower tide indicate that the tidal flats of Miami Bay located directly east of the site contain a significant amount of aquatic vegetation. These areas may contain important regulated marine grasses such as eel grass that are important habitat components for a variety of fish species. The shoreline directly adjacent to the property does not appear to contain these habitats.

### **Wildlife**

The terrestrial portions of the project area do not likely see a large amount of wildlife usage based on the vegetation characteristics, adjacent land uses, and position on the landscape. Wildlife usage of the site is likely limited to passerine and marine birds and a variety of common small mammals.

The marine estuary environment that is adjacent to the site, however, supports a large diversity of marine and freshwater wildlife species. It is well known that tidal estuaries are hot spots of biological diversity that are critical in the support of various marine food webs. In terms of implications for development below the water line elevations detailed above, the presence of salmonids protected under the Endangered Species Act (ESA) have the largest impact. The estuary is known to support the Oregon Coast (OC) Evolutionary Significant Unit (ESA) coho salmon and Tillamook Bay is designated critical habitat for OC coho. While spawning does not likely occur within the bay, spawning does occur within the five major tributaries that drain into the bay. As such, the bay is used for migration of adults and acclimation by ocean going juveniles.

A biological assessment that was completed by BergerAbam in 2016 for dredging of the boat basin indicated that although ESA listed marbled murrelets could forage within the bay areas adjacent to the project site, there were no records of regular foraging activity for murrelets in the area. Suitable terrestrial habitat in the form of mature forested areas is located well east of the project site.

### **Regulatory Issues**

Surface waters of Tillamook Bay are regulated on state and federal levels by DSL and USACE respectively. Under these jurisdictions, project activities below the elevations shown in Figure 2 would require prior authorization. The typical instances where small scale projects can avoid permits

In addition to surface waters, jurisdictional wetlands are also regulated by both above listed agencies. Waterward of the tidal elevations shown on Figure 2, there are several estuarine wetlands mapped adjacent to the site. A review of aerial photographs and soil maps indicates that it is unlikely that palustrine or "terrestrial" wetlands are located on the property even though NWI maps indicate there are wetlands on the property (Figure 1). Based on the presence of these mapped wetlands on the site, DSL will likely require a formal investigation of wetland presence on the site prior to development for the determination of wetland absence to be established.

Based on the currently available information, it appears that development of the site would not likely be encumbered by formally regulated natural resources if those developments occur above the mapped water line.

Project activities that would take place within the tidal waters of Tillamook Bay, even maintenance activities, will require formal approval from DSL and USACE. These activities will be reviewed for both impacts to the tidal environment as well as potential impacts to ESA-listed fish and bird species.



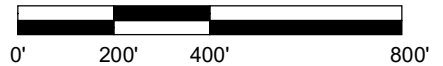
ESRI Open Source Aerial Photo .

### Legend

- PUSCh - Palustrine Unconsolidated Shore Seasonally Flooded Diked
- PUBFh- Palustrine Unconsolidated Bottom Semipermanently Flooded Diked
- E2USP - Estuarine Intertidal Unconsolidated Shore Irregularly Flooded
- E2USN - Estuarine Intertidal Unconsolidated Shore Irregularly Regularly Flooded
- E2ABN- Estuarine Intertidal Aquatic Bed Regularly Flooded



SCALE: 1" = 400'



PREPARED FOR: Market Advisory Group.



## National Wetland Inventory Map

Mill Site Natural Resource Assessment  
City of Garibaldi, Tillamook County, Oregon

Sept 2020  
71534.000

FIGURE

1





### Legend

- Project\_area
- Mean High Water 7.61
- High Tide Line 7.92
- Highest Measured Tide 11.53

Elevations from Tidal Datum and converted to NAVD88.



SCALE: 1" = 300'



PREPARED FOR: Market Advisory Group.



## JURISDICTIONAL WATER LIMITS

Mill Site Natural Resource Assessment  
City of Garibaldi, Tillamook County, Oregon

Sept 2020  
71534.000

FIGURE

**2**

# **Appendix C**

## **Geotechnical Analysis**



August 31, 2020

Matt Ransom  
Market Advisory Group  
1241 NW Klickitat Lane  
Camas, Washington 98607

Regarding: Geotechnical Engineering Feasibility Report  
Port of Garibaldi Mill Site Development  
Garibaldi, Oregon  
PBS Project 71534.000

Dear Mr. Ransom:

PBS Engineering and Environmental Inc. (PBS) has prepared this geotechnical feasibility report for the Market Advisory Group regarding the feasibility for development of the 43-acre study area located in Garibaldi, Oregon. The general site location is shown on the Vicinity Map, Figure 1. The location of the study in relation to existing site features is shown on the Site Plan, Figure 2.

### **PROJECT UNDERSTANDING**

PBS understands that the Market Advisory Group is considering the feasibility of developing approximately 43 acres of land located south of Highway 101 in the City of Garibaldi, Oregon. The site consists of city tax lots 1N1021D000-100, -200, -201, and -500, and is situated in Miami Cove of Tillamook Bay. The site is currently in use as a mobile home park, boat dock, and for equipment storage.

### **SCOPE OF WORK**

PBS performed the following scope of work to determine the geotechnical feasibility of site development.

#### **Geologic Map and Hazard Map Review**

Geologic maps of the site area were reviewed for information regarding geologic conditions and hazards at or near the site.

#### **Preliminary Geotechnical Engineering Analyses**

The data collected during literature research were analyzed to evaluate the geotechnical feasibility of development at the site.

#### **Deliverable**

This geotechnical feasibility report was prepared containing the results of our work, including the following information:

- Summary of geotechnical conditions in the site vicinity
- Discussion of geologic and geotechnical engineering hazards in the site vicinity
- Groundwater considerations
- Discussion of geologic hazards
- Discussion of foundation alternatives for the proposed development

## **SURFACE DESCRIPTION**

The study area consists of relatively flat topography that extends south and outward into Tillamook Bay, with steep banks along its margin that form a shoreline and a small peninsula. The area is largely occupied by an RV park and associated parking spots and drive lanes. Review of available Department of Mineral Industries and Geology (DOGAMI) LiDAR indicates the site has a local topographic high point of 33 feet above mean sea level (amsl) at the southern extent (Figure 3; NAVD88). PBS understands that dredge spoils from Tillamook Bay have been placed at the location, and a mound-like feature is distinguishable within the LiDAR hillshade and digital elevation model (DEM). The average elevation for the study area is approximately 13 feet amsl, and surface modifications by development are apparent in the LiDAR data.

## **GEOLOGIC SETTING AND SUBSURFACE CONDITIONS**

The study area is located within the Coast Range geologic province and positioned along the Pacific Ocean within the north end of Tillamook Bay. The Coast Range is characterized by a north-south oriented mountainous region consisting of uplifted and deformed sedimentary and mafic volcanic basement rocks. The Coast Range is situated along the Cascadia Subduction Zone (CSZ) where oceanic rocks of the Juan de Fuca Plate are subducting beneath the North American Plate, resulting in deformation and uplift of the Coast Range, volcanism in the Cascade Range, and a clockwise rotation of the North American Plate (Figure 4).<sup>1, 2</sup> This compression of the North American plate is expressed in numerous north-south oriented off-shore faults.

The study area is mapped as underlain by Holocene age fluvial and estuarine deposits.<sup>3</sup> These deposits are unconsolidated and consist of clay, silt, sand, and gravel alluvium deposited by streams, rivers, and tidal mud flats. In some instances, the fluvial and estuarine deposits may include poorly sorted alluvial fan deposits along valley margins. Our understanding is that dredge spoils from Tillamook Bay were placed along the south side of the study area and are readily distinguishable in the LiDAR DEM and hillshade (Figure 3). The dredge materials likely consist of similar materials to the fluvial and estuarine deposits and are locally sourced from Tillamook Bay.

The local topographic high points surrounding the town of Garibaldi to the north are mapped as consisting of sandstone of Garibaldi and Nestucca Formation. The sandstone of Garibaldi consists of massive to well-bedded, medium- to coarse-grained carbonaceous sandstone, and interbedded with siltstone. The Nestucca Formation is described as thin-bedded, laminated mudstone with fine- to coarse-grained sandstone interbeds.

### **Groundwater**

We anticipate the static groundwater level is closely tied to the water level in Tillamook Bay, and anticipate the static groundwater level fluctuates several feet in response to rising and falling tides.

## **GEOLOGIC HAZARDS**

Geologic and seismic hazards are defined as conditions associated with the geologic and seismic environment that could influence existing and/or proposed improvements. Geologic and seismic hazards that could affect the site's development are identified below and should be considered during the planning process. PBS reviewed GIS

<sup>1</sup> Wells, R. E., Blakley, R. J., and Weaver, C. S. (2002). Cascadia microplate modes and within-slab earthquakes – The Cascadia Subduction Zone and Related Subduction Systems. US Geological Survey. Open-File Report 02-328.

<sup>2</sup> Brocher, T. M., Wells, R. E., Lamb, A. P., and Weaver, C. S. (2017). Evidence for distributed clockwise rotation of the crust in the northwestern United States from fault geometries and focal mechanisms. *Tectonics*, Vol. 36, No.5, pp. 787-818.

<sup>3</sup> Wells, R. E., Snively, P. D., MacLeod, N. S., Kelly, M. M., and Parker, M. J. (1994). Geologic map of the Tillamook Highlands, northwest Oregon Coast Range (Tillamook, Nehalem, Enright, Timber, Fairdale, and Blaine 15-minute quadrangles). US Geological Survey, Open-File Report OF-94-21, scale 1:62,500.

layers within the Oregon HazVu Statewide Geohazards Viewer and associated reports to assess potential geologic hazards for the study area.<sup>4</sup>

## **Seismicity and Faulting**

### ***Seismic Sources***

Several types of seismic sources exist in the Pacific Northwest, which are outlined below. Volcanic sources beneath the Cascade Range are not considered further in this study, as they rarely exceed about  $M=5.0$  in size and are not considered to pose a significant ground-shaking hazard to the project site due to the distance proximity of the Cascades.

### ***Historical Seismicity***

Regional historical seismicity information was acquired from the Advanced National Seismic System (ANSS) Comprehensive Catalog, hosted by the Northern California Earthquake Data Center (NCEDC), and is presented on Figure 5. These data include earthquakes with magnitudes exceeding  $M 2.5$ , within a 150-km (approximately 100-mile) radius of the city of Garibaldi, Oregon, and recorded between 1963 and 2017 (NCEDC, 2017).<sup>5</sup> Magnitudes within the ANSS dataset are recorded as local magnitude, surface-wave magnitude, body-wave magnitude, moment magnitude, and magnitude of completeness.

### ***Cascadia Subduction Zone (CSZ) – Interface Earthquakes***

The CSZ represents the boundary between the subducting Juan de Fuca tectonic plate and the overriding North American tectonic plate (Figure 4). Recurrence intervals for subduction zone earthquakes are based on studies of the geologic record, with studies estimating a recurrence interval between 500 to 530 years.<sup>6</sup> Geologic evidence and written records from Japan suggest the most recent earthquake occurred in January 1700. The 1700 earthquake probably ruptured much of the approximate 620-mile (1,000 km) length of the CSZ and was estimated at moment magnitudes of  $M_w 9.0$ . The horizontal distance from the edge of the CSZ megathrust is located approximately 117 km (73 miles) west of Garibaldi, Oregon (Figure 7). The current US Geological Survey risk-based maximum credible earthquake for CSZ megathrust is  $M_w 9.0 \pm 0.2$ .<sup>7</sup>

### ***Intraslab Earthquakes***

Intraslab earthquakes occur within the subducting slab. They are problematic in the sense that they do not have a surface expression or rupture the ground surface, and their seismicity generates deformation along many faults within the slab.<sup>8</sup> The CSZ has generated significant intraslab destructive earthquakes including the 2001  $M_w 6.8$  Nisqually earthquake in the Puget lowland.

<sup>4</sup> DOGAMI. (2020). [Interactive Map]. Oregon HazVu: Statewide Geohazards Viewer. Oregon Department of Geology and Mineral Industries, Earthquake Liquefaction. <https://gis.dogami.oregon.gov/maps/hazvu/>. Accessed August 2020.

<sup>5</sup> NCEDC (2017), Northern California Earthquake Data Center. UC Berkeley Seismological Laboratory. Dataset. doi:10.7932/NCEDC.

<sup>6</sup> Goldfinger, C., Nelson, C. H., Morey, A. E. Johnson, J. E., Patton, J. R., Karabanov, E., Gutiérrez-Pastor, J., Eriksson, A. T., Gràcia, E., Dunhill, G., Enkin, R. J., Dallimore, A. and Vallier, T. (2012). Turbidite Event History—Methods and Implications for Holocene Paleoseismicity of the Cascadia Subduction Zone. US Geological Survey. Professional Paper 1661-F.

<sup>7</sup> US Geological Survey (USGS). (2008). Earthquake hazards program: Conterminous states probabilistic maps and data. <https://pubs.er.usgs.gov/publication/sim3325>.

<sup>8</sup> Kirby, S., Wang, K., and Dunlop, S. (2002). The Cascadia Subduction Zone and Related Subduction Systems – Seismic Structure, Intraslab Earthquakes and Processes, and Earthquake Hazards. US Geological Survey Open File Report 02-328 and Geological Survey of Canada Open File 4350.

### ***Crustal Earthquakes and Faults***

Review of the US Geological Survey Quaternary Fault and Fold Database and Oregon HazVu indicates the site is within close proximity (less than 15.5 miles or 25 km) to numerous faults (Figure 6).<sup>9</sup> Due to their proximity, the crustal faults are significant seismic sources for severe ground motion in the Tillamook Bay area and we note that the Tillamook Bay fault zone is mapped within less than 1 km southwest of the study area (Figure 7).

