# Connect Oregon 9 Project Grant Application

To ensure you have current program information, sign up for the Connect Oregon electronic mailing list.

The *Draft Grant Agreement* and *Frequently Asked Questions* are available on the Connect Oregon website.

You must complete all required fields and upload required documentation for your application to be eligible to compete.

You can save your progress via the 'Save' button in the lower right corner of the page and revisit this form as you go.

**Applications must be received by 5:00 pm on Thursday, February 29, 2024.**

**Application ID**
Region 3 Marine

# 1. Applicant information

*Complete this information for the applicant. Provide both a designated contact and an authorized representative (if different than the designated contact) for your entity. The authorized representative is someone who is authorized to make decisions and sign a funding agreement with ODOT should your project be chosen for funding.*

**Entity/Organization/Company Name**
Mith-ih-Kwuh Economic Development Corporation

**Address**
3201 Tremont, North Bend, Oregon 97459

**Website address**
http://www.tribal.one

**Contact person name**
Lorie Harris Hancock

**Contact person title**
Consultant

**Email**
lhancockconsulting@gmail.com

**Phone**
(541) 325-6526

**Authorized representative name, if different from the applicant contact**
Judy Farm

**Authorized representative title**
Chief Executive Officer

**Phone**
(541) 297-6805

**Email**
judyfarm@tribal.one

# 2. Entity type

**Entity type**
Private

**Business registry number**
2233825-99

**We recommend saving your application now.** Click the save button to do so.

# 3. Project name and location

*The project name should be brief, and clearly describe the project. The name you provide will be used in summary reports and other published materials. The project location should include county and state, and if applicable, the city where the project is physically located. Provide GPS coordinates (latitude and longitude).*

**Project name**
Ko'Kwel Wharf Improvements Project - Marine Dock Facilties

**Check this box if the project address is the same as the address listed above.**
No

**Project address (same as previously entered)**
3201 Tremont, North Bend, Oregon 97459

**Project address, (or nearest street intersection or landmark)**
2375 Tremont, Coos County, North Bend, Oregon 97459

**Latitude (degrees and decimal)**
43.402405

**Longitude (degrees and decimal)**
-124.219084

*To find the latitude and longitude, you can use Google Maps or other mapping service. Within Google Maps, you can right-click on the location of the project, select "What's here?", to get the address and the coordinates.*
*For example, the State Capitol Building's coordinates are 44.938422, -123.030740, thus 44.938422 goes into the Latitude box, and -123.030740 goes into the Longitude box.*

**4. Mode**
Marine

**5. Connect Oregon region**
Region 3

**6. Brief summary of project**

The Project will improve the safety, efficiency and reliability of the movement of goods, and operations (including resiliency) through improved cargo access to and from the marine dock facilities at Ko'Kwel Wharf in North Bend, Oregon. The project consists of dock improvement and rehabilitation to: (1) improve access and capacity and be a catalyst for upland industrial development; and (2) add shore power to enhance dock amenities by creating an alternative to the need for idling diesel engine.

**7. Project purpose and description**

Ko'Kwel Wharf Improvements Project purpose is to improve a dock facility that directly impacts port operations in the Coos County and Coquille Tribal communities. Project components are (a) rehabilitation, improvement and modernization of existing dock including adding a new fendering system to allow for a wider variety in size of vessel served and increase the dock's capacity and longevity, and (b) addition of shore power to reduce idling diesel engines. These components will improve dock infrastructure capacity and access, encourage use of onsite rail spur, reduce greenhouse gas emissions from diesel engines, improve climate resilience, and increase economic opportunity. The project has independent utility, it will be fully functional upon completion.

The Project is part of a larger plan to invest in development of the Ko'Kwel Wharf property. A market study and financial analysis conducted by Johnson Economics in 2021 determined the highest and best use of Ko'Kwel Wharf property and included a preliminary conceptual plan recommending creation of an industrial development area that can benefit from the availability of a deep-water port, rail access and highway access at the Ko'Kwel Wharf.

The Project is designed to address several challenges to the creation of a multimodal industrial development area and to attract new businesses. The dock structure is currently operating under load limits due to the age of the infrastructure and the original design capacity. Improvements to the dock will increase the load capacity of the dock, allowing loaded trucks, conveyors and other service equipment to load and discharge vessels without the current severe operating restrictions. Improvements to the bit, bull rail and fendering system will allow for secure berthing and mooring for a wider size range of vessels and extend the life of the dock. The existing dock does not have typical berthing fenders designed to dissipate energy along the face of the structure. The structure currently relies on the inherent flexibility of the timber structure and careful operation of approaching vessels to absorb the energy of berthing impacts. This requires incoming vessels to approach at velocities an order of magnitude lower than that recommended by current design guidance. Any error in vessel operation is likely to cause structural damage to the existing structure.

The proposed bit, bull rail and fender improvements add steel fender piles and a rubber energy dissipating element every 20 feet along the face of the existing 1000-foot dock, along with a marine camel. The rubber elements act as a cushion to reduce the impact on the structure and the likelihood damage will occur and increase the lateral capacity and longevity of the dock by installing steel battered piles and a reinforced concrete edge beam.

The availability of shore power will improve the competitive position of the Ko'Kwel Wharf by offering the opportunity for vessels to use shore power instead of diesel engines idling in port. This component contributes to the commitment of the Coquille Tribe and State of Oregon to reduce carbon emissions. Due to the age and condition of the existing structure, it is not possible to meet all modern design criteria with these proposed enhancements. But these improvements are expected to allow future use of the structure for more than 20 years and will allow it to withstand berthing velocities much closer to modern recommended design guidance.

The dock improvements will increase opportunities for businesses to import and export cargo from the dock. Cargo can be transported to and from dock using the currently underutilized rail spur at the wharf via the Coos Bay Rail line (CBR). Moving cargo delivery from trucks to rail is a goal of the Port of Coos Bay, owner of CBR.

In 2023, the Ko'Kwel Wharf Improvement Project was awarded US DOT Port Infrastructure Development Program (PIDP) grant funds in the amount of $7,729,650. The PIDP grant includes $4,729,650 to improve the existing dock with the remaining $3 million for planning a dock extension. The $4,729,650 portion will be matching funds for the Connect Oregon grant and used to improve the dock load and access capacity

including addition of a fendering system. These improvements will significantly increase the dock's longevity and enhance the mooring system to allow a wide variety of vessels to safely moor and lay berth at the dock, ranging from fishing trawlers and barges to HandyMax ships.

**8. Useful life (years)**
The planned useful life of the Project's improved facility is greater than 20 years per McGee Engineering, Inc.
The useful life of an asset is an estimate of the number of years it is likely to remain in service for the purpose of cost-effective revenue generation. This estimate typically includes routine maintenance and repairs but does not include major reconditioning efforts which would extend the useful life. Damage from events beyond design criteria, such as severe ship impacts, overloading, and extreme weather, are not included because they do not to affect the lifespan as long as adequate repairs are performed promptly after the event.
The baseline useful life of a timber wharf is 40-50 years. The existing timber structure is at least 40 years old. Planned improvements are expected to extend the useful life greater than 20 years. Service life estimates for proposed structure elements include:
- UHMW facing 10 years (assuming heavy use)
- Fenders 20 years (manufacturer data)
- Marine Camel 25 years (manufacturer data)
- Mooring Bollards 20 years (manufacturer data) (note: age of existing bollards unknown, new bollards not currently included in project)
- Concrete beam and steel piles 30 years (design/detailing criteria)

# 9. Project schedule

Answer whether milestones above have been met; fill in projected start and completion dates. For planning purposes, we anticipate executing funding agreements within 3 months of projects being awarded by the Oregon Transportation Commission. Funding agreements are anticipated to be executed in Summer 2022, with construction needing to begin within one year from agreement execution, and be completed within three years of execution. Project schedule should demonstrate how the project will meet this requirement. Milestones 4 and 5 should reflect the dates the plans are ready and a construction contract is awarded for the first construction contract to complete the project.

- Scoping and planning means the development of the project size and scope, determination of operational requirements, and required public comment periods.
- Right-of-way and land acquisition means the process of securing land for the project site, including purchases, leases, eminent domain/condemnation, and the acquisition of required easements.
- Permits means the process of securing any required permits, approvals, or permission from any local, state, or federal agency.
- Final plans/bidding engineering documents means the development of any structural or operational documents required to advertise and build the project.
- Construction contract award means the securing of a contract to build, install, or otherwise prepare the project for operations or use.
- Project completion means construction or installation is complete and the project is ready for operation or use.

| Milestone 1: Scoping and planning | Has the milestone been met? | Projected start date of milestone work | Projected milestone completion date |
|---|---|---|---|
| | Yes | | |

| | | | |
|---|---|---|---|
| **Milestone 2: Right of way and land acquisition** | **Has the milestone been met?**<br>Yes | **Projected start date of milestone work** | **Projected milestone completion date** |
| **Milestone 3: Permits** | **Has the milestone been met?**<br>No | **Projected start date of milestone work**<br>11/1/2024 | **Projected milestone completion date**<br>5/1/2025 |
| **Milestone 4: Final plans/bidding engineering documents** | **Has the milestone been met?**<br>No | **Projected start date of milestone work**<br>11/1/2024 | **Projected milestone completion date**<br>2/28/2025 |
| **Milestone 5: Construction contract award** | **Has the milestone been met?**<br>No | **Projected start date of milestone work**<br>2/28/2025 | **Projected milestone completion date**<br>6/1/2025 |
| **Milestone 6: Project completion** | **Has the milestone been met?**<br>No | **Projected start date of milestone work**<br>6/1/2025 | **Projected milestone completion date**<br>10/31/2027 |

**10. Will the project's construction schedule be constrained by environmental considerations (bird-nesting, fish-spawning seasons, temperature or weather)?**
Yes

**If yes, then please explain and provide limitation dates**
Some work will only be conducted during the Port of Coos Bay's in-water work window which occurs annually from October 1 to February 1.

**11. Who was responsible for determining the project schedule and what is their level of expertise? (i.e. city or consulting engineer, construction project manager, city staff, etc.)**
Alex Dunn, Civil Engineer/President at McGee Engineering, Inc. together with Todd Parnell, Project Manager at Billeter Marine, LLC, an Oregon Coast leader in marine services, pile driving, excavation support and site work construction.

# 12. Project property control

*Property used for a Connect Oregon project must be committed for such use for 20 years following construction. If the property is not yet secured, describe the steps and timeline to complete the transaction(s). Note: All property transactions must be completed 60 days prior to OTC final selection of projects.*

**Idenfity the method of control for project property**
Wholly or partially owned by applicant

**Provide the steps and timeline to complete the acquisition or lease transactions:**

**13. Describe any project risks or barriers to being ready for construction and your plan to address the risks/barriers**
Mith-ih-Kwuh Economic Development Corporation (MEDC) does not anticipate any significant project risks or barriers to being ready for construction. MEDC has an excellent working relationship with the State of Oregon, Coos County, Port of Coos Bay, and the City of North Bend and does not foresee any permitting issues that will impact the project's start and completion. The PIDP funds that will be used on the project are awarded, and the applicant match funds are committed so all match funds for the Connect Oregon grant are secured. Some construction must be completed during in-water work windows. However, MEDC does not anticipate any issues with such work given there are two in-water work opportunities in the project

schedule. At this point, there are no identifiable risks associated with the project.

**14. Describe your public and stakeholder engagement process efforts**
When the property was purchased a master planning process began that included listening sessions with Tribal members, Tribal employees and a well-attended session with community members to gather input on the property's use, which resulted in a mixed use master plan which was pursued until the great recession began in 2007. The plan was reinitiated in 2021 with an updated conceptual master plan developed by Johnson Economics. The updated plan was shared with the Tribal community and City of North Bend with positive input. As the project progresses we will update the local community using: website updates; regular reports to the Coquille Tribal Council, whose meetings are available online to Tribal members, quarterly reports to MEDC Board of Directors, updates to City of North Bend, Army Corp of Engineers and Port of Coos Bay as necessary. As part of PIDP grant and NEPA process, the applicant is currently developing a community participation plan to encourage public involvement.

# 15. Public body approvals and permits

Identify all public body approvals and permits needed to complete the project; indicate the status of each approval/permit. Add approvals/permits as needed. Below are descriptions of some possible approvals/permits that projects are subject to. Other potentially required permits may involve wetlands, material sources, fish passage, airport clearance, railroad clearance, waterways and other federal, state and/or local requirements. All permits needed for construction must be secured within nine months following execution of a grant funding agreement.

- The National Environmental Policy Act (NEPA) applies whenever a proposed activity or action:
    - is proposed on federal lands;
    - requires passage across federal lands;
    - is to be funded – either entirely or in part – by the federal government; or
    - affects the air or water quality that is regulated by federal law.

When any one of these four conditions are present, the federal agency with the greatest expertise, regulatory authority, and capacity to manage the NEPA process for the proposed project becomes the lead agency for that project.

These actions are defined at 40 CFR 1508.1. The environmental review under NEPA can involve three different levels of analysis:

1. Categorical Exclusion determination (CATEX)
2. Environmental Assessment/Finding of No Significant Impact (EA/FONSI)
3. Environmental Impact Statement (EIS)

- Identify if in-water work permits are required for the project. More information can be found at the following website: https://www.oregon.gov/dsl/ww/pages/permits.aspx
- Identify if United States Army Corps of Engineers (USACE) permits are required for the project. More information can be found at the following website: https://www.usace.army.mil/Missions/Civil-

Works/Regulatory-Program-and-Permits/Obtain-a-Permit/

- Coordination with Native American tribal representatives is often required prior to construction. Projects located along or crossing borders may require coordination with jurisdictions and/or state agencies in bordering states.

## Complete the following:

| | | |
|---|---|---|
| **NEPA Categorical Exclusion (CE)** | **Status**<br>Not applicable | **Expected completion date** |
| **NEPA Environmental Assessment (EA)** | **Status**<br>Permit required/materials not submitted | **Expected completion date**<br>11/30/2024 |
| **Environmental Impact Statement (EIS)** | **Status**<br>Not applicable | **Expected completion date** |
| **In-water work permit** | **Status**<br>Permit required/materials not submitted | **Expected completion date**<br>2/28/2025 |
| **Army Corps of Engineers permit** | **Status**<br>Permit required/materials not submitted | **Expected completion date**<br>2/28/2025 |
| **Coordination of project approval with any Native American tribe or another state** | **Status**<br>Not applicable | **Expected completion date** |

## Any additional specific permits or approvals needed

| Specific permit or approval needed | Status | Expected completion date |
|---|---|---|
| Joint Permit Application - ACOE,ODSL, ODEQ | Permit required/materials not submitted | 2/28/2025 |
| City of North Bend - floodplain and estuary review | Permit required/materials not submitted | 2/28/2025 |
| CMZA federal consistency - ODLCD | Permit required/materials not submitted | 2/28/2025 |

## 16. Planning and land use

*Demonstrate the project's compliance with land use documents identified below or describe how you will achieve compliance. Add any additional planning/land use efforts that are not listed. A limited land use decision must be complete within six months of the execution of a grant funding agreement. If the use is not permitted outright and/or requires a land use decision to be a legally allowable use on the site, the land*

*use decision must be complete 60 days prior to the OTC's final action to select projects.*

- *A Transportation System Plan (TSP) is a plan for one or more transportation facilities planned, developed, operated, and maintained in a coordinated manner to supply continuity of movement among modes, and within and between geographic and jurisdictional areas.*
- *Comprehensive Plan means a generalized, coordinated land use map and policy statement of the governing body of a local government that interrelates all functional and natural systems and activities relating to the use of lands, including but not limited to sewer and water systems, transportation systems, educational facilities, recreational facilities, and natural resources and air and water quality management programs.*
- *A Regional Transportation Plan (RTP) is a 20-year plan prepared by a Metropolitan Planning Organization (MPO) that identifies needed transportation projects and funding sources.*
- *A zoning amendment is a formal changing of the land use, which requires approval and adoption by the pertinent local government.*
- *A Goal Exception is a decision to exclude certain land from the requirements of one or more applicable statewide goals. (See our list of Statewide Planning Goals)*

| | | |
|---|---|---|
| **Identified in adopted transportation system plan (TSP)** | **Status**<br>Not applicable | **Expected completion date** |
| **Identified in adopted local comprehensive plan** | **Status**<br>Not applicable | **Expected completion date** |
| **Identified in adopted regional transportation plan (RTP)** | **Status**<br>Not applicable | **Expected completion date** |
| **Requires amendment to local zoning to change the use of the property** | **Status**<br>Not applicable | **Expected completion date** |
| **Goal exception (if required by state planning goals)** | **Status**<br>Not applicable | **Expected completion date** |
| **Identified in public or corporate planning document** | **Status**<br>Completed | **Expected completion date** |

# Any additional planning or land use efforts not specified above

| Planing/land use effort | Status | Expected completion date |
|---|---|---|
| | | |

**17. Planning/land use narrative**

The Project improvements are permitted under City of North Bend's land use and development code and

only require a floodplain permit and estuary permit, no TSP update, comp plan amendment/approval, or zoning amendments are required. The dock has a current wharf registration from the Department of State Lands.
Matching funds for the Project from US DOT PIDP are subject to NEPA review, likely an Environmental Assessment(EA)/Finding of No Significant Impacts. EA review will occur from March 2024 to fall 2024.
Regulatory approvals include: Joint Permit Application with US Army Corps of Engineers, Oregon DSL, and Oregon DEQ, individual CZMA federal consistency review through Oregon DLCD, and City of North Bend floodplain and estuary permit. Coordination with Coquille Indian Tribe is ongoing; all Section 106 Tribal consultations will be completed as part of NEPA. No other land use decisions are required.
The Project is identified in a corporate planning market study by Johnson Economics.

## 18. Project budget

As the Connect Oregon program is intended to support Oregon's economy, we would generally encourage grant recipients to contract out the work to the private sector. While grant recipients may need to perform some specialized work in-house, please confirm your plans with the Connect Oregon program office following grant award. Private sector recipients should review the sample grant agreement clarifying what is not allowed around "related parties." No additional Connect Oregon funds will be available; grant recipients who are awarded funds will be responsible for any additional project costs and will be held to completing the scope of work in their funding agreement.

**The Connect Oregon program is a reimbursement program. Grant recipients will be required to pay its consultants/contractors/vendors prior to seeking reimbursement from the Connect Oregon program.**

**18a. Budgeted amount: land acquisition**
$0.00

**18b. Budgeted amount: permits, other public body approvals (application preparation/fees)**
$23,912.00

**18c. Budgeted amount: design/engineering**
$225,000.00

**18d. Budgeted amount: design/engineering contract administration**

**18e. Budgeted amount: construction**
$7,858,356.00

**18f. Budgeted amount: construction contract administration**
$300,000.00

**18g. Budgeted amount: miscellaneous**

| **Subtotal** | **Contingency** | **Total project cost** |
|---|---|---|
| $8,407,268.00 | $892,819.00 | $9,300,087.00 |

**19. Who was responsible for determining the project budget and what is their level of expertise?**
Todd Parnell, Project Manager at Billeter Marine, LLC prepared the dock construction estimate. Founded in 2002, Billeter Marine is an Oregon Coast leader in marine services, pile driving, excavation support and site work construction.
Alex Dunn, Civil Engineer/President at McGee Engineering, Inc. prepared the design engineering budget and contract administration.
Will Dawson, Principal at Civil West Engineering Services, provided the permit budget.
Pacific Power prepared shore power estimate.

### 20. Grant request/matching funds requirement

Enter the grant request; the total project cost will come from question 18 above. The applicant match and match percentage will calculate automatically. An applicant must provide at least 30% of the project's funding or 50% for Class I railroads.

The amount of matching funds an applicant makes available is used in scoring your application. Should an applicant be chosen for funding, the commitment of matching funds shown in the application may not be reduced through the life of the project.

