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Oregon State Capitol
Joint Committee on Ways and Means
SubCommittee on Transportation and Economic Development
March 19, 2015
Room HR F
Public Hearing: SB 5525 Oregon Business Development Department
Testimony by Bud Shoemake, Port Manager

Co-Chairs Senator Johnson, Representative Gomberg, and members of the committee:

The Port of Toledo is a small inland port, upriver from the Yaquina Bay about 9 river miles. Toledo is an industrial town, and has historically provided support services to Newport and the Yaquina Bay fleet.

In 2008, the owner of the Boatyard in Toledo, decided to close the yard. The Port recognized the boatyard's importance to the Yaquina fleet, and its contribution to the larger economy of the area. The Port, with marketing grant funding assistance through Oregon Economic Development Department, completed a feasibility study, preliminary business plan, and final business plan for the purchase of the former Fred Wahl boatyard. This preliminary planning included environmental surveys of the property and submerged lands. Through this process it was determined that there was an indeterminate amount of contamination in the submerged lands. Grants from Business Oregon Brownfields Program allowed the Port to engage environmental consultants to accurately determine the level of contamination, the borders of the contaminated area, and develop a remediation plan for removal of the contamination.

The 2010, the Infrastructure Finance Authority made its first loan to the Port of Toledo to purchase the Boatyard, with the condition that the contamination was to be cleaned up to Oregon Department of Environmental Quality's satisfaction. To meet that condition the Port is under a Consent Order issued by DEQ to complete the cleanup.

The Brownfields program granted the Port \$266,192 for environmental studies, DEQ regulatory oversight, and legal services associated with a consent order. Additional grant funding of \$121,838 was received through the Local Economic Development fund, and \$231,442 from the Marine Navigation Improvement fund.

To date, the cleanup project has cost \$597,653. The Port is very fortunate to have had the assistance of Karen Homolac, Brownfields Program Coordinator, to guide us through the process. We have been able to complete this through funding provided by the state, and are just waiting for DEQ's final acceptance in order to have the Consent Order dismissed.

Financial assistance provided through the Brownfields Program was critical to the Port's purchase of the Boatyard in Toledo. The Port did not have the financial resources to complete the cleanup and purchase the Boatyard. Without the funding through the Brownfields Program, Toledo and the Yaquina Bay fleet could have lost a local boatyard.

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PO Box 428, 496 Hwy 20 NE, Unit 1 Toledo, Oregon 97391 Telephone (541) 336-5207 Fax (541) 336-5160
info@portoftoledo.org www.portoftoledo.org

Commercial fishing is very important to the livelihoods of our region's residents.

In the 10 Year Update on Lincoln County Oregon's Economy, Commercial Fishing, including the distant water fleet and aquaculture is listed as the largest contributor of personal income at 9.9% of the County's income. Having the infrastructure available to keep the fishermen and vessels at home in the Yaquina Bay for their regular maintenance and repairs, has a huge economic impact.

The Port has secured a Connect Oregon V grant to complete the Boatyard Haul-Out Expansion project as identified in the 2013 Strategic Business Plan. A detailed financial analysis was completed for this project and reported significant economic impacts. The project will maintain the Yaquina fleet's viability, generate family wage jobs, will encourage small business growth by expanding the need for marine vendors, and will retain the Yaquina fleet's maintenance budget in the local economy in addition to attracting vessels from the South Pacific to the Bering Sea. The improvements will also support the Pacific Marine Energy Center's transportation of scientific equipment via rail, allowing equipment to be offloaded in the boatyard and prepared for water deployment. The improvements will generate 167 family waged jobs in the state. Work on the project is currently underway, with planned completion of the project for this fall.

This Boatyard project would not have been possible for the Port of Toledo to complete if not for the availability of Brownfields funds.

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