**Table 1. Faults within the Site Vicinity**

<b>Fault Zone Name</b>	<b>Fault ID</b>	<b>Approximate Distance to Site (Surface Projection in km)</b>
Tillamook Bay fault zone	881	<1
Happy Camp fault	882	13
Unnamed offshore fault	785	19
Nehalem Bank fault	789	19

### ***Tsunami Inundation***

Tsunamis are generated by displacement of the ocean and generally associated with offshore earthquakes. The displacement of the ocean generates a series of waves that are capable of being tens of feet high and travelling thousands of miles. The magnitude of ocean displacement, distance from the source, local bathymetry, and local topography dictate the degree of inundation by a tsunami. Along the Pacific coast, two tsunami hazards exist: (1) distant tsunamis generated from ocean displacement associated with faults along the margins of the Pacific Ocean, and (2) local tsunamis generated by the CSZ and its associated faults. Historically, coastal communities along the west coast have suffered damage from both sources. A local tsunami is more likely to result in devastating inundation than a distant tsunami.

Review of the Oregon HazVu and DOGAMI Open-File Report O-16-3 indicates the study area is outside of the zone of inundation from distant sources, and within the inundation zone from tsunamis generated from local seismic sources with a magnitude of Mw 8.9 or higher (Figure 7). It is worth noting that in the event of a local earthquake, the magnitude of the earthquake will not be readily available, and any severe ground shaking should result in the immediate evacuation from the coastline.

### ***Liquefaction Potential***

Liquefaction is defined as a decrease in the shear resistance of loose, saturated, cohesionless soil (e.g., sand) or low plasticity silt soils due to the buildup of excess pore pressures generated during an earthquake. This results in a temporary transformation of the soil deposit into a viscous fluid. Liquefaction can result in ground settlement, foundation bearing capacity failure, and lateral spreading of ground. Review of Oregon HazVu and Open-File Report O-16-3 indicates the study area is located in a zone of high liquefaction susceptibility (Figure 8).<sup>10</sup>

<sup>9</sup> US Geological Survey (2020). Quaternary fault and fold database for the United States, accessed January 2020, from USGS web site: <https://earthquake.usgs.gov/hazards/qfaults/>.

<sup>10</sup> Madin, I. P., and Burns, W. J. (2013). Ground motion, ground deformation, tsunami inundation, coseismic subsidence, and damage potential maps for the 1012 Oregon resilience plan for Cascadia Subduction Zone earthquakes. Oregon Department of Geology and Mineral Industries, Open-File Report O-13-06.

Subsequently, due to the close proximity of the steep embankment and shoreline, the risk of structurally damaging lateral spreading is also high.

### **Flooding**

Review of available FEMA National Flood Hazard maps indicate the study area is located outside of the flood zone (Attachment A).

### **Coastal Erosion**

Short- and long-term coastal erosion is an ongoing threat to any structure located in close proximity to a beach. Coastal erosion is of particular concern when a structure is located on soft sediment made up of marine terraces, bluffs, or artificial fill, as a single storm surge may be capable of quickly eroding the toe of the slope and causing slope failures. Review of HazVu indicates the study area is not located within a zone of coastal erosion hazard, however, we note that storm surges during a high tide could generate wave interactions with the embankment that may cause erosion to occur.

### **Slope Stability**

Slopes exceeding 20% were calculated from the LiDAR DEM and presented on Figure 3. These slopes are mostly confined to the embankment and shoreline, surface modifications, and along the east, south, and west sides of the dredge spoils. Review of HazVu indicates these slopes have a moderate to high landslide susceptibility. However, we note that failures within these slopes would likely be small given the topographic relief. The embankment is approximately 10 feet above the shoreline, and the south and west side of the dredge spoils is approximately 25 feet. The east side of the dredge spoils forms a bench between the embankment and spoils and is approximately 15 feet above the bench.

## **CONCLUSIONS AND RECOMMENDATIONS**

Geotechnical explorations were not completed in the preparation of this feasibility report, and the conclusions are derived from limited available data and professional opinion based on our experience working in similar geologic settings.

### **Geotechnical Design Considerations**

Based on review of available geologic and hazard maps, the project study area is likely underlain by loose sand and silty sand and soft clay and silt to unknown depths. The loose sand and silt below anticipated groundwater at the site, which likely fluctuates with the tide, are likely susceptible to liquefaction, and the soft soils are susceptible to cyclic softening during a code-based earthquake. Conventional foundation support on shallow spread footings is likely not feasible without some form of mitigation and consideration of earthquake risk. For the purpose of our evaluation we have considered two options for foundation support, each having different levels of risk associated with damage during an earthquake.

### **Foundation Alternatives**

The potential presence of soft, compressible, and liquefaction-susceptible soils and the associated potential of seismically induced liquefaction settlement would affect footings, mats, and slabs.

Despite the challenges of supporting foundations on the shallow soils at the site, the underlying deeper soils or bedrock may provide suitable support for deep foundations. Two different foundation alternatives are discussed in the following paragraphs:

- Mitigate compressible and potentially liquefiable soils with soil improvement (stone columns or deep soil mixing [DSM]), used in conjunction with shallow spread footings with grade beams or a mat foundation.
- Use deep foundations.

The use of isolated shallow foundations without soil improvement is not considered feasible due to potential for liquefaction and cyclic softening and the associated differential settlement and lateral spreading expected during a code-based earthquake. Foundations supported on piles or soils that have been improved may be used to support building foundations; however, each has different levels of damage risk.

### ***Soil Improvement***

The detailed design for soil improvement, such as stone columns or DSM, are typically completed by a design-build contractor. Stone columns would likely provide suitable static support but would not provide adequate resistance to liquefaction in fine-grained silt soils. DSM can be used to provide both improved static support of new foundations and mitigate the effects of liquefaction.

Depending on the settlement limitations of the new structures, it may not be necessary to improve all the potentially liquefiable soils at the site. The risk of surface manifestation of liquefaction can be reduced by a non-liquefiable layer at the surface (i.e. "crust"). Using soil improvement techniques to increase the thickness of the crust would allow for the use of shallow spread footings or a mat foundation. Because improving the crust does not improve the potentially liquefiable layers at greater depths, liquefaction settlement below the improved soil and lateral spreading would probably still occur.

### ***Stone Columns***

Installation of stone columns is a common method to mitigate liquefaction. Stone columns incorporate a vibratory probe that is advanced to the target depth, with the void created filled with compacted crushed rock as the probe is extracted, creating a series of stone columns. Advancing the probe as it vibrates can densify loose cohesionless sand, while the replacement with crushed rock acts to improve soft, fine-grained soils that cannot be densified due to their fine-grained nature by reinforcing them with better materials. Stone columns also provide a path for faster dissipation of excess pore water pressures during earthquake events, further reducing liquefaction potential.

Depending on the application, stone columns can be 2 to 3 feet in diameter and installed in a grid at about 6 to 10 feet on-center. The actual diameter and spacing is typically determined by a specialty subcontractor, with the design reviewed by the project geotechnical engineer. Stone columns would need to extend the full depth of potentially liquefiable soils to reduce the effects of liquefaction and lateral spreading. The extent beyond the intended area of improvement should be approximately one-third the depth of improvement. Stone columns can be used in conjunction with appropriately designed building foundation systems, including spread footings and mat foundations.

Where fine-grained soils are present, use of stone columns or vibro-compaction may be less effective than other techniques.

### ***Deep Soil Mixing***

As an alternative to stone columns, a method of mixing cement into the subsurface soils may be used to form columns or walls of cement-amended soils. Using this methodology, either dry or wet cement is injected into the ground with a series of paddles/blades. The paddles rotate during installation creating a generally uniform column of cement-amended soil, which provides greatly increased allowable bearing pressures. The building loads are



then supported on shallow foundations resting on the amended soil. In addition, if the columns are installed in an overlapping or touching linear array, the line of columns provides significant shear resistance to lateral soil loads. Often, the linear arrays are arranged in a box pattern forming a series of boxes, or cells, across the site. Experience has shown that the native soil retained in the box pattern has a reduced risk of liquefaction.

Soil mixing would incorporate 3- to 5-foot diameter columns installed in an overlapping pattern having a compressive strength of about 200 pounds per square inch (psi). Treatment area ratios can range from 10 to 30 percent or more.

### ***Shallow Footings or Mat Foundations on Improved Soil***

Shallow spread footings or mat foundations bearing on native silt and sand that has been improved with stone columns or DSM may be used to support loads associated with the proposed development. Depending on the spacing and diameter of the improved columns, soil types, and the depth and types of treatment, allowable bearing pressures of 2,500 to 5,000 pounds per square foot (psf) can be achieved beneath spread footings and mat foundations. The actual diameter and spacing is typically determined by a specialty subcontractor, with the design reviewed by the project geotechnical engineer. Diameters typically range from about 24 to 60 inches, spaced about 6 to 10 feet on-center. Based on anticipated subsurface conditions at the site, soil improvement would likely need to extend to depths of greater than 50 feet bgs. The actual depth of soil improvement should be based on site-specific explorations.

### ***Deep Foundations***

The impacts from post-earthquake vertical settlement can be reduced by supporting structures on piles. Piles would penetrate through the potentially liquefiable soils and derive their support from the underlying non-liquefiable soils present at depths of likely more than 50 feet bgs. However, due to the anticipated magnitude of liquefaction and strong ground shaking, piles cannot likely resist the lateral loads resulting from lateral spreading of site soils. It may be possible to use driven piles to mitigate vertical settlement if combined with soil improvement designed to limit lateral spreading. In addition, it may be difficult to resist the vertical compressive forces from new structures and downdrag load from the liquefied soils and overlying, non-liquefied crust.

If piles are incorporated into the design, we recommend using driven displacement piles such as closed-end steel pipe piles. Supporting structures on piles will provide support for the structure during an earthquake but will not provide vertical support to at-grade slabs (unless specifically designed and supported on piles).

Advantages of pile foundations include:

- No significant static or seismically induced vertical foundation settlement
- Uses locally available equipment and experienced local contractors

Disadvantages of pile foundations include:

- Differential settlement between pile-supported facilities and utilities or non-pile supported structures
- Requires specialty construction equipment and an experienced specialty contractor
- Cannot be designed to resist loads resulting from lateral spreading and can only be combined with soil improvement

If pile foundations are used, additional site-specific design recommendations for pile foundations will be necessary. This will require site-specific exploration to estimate the required length of piles and consideration of the properties of soils at the site.

## **COST CONSIDERATIONS**

### **General**

The cost of developing waterfront sites for permanent structures or occupancy can be high, particularly when liquefaction and lateral spreading are expected. The minimum level of design that should be considered is life-safety; that is, the structure should survive the strong shaking long enough to allow for occupants to safely evacuate. This is increasingly important in coastal sites where a risk of tsunami inundation exists. A tsunami resulting from a code-based earthquake should be expected to inundate the study area and significantly damage structures at the site. Although structures can be designed to resist the forces of a tsunami, these costs are very high and not generally practical for typical development.

### **Soil Improvement**

Due to the risk of liquefaction and lateral spreading, soil improvement would likely be necessary to support structures at the site. The extent of liquefaction and potentially liquefiable soils is currently unknown but could be 50 to 100 feet or more.

A recent PBS project located along the waterfront near Portland on former port property was designed using DSM to mitigate the effects of liquefaction and lateral spreading. The cost of the soil improvement alone for the approximately 1-acre site was approximately 3 million dollars. By comparison, the Hatfield Marine Sciences Center in Newport was designed to resist liquefaction, lateral spreading, and the forces from a tsunami. The 72,000-square-foot structure was completed at a cost of over 61 million dollars.

## **ADDITIONAL SERVICES AND CONSTRUCTION OBSERVATIONS**

No site-specific explorations were completed for the preparation of this report. Prior to proceeding with design, a site-specific geotechnical engineering report should be completed in order to develop site-specific geotechnical recommendations for design and construction.

In most cases, other services beyond completion of a final geotechnical engineering report are necessary or desirable to complete the project. Occasionally, conditions or circumstances arise that require additional work that was not anticipated when the geotechnical report was written. PBS offers a range of environmental, geological, geotechnical, and construction services to suit the varying needs of our clients.

PBS should be retained to review the plans and specifications for this project before they are finalized. Such a review allows us to verify that our recommendations and concerns have been adequately addressed in the design.

Satisfactory earthwork performance depends on the quality of construction. Sufficient observation of the contractor's activities is a key part of determining that the work is completed in accordance with the construction drawings and specifications. We recommend that PBS be retained to observe general excavation, stripping, fill placement, footing subgrades, and/or pile installation. Subsurface conditions observed during construction should be compared with those encountered during the subsurface explorations. Recognition of changed conditions requires experience; therefore, qualified personnel should visit the site with sufficient frequency to detect whether subsurface conditions change significantly from those anticipated.

## **LIMITATIONS**

This report has been prepared for the exclusive use of the addressee, and their architects and engineers, for aiding in the design and construction of the proposed development and is not to be relied upon by other parties. It is

not to be photographed, photocopied, or similarly reproduced, in total or in part, without express written consent of the client and PBS. It is the addressee's responsibility to provide this report to the appropriate design professionals, building officials, and contractors to ensure correct implementation of the recommendations.

The opinions, comments, and conclusions presented in this report are based upon information derived from our literature review and engineering analyses.

The scope of work for this geotechnical feasibility report did not include environmental assessments or evaluations regarding the presence or absence of wetlands or hazardous substances in the soil, surface water, or groundwater at this site.