**Total project cost**
$9,300,087.00

**Grant request**
$4,470,437.00

**Applicant match (dollars)**
$4,829,650.00

**Applicant match (percent**
51.93%

## 21. Please identify each source of matching funds you will use for the project

| Source | Amount |
|---|---|
| MARAD PIDP Grant | $4,729,650.00 |
| Applicant funds | $100,000.00 |

# Economic Benefits

**22. How does the project reduce transportation costs for Oregon businesses or improve access to jobs and sources of labor?**
Ko'Kwel Wharf is on the deepwater Port of Coos Bay, one of 2 deepwater ports in Oregon. The project modernizes the dock, creating new options for ship moorage and eliminating the added time and cost of transporting cargo to the Port in Seattle or San Francisco. The improved Ko'Kwel Wharf opens opportunities for new uses of the onsite rail spur to shift cargo transport from truck to rail. Per the Port of Coos Bay 2015 Strategic Plan, Coos Bay Railroad reduces transportation costs, and movement of cargo transport from truck to rail translates to lower highway maintenance costs, less highway congestion and accidents. Given current limited dock availability for smaller vessels in the bay, improved accessibility at the Ko'Kwel dock will create opportunities for businesses to grow and relocate to the area.
Per SWIB 2020 plan, unemployment rates in SW Oregon are higher than the state as a whole and wages are lower; for business, this means accessible labor at reasonable costs.

**23. What are the specific economic benefits to this state that will result from this project?**
Ko'Kwel Wharf Project will increase the region's access to import/export markets, use local resources, and bring a new production process to the Oregon coast. Efficiencies from highway and rail access at the site will stimulate business and relocations to the area. Already two lumber mills have committed to expand into wood pellet manufacturing. Mill expansions will add 25-30 jobs at Dean Resources and 12-17 jobs at Southport Chipco. Pellets will be loaded onto vessels from a storage warehouse and export facility developed by Oregon Pellet Mills, LLC (OPM). OPM has committed over $10 million to warehouse and facility development at Ko'Kwel Wharf creating 4-5 full-time family wage jobs. The net result is 41 to 52 new jobs with an estimated wage per job of $55,000 to $65,000. The annual impact of new jobs is estimated at $2.79 million. The cost/benefit analysis, with benefits based solely on committed jobs, yields over $78 million in net benefit over the project life. Commitment letters are uploaded from newly formed OPM, and the expanding Oregon entities Dean Resources, LLC and Southport Chipco, LLC. The Ko'Kwel

Project is a critical component for the success of this new wood pellet market.

**24. Describe how the project provides a critical link connecting elements of Oregon's transportation system, and how it will measurably improve utilization and efficiency of the transportation system.**
Ko'Kwel Wharf connects marine, truck and rail infrastructure, making it a key piece of the regional supply chain. Project improvements increase dock capacity and types of vessels served, improving an existing link and creating a new link for some vessels. The improved dock will increase marine traffic berthing and off-loading, and will drive more cargo from ship to rail. Per CBR, each new cargo railcar removes 3.3 trucks from the highway, reducing congestion and maintenance costs.

**25. How does the project improve Oregon's transportation system efficiency and/or utilization?**
Increases system capacity
Relieves a bottleneck or congestion point
Reduces traffic or use conflicts

**Explain:**
The Project will increase the load capacity of the Ko'Kwel dock removing current restrictions for loading and unloading cargo and allowing for more cargo to be moved across the dock. The Project will also increase the size and type of vessels that can moor at the dock, resulting in more vessels accessing the facility which will also increase the amount of cargo loaded and unloaded at the dock and vehicle access to the dock. Improved load capacity is documented in the uploaded McGee Engineering, Inc. memorandum.

**Explain:**
The existing Ko'Kwel dock requires vessels to approach at low velocities because of the lack of a fendering system designed to dissipate energy along the face of the structure. This limit on vessel operation may cause delays in berthing resulting in less vessels accessing the dock. The Project improvements are designed to allow vessels to berth at velocities much closer to modern guidance. Also, the current Ko'Kwel dock has load restrictions limiting access to and use of portions of the facility which can limit the type and amount of cargo that can be passed across the dock. The Project improvements are designed to eliminate these restrictions and increase load capacity of the dock. Currently there are limited opportunities to unload smaller vessels in Coos Bay; the dock improvements reduce this bottleneck by allowing these vessels to access the dock. The docking velocities and load restriction bottlenecks are documented in the uploaded McGee Engineering, Inc. memorandum.

**Explain:**

**Explain:**

**Explain:**
Project improvements will increase marine traffic utilization of the dock and should increase ship to rail cargo transfers, moving trucks off the roads reducing congestion and road maintenance costs. Per CBR, each new cargo railcar removes 3.3 trucks from the highway.
The Project will add shore power that will reduce the negative impact of diesel emissions. The benefits of shore power for the environment, including its positive impact on overall air quality, are well-documented and supported by recent research. See, for example, Daniel, Hugo, et al. "Shore power as a first step toward shipping decarbonization and related policy impact on a dry bulk cargo carrier." eTransportation, Volume 11, 2022, https://doi.org/10.1016/j.etran.2021.100150. Substantially decreasing the use of diesel engines at port will decrease these health risks, both to dock workers and to community members who have been disproportionately affected by environmental pollutants.

**Explain:**

**Explain:**

**Explain:**

# Untitled

**26. a) How is success measured for this project (include methodology for calculation)?**
Success will be measured by an increase in the average overall load capacity of the dock, an increase in the type of vessels the dock can moor/layover, and installation of shore power. Increased capacity will be measured by load capacity of dock areas. Range of vessels the dock can safely accommodate will be measured by safe mooring of small vessels for a full tide cycle with no damage. Installation of shore power will be a success if final electrical permit approval attained.

**b) What is the existing measurement today?**
Average overall load capacity of dock 39,680 lb trucks, 46% dock square footage no material storage. No safe mooring for smaller vessels. No shore power available.

**c) What is the anticipated measurement when the project is fully operational?**
Average overall load capacity 72,000lb trucks, 300PSF material storage. Range of vessel size - vessels as small as 60' successfully moor. Shore power - Final electrical permit &shore power operational

**27. Does the project improve an existing transportation connection or add a new connection to an industrial oremployment center?**
Yes

**If yes, check all that apply.**
The project improves an existing connection

**28. This project improves or creates access to:**
Industrial center

| Name of the Industrial Center | Name of the employment center | Name of the certified "Project Ready" site |
|---|---|---|
| Ko'Kwel Wharf Industrial Area | | |

**29. Does the project improve safety?**
Yes

**Explain. Please note the number and type of incidents (fatal accident, injury accident, property-damage accident, crime, orother) within a specified timeframe.**
Previous inspection/engineering reports identified infrastructure safety issues. Currently every vessel mooring may damage the dock, and capacity limits restrict truck access. In 2022 a barge damaged the dock and barge lay berthing has been discontinued. A large ship rammed the dock causing damage a few years earlier. Improved fendering and load capacity increases safety for vessels and truck.

**30. Does the project serve one or more of Oregon's Statewide Business Clusters? Check all that apply.**
Forestry and Wood Products
Tourism

Manufacturing

**Provide detail on the Business Clusters served.**
The primary business cluster served is forestry and wood products, with log exports and new wood pellet exports. Because of the shutdown of plywood mills in the region, mills have a sawdust and shaving problem. The proposed solution to the problem is to manufacture pellets at mill sites and transport pellets to the Ko'Kwel dock for export. The manufacturing section is served by export of wood pellets manufactured  Marine commerce is a focus of the tourism industry in rural Oregon.

**31. Does this project benefit the Oregon economy by generating a net increase in or retention of long-term jobs (beyond short-term construction jobs) and/or increasing private investment in Oregon?**
Yes

# Untitled

**a) Number of long-term (non-construction) jobs created or retained as a direct result of the project:**
46

**b. Average annual wage of long-term (non-construction) jobs created or retained:**
60000

# c. List up to 5 businesses that will verify job creation/retention or new private investment:

| Business Name | Name of contact person | Contact Person Phone |
|---|---|---|
| Oregon Pellet Mills, LLC | Jim Lyons | (541) 297-5187 |
| Dean Resources/Swanson Lumber | Chris Swanson | (541) 492-1121 |
| Southport Lumber Chipco | Jim Lyons | (541) 297-5187 |

**d. What is the increase by these businesses in Oregon as a result of this project?**
The addition of facilities to manufacture pellets by Dean Resources (25-30 jobs) and Southport Chipco (12-17 jobs), and the new storage facility and exporting of pellets at the Ko'Kwel Wharf by newly created Oregon Pellet Mills, LLC (4-5 jobs).

**Commitment Letter Acknowledgement**
Required for a yes answer. Commitment letters must be uploaded in section 35 and submitted with application. These letters must be from businesses or organizations stating their intention to operate in Oregon and detailing: the number of jobs created or retined over a specific period of time as a result of this project, and/or the amount of additional private investment that the entity wouldmake in Oregon over a specified period of time as a direct result of thid project.

**e) Explain**
The following Oregon companies provided letters which have been uploaded in support of the job and investment numbers for question 31: Dean Resources, LLC, Southport Chipco,LLC and Oregon Pellet Mills, LLC. In addition, support letters have been uploaded from tribal fisherman who are committed to

using the improved dock and cite additional retained jobs not included in the response to question 31.

**32. Is the project located within 10 miles of a site for mining or processing aggregate that is allowed under ORS 215.213 (2)(d) or 215.283 (2)(b) on land that is zoned exlusive farm use? This is not common.**
Yes

**Please explain**
GMA Garnet Coos Bay, 63776 Mullen Rd, Coos Bay, OR 97420 is a mineral processing plant located less than 4 miles from the Ko'Kwel Wharf.

# 33. Additional Considerations

Briefly describe any expected project benefits or impacts in the outcome areas below. The examples and questions listed below are intended to help identify benefits and impacts, but are not meant to be exhaustive. Consider each topic below and describe the expected project benefit and/or other impacts identified, along with considerations and conclusions made regarding how to improve possible benefits and reduce possible impacts. Include benefits or impacts the proposed project may have on related aspects of the Strategic Action Plan (SAP). As climate and equity are central themes of the SAP, responses to these items are required, even if the impacts are minimal.

**a) How does this project impact equity considerations?**
The Project is located on land belonging to a subsidiary of the Coquille Indian Tribe (Tribe), which is considered a disadvantaged, underserved community and is within a Historically Disadvantaged Community (HDC), Community Development Zone (CDZ) Opportunity Zone (OZ) – Census Tract 3 – by designation as a low- income community. MEDC provides dividends to its owner, the Tribe, to fund Tribal government services for tribal members such as wellness, education and housing.

**b) How does the project impact climate mitigation, adaptation and sustainability considerations?***
This Project's shore power addition will reduce GHG for the transportation sector, Coquille Reservation and Coos Bay area. Estimating 6 bulk carriers moor for 5 to 8 days per year, their connection to shore power will reduce annual fuel consumption by 60 to 96 tons and annual CO2 emissions by 300 to 480 tons; bulk carriers daily burn about 2 tons of fuel and emit 10 tons of CO2. Pacific Power, committed to eliminating GHG emissions for all electricity sold in Oregon by 2040, will provide power.

# 34. Maintenance and Operations

**What is the source/are the sources of funds for the continued maintenance and operation of the project for the useful life of the project?**
Planned improvements are expected to extend the life of the dock for over 20 years and to minimize the need for maintenance. Required maintenance includes painting bollards every 5 years and replacing UHMW pads and restraint chains/hardware every 10 years. Maintenance and operation of the project will be funded from tariff fees and lease payments. An industrial tenant has committed to a 10 year lease with a potential 5 year extension pursuant to which the tenant is required to perform day to day maintenance while the landlord is required to perform major repairs. Other revenues will be collected per the facility tariff from operations of the dock, these revenues can also be used to support any necessary maintenance.

**What is the status of these funds?**
Budgeted (committed for future)

**Describe the steps remaining to commit maintenance and operations funding for the useful life of the project?**
Maintenance expense is expected to be limited and sufficient revenues are anticipated from the committed tenant and dock operations to cover the costs. If the committed tenant leaves, a new tenant or increased vessel usage will be pursued to fund maintenance and operations. The dock facility is an asset of the

Coquille Indian Tribe and will be maintained as such.

**Have you had previous Connect Oregon grant awards?**
No

**Which cycle(s)?**

**What was the total award?**

# 35. Documentation

**Property Ownership, land lease/control**
12. Property Ownership.pdf

**Letters of support**
Business Oregon support letter 4-19-2023.pdf

support letter B. Burns - tribal fisherman.pdf

Support letter J. Burns - tribal fisherman.pdf

Support letter JB- tribal fisherman.pdf

**Secretary of State Business ID**
2. MEDC State Business Id.pdf

**Site Plans, if available**

**Planning/Permitting Documents**
16. Corporate Planning - Johnson Economics Ko-Kwel Market Analysis.pdf

16. MEDC_Board_Resolution-Ko'Kwel Wharf.pdf

**Commitment Letters**
Oregon Pellet Mills Commitment letter.pdf

support letter.pdf

Support Letter_2024-02-28_105317.pdf

**Miscellaneous**
18. Budget Support.pdf

23. Ko'Kwel Wharf Improvement Project - Cost Benefit Analysis.pdf

29. Incident Repair -Ko-Kwel Wharf Repair Memo 1-5-2022.pdf

7,8,25,26. McGee Enginneering Ko-Kwel Improvement Memo_2024-02-23.pdf

MEDC_Tax_Declaration and Tax Certificate.pdf

Ko-Kwel Phased Approach Memo_2024-02-27.pdf

MEDC Federal registration.pdf

# 36. Authorizations and Signatures

**Please read and check all boxes**
By checking this box, I certify that above-mentioned Applicant Organization supports the proposed project, has the legal authority to pledge matching funds, and has the legal authority to apply for Connect Oregon funds. I further certify that matching funds are available or will be available for the proposed project no later than 60 days prior to the Oregon Transportation Commission’s final action on grant awards, anticipated to be in September or November 2024. I understand that all State of Oregon rules for contracting, auditing,

underwriting (where applicable), and payment will apply to this project.
By checking this box, I certify that all of the content of this application is true to the best of my knowledge and that I have read the Sample Draft Agreement and will sign the Agreement if selected. I understand that non-compliance with the agreement and program may result in a cancelled project and return of grant funds.
By checking this box, I certify that per Oregon Administrative Rule (OAR) 731-035-0050(2)(b), as a condition of Connect Oregon program eligibility, applicants must be current on all state and local taxes, fees and assessments where applicable. Inasmuch, as an authorized representative, I declare, that MY ORGANIZATION, is to the best of the undersigned(s) knowledge, current on all Oregon state and local taxes, fees and assessments. As a continuing requirement to remain eligible, I understand that MY ORGANIZATION will remain current on all Oregon state and local taxes, fees and assessments and failure to comply with this rule may result in corrective action up to and including a determination of ineligibility for Connect Oregon funding. I further understand that Connect Oregon funds may be withdrawn should it be determined that this certification was signed falsely or in error, or that MY ORGANIZATION has become delinquent in its state and local tax, fee or assessment obligation.

**Signature of authorized representative**

Judy Farm, CEO

***The Connect Oregon program is a reimbursement program. Grant recipients will be required to pay its consultants/contractors/vendors prior to seeking reimbursement from the Connect Oregon program.***

Statute:

(c)(A) “Transportation project” means a project or undertaking for rail, marine or aviation capital infrastructure, including bridges, or a project that facilitates the transportation of materials, animals or people.

(B) A transportation project does not include costs associated with operating expenses.

(3) In selecting transportation projects, the commission shall consider:

(a) Whether a proposed transportation project reduces transportation costs for Oregon businesses or improves access to jobs and sources of labor;

(b) Whether a proposed transportation project results in an economic benefit to this state;

(c) Whether a proposed transportation project is a critical link connecting elements of Oregon's transportation system that will measurably improve utilization and efficiency of the system;

(d) How much of the cost of a proposed transportation project can be borne by the applicant for the grant from any source other than the Connect Oregon Fund;

(e) Whether a proposed transportation project is ready for construction;

(f) Whether a proposed transportation project has a useful life expectancy that offers maximum benefit to the state; and

(g) Whether a proposed transportation project is located near operations conducted for mining aggregate or processing aggregate as described in ORS 215.213 (Uses permitted in exclusive farm use zones in counties that adopted marginal lands system prior to 1993) (2)(d) or 215.283 (Uses permitted in exclusive farm use zones in nonmarginal lands counties) (2)(b).

JOHNSON
ECONOMICS

# MARKET ANALYSIS FOR THE KO-KWEL WHARF NORTH BEND, OREGON

PREPARED FOR
TRIBAL ONE
MAY 2021


JOHNSON ECONOMICS, LLC
621 SW Alder St, Suite 506
Portland, Oregon 97205

JOHNSON ECONOMICS

# TABLE OF CONTENTS

# I. INTRODUCTION

JOHNSON ECONOMICS was retained by TRIBAL ONE to evaluate the future potential for a range of uses at the Ko-Kwel Wharf, lots 1-3, in support of master planning efforts for the site. The main objectives of the study are to identify viable uses for the property and to generate reliable parameters for achievable pricing and absorption, based on current and anticipated future market dynamics. The analysis also includes a test of financial viability in the current market environment.

The main components of the study are:

- Site evaluation;
- Analysis of relevant local economic and demographic trends;
- Market survey, current market pricing and achievable pricing at the subject site;
- Market demand and land absorption analysis, market-wide and at the site;
- Proforma financial analysis for select development forms; and
- Recommendations regarding the scale, mix, and character of uses at the site.

# II. EXECUTIVE SUMMARY

## SOCIO-ECONOMIC CONTEXT

Coos County and the North Bend/Coos Bay area are experiencing moderate but positive job growth, driven largely by tourism, healthcare, and construction, but with significant contribution also from education and public administration. Wages in these growth sectors range from low (tourism) to mid-range (construction, government). Growth in the workforce is mainly coming from workers in the 35-44 age group and workers above the age of 65.

Coos County has exhibited flat population growth over the past two decades. However, North Bend and Coos Bay have seen moderate growth, together adding an average of 107 new residents (+0.4%) per year since 2010. Housing construction has averaged roughly 45 units per year over the past two decades.

Tourism has increased significantly in Coos County over the past two decades, following statewide patterns. Adjusted for inflation, spending on accommodations has increased at an average rate of 2.9% per year, while restaurant spending has increased 2.5% per year. The impact on retail sales has been weaker.

## RENTAL APARTMENTS

Our analysis of multifamily residential use is focused on rental apartments, as condominiums are virtually non-existing in the North Bend/Coos Bay market. The apartment inventory is limited (~2,600 units), and dominated by older properties – many of them regulated affordable projects. There is likely some pent-up demand in the market for newer units, though there is limited market depth for upscale units at high rent levels. With a mid-market project that offers both walk-up and elevator-served units, we expect there to be adequate demand for around 80 units at the subject site over a five-year period, at rent levels that can support new construction. Our financial analysis indicates that upscale urban formats will not be viable at the site, and that elevator-served buildings will need cost effective designs and materials in order to be feasible.

## RETAIL SPACE

The North Bend/Coos Bay market has a surplus of retail space, and the shift to online shopping is expected to limit the growth in demand for new space on a net basis over the coming decades. However, most of the excess space in this market is dated, large-format space. There is likely demand for up-to-date space in modern and attractive environments among establishments that are not severely affected by e-commerce, especially among restaurants and service providers, but also among national chains in traditional retail categories. With a focus on categories that

according to our analysis are underserved in this market, or that are likely to become underserved over the coming 10 years, we expect there to be support for around 40,000 square feet of retail space at the subject site over a 5-10-year buildout period. The demand is likely to be dominated by smaller establishments.

The financial analysis indicates that only auto-oriented retail/restaurant space with good access and visibility is viable in the current market. A more pedestrian-friendly mixed-use format may need some form of subsidy to be feasible in the current market, though this could change over time.