If there is a substantial lapse of time between the submission of this report and the start of work at the site, if conditions have changed due to natural causes or construction operations at or adjacent to the site, or if the basic project scheme is significantly modified from that assumed, this report should be reviewed to determine the applicability of the conclusions and recommendations presented herein. Land use, site conditions (both on and off site), or other factors may change over time and could materially affect our findings; therefore, this report should not be relied upon after three years from its issue, or in the event that the site conditions change.

**CLOSING**

We trust this letter meets your current needs. Please feel free to contact Shaun Cordes at 503.935.5517 or shaun.cordes@pbsusa.com with any questions or comments.



Renewal Date 7/1/2021

Shaun Cordes, RG, CEG  
Project Engineering Geologist

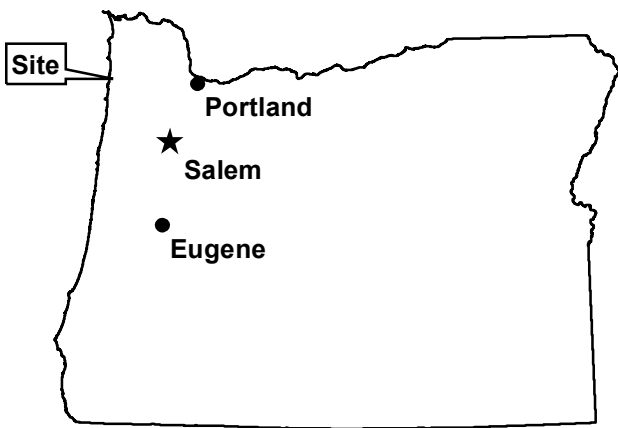
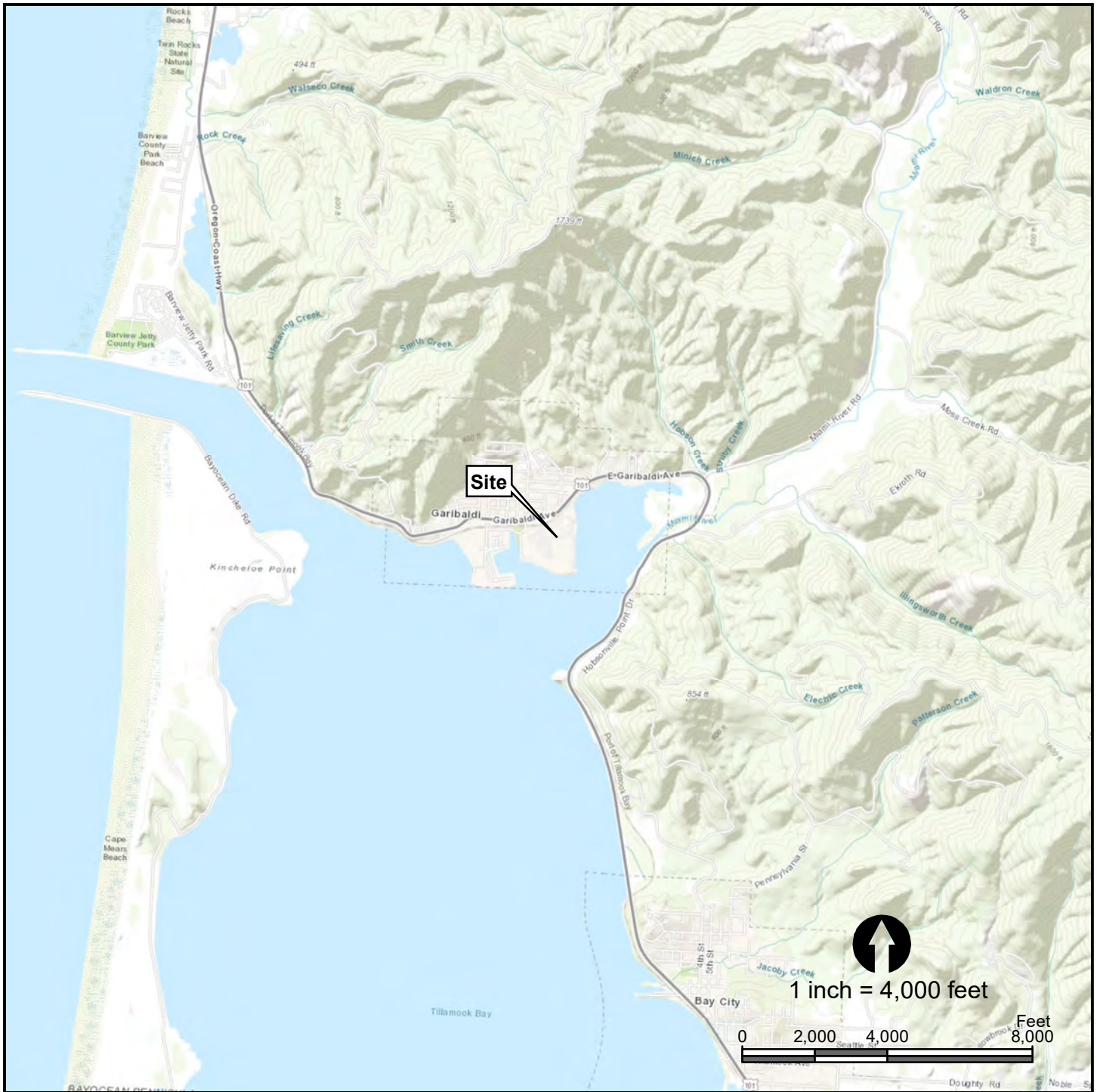
A handwritten signature in black ink, appearing to read "Ryan White".

Ryan White, PE, GE  
Principal/Geotechnical Engineering Group Manager

Attachments: Attachment A. National Flood Hazard Layer FIRMette  
Figure 1. Vicinity Map  
Figure 2. Site Plan  
Figure 3. LiDAR Analysis  
Figure 4. Tectonic Setting of the Pacific Northwest  
Figure 5. Historical Seismicity  
Figure 6. Regional Fault Map  
Figure 7. Local Faults and Tsunami Inundation  
Figure 8. Liquefaction Susceptibility

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# Figures



### VICINITY MAP

## PORT OF GARIBALDI MILL SITE DEVELOPMENT GARIBALDI, OREGON

DATE: AUG 2020 · PROJECT: 71534.000



FIGURE


**1**



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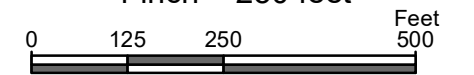
### EXPLANATION

 Approximate study area

SOURCES: Google Earth 2018, hillshade, slopeshade, and contours derived from DOGAMI LiDAR DEM



1 inch = 250 feet



### SITE PLAN

PORT OF GARIBALDI MILL  
SITE DEVELOPMENT  
GARIBALDI, OREGON

DATE: AUG 2020 · PROJECT: 71534.000



FIGURE

**3**

Tillamook Bay



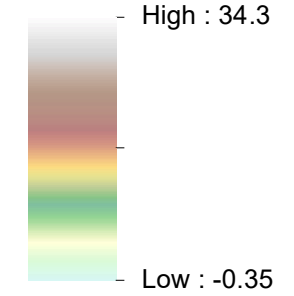
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### EXPLANATION

- Elevation point
- 2-foot elevation contour
- Approximate study area
- Extent of LiDAR clip
- Slope >20%

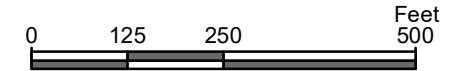
### Digital Elevation Model (feet amsl)



SOURCES: Hillshade, slope, and contours derived from DOGAMI LiDAR DEM



1 inch = 250 feet



## LIDAR ANALYSIS

PORT OF GARIBALDI MILL  
 SITE DEVELOPMENT  
 GARIBALDI, OREGON

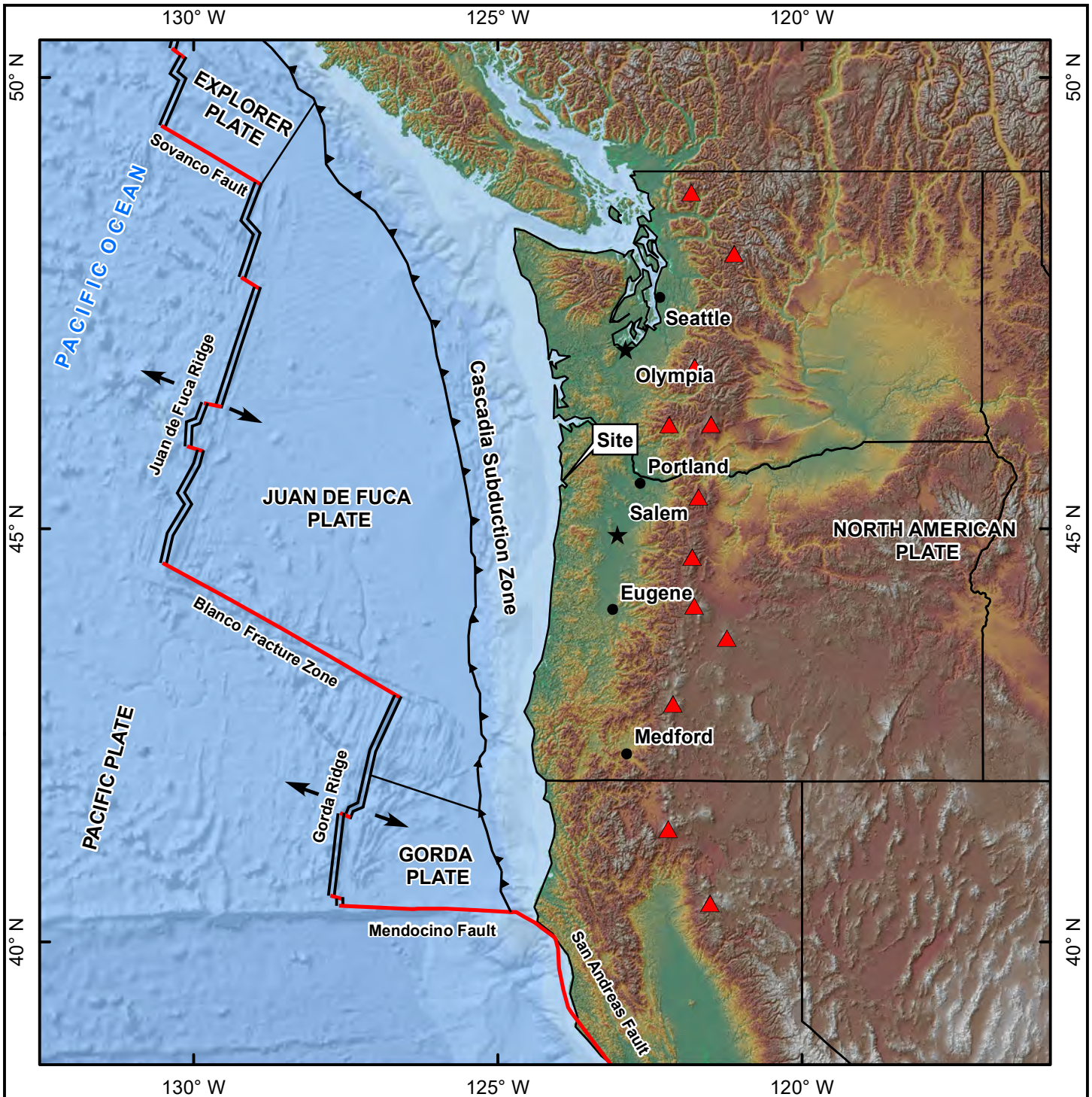
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FIGURE

**3**





**EXPLANATION**

- ▲ Active volcano
- Transform boundary
- Spreading ridge
- Thrust fault

Sources:

- 1) SRTM 30-meter DEM
- 2) ESRI World Oceans Basemap
- 3) USGS Tectonic Plate Boundaries

**TECTONIC SETTING OF THE  
PACIFIC NORTHWEST**

PORT OF GARIBALDI MILL  
SITE DEVELOPMENT  
GARIBALDI, OREGON

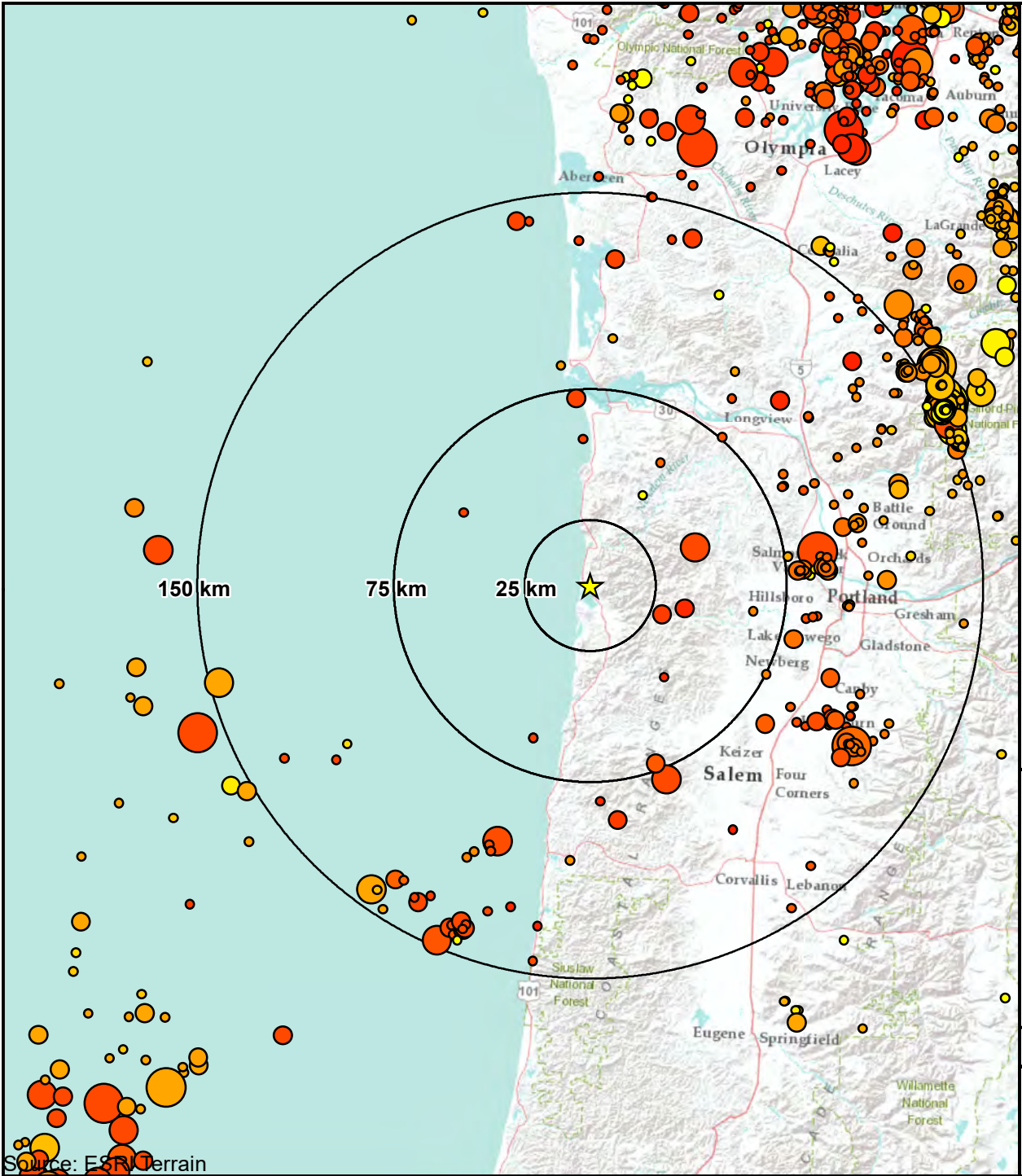
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FIGURE

**4**





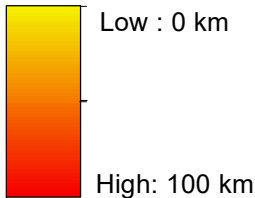
**EXPLANATION**

☆ Site location

**Independent Seismicity (1963-2017)**

- M 2.5 - 3.0
- M 3.1 - 4.0
- M 4.1 - 5.0
- M >5.1

**Depth in kilometers (km)**



1 inch = 60 kilometers



**HISTORICAL SEISMICITY**

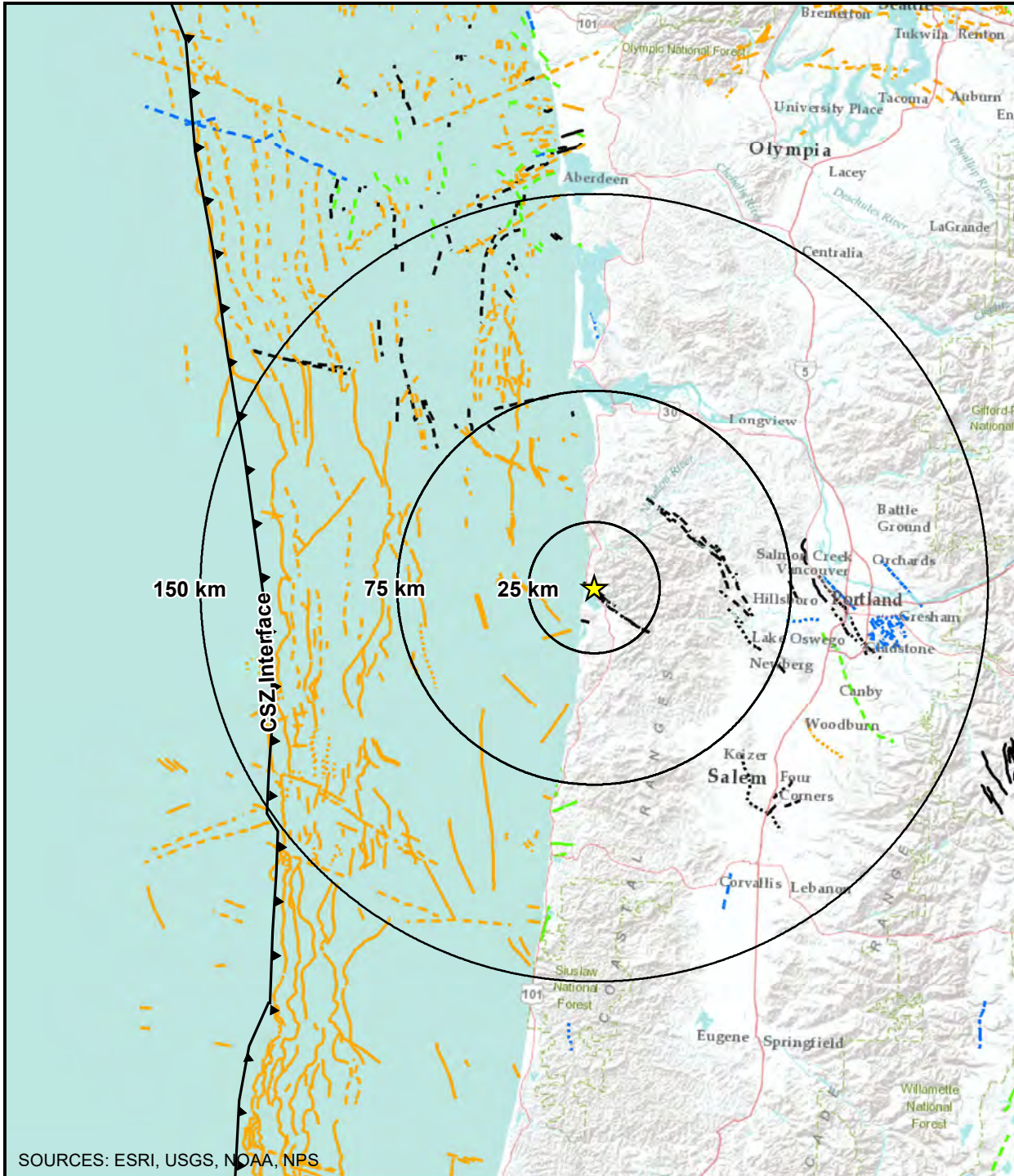
**PORT OF GARIBALDI MILL  
SITE DEVELOPMENT  
GARIBALDI, OREGON**

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FIGURE

**5**



**EXPLANATION**

★ Site location

USGS (2006) Quaternary fault traces; solid where well constrained, dashed where moderately constrained, and dotted where inferred

— · · · · · < 15,000 years - latest Quaternary

- · · · · · < 130,000 years - late Quaternary

- · · · · · < 750,000 years - middle and late Quaternary

- · · · · · < 1.6 million years - undifferentiated Quaternary



1 inch = 60 kilometers



**REGIONAL FAULT MAP**

PORT OF GARIBALDI MILL  
SITE DEVELOPMENT  
GARIBALDI, OREGON

DATE: AUG 2020 · PROJECT: 71534.000

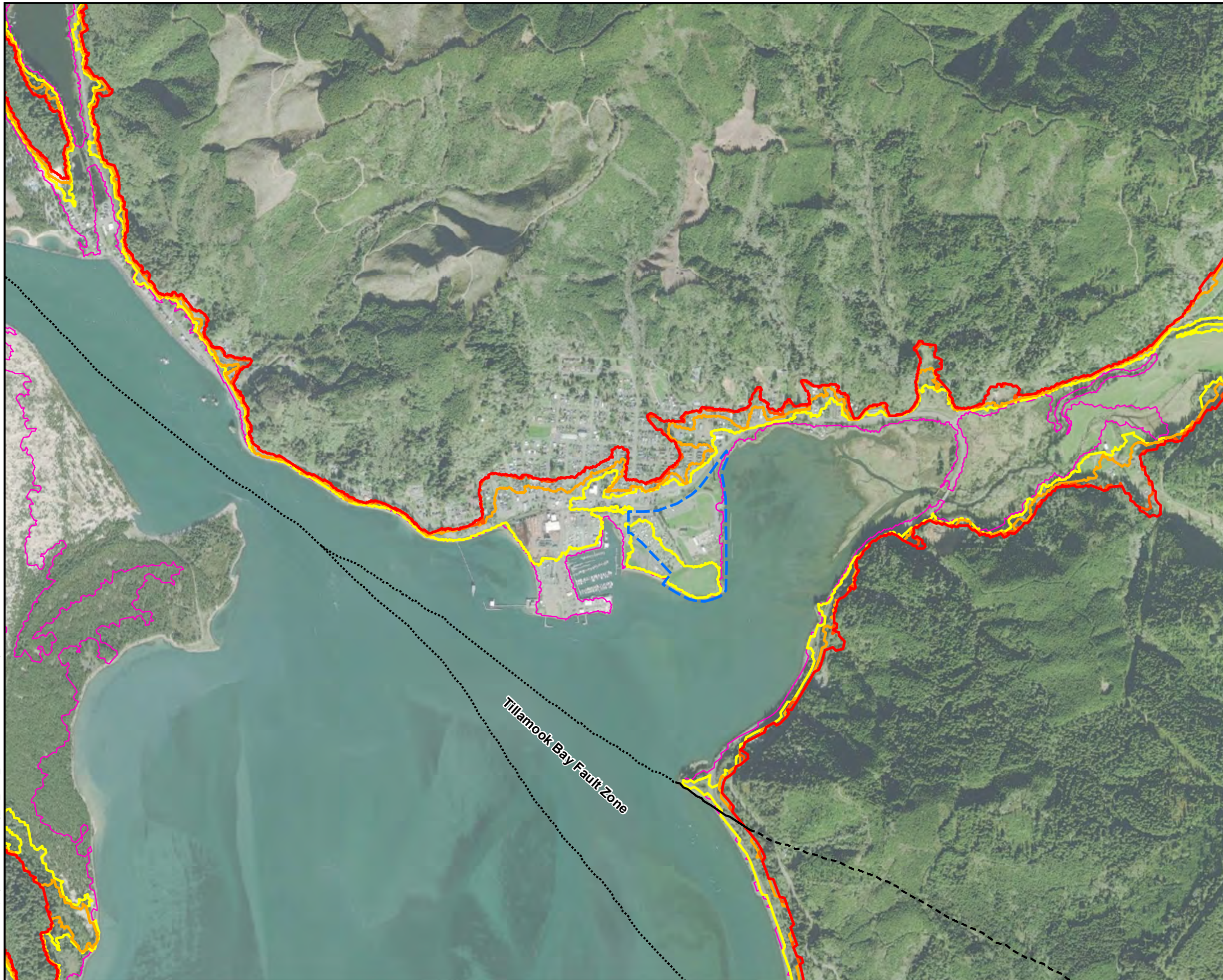


FIGURE

**6**



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**EXPLANATION**

Approximate study area

**Local Source (Cascadia Subduction Zone) Tsunami Inundation (Till-05)**

- Approximate inundation line from ~M9.1
- Approximate inundation line from ~M9.1
- Approximate inundation line from ~M9.0
- Approximate inundation line from ~M8.9
- Approximate inundation line from ~M8.7

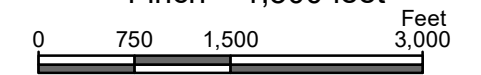
USGS (2006) Quaternary fault traces: solid where well constrained, dashed where moderately constrained, and dotted where inferred

< 1.6 million years - undifferentiated Quaternary

SOURCES: ESRI imagery basemap, tsunami inundation lines from Till-05 Map, USGS Quaternary Faults and Folds Database (USGS, 2006)