### Office Space

The outlook for larger corporate offices is weak in the North Bend/Coos Bay market. However, as in the retail market, there is likely demand for modern space among smaller firms serving the local population, especially in professional and financial services. Relatively strong demand growth is expected for medical office space, including some mid-size clinics. With a 15,000-square-foot clinic included, we estimate potential for nearly 30,000 square feet of office space at the subject site over the next 5-10 years. However, only medical office space appears financially viable in the current environment, given current market lease rates.

### Industrial Space

The industrial market is projected to see less new demand growth than the office market in coming years. However, there appears to be a shortage of available space currently – especially modern space. We thus estimate potential for somewhat more space at the subject site – around 55,000 square feet. We also believe there will be potential for a self-storage facility, accounting for another 40,000 square feet. Both traditional industrial space and self-storage is estimated to be financially viable at the subject site in the current environment.

There may also be potential for a larger manufacturing and shipping facility oriented toward Asian markets. New facilities of this format are few and far between, but absorb large sites when they are realized. The subject site would be competing with other maritime ports on the West Coast for these users. Demand for such facilities is a function of international conditions, and has not been evaluated specifically in this analysis. However, based on inquires received by the client, we have assumed that the entire 27-acre site might be absorbed for this use within the next 15 years.

### Hotel

Hotels in North Bend/Coos Bay are relatively dated, with an average room age of 44 years. Given the relatively strong growth in tourism in this area over the past two decades, and the limited growth in room inventory, we believe this market can support another mid-size hotel already today (ignoring COVID), either of a standard roadside (limited-service) format or of a destination (full-service) format. A second hotel might be viable beyond the next 10 years. Based on our financial analysis, hotels represent strong development potential in the current environment.

The table on the next page summarizes the uses and development forms we expect to be viable at the subject site, along with estimated achievable pricing in the current market and land absorption over a 5-10 year and 10-15 year period. Given estimated financial performance, retail and office uses may be reduced somewhat in favor of residential, industrial, and hospitality uses.

2.1: SUMMARY OF VIABLE USES AND DEVELOPMENT FORMS, KO-KWEL WHARF

| LAND USE | USER CATEGORY | DEVELOPMENT FORM | ACHIEVABLE PRICING* | LAND ABSORPTION (AC.) 5-10 YRS | 10-15 YRS | SHARE |
|---|---|---|---|---|---|---|
| Residential | Rental apartments | 3-story walk-up, surface parking | $18.30 - $19.40 | 1.4 | 2.2 | 3% |
| Residential | Rental apartments | 3-4 story elevator, surface parking | $19.00 - $20.20 | 1.4 | 2.2 | 3% |
| *Total Residential* | | | | *2.7* | *4.5* | *6%* |
| Retail | Small retail/restaurant | 1-story freestanding/strip mall | $20.00 - $24.00 | 3.0 | 5.0 | 7% |
| Retail | Drive-thru restaurant | 1-story freestanding drive-thru | $36.00 - $40.00 | 0.5 | 0.8 | 1% |
| *Total Retail* | | | | *3.5* | *5.8* | *8%* |
| Office | Prof./personal service | 1-2 story multi-tenant | $16.00 - $20.00 | 0.7 | 1.2 | 2% |
| Office | Medical clinic | 1-2 story clinic, build-to-suit | $25.00 - $40.00 | 1.2 | 1.9 | 3% |
| *Total Office* | | | | *1.9* | *3.1* | *4%* |
| Industrial | Manufacturing/shipping | Large build-to-suit, ground lease | $0.55 - $0.60 | 27.4 | 27.4 | 64% |
| Industrial | Misc. industrial | Small-bay/flex/distribution | $8.00 - $12.00 | 3.1 | 5.1 | 7% |
| Industrial | Contractors | Contractor storage | $12.00 - $14.00 | 0.7 | 1.1 | 2% |
| Industrial | Self storage | Mini storage | $13.50 - $16.00 | 1.8 | 3.0 | 4% |
| *Total Industrial* | | | | *33.0* | *36.6* | *77%* |
| Hospitality | Hotel | 4-story elevator | $140.00 - $160.00 | 1.5 | 2.5 | 4% |
| *Total Hospitality* | | | | *1.5* | *2.5* | *4%* |
| ***Total, Net of Roads and Open Space*** | | | | ***42.6*** | ***52.4*** | ***100%*** |

* All rates except hotel rates are annual per-square-foot rates. All rates are for finished space, except industrial manufacturing/ shipping facility, which are for ground lease. Commercial rates are NNN. Hotel rates are average daily room rates.

*SOURCE: JOHNSON ECONOMICS*

# III. THE SUBJECT SITE

## THE SUBJECT SITE

The site evaluated in this analysis is comprised of lots 1, 2, and 3 of the Ko-Kwel Wharf, as outlined below. The site totals approximately 27.4 acres, and is located within North Bend, Oregon. The site borders Highway 101 in the west, Washington Avenue in the north, the Bay in the east, and the Mill Casino RV Park in the south (Ko-Kwel Wharf lots 4 & 5).

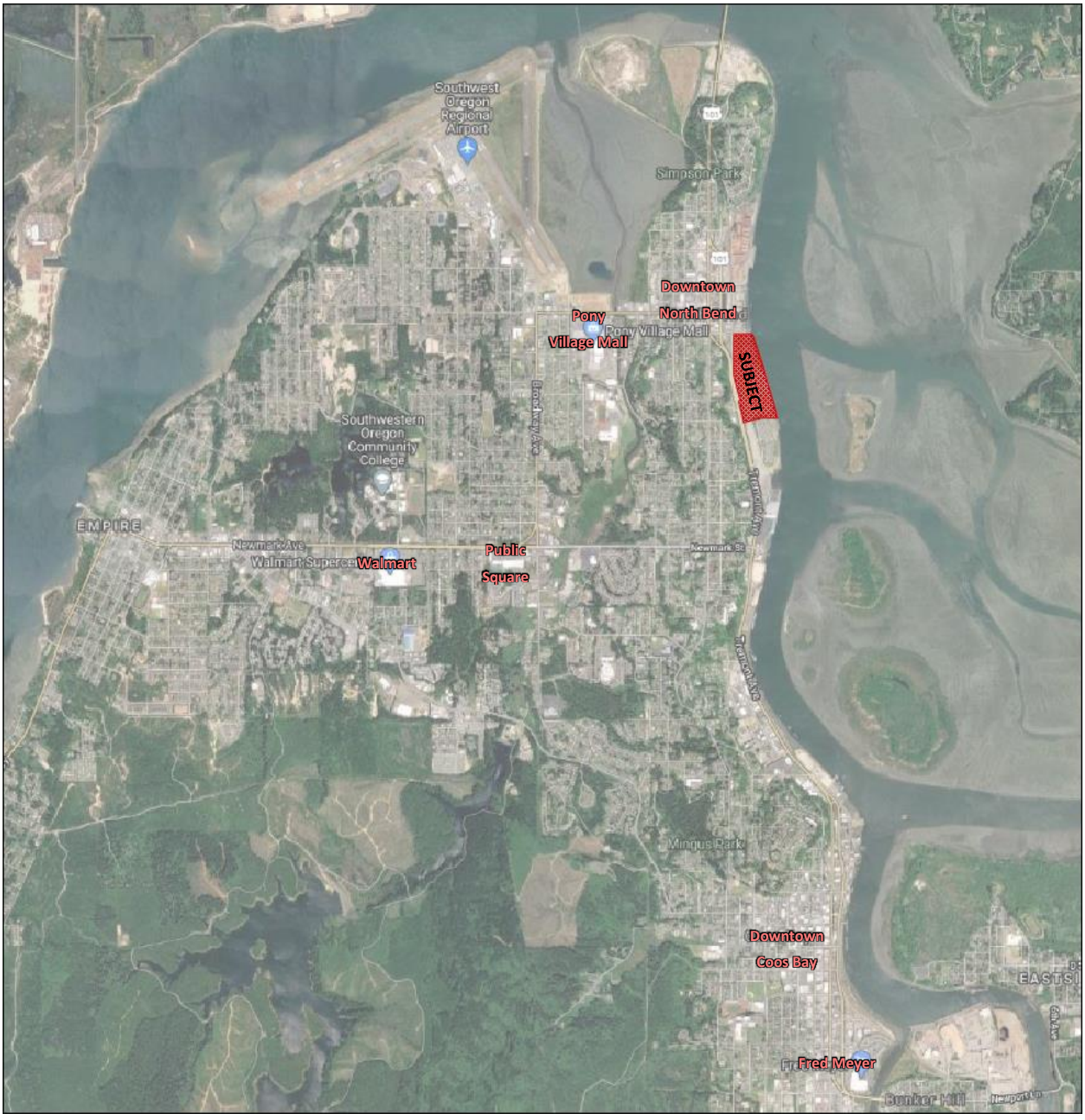
FIGURE 3.1: SUBJECT SITE


*SOURCE: Tribal One, Google Earth, JOHNSON ECONOMICS*

## PROXIMITY TO COMMERCIAL CENTERS

With its location along Highway 101, the site offers good access to the major commercial centers in the North Bend/Coos Bay area. It is just south of Downtown North Bend, and the Pony Village Mall is less than a mile to the west. The site is approximately 1.5 miles from the Public Square mall and the commercial cluster at Broadway Avenue and Newmark Street, and Walmart is just over two miles away. Downtown Coos Bay is approximately 2.5 miles to the south, while a retail center anchored by Fred Meyer and Safeway is roughly 3.0 miles to the south.

FIGURE 3.2: MAJOR COMMERCIAL CENTERS IN NORTH BEND AND COOS BAY

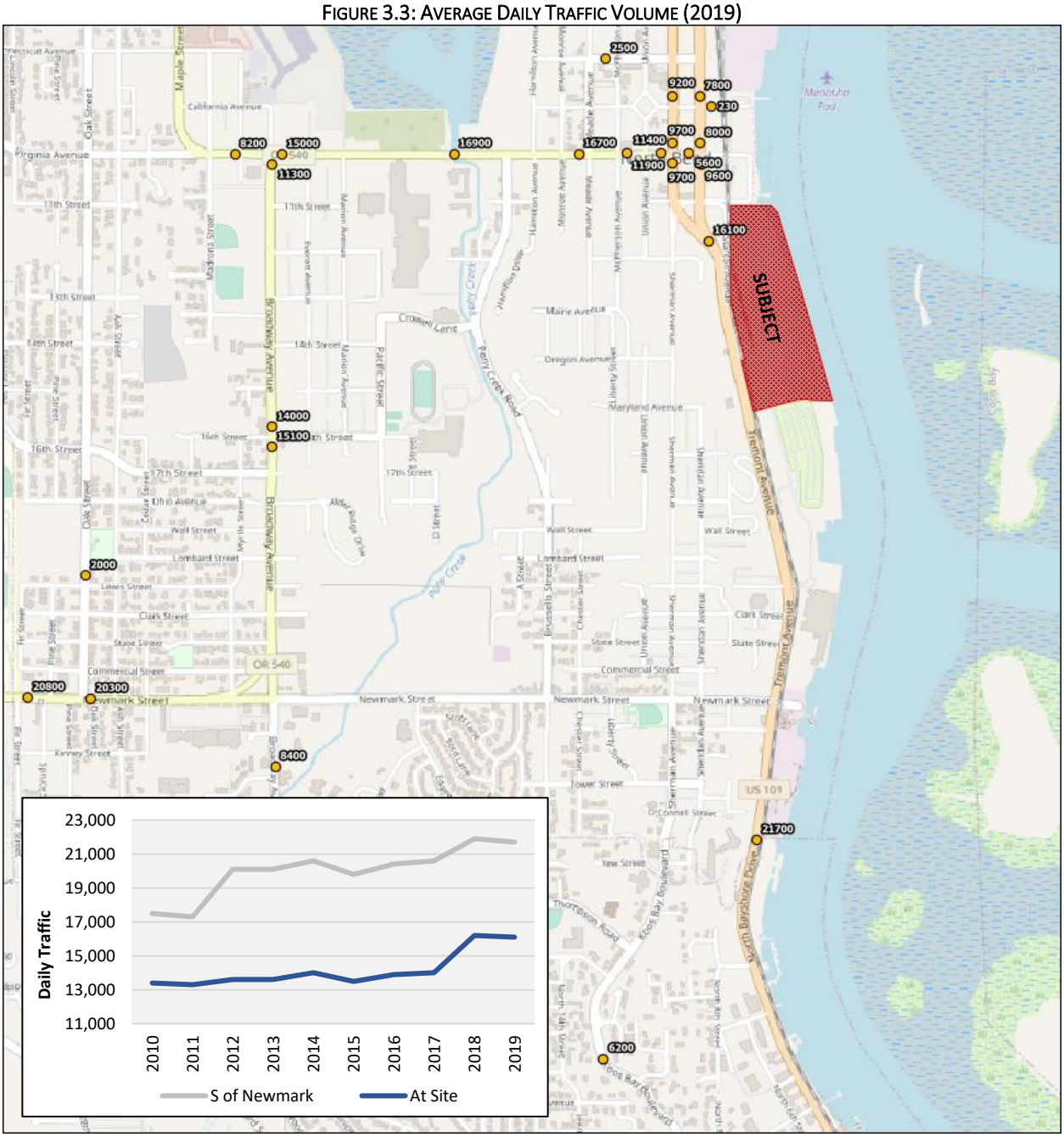



*SOURCE: Tribal One, Google Earth, JOHNSON ECONOMICS*

## TRAFFIC VOLUMES

Traffic volumes are particularly relevant for commercial development, as they tend to correlate with demand for commercial space. Outside downtown areas, daily traffic volumes of 15,000 vehicles are typically required to support a commercial center. The most recent traffic counts in North Bend are from 2019. These indicate a traffic volume of 16,100 on Highway 101 near the site, and 21,700 South of Newmark Street. At the site, the daily traffic volume has increased 2,600 since 2015. This represents a gain of 650 vehicles per year, or 4.5% annual growth. Any development on the site is likely to increase the traffic volume and thus increase the support for commercial space.

FIGURE 3.3: AVERAGE DAILY TRAFFIC VOLUME (2019)

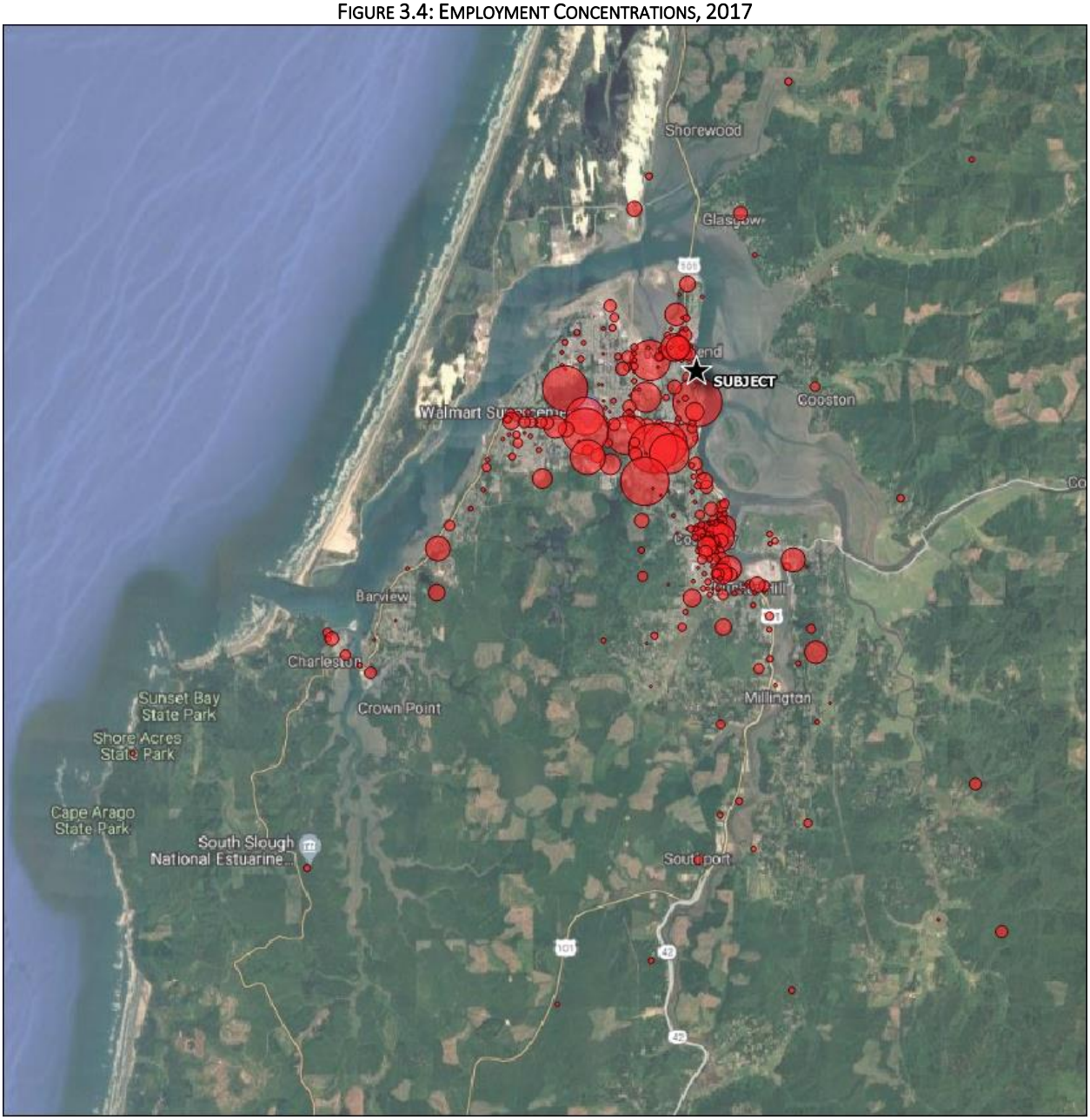



*SOURCE: Washington Dept. of Transportation, Open Street Map, JOHNSON ECONOMICS*

## ACCESS TO EMPLOYMENT

An estimated 14,000 workers are employed in North Bend and Coos Bay, accounting for 64% of the total workforce in Coos County. The following map shows the geographic distribution of the jobs as of 2017. The jobs are concentrated along Highway 101, Newmark Avenue, and at the Bay Area Hospital. With its location along Highway 101, the subject site is within a five-minute drive of a large share of the jobs in this area. Additional data on commute patterns in this region is included in the Socio-Economic section.