1 inch = 1,500 feet



**LOCAL FAULTS AND TSUNAMI INUNDATION**

PORT OF GARIBALDI MILL  
SITE DEVELOPMENT  
GARIBALDI, OREGON

DATE: AUG 2020 · PROJECT: 71534.000

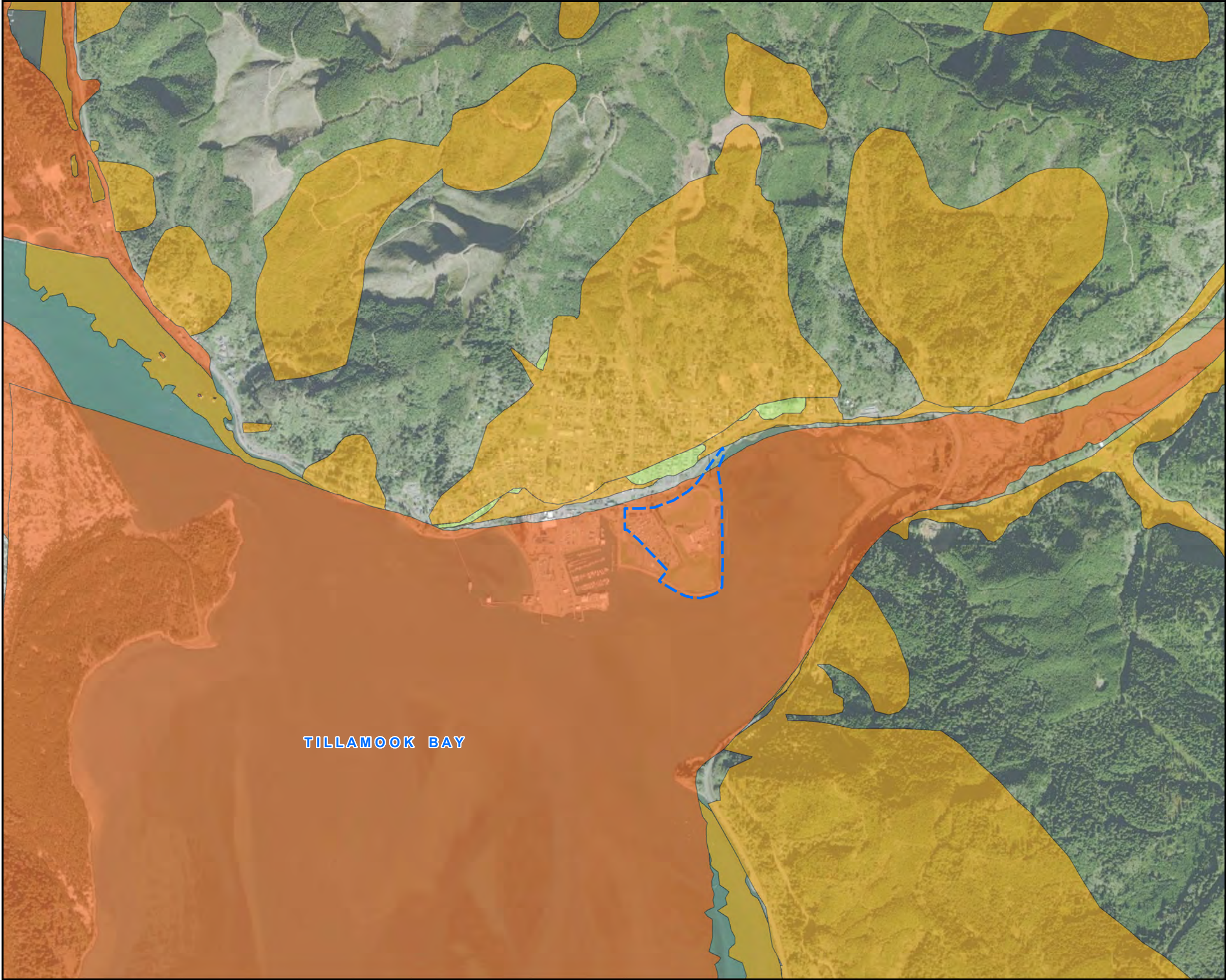


FIGURE

**7**




L:\GIS\GEO\TECH\project\71534.000\fig\_08\_liquefaction.mxd · Modified By: shaunc · Date Saved: 8/26/2020 5:48:03 PM



TILLAMOOK BAY

**EXPLANATION**

 Approximate study area

**Liquefaction Susceptibility (DOGAMI O-13-06)**

 Low

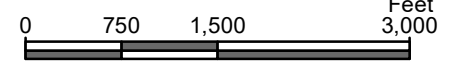
 Moderate

 High

SOURCES: ESRI imagery basemap, liquefaction susceptibility polygons derived from DOGAMI open-file report O-13-06 GIS data



1 inch = 1,500 feet



**LIQUEFACTION SUSCEPTIBILITY**

PORT OF GARIBALDI MILL  
SITE DEVELOPMENT  
GARIBALDI, OREGON

DATE: AUG 2020 · PROJECT: 71534.000



FIGURE  
**8**



# **Attachment A**

## **National Flood Hazard Layer FIRMette**

# National Flood Hazard Layer FIRMMette



123°54'48"W 45°33'41"N



## Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, V, A99
		With BFE or Depth Zone AE, AO, AH, VE, AR
		Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes. Zone X
		Area with Flood Risk due to Levee Zone D

OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard Zone X
		Effective LOMRs
		Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall

OTHER FEATURES		20.2 Cross Sections with 1% Annual Chance Water Surface Elevation
		17.5 Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
		Profile Baseline
		Hydrographic Feature

MAP PANELS		Digital Data Available
		No Digital Data Available
		Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on **8/27/2020 at 1:37 PM** and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

# **Appendix D**

## **Environmental Conditions**

October 15, 2020

Matt Ransom  
Market Advisory Group  
1241 NW Klickitat Ln.  
Camas, WA 98607

Via email: [matransom.re@gmail.com](mailto:matransom.re@gmail.com)

Regarding: Environmental Conditions Review  
Old Mill Marina  
Taxlots 1N1021D000-100, -200, -201, and -500  
Garibaldi, Oregon  
PBS Project 71534.000

Dear Mr. Ransom:

PBS Engineering and Environmental Inc. (PBS) has conducted this Environmental Conditions Review for Taxlots 1N1021D000-100, -200, -201, and -500 located in Garibaldi, Oregon (the site; Figures 1 and 2) to identify any known or potential undocumented environmental conditions at the site that could affect future acquisition and/or development of the site.

This review included a review of regulatory database listings, readily available files and previous studies, a site reconnaissance, and a data analysis. This study was conducted in general accordance with ASTM 1527-13, but is not intended to fulfill the requirements of that standard. Project background, activities, results, and conclusions are described below.

### **PROJECT DESCRIPTION AND BACKGROUND**

The site consists of approximately 42.8 acres located south of Highway 101 in the City of Garibaldi, Oregon. The site consists of city taxlots 1N1021D000-100, -200, -201, and -500 and is situated in Miami Cove along the north side of Tillamook Bay. The Oregon Department of Environmental Quality (DEQ) has designated the Tillamook Bay Estuary as a vulnerable environmental area.

The site is currently owned by Doug Rosenberg and used as a RV resort, maintenance area, boat dock, boat storage, restaurant, and for equipment storage. Use of the site as an RV resort began in 1978. The property is composed of dredge material placed since the early 1900's. More recent dredging has maintained the use of the docks and these materials have been placed on site, mostly in the southern and northeastern areas. The Port is considering purchasing the property for future development.

Between 1921 and 1976, the site was occupied by a variety of lumber companies with past operations including a large mill building, a sash and door factory building, kiln, a power station in the northeastern corner of the site, a lath mill located along the northern portion of the site, machine shop, fire station, service station and water tower. In the 1950s, a disposal area was located west of the Mill Building in the area now used for RV hookups. A large wigwam burner was located to the south of the power station. The large mill building, referred to as the old Mill building was demolished in July 2000. Prior to being razed, the Old Mill Building was used for plywood



manufacturing and limited wood treating for marine construction. The power station operated between the early 1930s into the 1960s. The site was unoccupied from 1935 to 1944, and from m1976 to 1978.

## **REGULATORY HISTORY**

In 1997, DEQ conducted a site screening evaluation resulting in a medium priority for a preliminary assessment. A subsequent Phase II environmental site assessment (ESA) detected metals, polychlorinated biphenyls (PCBs) associated with the boiler and power station. Additionally, petroleum hydrocarbons and volatile organic compounds (VOCs) including 1,1,1-trichloroethane and formaldehyde associated with the Old Mill Building and manufacturing activities were detected. In 1997, the site was proposed for the Confirmed Release List and DEQ recommended the site enter into the Voluntary Cleanup Program (VCP), though a letter agreement was not executed. In 1998, DEQ designated the site a high priority, with a focus on the potential for the release of PCBs from the former power station to soil and the adjacent waters of Tillamook Bay and Miami Cove. DEQ unsuccessfully attempted to negotiate a consent order with the property owners in 1998 and early 1999. A notice of noncompliance was issued to the property owners on November 24, 1999.

In January 2000, DEQ referred the site to Environmental Protection Agency (EPA) Region 10 for further evaluation. EPA subsequently conducted a Preliminary Assessment/Site Inspection (PA/SI) in July 2000. The work identified concentrations of metals (arsenic, lead, and mercury), PCBs, VOCs, and semi-volatile VOCs (primarily polycyclic aromatic hydrocarbons [PAHs]) in soil, groundwater, and sediment. EPA concluded that the concentrations did not pose an imminent threat to human health, but that the contaminants could have been released to Miami Cove and could potentially impact vulnerable habitats and fisheries in Miami Cove and Tillamook Bay.

Additional EPA investigation was conducted in May 2001 near the former power station and determined that contaminant levels were not sufficient to warrant removal actions under the Federal Superfund law. The site was subsequently referred back to DEQ for continued evaluation under state cleanup laws.

In July 2001, foreclosure proceedings brought by Tillamook County were resolved, resulting in a new ownership of the property. The new owners entered into Consent Order ECSR-NWR-01012 in August 2001. The order required investigation of the nature and extend of contamination at the site, a human health and ecologic risk assessment, and the development of cleanup alternatives if deemed necessary.

In 2002, a remedial investigation (RI), human health and ecological risk assessment (RA), and application for a No Further Action (NFA) determination were completed. These more recent activities are summarized in the review below.

In December 2002, DEQ issued an NFA determination.

## **ENVIRONMENTAL REVIEW**

The scope of work, findings, and results of this environmental review are described below.

**Regulatory review.** PBS reviewed the Department of Environmental Qualities (DEQs) online facility profiler database, and contacted DEQ to request relevant records to review. Below is a summary of relevant documents:

- Remedial Investigation - Between January and August 2002, a remedial investigation was conducted consistent with a DEQ-approved workplan. Investigation included identifying source areas, surface and subsurface soil sampling, groundwater monitoring and sampling. Investigations also included sediment, stormwater, bay, and background sampling to assess potential groundwater discharge issues. Specific source areas that were investigated included: (1) the former power and gas stations; (2) a suspect

formaldehyde underground tank (never discovered); (3) a suspect underground storage tank (UST) associated with hydrocarbons and PCBs along the railroad tracks at the west end of the northern site boundary; (4) areas near the former Mill Building previously identified having VOCs in soil and groundwater; (5) groundwater discharging into Miami Cove; and (6) sediments along the eastern margin of the site.

Low concentrations of PAHs and PCBs were detected near the former power station and along the railroad tracks in the northwestern portion of the site. PAHs were also detected along the western boundary. Low concentrations of VOCs were detected in groundwater around the north, south, and east margins of the Old Mill Building foundation, and near the resort office. Formaldehyde was detected near a former disposal area, near the Old Mill Building foundation, and in the northeast portion of the site near the suspect formaldehyde tank location (never identified).

Source areas for formaldehyde detected in the (1) northeastern area of the site; (2) western area of the site; and (3) near the Old Mill Building were not discovered.

Risk Assessment - In 2002, DEQ conducted a human health and ecological risk assessment for the site.

- *Human health risk assessment.* Human health exposure pathways include residential, urban residential, occupational, excavation workers, campers, recreational users, and fishers. While results indicated that none of the DEQ exposure limits were exceeded for the reasonable maximum exposure (RME), the residential exposure was determined to be equivalent to the RME.
- *Ecologic risk assessment.* The ecologic exposure pathways that were assessed included upland soils, surface water, and sediment in the dredge spoil ponds, storm drain outfall water and sediment, and groundwater transport to surface water (i.e groundwater discharge). Receptors included State and Federal protected threatened and endangered (T&E) species as well as non-protected ecologic receptors. Particularly, the Western Snowy Plover and Oregon Coastal Coho Salmon were identified as receptors of concern for surface water and sediment exposures from storm drain outfalls 2-9. Coho Salmon was also identified as a receptor of concern for the groundwater discharge pathway.

DEQ determined that for non-protected receptors, an exceedance of more than 5-times the risk screening levels determined in DEQs Guidance for Ecological Risk Assessment indicated unacceptable risk. For protected receptors, anything more than 1.0-times the risk level was determined to be unacceptable.

Lead was the only contaminant of interest (COI) identified in surface soil exceeding a terrestrial ecologic screening level by more than 5-times. The pathway is for terrestrial birds. Samples which exceeded this threshold were determined to be undesirable for terrestrial bird habitat (in a sump from the Old Mill Building and near the railroad tracks). Therefore, these data points were removed and the resulting risk levels were determined to be acceptable by DEQ. Other (including bioaccumulative COIs), including thallium, detected above screening levels were determined to be acceptable based on numbers and types of birds and mammals that would be potentially exposed at the site. Therefore, remedial actions to protect terrestrial receptors were deemed unnecessary.

Groundwater at the site was analyzed for PAHs and metals. Detected PAHs were determined to be not of significance by DEQ. Metals that were detected (aluminum, copper, manganese, and vanadium) were considered not likely to contribute significant concentrations to Miami Cove based on existing cove ambient surface water concentrations and limited prevalence of these metals at

elevated concentrations in groundwater onsite. Based on this, DEQ determined that remedial actions are not warranted.

Concentrations for PAHs and dissolved metals in water discharging from onsite outfalls were below screening values except for two PAHs (fluoranthene and benzo(a)pyrene) and two metals (aluminum and copper). These were not considered significant because the metal concentrations are equivalent to background concentrations detected in the bay and because the PAHs were determined to have low potential to bioaccumulate by DEQ.

Concentrations of several PAHs exceeded screening levels for benthic invertebrates in sediment. These were further investigated by assessing outfalls – sediment exceedances were not identified near Outfalls 2-5 and 9; for Outfall 6-8, sediment exceedances were identified adjacent to the outfalls, but were bound by acceptable concentrations within 11 feet of the outfall. DEQ determined that because the area of impact was relatively small, and that desirable habitat in the area was determined to be limited, "significant toxic or bioaccumulation effects are not likely." DEQ indicated that the "minimal area of sediment contamination surrounding the storm drain outfalls suggests that the storm drains are no longer transporting significant chemical load to Miami Cove." DEQ concluded that due to the changes in site operations, further upland sources of contaminants are likely to minimize over time.

Surface water from ponds in the dredge spoils was also sampled and results were within acceptable DEQ ranges for aquatic receptors.

In summary, DEQ concluded that site-related contaminants in soil, groundwater, surface water, and sediment do not pose a threat to human or ecological receptors. DEQ indicated that the assessment is based on the current land and water uses at the site. DEQ did not consider a drinking water pathway because groundwater is not currently used for drinking water. DEQ concluded that "there are no unacceptable risks for human or ecological receptors that may be exposed to contamination present in soil, groundwater, surface water, or sediment at the site, and that removal or remedial action is not warranted." DEQ subsequently concluded that all requirements for site investigation and risk evaluation under the Consent Order had been met. DEQ recommended the following:

- No further action [determination].
- Removal of the site from the Confirmed Release List.
- Issuance of a Certification of Completion from the existing Consent Order ECSR-NWR-01-12.
- Decommissioning of onsite monitoring wells.

DEQ also recommended a development of a soil management plan.

- **Database search.** Environmental Database Resources (EDR) conducted a database search of relevant local, state, and federal databases. The EDR report is included as Attachment B and relevant listings are summarized below.
  - *Old Mill Marina Resort, Inc.* This site is listed on multiple databases including, the Environmental Cleanup and Site Information (ECSI) database (ECSI no. 1966), underground storage tank (UST)

and several others. The listings are all associated with the previous environmental issues of concern related to the historical mill operations and previously discussed in this report.

No other listings of significant concern were identified due to regulatory status, nature of listing, or location relative to the site.

- **Historical records.** PBS obtained historical records including aerial photographs and sanborn fire insurance maps in order to identify potential historical operations of concern. Aerial photographs and sanborn maps are included in Attachment C. The historical records review is summarized below:

<b>Year (source)</b>	<b>Description</b>
1929 (Sanborn map)	The 1929 fire insurance map shows the mill operations and associated structures. The northern portion of the site includes a shingle mill and a refuse burner is present adjacent to the smoke stack. The central portion of the site includes a boiler house, fuel chippers, saw mill, transformer rooms, lath mill, power house, and other related infrastructure. The west side includes a machine shop, auto maintenance, timber slide, and sorting area.
1939 (Aerial photograph)	The north, northeastern, and central portion of the site is occupied by the former lumber mill. The southern portion of the site is largely vacant with a few small structures in the southern portion. Multiple structures and infrastructure is present, including the existing smoke stack.  North of the site is a railroad line, Highway 101, then commercial and residential development. The property to the west of the site is unoccupied. What appears to be wood pile holding pens, used to store floating wood are present throughout Miami Cove.
1945 (Aerial photograph)	The configuration of the mill facility has changed slightly, with several of the central structures no longer present. A large amount of wood is stored in the holding pens in Miami Cove.  A marina is now present to the west of the site.
1954 (Aerial photograph)	A small structure is now present in the southern portion of the site. What appears to be a fire water pond is present in the northern portion of the site, though resolution is poor. No other significant changes to the site are apparent.
1967 (Aerial photograph)	The marina area to the west has been further developed with apparent dredging and wall construction. No other significant changes to the site or surrounding area are apparent.
1976 (Aerial photograph)	The majority of the infrastructure associated with the mill is now gone. Remaining are two to three structures near the smokestack, a large pond, and a large structure in the central portion of the site.
1986 (Aerial photograph)	A marina dock is now present on the east of the site in Miami Cove. The RV park is now present in the western portion of the site. The large structure in the

	central portion of the site and smoke stack in the northern portion of the site remain.
1994 ( <i>Aerial photograph</i> )	The RV park has been expanded into the northern portion of the site. No other significant changes are apparent.
2000 ( <i>Aerial photograph</i> )	No significant changes to the site.
2011 ( <i>Aerial photograph</i> )	The large building in the central portion of the site is no longer present. The existing maintenance building and boat storage is present
2017 ( <i>Aerial photograph</i> )	No significant changes to the site.

In summary, as previously noted, the site was formerly used for milling operations from approximately 1921 through 1976. By 1976, the majority of the infrastructure had been removed with the exception of the smokestack, pond, and large structure in the central portion of the property. Subsequent site uses included marina use and use as a RV park. No former uses of concern were identified other than the former milling operations.

- **Oregon Water Resource Department records.** Online records from the Oregon Water Resource Department (OWRD) were reviewed. PBS identified four monitoring well reports (TILL 50965, TILL 50966, TILL 50967 and TILL 50968; MW-1 through MW-4) associated with the site and Laird Enterprises, LLC. The wells were installed in March 2002 and are shown to be installed to depths of 15.5 to 16 feet below ground surface (bgs) and water was first encountered at a depth of 10 feet bgs in all wells. No evidence of well decommissioning was discovered. OWRD well logs are included in Attachment D.
- **Site reconnaissance.** On August 25, 2020, Christopher Sheridan of PBS conducted a site reconnaissance to identify any existing issues of concern. Mr. Sheridan was accompanied by the principal broker, Ms. Valerie Schumann of Berkshire Hathaway Home Services and the current property owner, Doug Rosenberg. The entire site was observed and site features are shown on Figure 2. A photograph log is included as Attachment E. The reconnaissance is summarized below.

- The majority of the site is encompassed by a mobile home park and related infrastructure. This includes several bathroom facilities and electrical houses. Additionally, the site includes a restaurant, a community meeting facility, and a maintenance facility. The maintenance facility houses equipment and materials used to repair and maintain all operations conducted at the property. The maintenance facility is used to store a variety of vehicles such as forklifts and excavators, equipment, wood, electrical components, as well as chemicals such as paints, lubricants, oil, grease, glues, varnish, and similar materials. Small amounts of universal waste (fluorescent bulbs) and waste oil are stored until it is removed by the owner for proper disposal.

Multiple piles of soil and concrete were observed in the northeastern portion of the site. Much of the material was excavated from the site and is slated to be screened to remove gravel and cobbles and reused onsite. Mr. Doug Rosenberg indicated that the material was clean. The stack associated with the former lumber operation was observed, though no other related equipment was seen.

Additionally, while not part of the site, and adjacent property owned by the Port of Garibaldi was observed. The property is currently used to store commercial crab pots and other fishing gear.

No significant issues of environmental concern were identified during the site reconnaissance.



## **CONCLUSIONS AND RECOMMENDATIONS**

PBS conducted an environmental review for the property consisting of Taxlots 1N1021D000-100, -200, -201, and -500 in Garibaldi, Oregon. The site is being considered for acquisition by the Port of Garibaldi. In summary, the site has a significant regulatory history associated with the former mill operations that occurred onsite. Significant milling operations, including wood treatment operations, resulted in some contamination to soil, sediment, and groundwater. Site investigations, remedial investigation, and risk assessment were conducted under Consent Order ECSR-NWR-01-12 which was fulfilled in 2002 when DEQ determined that no significant risks to human health or ecology were present and subsequently issued a NFA determination for the site, dated December 3, 2002. While no significant risks were identified, it should be noted that low concentrations of contaminants likely remain at the site. The NFA indicated that existing monitoring wells must be decommissioned and DEQ notified when abandonment is complete. Evidence of decommissioning was not identified during this review.

PBS recommends additional research to determine if the wells were properly decommissioned. If they remain onsite, PBS recommends proper decommissioning and DEQ notification. Additionally, the NFA suggests developing a soil management plan for the site. The plan would be utilized during any future redevelopment activities to ensure that any residual soil concentrations do not adversely affect site stormwater and/or sediments in Miami Cove.

If you have any questions, please contact me at 503.417.7616 or [chris.sheridan@pbsusa.com](mailto:chris.sheridan@pbsusa.com).

Sincerely,

Christopher Sheridan, R.G.  
Senior Geologist  
PBS Engineering and Environmental Inc.

## **Figures**

Figure 1 – Site Vicinity Map

Figure 2 – Site Plan

## **Attachments**

Attachment A – DEQ NFA Documentation

Attachment B – EDR Report

Attachment C – Aerial Photographs

Attachment D – OWRD Well Logs

Attachment E – Photo Log

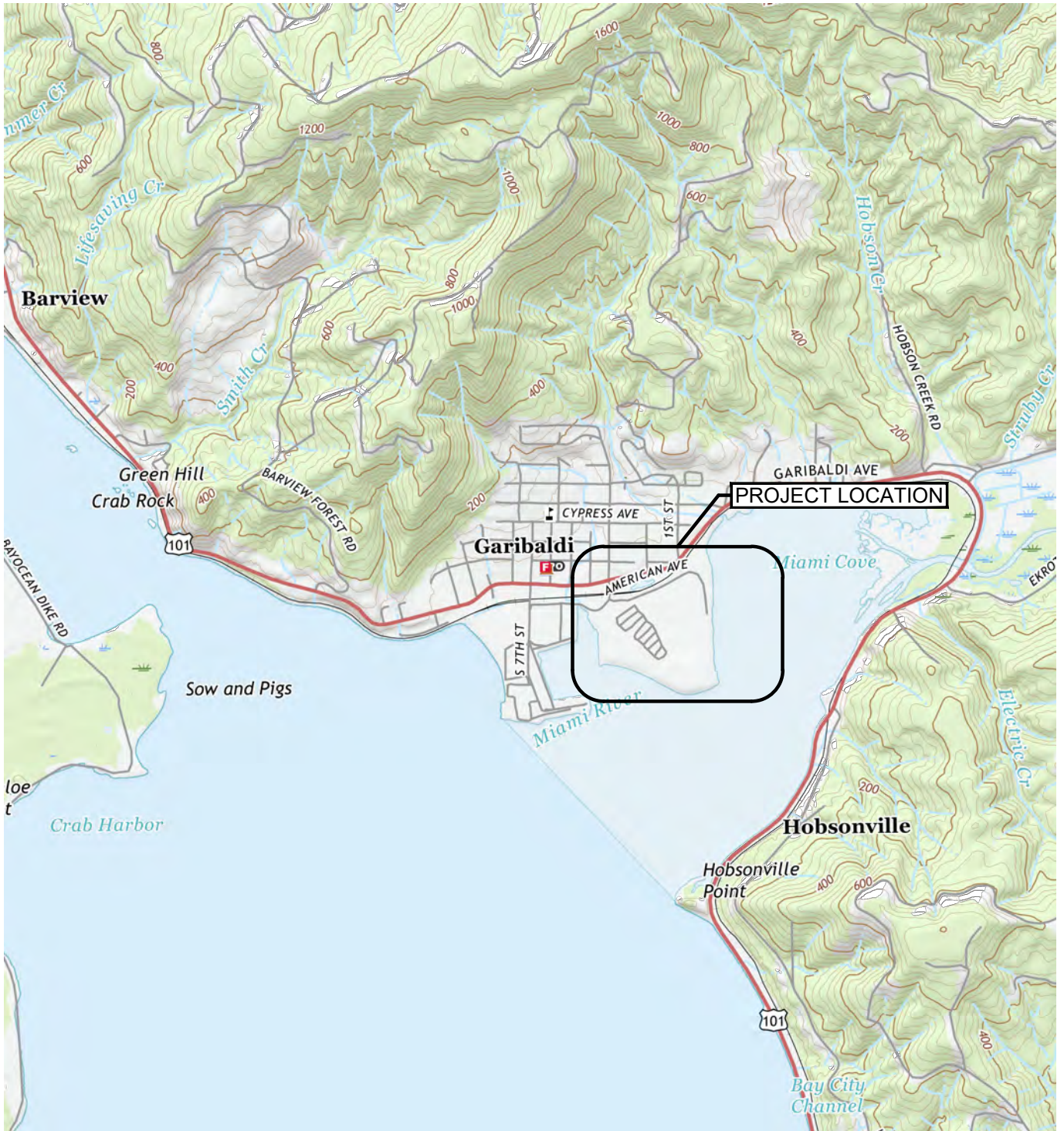
**cc.**

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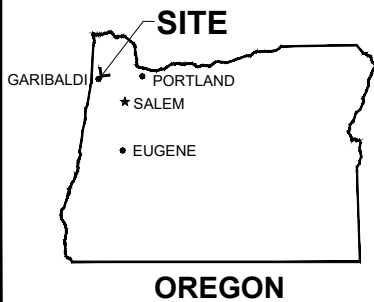
## **FIGURES**

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Figure 1. Vicinity Map  
Figure 2. Site Plan



SOURCE: USGS GARIBALDI, OR QUADRANGLE 2020.



Scale 1" = 2000'



PREPARED FOR: PORT OF GARIBALDI



**VICINITY MAP**  
 OLD MILL MARINA  
 TAXLOTS 1N1021D000-100, -200, -201, & -500  
 148 GARIBALDI, OREGON

SEP 2020  
 71534.000  
 FIGURE

**1**

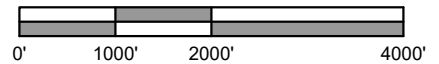




SOURCE: © 2019 GOOGLE EARTH PRO



Scale 1" = 400'



PREPARED FOR: PORT OF GARIBALDI



**SITE PLAN**  
OLD MILL MARINA  
TAXLOTS 1N1021D000-100, -200, -201, & -500  
149 GARIBALDI, OREGON

SEP 2020

71534.000

FIGURE

**2**

# **Appendix E**

## **Traffic Projections**





October 12, 2020

Matt Ransom  
Market Advisory Group  
1241 NW Klickitat Lane  
Camas, Washington 98607

Via email:        mattransom.re@gmail.com

Regarding:        Traffic Services  
                      Port of Garibaldi – Site Assessment for Old Mill Site Development  
                      Garibaldi, Oregon  
                      PBS Project 71534.000, Phase 0004, Task 003

Dear Mr. Ransom:

We have prepared a trip generation and distribution assessment of the proposed Old Mill Site Development (Site). This assessment includes estimates of trips associated with the existing site uses and of trips associated with the proposed developments with the existing land uses. It also includes a distribution of trips to the surrounding roadway network. The intent of the assessment is to identify the locations of transportation improvement, and further traffic study will be needed within the limited budget and time available for this assessment.