FIGURE 3.4: EMPLOYMENT CONCENTRATIONS, 2017



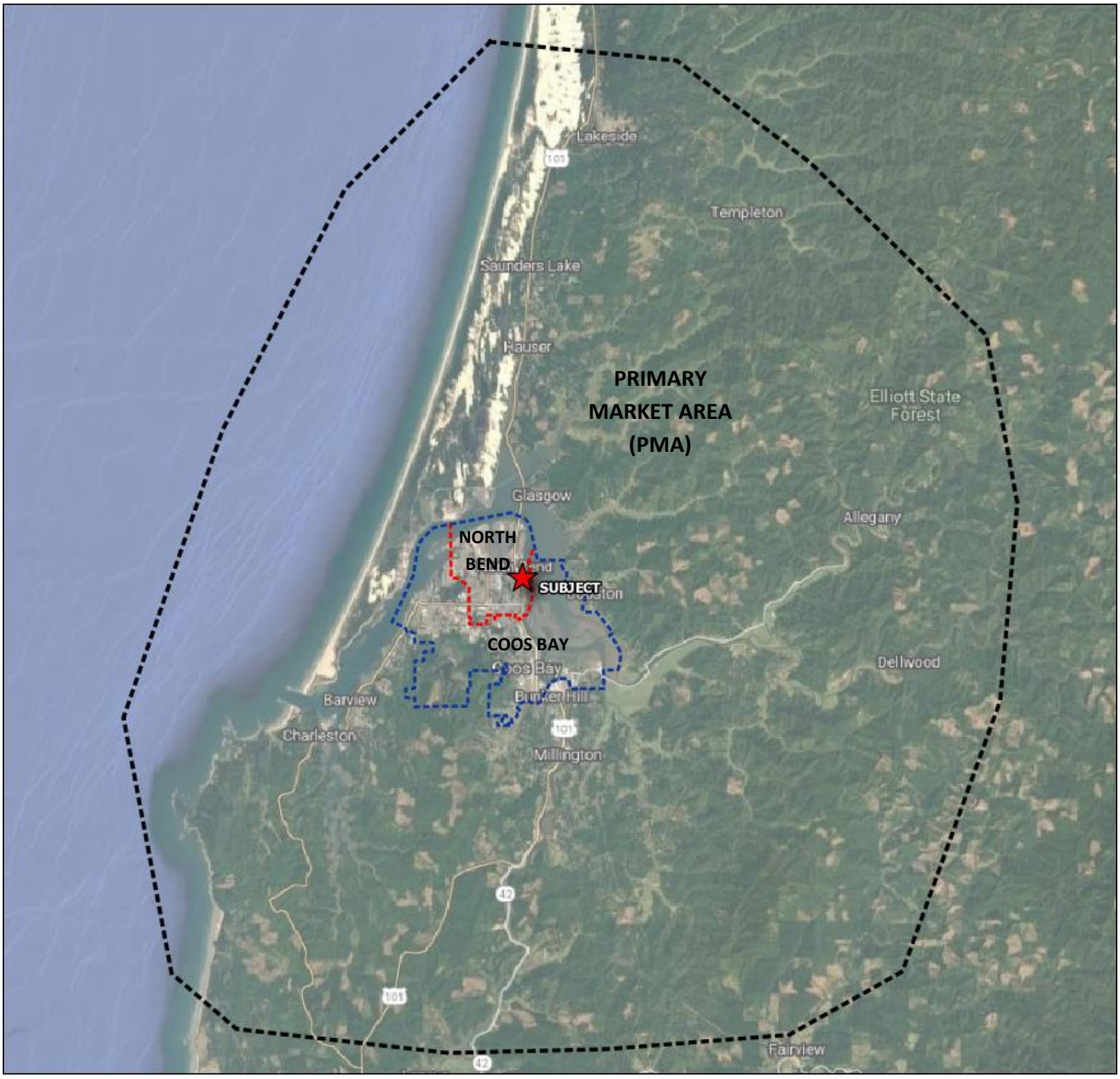

*SOURCE: U.S. Census Bureau, JOHNSON ECONOMICS*

# IV. MARKET AREA

A market or trade area is the geographic region from which a development is expected to draw most of its market support, and within which comparable projects compete for occupants on a comparable basis.

For this analysis, the primary focus will be on the combined cities of North Bend and Coos Bay, which we will simply refer to as the North Bend/Coos Bay market. The two cities make up a cohesive market distinct from surrounding rural areas and smaller communities. However, some urban uses (e.g., retail, apartments) draw on demand generated in these surrounding areas as well as within the cities themselves. Some of the analyses conducted in this study are therefore performed for a larger area referred to as the Primary Market Area (PMA). Based on drive time and the size of North Bend/Coos Bay relative to neighboring cities like Reedsport and Bandon, we have defined this larger area as outlined below. However, some socio-economic trends will be examined on the county level, due to data limitations.

FIGURE 4.1: PRIMARY MARKET AREA




*SOURCE: Coos County, Google Earth, JOHNSON ECONOMICS*

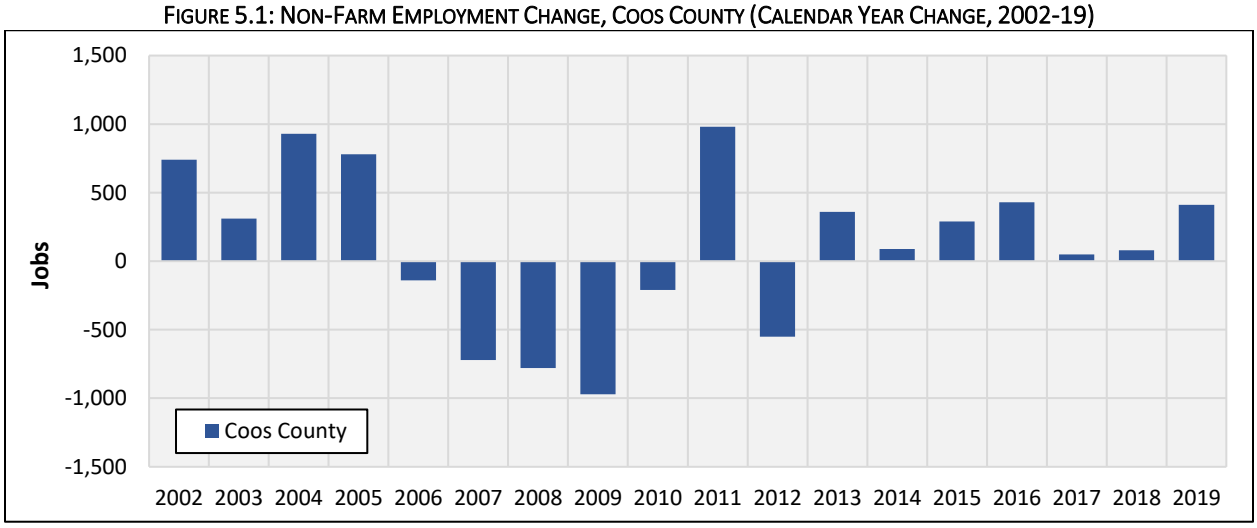
# V. Socio-Economic Context

## Employment

### Total Non-Farm Employment

A total of 24,000 workers were employed in Coos County at the peak in 2006. The foreclosure crisis and ensuing recession in the late 2000s eliminated 3,500 jobs. Only moderate job growth has been exhibited over the past decade, for a net increase of 1,900 jobs over the 10 years, or nearly 200 new jobs per year on average. COVID-19 caused an initial loss of 3,100 jobs in early 2020, bringing the county's employment to 20,000. As of September 2020, half of these jobs had been recovered, putting current employment at 21,500.

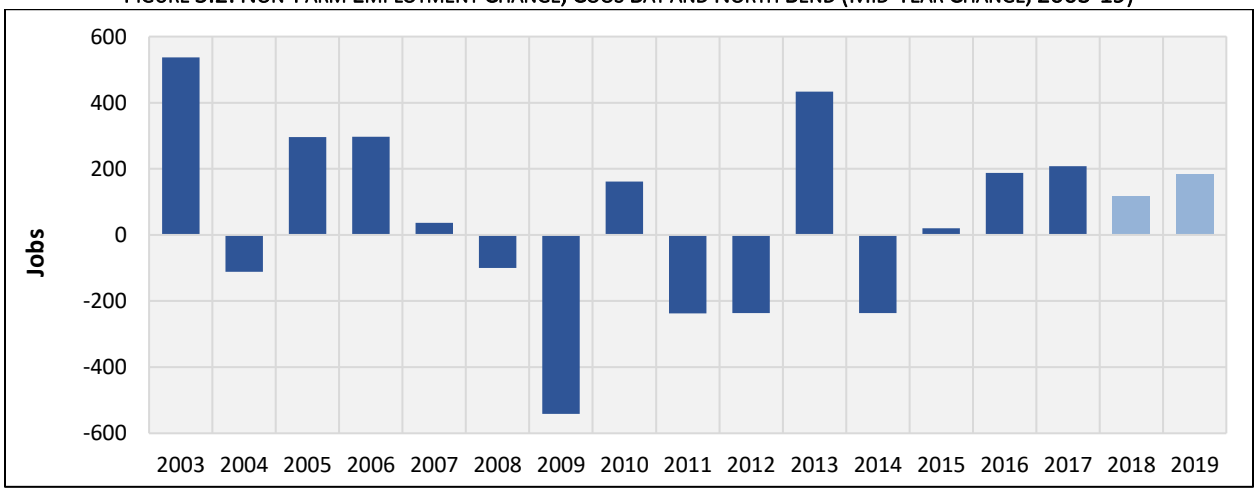
Figure 5.1: Non-Farm Employment Change, Coos County (Calendar Year Change, 2002-19)




*SOURCE: Oregon Employment Department, Johnson Economics*

Employment data on the city level is only available through 2017. As of 2017, employment in the combined Coos Bay/North Bend area (PMA) was 13,800, making up 63% of countywide employment. Assuming that the area grew at the same pace as the county in 2018 and 2019, 2019 employment would be roughly 14,100. This is on par with the employment peak in 2007, and represents a 10-year increase of 600 jobs. The job growth over the past decade has been mixed, but with roughly 200 jobs created per year on the net over the most recent years.

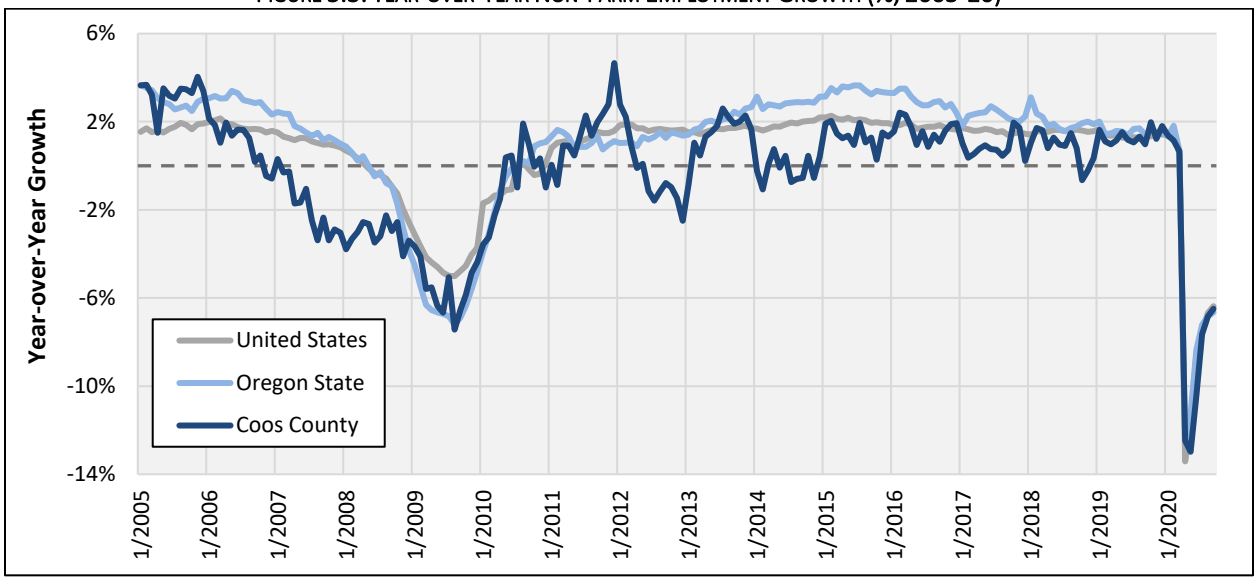
Figure 5.2: Non-Farm Employment Change, Coos Bay and North Bend (Mid-Year Change, 2003-19)




*SOURCE: Oregon Employment Department, Johnson Economics*

Coos County has underperformed regional and national employment growth over the past decade. The county averaged 0.9% annual growth, compared to 1.5% nationally and 2.1% statewide. However, while the rest of the nation saw decelerating growth rates during the second half of the decade, Coos County experienced relatively stable growth, if we ignore short-term fluctuations. The growth rate in 2019 was 1.8%, slightly higher than statewide growth at 1.6% and national growth at 1.4%.

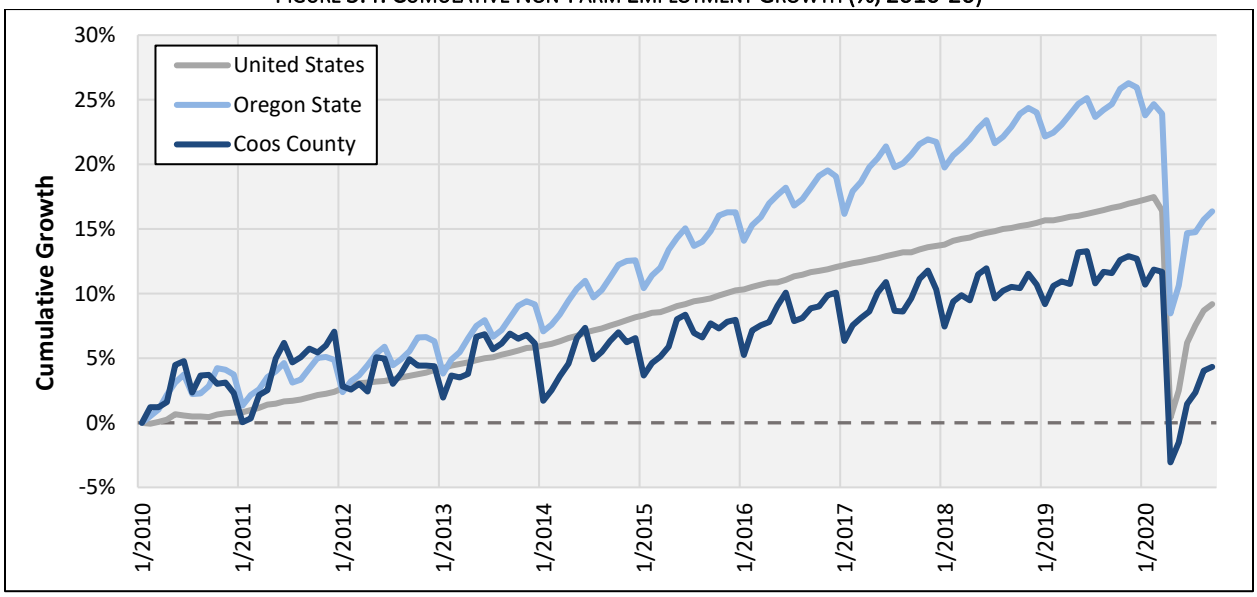
FIGURE 5.3: YEAR-OVER-YEAR NON-FARM EMPLOYMENT GROWTH (%, 2005-20)




*SOURCE: Oregon Employment Department, JOHNSON ECONOMICS*

In percent terms, the growth experienced in Coos County over the past decade was roughly half the growth seen in the state as a whole. Employment increased 13% over the decade, compared to 26% in the state. COVID-19 temporarily brought the employment below the 2010 level, though the recovery as of September 2020 puts the current employment level on par with the 2012 level.

FIGURE 5.4: CUMULATIVE NON-FARM EMPLOYMENT GROWTH (%, 2010-20)

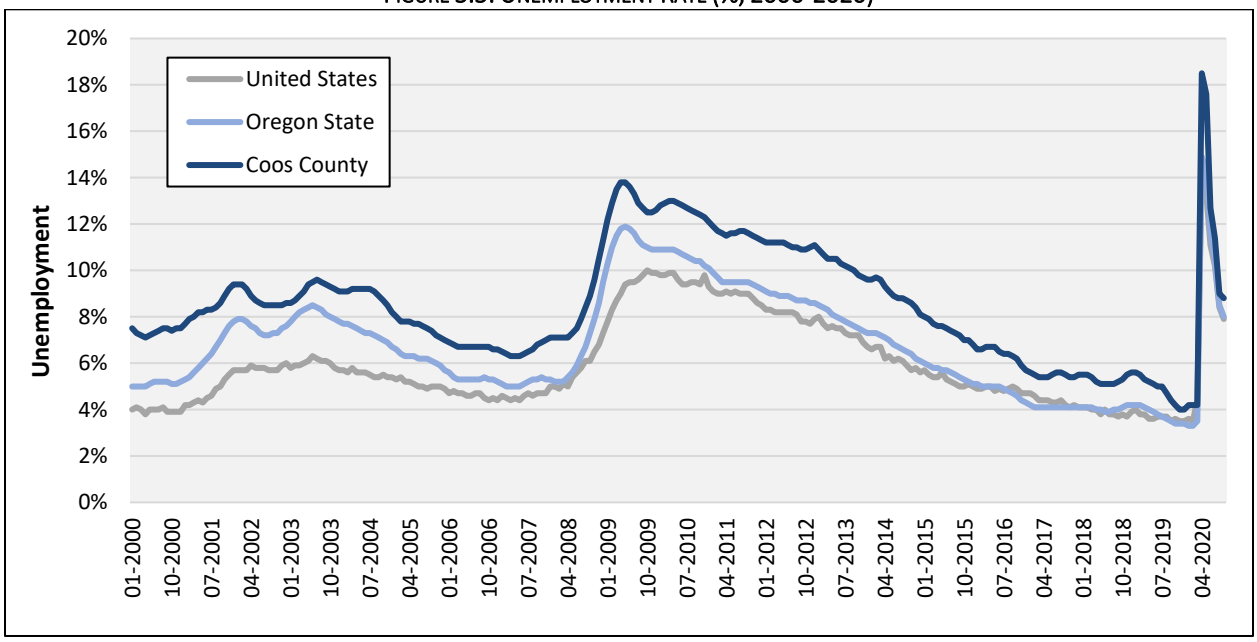



*SOURCE: Oregon Employment Department, JOHNSON ECONOMICS*

## UNEMPLOYMENT

Coos County has had relatively high unemployment over the past decades, at least in part reflecting its reliance on a relatively weak lumber industry. Over the past 20 years, the county's unemployment rate has on average been 1.7 percentage points higher than the state unemployment rate and 2.5 percentage points higher than the national rate. However, the spread narrowed toward the end of the last decade, to roughly half a percentage point at the end of 2019. As of September 2020, the unemployment rate was 8.8% in Coos County, compared to around 8.0% nationally and in the state.