### **PROJECT DESCRIPTION**

The Site is within the City of Garibaldi under ownership of the Old Mill Investment, LLC. It is located on the waterfront at the southern terminus of Third Street. See the Figure 1 for a vicinity map.

The Site is currently underutilized and has valued waterfront access. The existing land uses include RV and tent camping, commercial uses, and industrial buildings.

In the next 6 to 10 years the proposal is to develop additional buildings and uses, including 15,000 square feet of office space, 30,000 square feet of light industrial, and 40 additional RV storage spaces. This assessment does not include long-range (10 to 20 years) proposed land uses. See the attached land use descriptions of both existing and proposed land uses.

### **TRIP GENERATION**

The following sections rely on data provided in the Institute of Transportation Engineers' (ITE) *Trip Generation Manual* and the ITE *Trip Generation Handbook*. Table 1 and Table 2 summarize the trips generated by the existing and proposed Site land uses.

**Table 1. Existing Site Land Uses**

Site Use	Developed Size <sup>a</sup>	ITE Land Use Code	ITE Land Use Model
Building to rehabilitate an old boat	2,400 SF	110	General Light Industrial
RV/open storage	55 SU	151	Mini-Warehouse
Rental apartments	3 DU	220	Multifamily Housing (Low-Rise)
RV/tent camping spaces	168 OC	416	Campground/Recreational Vehicle Park
Office, event/meeting space	11,200 SF	710	General Office Building
Restaurant	4,000 SF	932	High-Turnover (Sit-Down) Restaurant

<sup>a</sup> SU = storage units; DU = dwelling units; SF = square feet gross leasable area; OC = occupied campsites

The other existing buildings around the Site (e.g., restrooms, maintenance) are taken to be ancillary uses to the campground and therefore are not independent trip generators.

**Table 2. Existing and Proposed Site Land Uses**

Site Use	Developed Size <sup>a,b</sup>	ITE Land Use Code	ITE Land Use Model
Building to rehab an old boat	2,400 SF + <b>30,000 SF</b>	110	General Light Industrial
RV/open storage	55 SU + <b>40 SU</b>	151	Mini-Warehouse
Rental apartments	3 DU	220	Multifamily Housing (Low-Rise)
RV/tent camping spaces	168 OC + <b>115 OC</b>	416	Campground/Recreational Vehicle Park
Office, event/meeting space	11,200 SF + <b>15,000 SF</b>	710	General Office Building
Restaurant	4,000 SF	932	High-Turnover (Sit-Down) Restaurant

<sup>a</sup> SU = storage units; DU = dwelling units; SF = square feet gross leasable area; OC = occupied campsites

<sup>b</sup> **Bold text** represents the added developed size for the proposed development.

Table 3 summarizes the trips generated from the existing land uses, including the internal, pass-by, and primary trips. The *Trip Generation Manual* does not provide a daily trip generation rate for the Campground/Recreational Vehicle Park use. The daily trips shown in Table 3 are estimated based on the rates from similar land uses.

**Table 3. Trip Generation Estimates for Existing Site Land Uses**

Land Use (ITE Code)	General Light Industrial (110)		Mini-Warehouse (151)		Multifamily Housing (Low-Rise) (220)		Campground /Recreational Vehicle Park (416)		General Office Building (710)		High-Turnover (Sit-Down) Restaurant (932)		Total	
	AM	PM	AM	PM	AM	PM	AM	PM	AM	PM	AM	PM	AM	PM
<b>Weekday Average Daily Trips (ADT)</b>	12		10		19		600		109		449		1,199	
<b>Total</b>	2	2	1	1	1	2	59	76	13	13	40	39	116	133
<b>Internal</b>	-	-	-	-	-	-	-	-	(3)	-	(3)	-	(6)	-
<b>External</b>	2	2	1	1	1	2	59	76	10	13	37	39	110	133
<b>Pass-By</b>	-	-	-	-	-	-	-	-	-	-	-	(16)	-	(16)
<b>Primary Trips</b>	2	2	1	1	1	2	59	76	10	13	37	23	110	117

NA = not applicable

Note: negative values are shown in parentheses.

*Findings:* Including all existing land uses, the Site is estimated to generate 110 primary vehicle trips during the weekday AM peak hour and 117 net new trips during the PM peak hour.

Table 4 summarizes the trips generated from the existing land uses plus the proposed land uses, including the internal, pass-by, and primary trips.

**Table 4. Trip Generation Estimates for Existing Plus Proposed Site Land Uses**

Land Use (ITE Code)	General Light Industrial (110)		Mini-Warehouse (151)		Multifamily Housing (Low-Rise) (220)		Campground/Recreational Vehicle Park (416)		General Office Building (710)		High-Turnover (Sit-Down) Restaurant (932)		Total	
	AM	PM	AM	PM	AM	PM	AM	PM	AM	PM	AM	PM	AM	PM
<b>Weekday Average Daily Trips (ADT)</b>	161		17		19		600		255		449		1,501	
<b>Total</b>	23	20	1	12	1	2	59	76	30	30	40	39	154	169
<b>Internal</b>	-	-	-	-	-	-	-	-	(7)	-	(7)	-	(14)	-
<b>External</b>	23	20	1	2	1	2	59	76	23	30	33	39	140	169
<b>Pass-By</b>	-	-	-	-	-	-	-	-	-	-	-	(16)	-	(16)
<b>Primary Trips</b>	23	20	1	2	1	2	59	76	23	30	33	23	140	153

NA = not applicable

Note: negative values are shown in parentheses.

See the attached trip generation calculations for more details on the trip generation for each land use.

*Findings:* Including all the existing and proposed land uses, the Site is anticipated to generate 140 primary vehicle trips during the weekday AM peak hour and 153 primary vehicle trips during the weekday PM peak hour.

**TRIP DISTRIBUTION**

The trip distribution is based on a recreation destination for the Portland metropolitan area. It also includes recreational trips traveling on US Highway 101 (US 101) stopping through as they pass by the Site. Some of the trips include pedestrians and bicyclists between the Site and local destinations. These trips are not calculated in tables but are assumed in the following assessment. See Figure 1 for a simple distribution of vehicle trips to and from the Site from out of the area. Based on proximity of the Site and most trips traveling to and from the Site via US 101 south of Garibaldi, all trips will utilize Third Street unless congestion diverts the trips to Seventh Street.

If Second Street is extended from US 101 to the Site and Third Street is closed, then all of the trips using Third Street will use Second Street. Closure of Third Street is discussed in more detail in the Site Access section below.

**ADDITIONAL TRAFFIC STUDY**

Oregon Department of Transportation (ODOT) and City of Garibaldi (City) standards were reviewed for thresholds for additional traffic studies. The trip generation will not trigger an ODOT traffic impact analysis (TIA) report. If this site was developed in phases, with the wide variety of land uses, no additional analysis will be needed by the City.

If the land uses intensified or the Site is proposed as a master planned development, then a TIA will be required because the daily trip generation exceeds the traffic impact study threshold as specified in the City's Transportation System Plan (TSP), Chapter 7. As the extension of Second Street to the Site is intended to be complete with development, a site master plan is anticipated to be necessary.

In that case, it would likely include a scope of analyzing the proposed connection Second Street/US 101 intersection, the existing Third Street/US 101 intersection, and possibly the Seventh Street/US 101 intersection. The TIA will require level of service (LOS), queueing, signal warrants, sight distance, right-/left-turn lane, and safety analyses.

The traffic volumes were reviewed from the TSP. The turning movements are relatively low in and out of the site but they are very dated, taken in 2002. A 2022 forecast volume estimate is attached.

*Finding:* A traffic study will be necessary for the development as a whole and should be done as a master plan to address the high cost of extending Second Street into the Site.

### **SITE ACCESS**

The TSP was reviewed for transportation projects related to the Site. Several projects are noted, including a pedestrian trail along the waterfront, improvements to the Third Street/US 101 intersection, acquisition of and improvements to Third Street south of US 101, and the extension of Second Street from US 101 south to the Site.

As noted in the TSP, Chapter 4, Table 4-2, extension of Second Street is the preferred access point with the closure of Third Street. The closure of Third Street is included in the Second Street extension. Improvements to the Third Street/US 101 intersection was rejected based on the need for additional right-of-way to provide access for large vehicles. The TSP, Chapter 5, Table 5-5, provides more details and cost estimates: \$250,000 to improve the Third Street/US 101 intersection or \$870,000 to extend Second Street to the Site.

It is not clear what the what land use density is needed to merit the Second Street extension, the proposed density will not generate the number of trips to necessitate the Second Street extension.

*Finding:* At current and proposed development intensity, retaining site access at Third Street will result in satisfactory conditions at the intersection of Third and US 101.

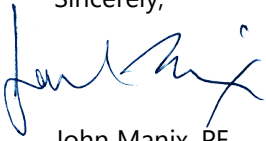
*Finding:* Further study of the Second Street access may be necessary, if future development intensity is greater than the proposed in the report.



**CLOSING**

Please feel free to contact me at 360.567.2117 or john.manix@pbsusa.com with any questions or comments.

Sincerely,



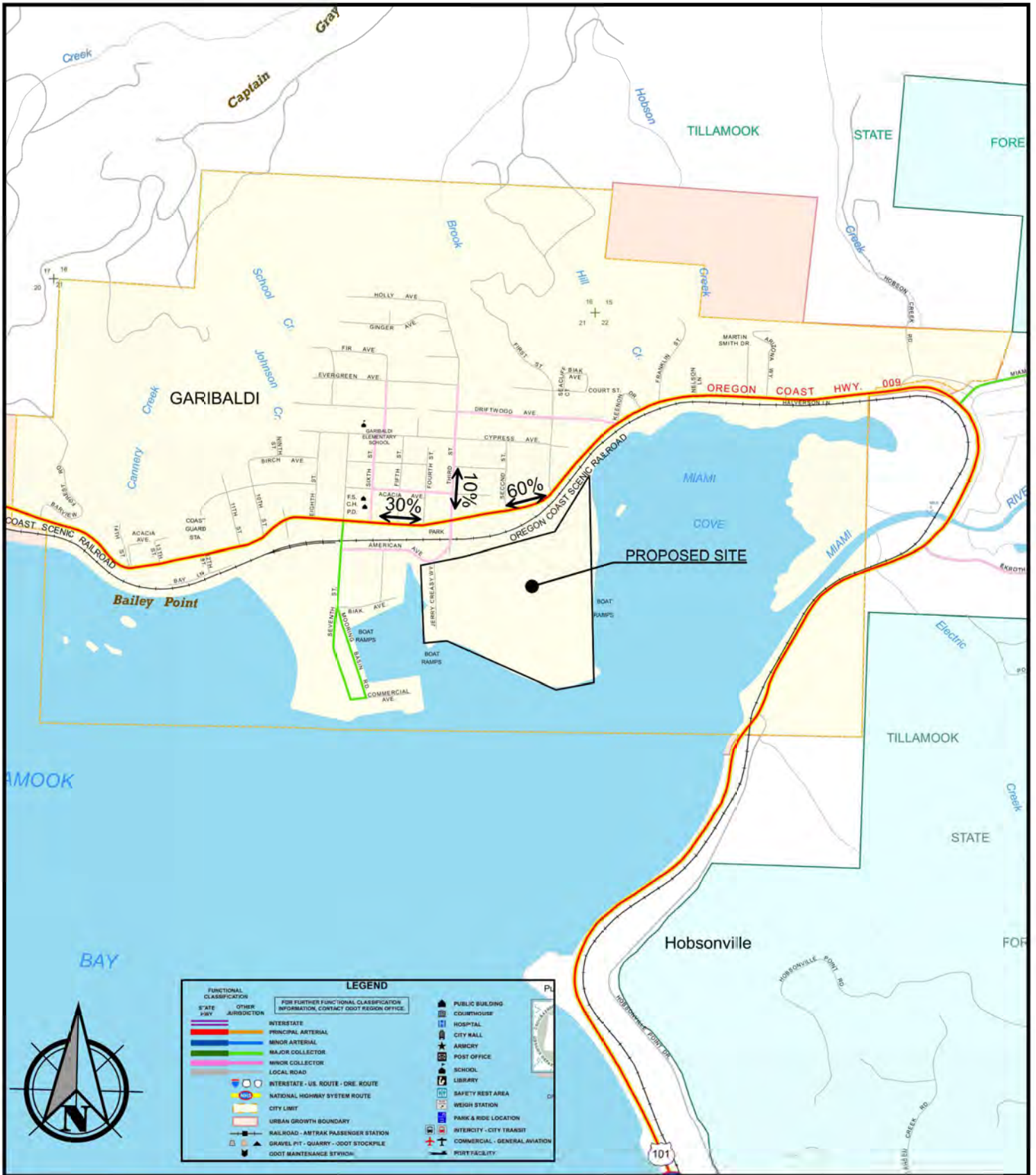
John Manix, PE  
Senior Traffic Engineer

cc: Rich Darland

Attachments: Traffic Figure  
Existing & Proposed Land Use Descriptions  
Trip Generation Calculations  
TSP 2022 Forecast turning movement count

JAM:DAH:mo





# Vicinity Map and Trip Distribution PORT OF GARIBARBI

October 2020

FIGURE

1

**Existing:**

RV Center includes:

- 132 +/- full service RV spaces
- 32 partial service RV spaces
- 19 spaces with water service for tent camping
- Up to 35 no-service spaces for use as either tent camping or RV camping.