FIGURE 5.5: UNEMPLOYMENT RATE (%, 2000-2020)

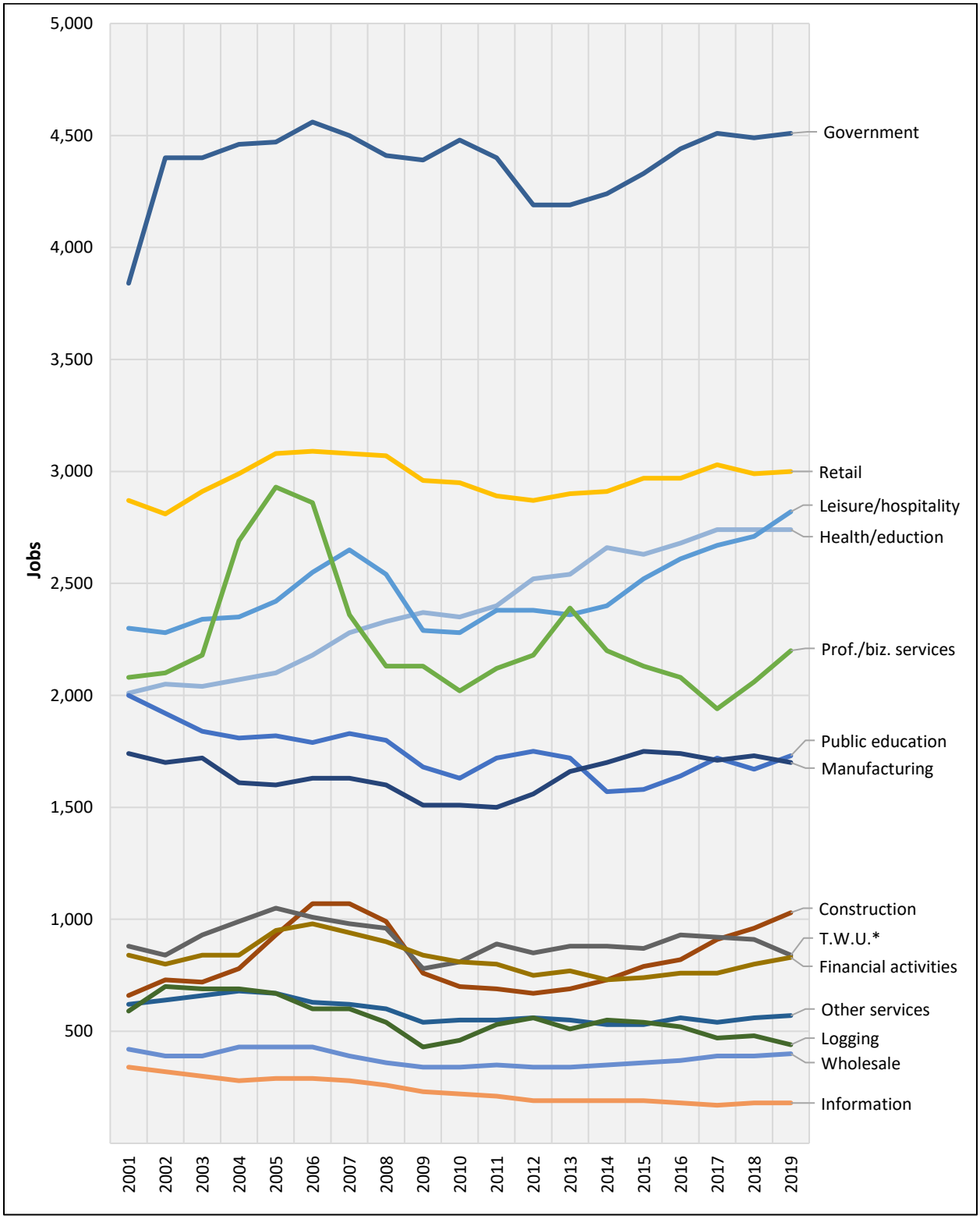



*SOURCE: Oregon Employment Department, JOHNSON ECONOMICS*

## INDUSTRY TRENDS

The industries that have driven most of the employment growth in Coos County in recent years are leisure and hospitality, private healthcare and education, the government sector, and construction (see chart next page). The government sector remains the largest of these. Leisure and hospitality – which includes gambling, restaurants, and hotels – was prior to COVID-19 on track to overtake retail as the largest private sector in the county. Retail employment has largely been stagnant in recent years, due to increased use of self-checkout and competition from e-commerce. Private healthcare and education, which is dominated by healthcare jobs, is the most stable of the growth industries, reflecting increasing demand due to the aging of the baby boomers. Other industries that typically occupy office space have seen only limited growth. The industries that dominate industrial real estate have also seen weak growth, with the notable exception of the construction industry.

FIGURE 5.6: EMPLOYMENT BY INDUSTRY SECTOR, COOS COUNTY (2001-19)



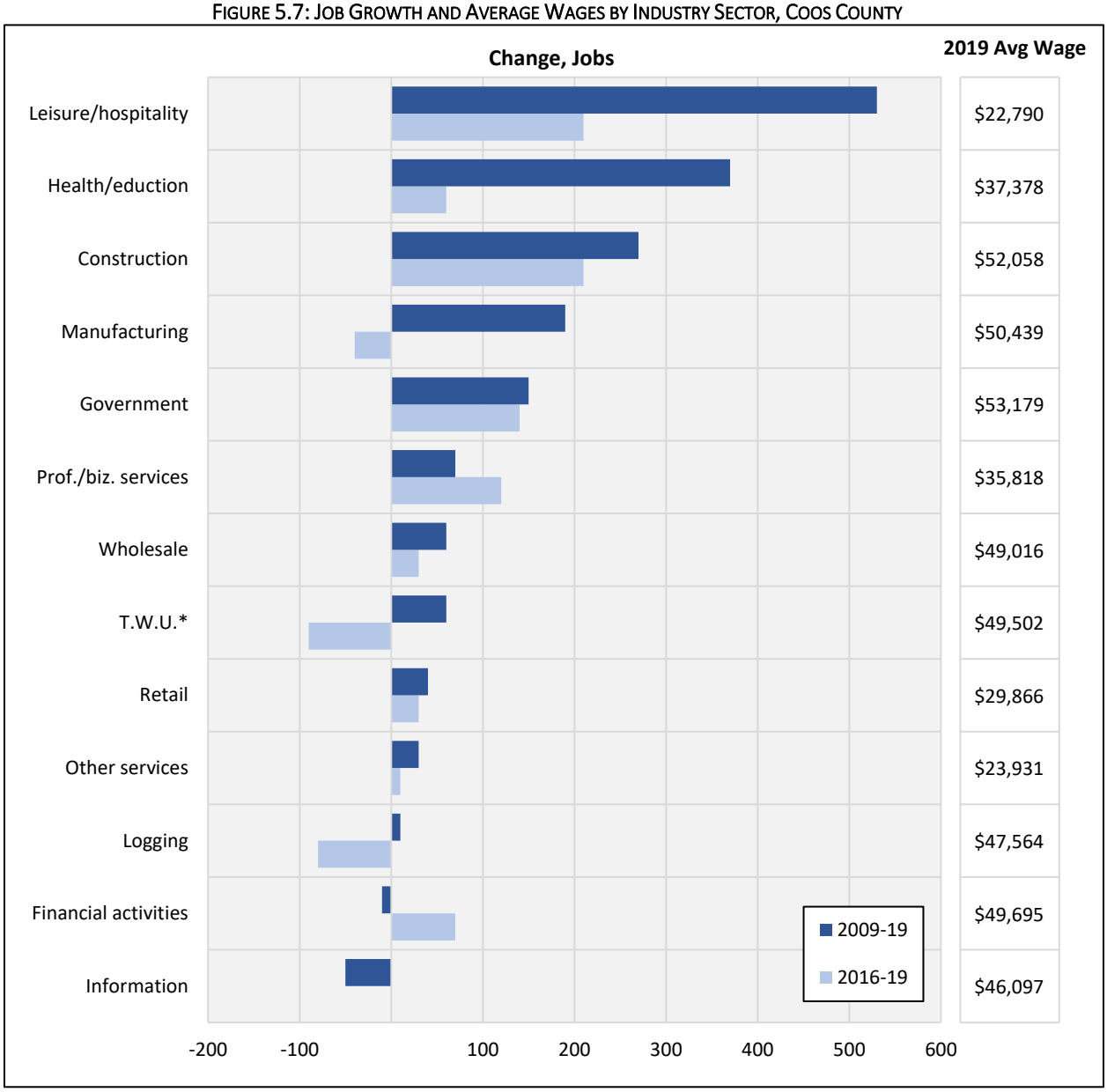

* Transportation, Warehousing, Utilities

*SOURCE: Oregon Employment Department, JOHNSON ECONOMICS*

The following chart compares job growth over the past 10 and 3 years across the major industries. Leisure and hospitality have seen the strongest gains over the 10-year period, adding more than 500 jobs. This is a low-wage sector, and the increase in employment in this sector is thus likely correlated with demand for affordable housing. A small component of this industry, art-related employment, is often associated with demand for urban housing.

Over the most recent years, relatively strong growth has also been seen in construction and government, which are two of the industries with the highest wage levels in the county. This suggests that some demand has been created for more upscale housing. The industries apart from arts/entertainment that are most often associated with demand for urban housing are white-collar industries like professional/business services, finance, information, and education. Among these, only education has seen notable growth in recent years.

FIGURE 5.7: JOB GROWTH AND AVERAGE WAGES BY INDUSTRY SECTOR, COOS COUNTY




* Transportation, Warehousing, Utilities

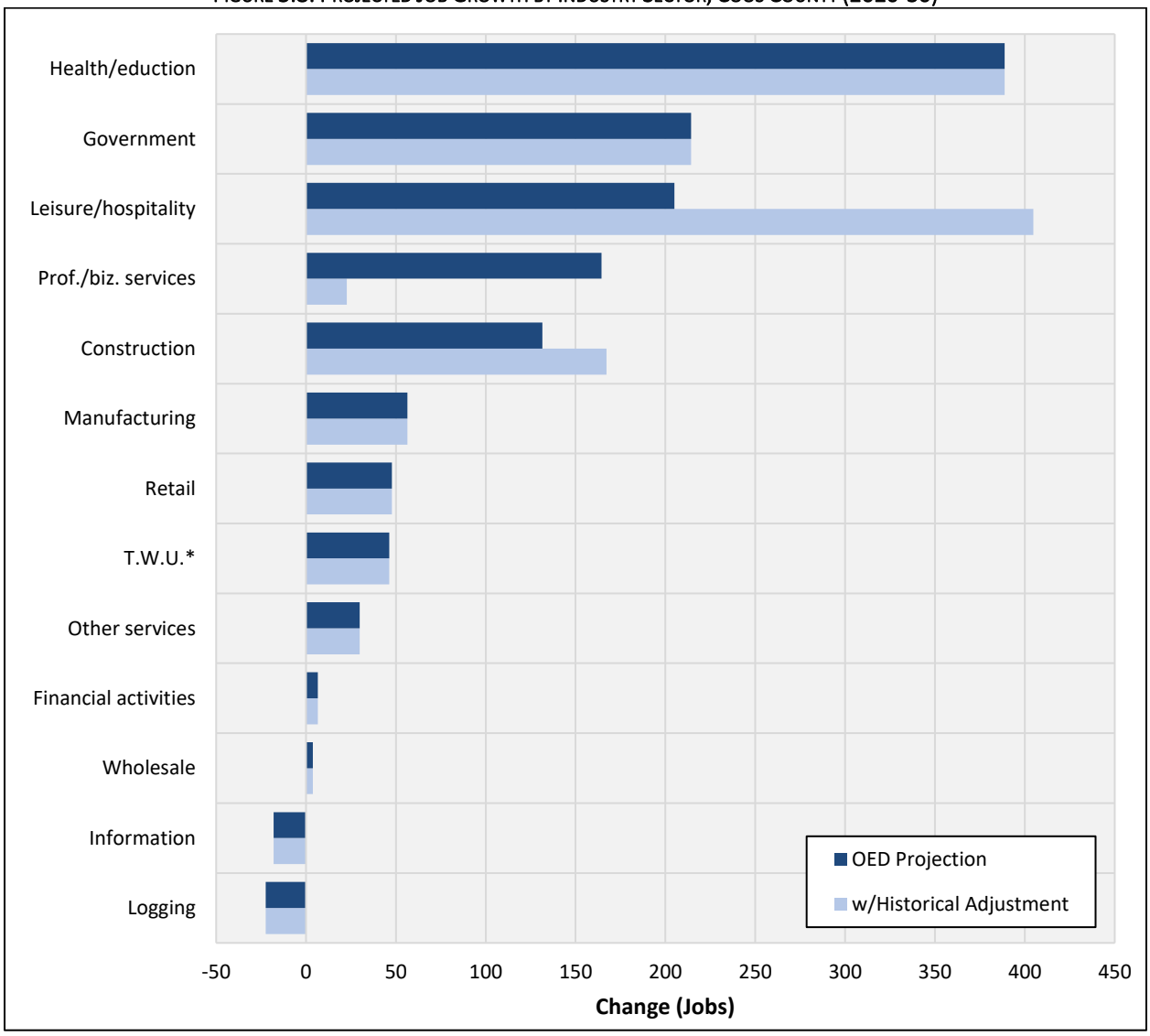
*SOURCE*: *Oregon Employment Department, JOHNSON ECONOMICS*

## INDUSTRY PROJECTIONS

Official employment projections from the Oregon Employment Department (OED) indicates that growth over the current decade will be driven by the same sectors as over the past decade. However, the projections indicate weaker growth in the leisure and hospitality sector, and relatively strong growth in professional and business services. This is largely because the projections are developed for the three-county region consisting of Coos, Curry, and Douglas counties. An analysis of how job growth in Coos county has differed from the other two counties in recent years suggests that adjustments should be made when projecting job growth in these two sectors, as well as in the construction sector. The following chart displays both the OED projections and our adjusted projections for Coos County over the 2020-30 period. The adjusted projections will be used in our modeling of future real estate demand.

In aggregate, the OED projections indicate an increase of 1,300 jobs over the 10-year period, representing an average annual growth rate of 0.5%. This appears somewhat conservative in light of the 0.8% annual growth observed over the past decade. The adjusted projections indicate total job growth of 1,400 jobs, representing 0.6% average annual growth.

FIGURE 5.8: PROJECTED JOB GROWTH BY INDUSTRY SECTOR, COOS COUNTY (2020-30)




*SOURCE: Oregon Employment Department, JOHNSON ECONOMICS*

## Worker Age and Wage

The workforce in Coos County is close to evenly distributed across age groups. Workers in the 25-34 age group are primarily low-wage earners, with a particular concentration just above the minimum-wage level. Older workers are concentrated in the $30,000-40,000 range, though with considerable numbers also at higher wage levels.

Figure 5.9: Workers Employed in Coos County, by Age and Annual Wage (Year-End 2019)

| WAGE & AGE | 19-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65-99 | Total |
|---|---|---|---|---|---|---|---|
| <$10,000 | 13 | 5 | - | 1 | 22 | 80 | 553 |
| $10,000-$19,999 | 374 | 740 | 343 | 354 | 331 | 637 | 3,335 |
| $20,000-$29,999 | 445 | 1,639 | 1,075 | 884 | 817 | 488 | 5,625 |
| $30,000-$39,999 | 163 | 894 | 1,248 | 1,035 | 1,107 | 408 | 4,892 |
| $40,000-$49,999 | 49 | 702 | 701 | 468 | 836 | 191 | 2,949 |
| $50,000-$59,999 | 6 | 286 | 397 | 693 | 492 | 161 | 2,035 |
| $60,000-$69,999 | 4 | 19 | 719 | 435 | 717 | 19 | 1,913 |
| $70,000-$79,999 | - | 88 | 274 | 440 | 30 | 31 | 863 |
| $80,000-$89,999 | 4 | 24 | 131 | 149 | 12 | 7 | 327 |
| $90,000-$100,000 | - | - | - | 11 | 176 | 43 | 230 |
| >$100,000 | - | 10 | 110 | 184 | 116 | 29 | 449 |
| ***Total*** | ***1,058*** | ***4,407*** | ***4,998*** | ***4,654*** | ***4,656*** | ***2,094*** | ***23,170*** |

*SOURCE: U.S. Census Bureau, Johnson Economics*

The most notable change in the workforce over the most recent years is the increase in young workers, belonging to the millennial and generation X cohorts. Job growth during the 2000s, on the other hand, was driven by baby boomers in the 55-64 age group. These have shifted into the senior segment (65+) in recent years, though many continue to work at least part time. Job growth over the past three years has in the 25-34 age group been concentrate around the $30,000-40,000 wage level, while older workers have seen healthy growth also in the $70,000-100,000 range.

Figure 5.10: Job Growth by Worker Age, Coos County (2005-19)

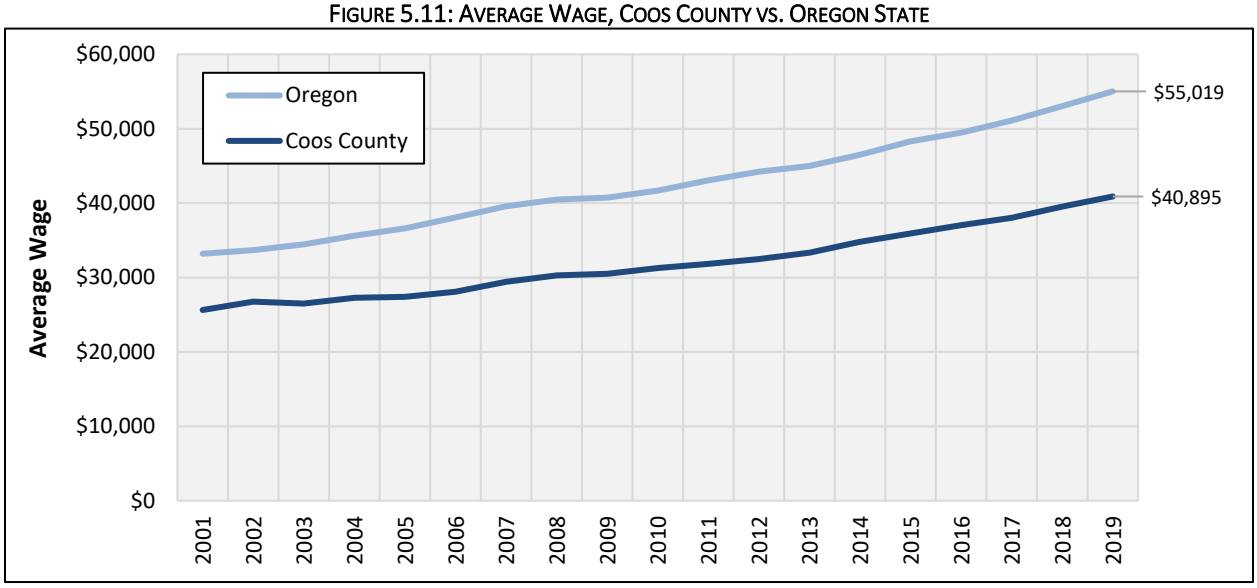
| BY AGE | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 19-24 | 106 | 59 | -114 | -155 | -229 | -60 | -41 | 72 | 59 | -108 | 28 | 28 | 68 | 15 | 38 |
| 25-34 | 244 | -22 | 104 | -168 | -160 | -116 | 45 | 79 | -30 | -23 | 144 | 111 | 75 | 99 | -17 |
| 35-44 | 62 | -14 | -97 | -333 | -303 | -179 | 65 | 76 | -93 | 188 | 157 | -9 | 156 | 57 | 131 |
| 45-54 | 159 | 73 | -88 | -240 | -253 | -281 | -91 | -159 | -288 | -23 | -95 | 21 | -103 | -7 | 80 |
| 55-64 | 360 | 314 | 265 | 14 | 151 | 32 | 113 | 80 | -49 | 97 | 55 | 8 | -55 | 4 | -86 |
| 65-99 | 159 | 91 | 104 | 25 | 31 | -11 | 37 | 163 | 38 | 114 | 86 | 116 | 83 | 214 | 107 |
| **TOTAL** | **1,118** | **521** | **149** | **-855** | **-893** | **-726** | **84** | **317** | **-399** | **256** | **453** | **279** | **199** | **438** | **254** |

| 2016-19, Age/Wage | 19-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65-99 | Total |
|---|---|---|---|---|---|---|---|
| <$10,000 | -18 | -4 | -25 | 0 | -7 | 39 | -15 |
| $10,000-$19,999 | -284 | -352 | -180 | -93 | -78 | 26 | -961 |
| $20,000-$29,999 | 297 | 132 | -132 | -113 | -579 | 158 | -237 |
| $30,000-$39,999 | 72 | 275 | 336 | -40 | 224 | 83 | 950 |
| $40,000-$49,999 | 46 | 12 | 16 | -338 | 82 | 20 | -162 |
| $50,000-$59,999 | 4 | 67 | -47 | 340 | 68 | 45 | 477 |
| $60,000-$69,999 | 0 | -23 | 72 | -71 | 161 | 8 | 147 |
| $70,000-$79,999 | 0 | 64 | 180 | 128 | -9 | -6 | 357 |
| $80,000-$89,999 | 3 | 13 | 109 | 79 | -78 | -3 | 123 |
| $90,000-$100,000 | 0 | -11 | -20 | 4 | 131 | 36 | 140 |
| >$100,000 | 0 | -16 | 35 | 74 | -52 | -2 | 39 |
| ***Total*** | ***120*** | ***157*** | ***344*** | ***-30*** | ***-137*** | ***404*** | ***858*** |

*SOURCE: U.S. Census Bureau, Johnson Economics*

According to the OED, workers employed in Coos County had an average wage level of $40,900 in 2019. This is 26% lower than the statewide average. The spread between the two geographies has remained stable over the past 15 years. The average annual increase over the past five years was 3.3%, and 3.0% over the past 10 years.

FIGURE 5.11: AVERAGE WAGE, COOS COUNTY VS. OREGON STATE

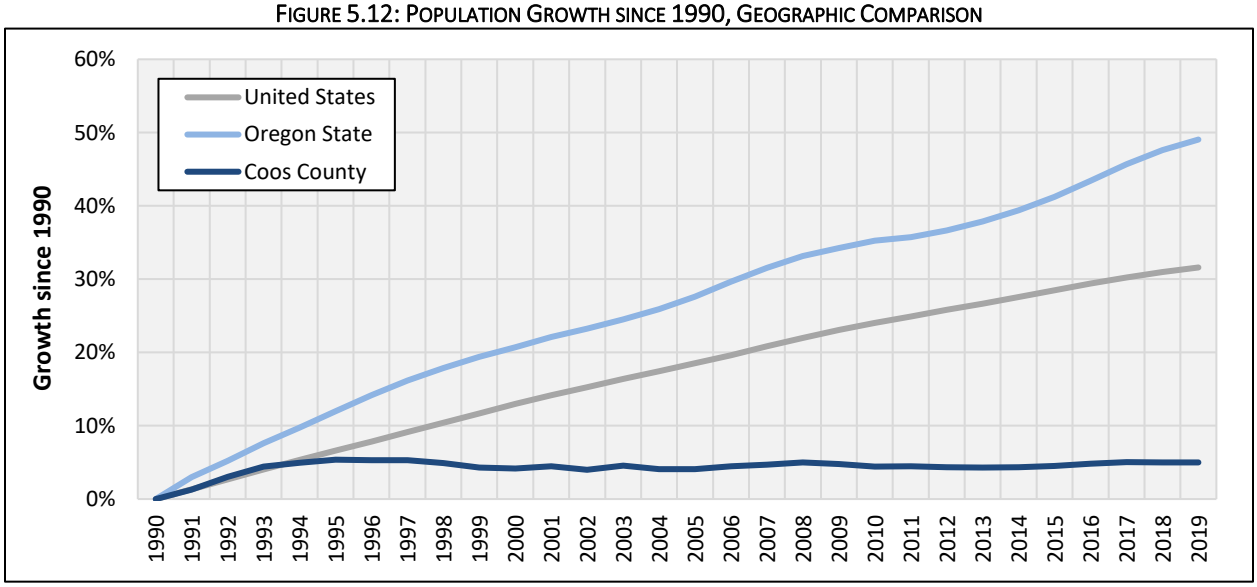



*SOURCE: Oregon Employment Department, JOHNSON ECONOMICS*

## POPULATION

As of 2019, Coos County had a population of 63,300, according to the Population Research Center (PRC) at Portland State University. This includes 16,700 in Coos Bay and 9,900 in North Bend. In a long-term perspective, the county population has remained virtually unchanged since the early 1990s. In comparison, the statewide population has increased nearly 50% since 1990, while the national population has increased 32%.

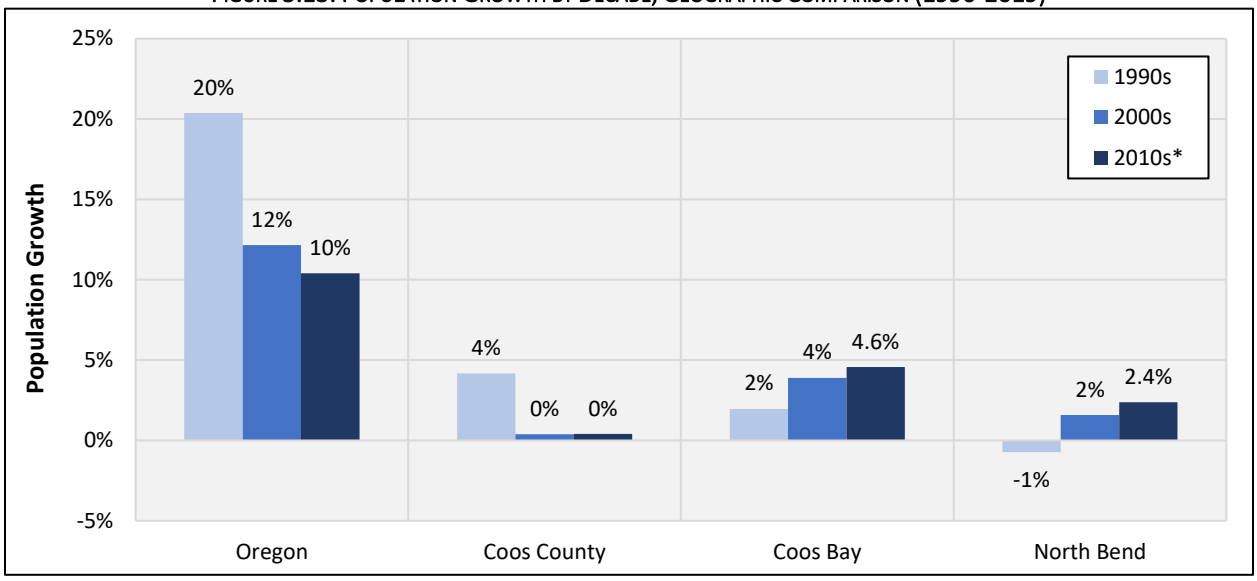
FIGURE 5.12: POPULATION GROWTH SINCE 1990, GEOGRAPHIC COMPARISON




*SOURCE: U.S. Census Bureau, PSU Population Research Center, JOHNSON ECONOMICS*

The following chart compares population growth by decade in North Bend and Coos Bay to countywide and statewide growth. While Oregon and Coos County had their strongest growth in the 1990s, with declining growth rates since, the two cities have seen increasing growth over the last two decades. However, the growth rates remain low: the population in Coos Bay increased 4.6% between 2010 and 2019, adding 730 residents, while North Bend grew by 2.4%, adding 230 residents.

FIGURE 5.13: POPULATION GROWTH BY DECADE, GEOGRAPHIC COMPARISON (1990-2019)

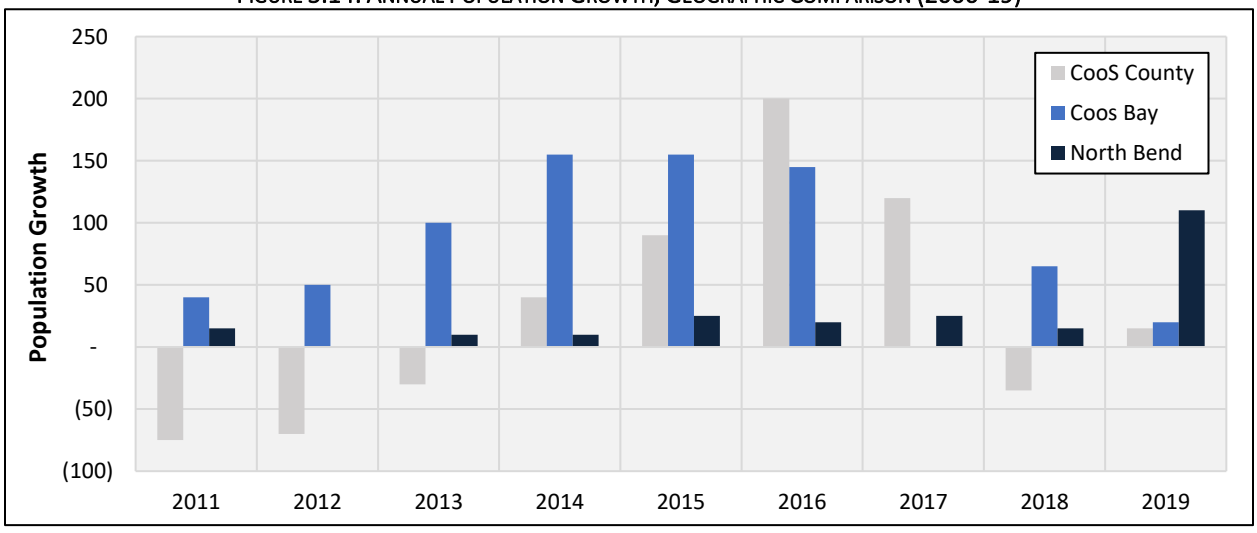



* Growth through 2019.

*SOURCE: PSU Population Research Center, JOHNSON ECONOMICS*

In Coos Bay, most of the growth over the past decade took place during the middle of the decade, when the population grew by around 150 per year. This was more than the net growth countywide. North Bend saw stronger growth toward the end of the decade, according to the PRC, adding 110 residents in 2019. However, it should be noted that single-year population estimates are associated with a great degree of uncertainty. Over the past decade, the two cities have together averaged 107 new residents per year, which represents a 0.4% growth rate.

FIGURE 5.14: ANNUAL POPULATION GROWTH, GEOGRAPHIC COMPARISON (2000-19)

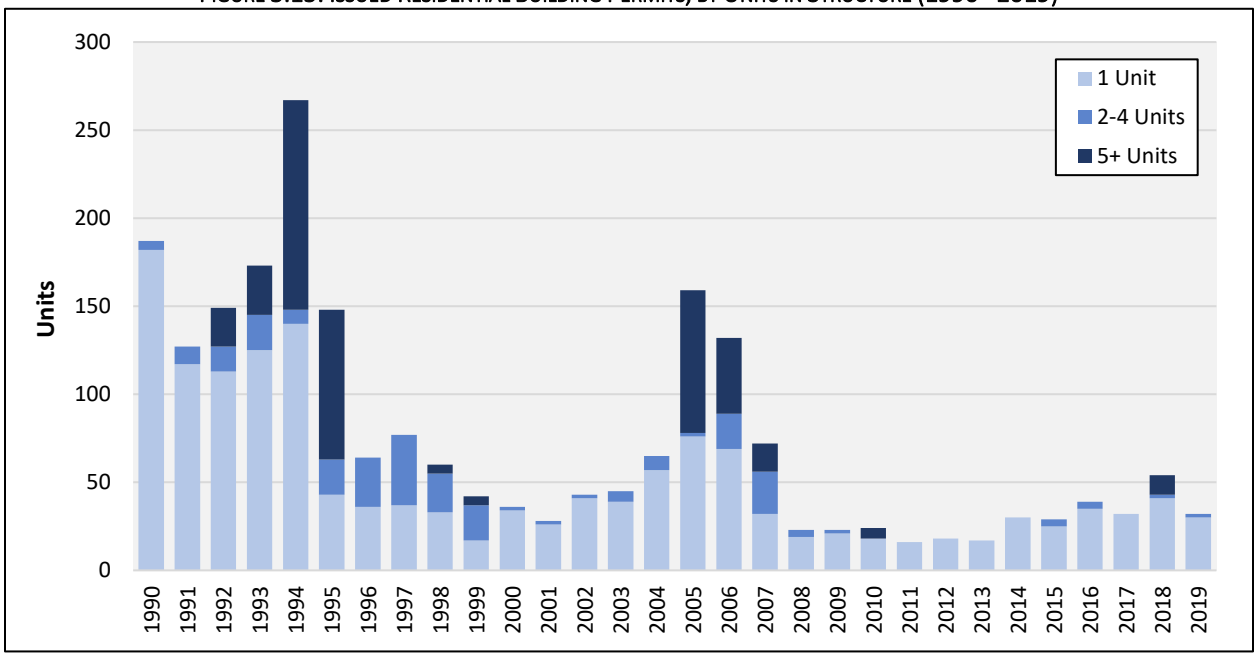



*SOURCE: PSU Population Research Center, JOHNSON ECONOMICS*

## HOUSING

Housing construction in Coos County has been limited in recent years. The construciton pace averaged 130 units per year during the 1990 and roughly 60 units per year in the 2000s. Over the past decade, the pace decreased to 30 units per year. Single-family housing has dominated, accounting for 90% of the units built in the 2010s, compared to 65% during the 1990s and 2000s. Data is not available for cities in Coos County.

FIGURE 5.15: ISSUED RESIDENTIAL BUILDING PERMITS, BY UNITS IN STRUCTURE (1990 - 2019)




*SOURCE: U.S. Census Bureau, JOHNSON ECONOMICS*

## COMMUTE PATTERNS

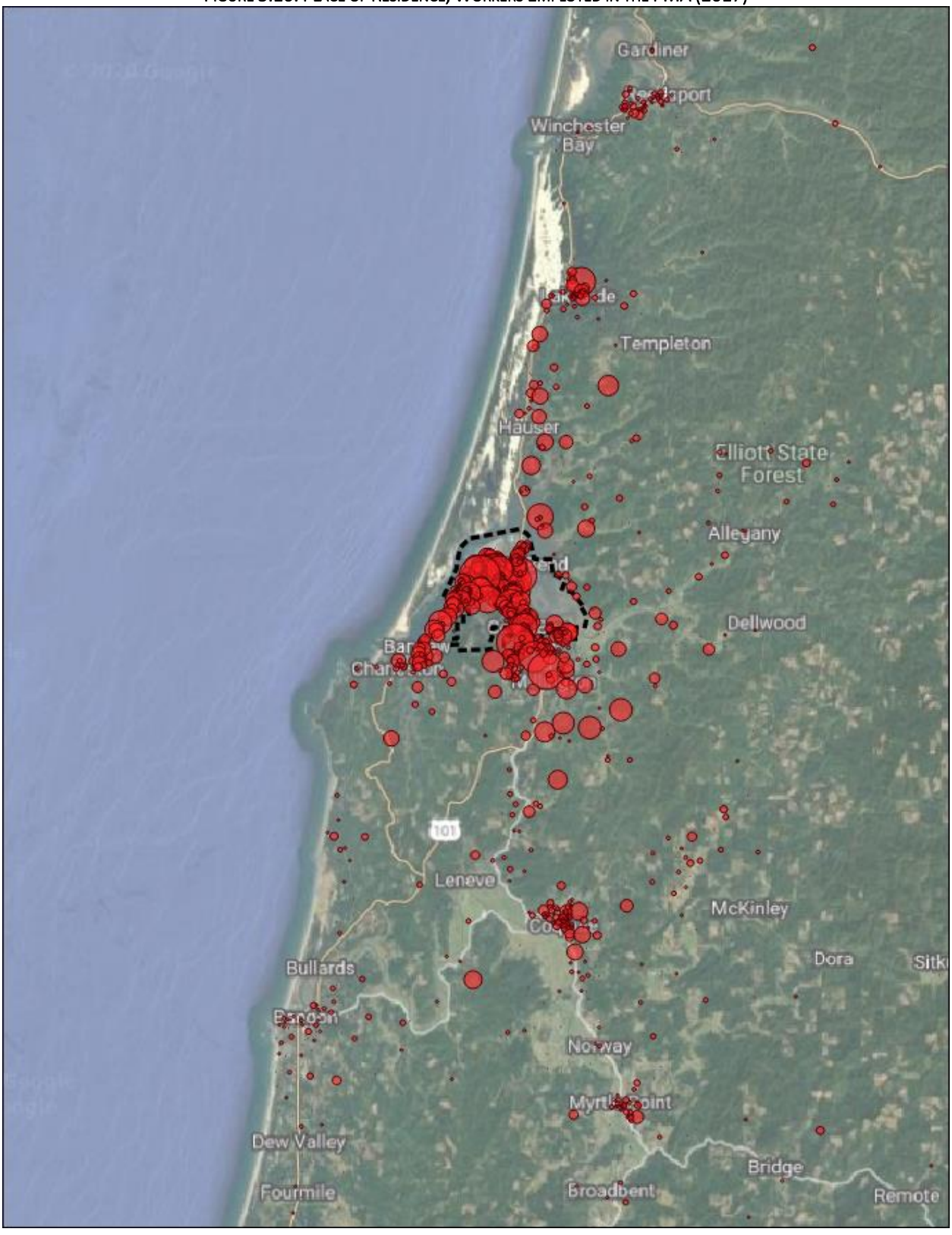
City-level employment estimates are only available through 2017. As of 2017, the defined PMA (North Bend and Coos Bay) employed 13,800 workers, making up 63% of countywide employment. Of these 13,800 workers, 5,700 (42%) resided within the PMA, while 8,100 workers commuted in from surrounding areas. Roughly 4,000 workers residing in the PMA commuted to workplaces outside the PMA.

The number of workers who both worked and resided within the PMA declined by 700 over the 10 years between 2007 and 2017. The number of resident workers who commuted out of the PMA also declined, by 300. However, the number of workers commuting into the PMA increased by over 300 over the ten years. If we extend the period to go back as far as 2002, the number of in-commuters increased by 1,300.

A decline in resident workers and increase in in-commuters typically reflect a market with a shortage of housing appropriate for the workforce. The most important changes to the local workforce over the 2007-17 period was an increase in workers above the age of 55 (+800 workers), and workers earning more than $40,000 per year (+1,150 workers). This could indicate that older, middle-wage workers currently struggle to find housing within the PMA that matches their preferences and income levels.

As indicated, 42% of PMA workforce lived within the PMA in 2017. Another 30% lived elsewhere in Coos County. The vast majority of these likely live in single-family homes. Single-family housing in these surrounding areas is generally priced slightly lower than in the PMA. The map on the next page displays where workers employed in the PMA resided as of 2017.

FIGURE 5.16: PLACE OF RESIDENCE, WORKERS EMPLOYED IN THE PMA (2017)



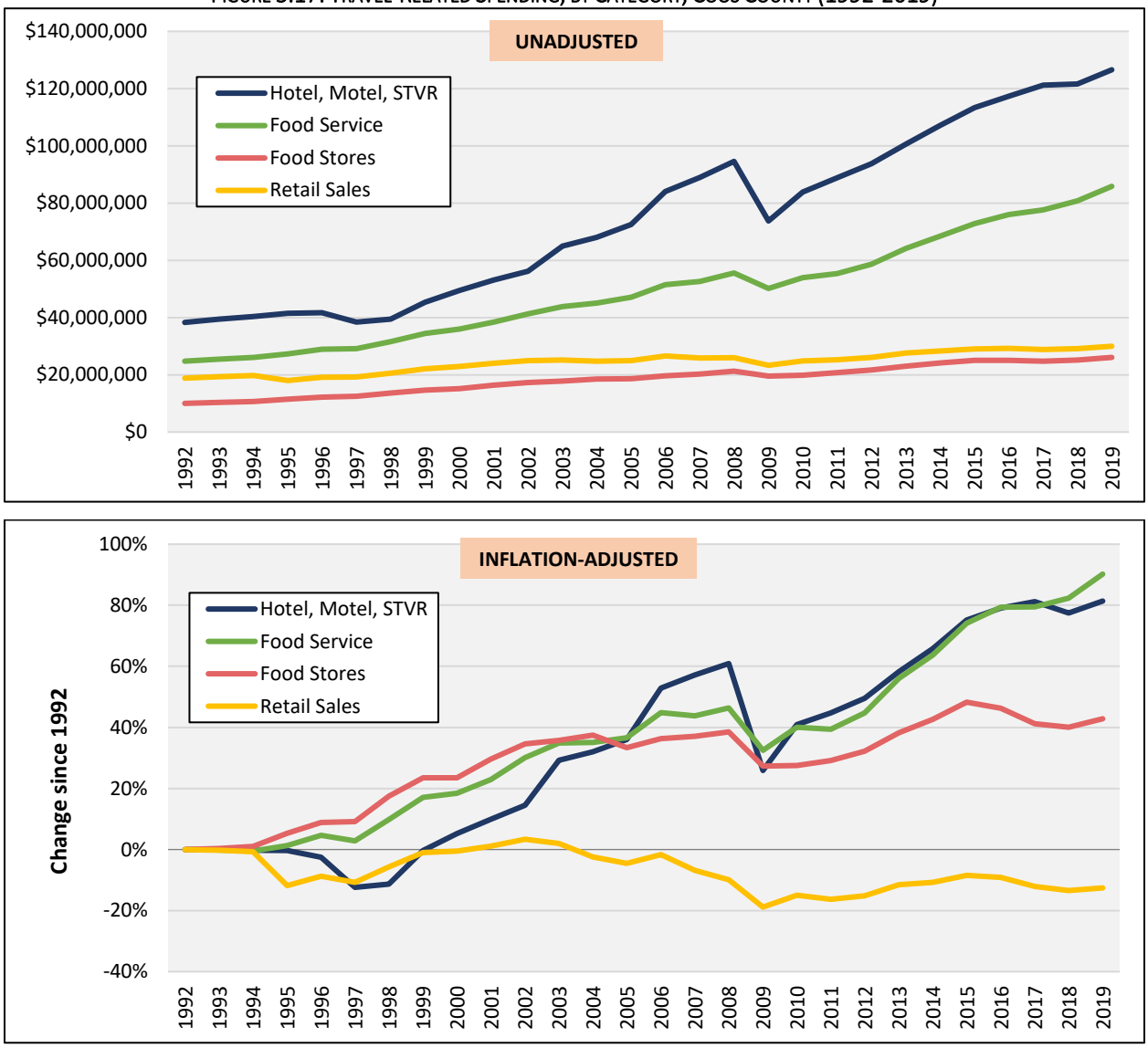

*SOURCE: U.S. Census Bureau, JOHNSON ECONOMICS*

## TOURISM

Oregon has experienced a significant increase in tourism over the past decades, both from out-of-state visitors and from in-state residents. Coos County has also benefitted from this increase. Between 2000 and 2019, the county's hotel sector saw an increase of 156% in revenues, reaching $127 million in 2019. The increase translates into a 72% gain on an inflation-adjusted basis, which represents average annual growth of 2.9%. Visitor volume measured in room nights (only available since 2010) increased 17% over the 2010-19 period, for an average of 1.8% per year. Statewide, the visitor volume increased 20% over the same period (2.1% annually).