Existing Site Assets		compiled by MAG, as of 8-5-2020. Fi	
<b>RV &amp; Tent Camping</b>		<b>Units /1</b>	<b>Vacancies /2</b>
<b>RV</b>	<b>Space Count</b>	<b>Vacant</b>	<b>% Vacant</b>
<b>Long Term Full Svc: W/S/E, 50/30 a</b>	<b>62</b>	<b>16</b>	<b>26%</b>
Long Term - Pull Through			
50 amp Svc	9	1	11%
Regular Svc	1	1	100%
Long Term - Back In			
50 amp Svc	16	4	25%
Regular Svc	31	5	16%
Long Term - Short Length			
50 amp Svc			
Regular Svc	5	5	100%
<b>RV</b>	<b>Space Count</b>	<b>Vacant</b>	<b>% Vacant</b>
<b>Short Term Full Svc: W/S/E 50/30 a</b>	<b>70</b>	<b>24</b>	<b>34%</b>
Full Hookups Pull Through			
50 amp Svc	9	2	22%
Regular Svc	10	3	30%
Full Hookups Back In			
50 amp Svc	22	7	32%
Regular Svc	29	12	41%
<b>RV</b>	<b>Space Count</b>	<b>Vacant</b>	<b>% Vacant</b>
<b>Short Term Partial Svc: W/E Service,</b>	<b>32</b>	<b>22</b>	<b>69%</b>
Pull Through	18	11	61%
Back In	14	11	79%
<b>Tent Camping</b>	<b>Space Count</b>	<b>Vacant</b>	<b>% Vacant</b>
<b>Tent Camping Total</b>	<b>19</b>	<b>9</b>	<b>47%</b>
Water Svc - shared	19	9	47%
<b>Tent Field</b>			
<b>Tent Field Camp Sites</b>	<b>35</b>	<b>28</b>	<b>80%</b>
Half Field	2	NA	NA
Full Field	1	1	100%

Notes: 1. Estimate from published documents and field counts. Final unit count may vary.  
 2. Vacancy as measured from field aerial photo reconnaissance, August 11, 2020; 12:20

## **Existing Commercial Uses:**

Details:

### **Bldg A: 1<sup>st</sup> Floor.**

- 1) 250 sqft leasing office for rv center
- 1) 200-250 sqft general office for lease
- 1) community meeting room for rent
- 1) commercial kitchen rented with meeting room
- 1) laundromat for use by RV Center tenants

### 2<sup>nd</sup> Floor

- 1) meeting room for rent by community
- 4) 200-250 sqft office spaces for lease

### **Bldg B: 1<sup>st</sup> Floor**

- 1) restaurant / bar (4,000 sqft (+/-))
- 1) 1 rental apartment (1,250 sqft +/-)

### 2<sup>nd</sup> Floor

- 2) rental apartments 1,250 – 1,500 sqft. (2-3 bedroom)

## **Industrial Buildings:**

- Maintenance building for equipment and materials and employees for RV Center on-site maintenance (assumed 3-4 employees)
- Blue Metal Building: currently used as a building to rehab an old boat. Assume a couple employees.

Commercial Buildings	SQ/FT	Vacant	% Vacant
<b>Bldg A: Leasing, Offices and Community Event Rooms</b>			
1st Floor	8,014	0	0%
2nd Floor	3,200	0	0%
<b>Buidling B: Kelley's</b>			
1st Floor	6,274	0	0%
2nd Floor	2,652	0	0%
Total	20,140	0	0%

Industrial Buildings	SQ/FT	Vacant	% Vacant
Maintenance Shop	4,800	N/A	N/A
Blue Metal Building	2,400	0	0%
Total	7,200	0	0%

Outdoor RV Storage	Units	Vacant	% Vacant
RV & Trailer/Open Storage	40-50	9	TBD
	40-50	9	TBD



**Future:**

**6-10 Years:**

- up to 15,000 of office (professional, research, general)
- up to 30,000 of traditional flex / light industrial
- up to 40 +/- outside RV storage (possibly more, but let's assume that)

**10-20 Years: NO NEED TO EVALUATE THIS> THIS IS MORE QUALITATIVE> PERHAPS PROVIDE SOME OBSERVATIONS IF APPROPRIATE ABOUT FUTURE DEMANDS.**

- either a: full service hotel with restaurant, up to 40-50 rooms
- either a: yurt/cabin rental camping center, up to 35-40 units
- possibly a community pavilion, for hosting community / conference / events (weddings, etc.). Mostly evening weekend. Up to 7,500 sq.ft +/-

Zone	SQFT	Storage	Room Units	Food Services	Event Pavilion
4	15,000				
5	30,000	30-40			
6			55-85	Yes	Yes
<b>Total</b>	<b>45,000</b>	<b>30-40</b>	<b>55-85</b>	<b>Yes</b>	<b>Yes</b>

### Trip Generation Summary

Alternative: Alternative 1  
 Phase:  
 Project: Port of Garibaldi (Existing Land Uses)

Open Date: 10/6/2020  
 Analysis Date: 10/6/2020

ITE	Land Use	Weekday Average Daily Trips			Weekday AM Peak Hour of Adjacent Street Traffic			Weekday PM Peak Hour of Adjacent Street Traffic		
		* Enter	Exit	Total	* Enter	Exit	Total	* Enter	Exit	Total
110	INDUSTRIAL 1 2.4 1000 Sq. Ft. GFA	6	6	12	2	0	2	0	2	2
151	MWAREHOUSE 1 0.55 Storage Units (100s)	5	5	10	1	0	1	1	0	1
220	LOW-RISE 1 3 Occupied Dwelling Units	10	9	19	0	1	1	1	1	2
416	PARKCAMP 1 283 Occupied Campsites	✓ 300	300	600	21	38	59	49	27	76
710	OFFICEGENERAL 1 11.2 1000 Sq. Ft. GFA	55	54	109	11	2	13	2	11	13
932	RESTAURANTHT 1 4 1000 Sq. Ft. GFA	225	224	449	22	18	40	24	15	39
Unadjusted Volume		601	598	1199	57	59	116	77	56	133
Internal Capture Trips		0	0	0	3	3	6	0	0	0
Pass-By Trips		0	0	0	0	0	0	8	8	16
Volume Added to Adjacent Streets		601	598	1199	54	56	110	69	48	117

Total Weekday Average Daily Trips Internal Capture = 0 Percent  
 Total Weekday AM Peak Hour of Adjacent Street Traffic Internal Capture = 5 Percent  
 Total Weekday PM Peak Hour of Adjacent Street Traffic Internal Capture = 0 Percent

\* - Custom rate used for selected time period.

### Trip Generation Summary

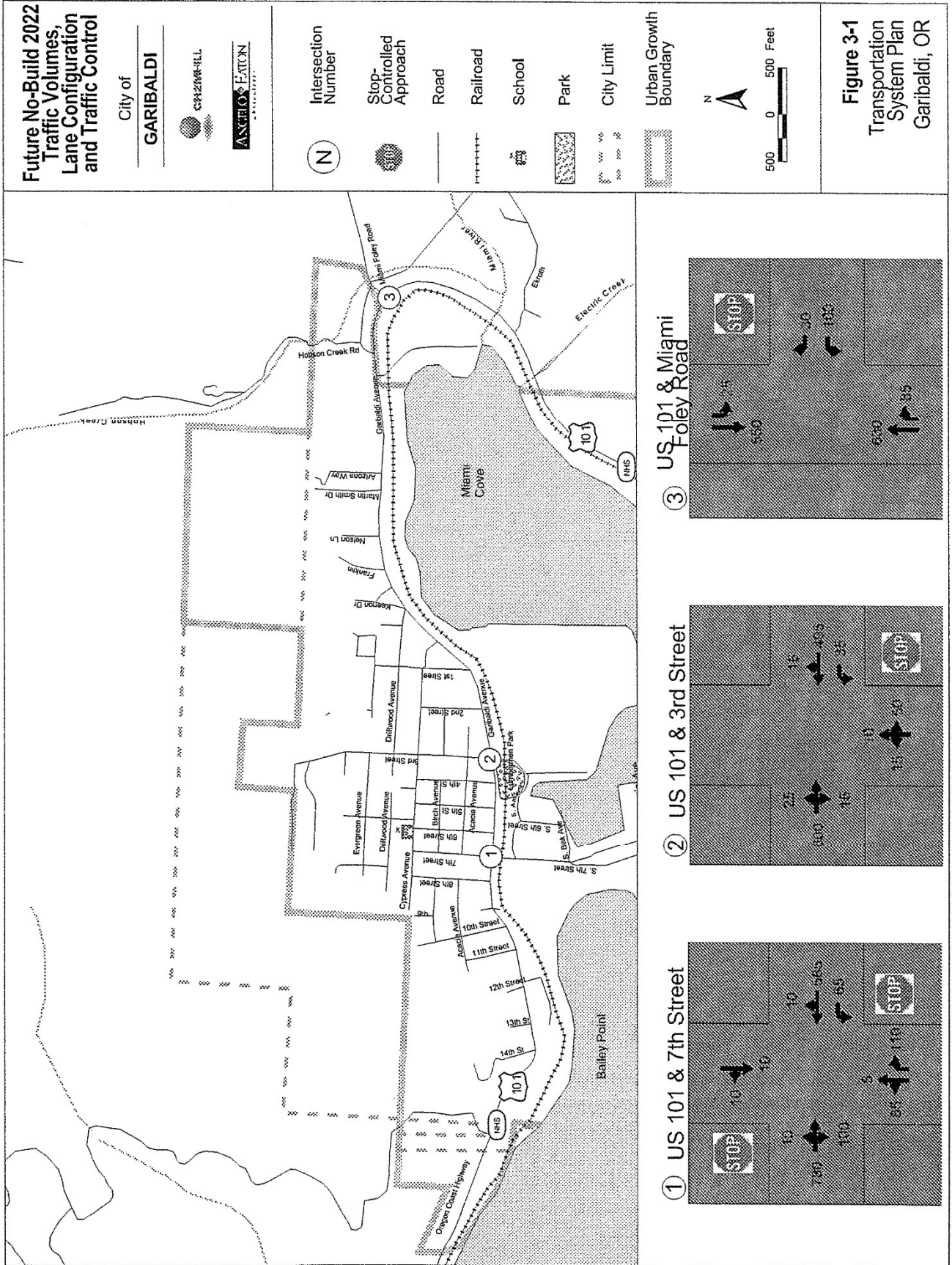
Alternative: Alternative 1  
 Phase:  
 Project: Port of Garibaldi (Existing + Proposed Land Uses)

Open Date: 10/8/2020  
 Analysis Date: 10/8/2020

ITE	Land Use	Weekday Average Daily Trips			Weekday AM Peak Hour of Adjacent Street Traffic			Weekday PM Peak Hour of Adjacent Street Traffic		
		* Enter	Exit	Total	* Enter	Exit	Total	* Enter	Exit	Total
110	GINDUSTRIAL 1 32.4 1000 Sq. Ft. GFA	81	80	161	20	3	23	3	17	20
151	MWAREHOUSE 1 0.95 Storage Units (100s)	9	8	17	1	0	1	1	1	2
220	LOW-RISE 1 3 Occupied Dwelling Units	10	9	19	0	1	1	1	1	2
416	PARKCAMP 1 283 Occupied Campsites	✓ 300	300	600	21	38	59	49	27	76
710	OFFICEGENERAL 1 26.2 1000 Sq. Ft. GFA	128	127	255	26	4	30	5	25	30
932	RESTAURANTHT 1 4 1000 Sq. Ft. GFA	225	224	449	22	18	40	24	15	39
Unadjusted Volume		753	748	1501	90	64	154	83	86	169
Internal Capture Trips		0	0	0	7	7	14	0	0	0
Pass-By Trips		0	0	0	0	0	0	8	8	16
Volume Added to Adjacent Streets		753	748	1501	83	57	140	75	78	153

Total Weekday Average Daily Trips Internal Capture = 0 Percent  
 Total Weekday AM Peak Hour of Adjacent Street Traffic Internal Capture = 9 Percent  
 Total Weekday PM Peak Hour of Adjacent Street Traffic Internal Capture = 0 Percent

\* - Custom rate used for selected time period.



File Path: \\nosap\proj\ODD\17525\GIS\Garibaldi\transplan\fig\_3-1 - Future No Build

## Old Mill Smokestack

The Old Mill smokestack is an iconic history feature of Garibaldi. It could be repurposed for both aesthetic (iconic) and also potentially recreational purposes. Iconic features like the smokestack are often used as community and development gateway features and can serve as both a tourist attraction and community icon.

Beyond iconic purposes, creative adaptive reuse examples such as the Rastin Observation Tower (Aerial-Foundation Park, Mount Vernon Ohio) provide a potential template for how these types of historic relics can be turned into a community amenity. At a certain height, the view from the Garibaldi tower would allow visitors to see the entirety of the Tillamook Bay, Tillamook Forest and the Pacific Ocean, which could be a one of a kind view.

**Opinion provided by:** PBS Engineering and Environmental, Inc., October 2020

Rehabilitation of the structure to allow access by visitors is likely infeasible due to local seismic liquefaction issues and associated costs to stabilize the structure. If it desired to keep the structure as a landmark, a barrier should be placed around the base of the tower to keep visitors a safe distance from any potential falling debris. Construction of a new tower is likely less expensive than rehabilitation of the existing tower.

Planning level costs for three options as follows:

- 1) Remove existing tower: \$100,000 (+/-)
- 2) Construct new tower (size and amenity dependent): \$500,000 - \$1,000,000 (+/-)
- 3) Retrofit tower for seismic and visitor access: \$1,000,000 - \$1,500,000 (+/-)

Figure(s) 26: Old Mill Smokestack (Sources: Public Domain)



Rastin Observation Tower