Increased tourism has also had a significant impact on sales at eating and drinking places. Dean Runyan Associates estimates the impact to $86 million in 2019, after inflation-adjusted growth of 61% since 2000. The impact on grocery shopping and other retail sales has been more limited. The two categories each represented around $30 million in tourist spending in 2019, with the grocery sector seeing inflation-adjusted growth of 16% since 2000, while other retail saw a decline of 12%. The second chart below displays growth since 1992.

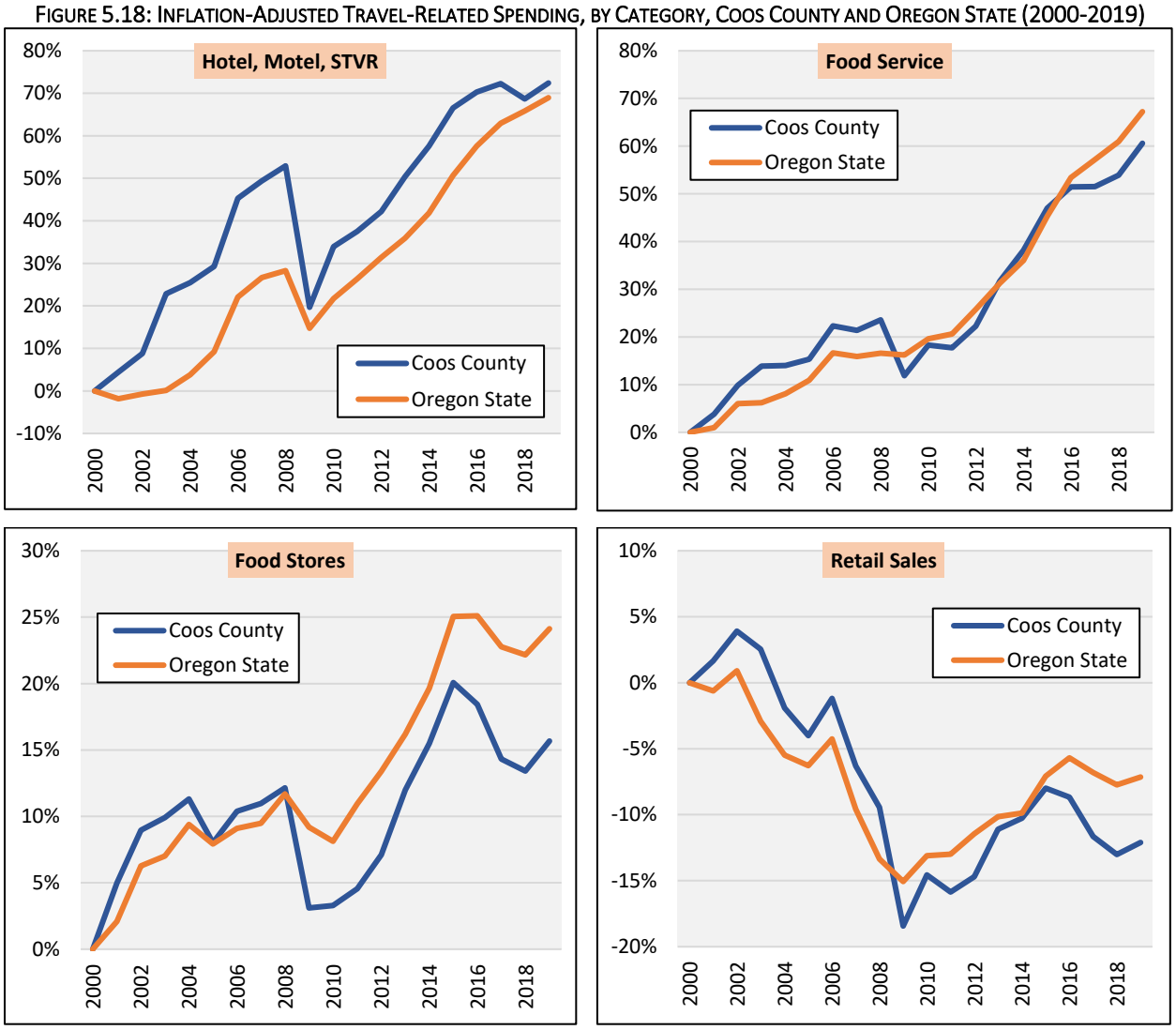
FIGURE 5.17: TRAVEL-RELATED SPENDING, BY CATEGORY, COOS COUNTY (1992-2019)




*SOURCE: Dean Runyan Associates, JOHNSON ECONOMICS*

Below, we have included charts that compare countywide and statewide growth in inflation-adjusted travel spending since 2000. In the hotel and restaurant sectors, Coos County outperformed the remainder of the state in the 2000s, but has underperformed over the past decade. Travel-related spending on groceries and other retail categories was roughly tracking statewide growth during the 2000s, but underperformed during the 2010s, especially after 2015. The restaurant sector enjoyed the strongest momentum toward the end of the decade.

FIGURE 5.18: INFLATION-ADJUSTED TRAVEL-RELATED SPENDING, BY CATEGORY, COOS COUNTY AND OREGON STATE (2000-2019)




*SOURCE: Dean Runyan Associates, JOHNSON ECONOMICS*

# VI. MARKET SURVEY

## RENTAL APARTMENTS

### MARKET SURVEY

Much of the apartment inventory in North Bend and Coos Bay is regulated affordable projects of dated vintage. In order to assess achievable pricing for a new market-rate project on the subject site, we sought to identify the most up-to-date market-rate projects in this area, including older properties that have been renovated in recent years. We provide details on four properties from this area on the next page. Two of these are renovated historic buildings in Downtown Coos Bay, while the other two are low-rise structures built in 1977 and 1996. For additional reference points, we have also include a condo property built in Florence in 2007, with units that have been offered in the rental market. The properties are mapped below.

FIGURE 6.1: MAP OF SURVEYED APARTMENT PROPERTIES


*SOURCE: Google Earth, QGIS, JOHNSON ECONOMICS*

FIGURE 6.2: PROFILES OF SURVEYED APARTMENT PROPERTIES

**TIOGA APARTMENTS**
275 N Broadway
Coos Bay, Oregon
Built 1926, ren. 2020

| Unit Type | Size (SF) | Avg, Rent | Rent/sf |
|---|---|---|---|
| 0B/1b | 700 | $1,075 | $1.54 |
| 1B/1b | 880 | $1,452 | $1.65 |
| 2B/1b | 963 | $1,630 | $1.69 |

Notes: 9 stories, 52 units. Unobstructed views, including of the Bay. Multiple finish levels. No in-unit washer/dryer. Rents are for 9th floor.

**THE CHANDLER**
150 S 2nd St
Coos Bay, Oregon
Built 1909, ren. 1987, 2013

| Unit Type | Size (SF) | Avg, Rent | Rent/sf |
|---|---|---|---|
| 0B/1b | 475 | $763 | $1.61 |
| 1B/1b | 600 | $838 | $1.40 |

Notes: 5 stories, 36 units. Corner of 2nd St and Central Ave. Unobstructed views on upper floors. No washer/dryer in unit.

**SOUTHRIDGE APTS.**
355 S 8th St
Coos Bay, Oregon
Built 1977

| Unit Type | Size (SF) | Avg, Rent | Rent/sf |
|---|---|---|---|
| 1B/1b | 648 | $710 | $1.10 |
| 2B/1b | 818 | $860 | $1.05 |
| 2B/1b | 856 | $900 | $1.05 |

Notes: 2 stories, 48 units. Just west of Downtown. Laundry facility, no in-unit washer/dryer.

**SOUTHRIDGE ANNEX**
151 N 8th St
Coos Bay, Oregon
Built 1996

| Unit Type | Size (SF) | Avg, Rent | Rent/sf |
|---|---|---|---|
| 3B/2b | 1,200 | $1,300 | $1.08 |

Notes: One 3-story building with 16 units and tuck-under parking. Laundry facility, no in-unit washer/dryer.

**NORTH BAY CONDOS**
211 Harbor St
Florence, Oregon
Built 2007

| Unit Type | Size (SF) | Avg, Rent | Rent/sf |
|---|---|---|---|
| 1B/1.5b | 886 | $1,400 | $1.58 |

Notes: 4-story condominium building with 29 units, adjacent Bridgeport Market. Partial river views. Elevator, in-unit washer/dryer.



*SOURCE: Property managers and leasing agents; Loopnet, Craigslist, Coos County, JOHNSON ECONOMICS*

## ACHIEVABLE PRICING

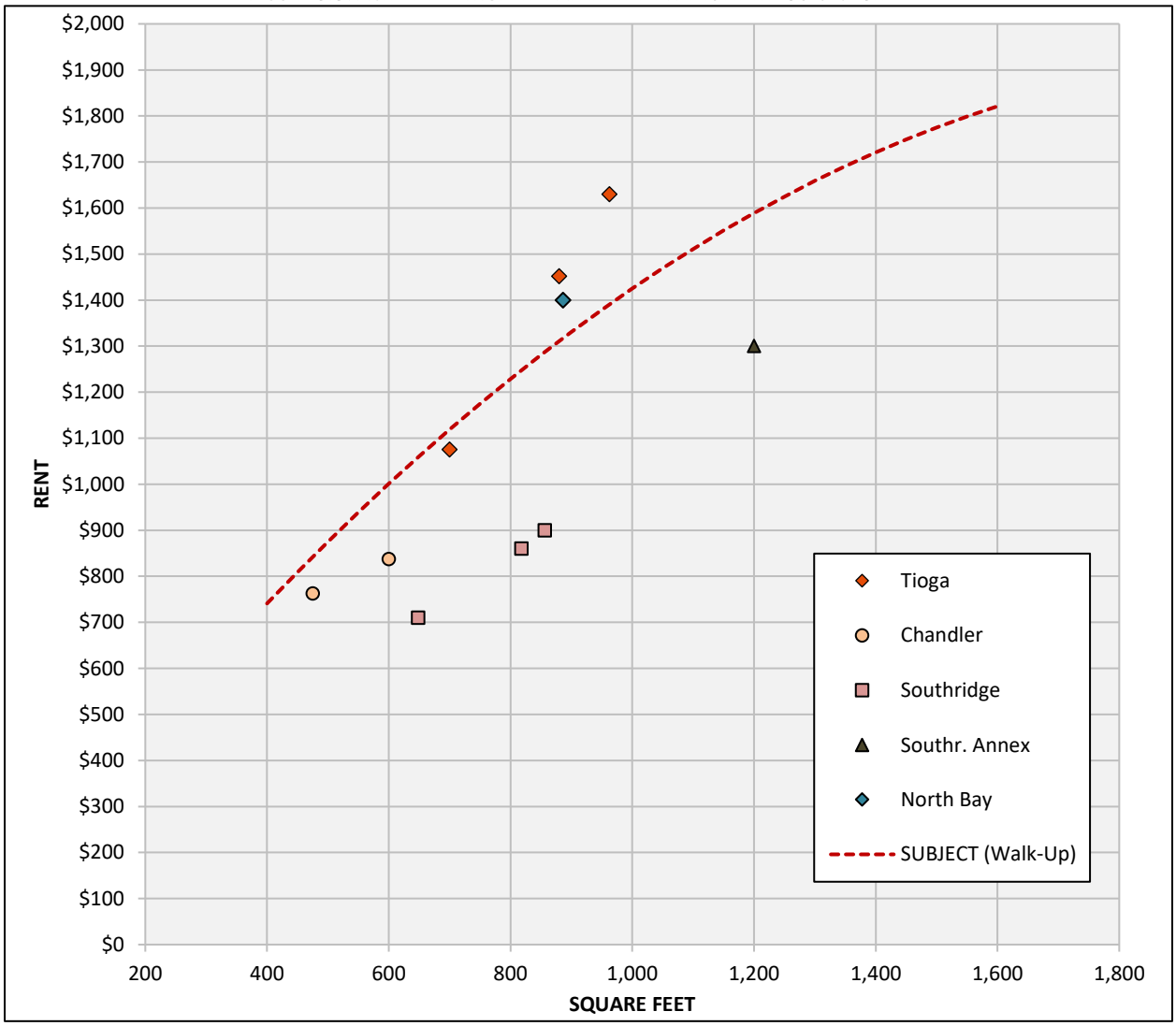
Achievable pricing at the subject site will depend on the profile and amenities of the project, as well as development of other uses on the site. In the following, we will provide pricing estimates for a three-story walk-up project as well as a four-story elevator structure, assuming up-to-date but modestly appointed units with a limited community amenity package. We further assume that there will be some commercial amenities built within walking distance (e.g., coffee shop, restaurants).

We regard the best reference points for pricing at the subject site to be the three properties with the most up-to-date units. These include the two historic buildings in Downtown Coos Bay, and the condo building in Florence. All three have fairly modern finishes, and further represent locations with views and access to commercial amenities. We would expect pricing well above the two low-rise structures from 1977 and 1996, which represent less vibrant locations as well as less attractive exterior and interior features, and a lack of views.

The highest rents in the survey are at the Tioga, which recently started leasing its first renovated units, mostly on the top floor. Rents for units on the lower floors are scheduled to be lower. Given the expansive views offered by the top-floor units, we would expect average rent levels on the subject site to be somewhat lower. We would also expect a slight discount to North Bay in Florence, while we expect premiums to the other properties in the survey. Community amenities at the subject site will help rent levels relative to the surveyed properties, which offer few if any such amenities.

The chart on the next page displays our estimates for average rents for walk-up structures by unit type, plotted against the observed rent levels at the surveyed properties. We have also included a table with rent estimates for a unit mix anticipated to match the demand at the subject site. This mix yields a blended per-square-foot rate of $1.57 for three-story walk-up apartments and $1.63 for four-story elevator structures.

FIGURE 6.3: ACHIEVABLE MONTHLY APARTMENT RENTS AT THE SUBJECT SITE




| APARTMENTS | UNIT MIX | | | WALK-UP | | ELEVATOR | |
|---|---|---|---|---|---|---|---|
| Type | Units | Share | Avg. Size | Per Unit | Per SqFt. | Per Unit | Per SqFt. |
| 0B/1b | 15 | 19% | 450 | $809 | $1.80 | $849 | $1.89 |
| 1B/1b | 25 | 31% | 600 | $1,001 | $1.67 | $1,046 | $1.74 |
| 2B/1b | 15 | 19% | 800 | $1,229 | $1.54 | $1,281 | $1.60 |
| 2B/2b | 25 | 31% | 950 | $1,379 | $1.45 | $1,430 | $1.51 |
| ***Total/Avg.*** | ***80*** | ***100%*** | ***719*** | ***$1,126*** | ***$1.57*** | ***$1,173*** | ***$1.63*** |

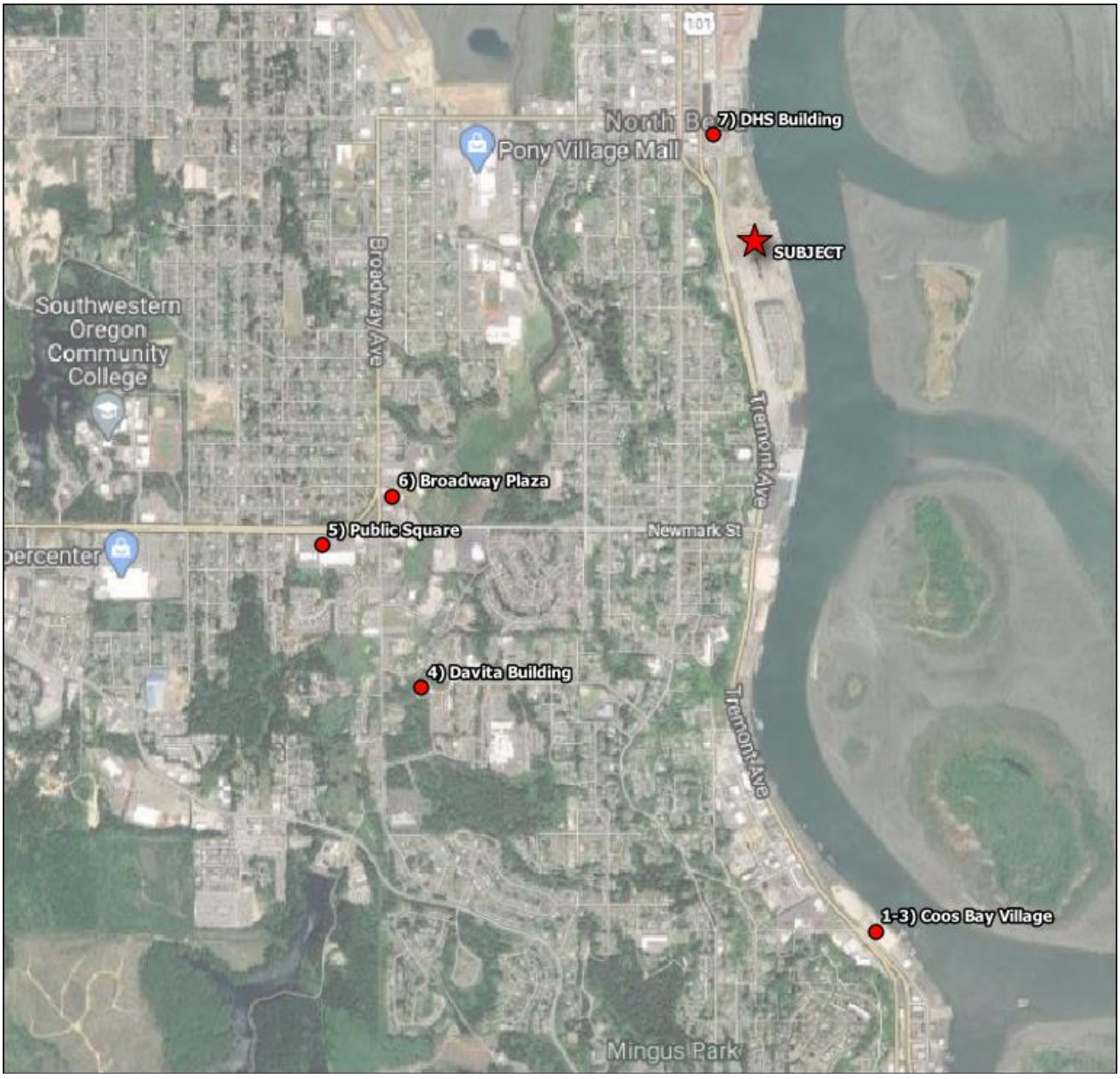
*SOURCE: Property managers and leasing agents; Loopnet, Craigslist, Coos County, JOHNSON ECONOMICS*

## COMMERCIAL SPACE

### MARKET SURVEY

The inventory of commercial space in the North Bend/Coos Bay market includes a few new properties, though most of the inventory is dated space. For this assessment of achievable pricing, we have included profiles of seven properties over the next pages. Three of these are freestanding buildings with restaurant and retail space that were recently completed within the Coos Bay Village development. We have also included one medical office building, built in 2018, one office/service property from 2007, a larger office building from 1995, and a retail center from 1969. We did not find any business parks to survey in this market.

FIGURE 6.4: MAP OF SURVEYED COMMERCIAL PROPERTIES




*SOURCE: Google Earth, QGIS, JOHNSON ECONOMICS*

FIGURE 6.5: PROFILES OF SURVEYED COMMERCIAL PROPERTIES

## 1) COOS BAY VILLAGE #H

1270 N Bayshore Dr, Coos Bay

| | |
|---|---|
| Type: | Freestanding Drive-thru |
| Year built: | 2020 |
| Total square feet: | 2,017 |
| Major road exposure: | Highway 101 |
| Major road AADT: | 23,400 |
| Available square feet: | 0 |
| Available %: | 0% |
| Lease type: | NNN |
| Negotiated lease rate: | $39.66 |

Notes: New freestanding coffee shop building with drive-thru. Staarbuck built-to-suit. 10-year lease with annual escalation. The center has visibility and


## 2) COOS BAY VILLAGE #I

1250 N Bayshore Dr, Coos Bay

| | |
|---|---|
| Type: | Freestanding Retail |
| Year built: | 2020 |
| Total square feet: | 2,750 |
| Major road exposure: | Highway 101 |
| Major road AADT: | 23,400 |
| Available square feet: | 0 |
| Available %: | 0% |
| Lease type: | NNN |
| Negotiated lease rate: | $24.00 |

Notes: New freestanding restaurant/retail building. Leased by Face Rock Creamery. 10-year lease. The center has visibility and northbound


## 3) COOS BAY VILLAGE #J

1230 N Bayshore Dr, Coos Bay

| | |
|---|---|
| Type: | Freestanding Retail |
| Year built: | 2020 |
| Total square feet: | 2,750 |
| Major road exposure: | Highway 101 |
| Major road AADT: | 23,400 |
| Available square feet: | 0 |
| Available %: | 0% |
| Lease type: | NNN |
| Negotiated lease rate: | $21.82 |

Notes: New freestanding retail building. Leased by Charter Communications (Spectrum). 5-year lease. The center has visibility and northbound access from

## 4) DAVITA BUILDING

1935 Thomson Road, Coos Bay

| | |
|---|---|
| Type: | Freestanding Medical |
| Year built: | 2018 |
| Total square feet: | 6,400 |
| Major road exposure: | Thomson Rd |
| Major road AADT: | N/A |
| Available square feet: | 0 |
| Available %: | 0% |
| Lease type: | NNN |
| Negotiated lease rate: | $37.82 |

Notes: Freestanding medical office building near Bay Area Hospital. DaVita Dialysis build-to-suit. Long-term lease with rent growth.


## 5) PUBLIC SQUARE

2131-2265 Newmark St, North Bend

| | |
|---|---|
| Type: | Community Center |
| Year built: | 1969 |
| Total square feet: | 66,000 |
| Major road exposure: | Newmark St |
| Major road AADT: | 20,400 |
| Available square feet: | 2,000 |
| Available %: | 3% |
| Lease type: | NNN |
| Asking lease rate: | $10.80-11.40 |

Notes: Newmark/Broadway intersection. Anchored by BiMart and Big Lots. One 1,600 suite recently leased at $11.40 NNN (asking).


## 6) BROADWAY PLAZA

3229 Broadway, North Bend

| | |
|---|---|
| Type: | Strip mall |
| Year built: | 2007 |
| Total square feet: | 14,918 |
| Major road exposure: | Broadway |
| Major road AADT: | 15,200 |
| Available square feet: | 1,100 |
| Available %: | 7% |
| Lease type: | NNN |
| Asking lease rate: | $12.60-14.40 |

Notes: Strip mall near Newmark/ Broadway intersection with 13 nearly identical suites around 1,000-1,200 SF.

## 7) DHS BUILDING

2025-75 Sheridan Ave, North Bend

| | |
|---|---|
| Type: | Office (Light-Industrial) |
| Year built: | 1995 |
| Total square feet: | 23,500 |
| Major road exposure: | Hwy 101 (Sheridan) |
| Major road AADT: | 9,700 |
| Available square feet: | 0 |
| Available %: | 0% |
| Lease type: | NNN |
| Asking lease rate: | $8.68 |

Notes: Office building in light-industrial zone without loading doors. Leased by the DHS until October 2017. Asking rate reduced from $11.40.

*SOURCE: Property managers, brokers, Loopnet, RMLS, Coos County, JOHNSON ECONOMICS*

ACHIEVABLE PRICING

The three retail buildings within Coos Bay Village are good indicators of achievable pricing for similar auto-oriented retail space at the subject site, as the subject has a comparable location between Highway 101 and the Bay. The buildings captured negotiated rents of $21.82 (NNN, PSF) for standard, freestanding retail space; $24.00 for freestanding space with foodservice capability; and $39.66 for a drive-thru coffee shop with an expansive window line. These rates are typical of the rates needed to support the construction of new auto-oriented retail space. National retail and restaurant chains that identify a market as meeting their criteria in terms of customer base and anticipated sales are generally willing to pay these rates.

Local independent establishments are less likely to meet these rent levels. Standard retail space of the dated vintage that dominates this market typically have asking rates in the $10-12 range (NNN), as illustrated by Public Square. The low rates currently asked at the DHS Building indicate a lack of demand from larger office users that can utilize deep cubicle space, and illustrates the need for firm lease commitments before building office space of a large format.

In the office segment, the Davita Building is a good indicator of achievable pricing for a build-to-suit medical clinic operated by an established regional or national medical provider. Lease rates at such buildings are highly dependent on the specific features required by the user (e.g., plumbing, electricity, HVAC, elevators, x-ray protection), but annual rates in the $30-40 range are quite common. We would expect rates in the $25-40 range to be achievable for clinics at the subject site.

As shown by Broadway Plaza, lease rates for smaller non-medical office spaces are currently below $15 per year in this market. However, we expect higher rates up to $20 to be achievable for modern spaces in an attractive environment, with demand coming from professional, financial, personal, and medical service providers.

FIGURE 6.6: ACHIEVABLE COMMERCIAL LEASE RATES AT THE SUBJECT SITE

| USE | USER CATEGORY | DEVELOPMENT FORM | ACHIEVABLE PRICING* |
|---|---|---|---|
| Retail | Small retail/restaurant | 1-story freestanding/strip mall | $20.00 - $24.00 |
| Retail | Drive-thru restaurant | 1-story freestanding drive-thru | $36.00 - $40.00 |
| Office | Prof./personal service | 1-2 story multi-tenant | $16.00 - $20.00 |
| Office | Medical clinic | 1-2 story clinic, build-to-suit | $25.00 - $40.00 |

* Annual, triple-net, per square foot.

*SOURCE: JOHNSON ECONOMICS*

## INDUSTRIAL SPACE

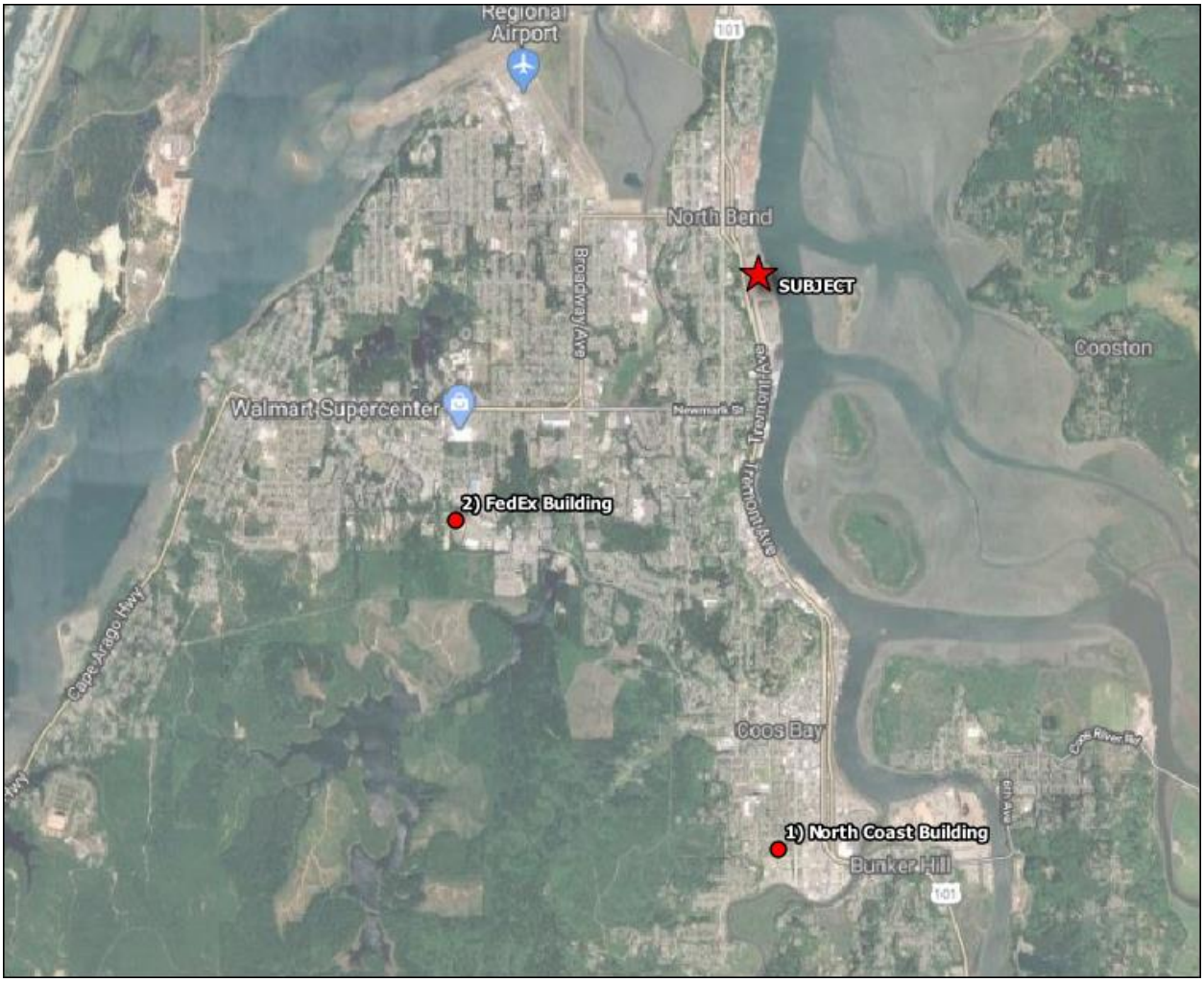
### MARKET SURVEY

In our search through historical industrial listings in Coos County, we found very few lease properties. We found only two recent listings that we regard as relevant for the subject site. One of these is an older warehouse with office from 1952, located in Bunker Hill. It totals 13,200 square foot and is currently occupied by an electric company. It was recently listed at an annual rate of $6.46 per square foot (NNN).

The second property is a new distribution center built for FedEx on Ocean Boulevard in Coos Bay. The building, which is 29,500 square feet in size, with five dock high doors and a number of grade level doors, was built in 2017. Based on the negotiated lease rate in 2017, we estimate that the property currently represents an annual rate of $12.57 per square foot (NNN). This includes a fenced yard with 18 trailer parking spaces.

Not included below, we also looked at prevailing rates for self-storage units in North Bend and Coos Bay, which might be a potential use at the subject site. Self-storage rates, along with other warehouse rates, provide an indication of achievable rates for smaller warehouse spaces for contractors ("contractor storage").

FIGURE 6.7: MAP OF SURVEYED INDUSTRIAL PROPERTIES




*SOURCE: Google Earth, QGIS, JOHNSON ECONOMICS*

FIGURE 6.8: PROFILES OF SURVEYED INDUSTRIAL PROPERTIES

**1) FEDEX BUILDING**
3333 Ocean Blvd, Coos Bay

| | |
|---|---|
| Type: | Distribution |
| Year built: | 2017 |
| Total square feet: | 29,503 |
| Major road exposure: | Ocean Blvd |
| Major road AADT: | 9,400 |
| Available square feet: | 0 |
| Available %: | 0% |
| Lease type: | NNN |
| Negotiated lease rate: | $12.57 |

Notes: FedEx Ground Distribution Center, build-to-suit completed 2017. 5 docks, 9 grade doors, 9 trailer parking spaces. Rent adjusted to 2020 based on 2017 rate.


**2) NORTH COAST BUILDING**
1075 S 5th St, Coos Bay

| | |
|---|---|
| Type: | Warehouse |
| Year built: | 1952 |
| Total square feet: | 13,800 |
| Major road exposure: | 5th St/Kruse Ave |
| Major road AADT: | N/A |
| Available square feet: | 0 |
| Available %: | 0% |
| Lease type: | NNN |
| Negotiated lease rate: | $6.46 |

Notes: Warehouse with attached office, occupied by North Coast Electric. Dated, basic construction. One grade-level door.

*SOURCE: Property managers, brokers, Loopnet, RMLS, Coos County, JOHNSON ECONOMICS*

## ACHIEVABLE PRICING

Even if we discount the indicated lease rate for the FedEx Building to exclude the trailer parking, the rate is relatively high, and may only be achievable for build-to-suit projects leased by growing national establishments like FedEx, UPS, and Amazon. We would expect most manufacturers, wholesalers, and other distributors to pay between $8.00 and $10.00 per square foot for generic speculative space in the same size category (blended rate, assumes 15% office buildout). We would expect rates up to $12.00 to be achievable for spaces down to 5,000 square feet. Contractor storage units (no office office) down to 1,000 square feet in size might capture rates up to $14.00 annually, while we would expect self-storage units to capture rates up to $16.00.

FIGURE 6.9: ACHIEVABLE INDUSTRIAL LEASE RATES AT THE SUBJECT SITE

| USE | USER CATEGORY | DEVELOPMENT FORM | ACHIEVABLE PRICING* |
|---|---|---|---|
| Industrial | Misc. industrial | Small-bay/flex/distribution | $8.00 - $12.00 |
| Industrial | Contractors | Contractor storage | $10.00 - $14.00 |
| Industrial | Self storage | Mini storage | $13.50 - $16.00 |

* Annual, triple-net, per square foot.

*SOURCE: JOHNSON ECONOMICS*

## HOSPITALITY

The survey conducted for hotel and motel properties was more limited in scope than the other use types, as the Mill Casino Hotel, owned and operated by Tribal One, already provides good reference points for achievable pricing at the subject site. The property had an average daily retail rate of $157 in 2020 (as of November).

The Mill is the only hotel/motel property in the North Bend/Coos Bay market that was built in the last 30 years. The other 10 properties (including bed & breakfast places), which together total 627 rooms, have an average room age of 50 years. Among these, the Red Lion (motel built 1972) holds the highest standard, with rooms that have been renovated in recent years. It has standard rates in the $125-170 range, depending on season. Another reference point from outside the market area is Best Western in Reedsport, which opened in 1991, with standard rates in the $100-200 range.

On this basis, we would expect a new limited-service hotel on the subject site to achieve average daily rates in the $140-160 range in the current market, depending on profile and amenities. A full-service or resort hotel would likely capture higher rates, assuming adequate market depth.

# VII. FUTURE LAND DEMAND

In this section, we develop demand projections for a range of uses in the North Bend/Coos Bay market and at the subject site. Residential demand is estimates through a demographic segmentation of the existing household base and historical migration trends, and local, segment-specific propensity rates for various types of housing. Retail demand is estimated based on current spending patterns, including leakage to surrounding areas, and anticipated future household growth. Office, institutional, and industrial demand is estimated based on employment growth in the industries that typically occupy this type of space, as well as typical space needs per employee. Hospitality demand is evaluated in light of local trends in spending on accommodations. For each of the uses, we first model market-wide demand before estimating potential absorption at the subject site. Note that for several uses, demand is first estimated for the larger Primary Market Area (PMA), which includes rural areas and smaller communities around North Bend and Coos Bay, as households in this larger area contribute to demand for goods and services in these cities, and generate household formation among segments with a propensity for multifamily housing in urban areas.

## RESIDENTIAL – RENTAL APARTMENTS

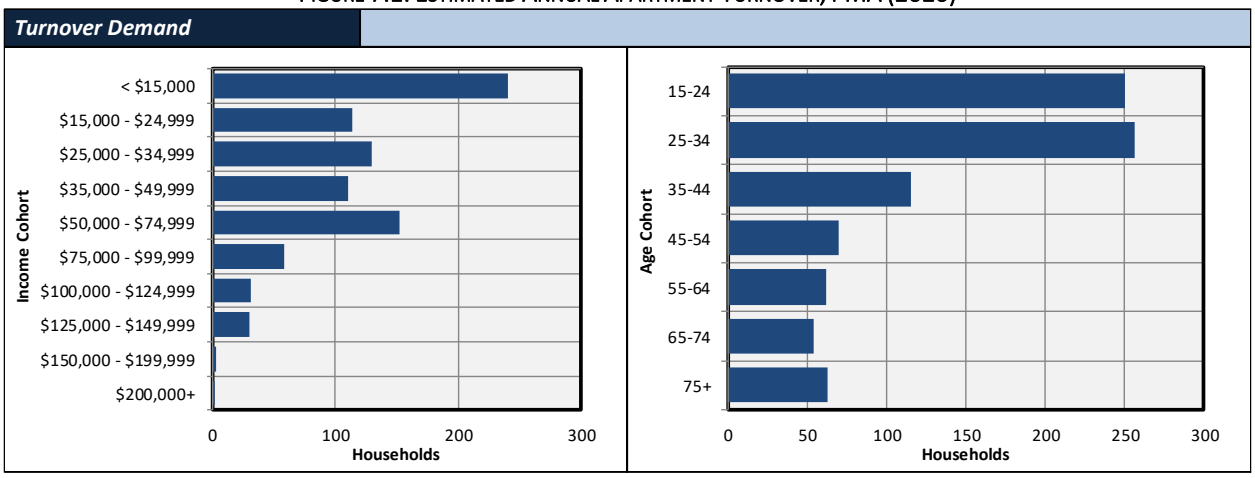
In this section, we analyze the depth of the market for new rental apartments in the North Bend/Coos Bay market. We provide estimates of market depth in the existing apartment population as well as demand growth over the coming 20 years.

### CURRENT MARKET DEPTH – RENTAL APARTMENTS

The existing base of apartment renters in the PMA totals approximately 2,600 households, according to estimates from the Census Bureau. We segment these renters by age and income using a model that draws on total household estimates by age and income produced by Environics, a third-party data provider that generates current-estimates based on trends in census data. The model also makes use of recent intercensal estimates and microdata from the U.S. Census Bureau. These datasets allow us to establish local propensity rates for apartment tenure in each age-income segment. The same dataset is used to establish historical, segment-specific turnover rates.

According to our model, turnover among existing apartment households in the PMA represents roughly 850 lease transactions annually. Young and low- to middle-income households are expected to dominate turnover in the market over the next years, reflecting the market's demographic profile and the relatively high turnover rates in the younger segments. We expect support for a new apartment project on the subject site to come primarily from households with incomes above $50,000. Our model indicates nearly 300 annual turnover transactions above this threshold. The following chart provides a demographic profile of turnover, based on the outputs from our segmentation model.

FIGURE 7.1: ESTIMATED ANNUAL APARTMENT TURNOVER, PMA (2020)



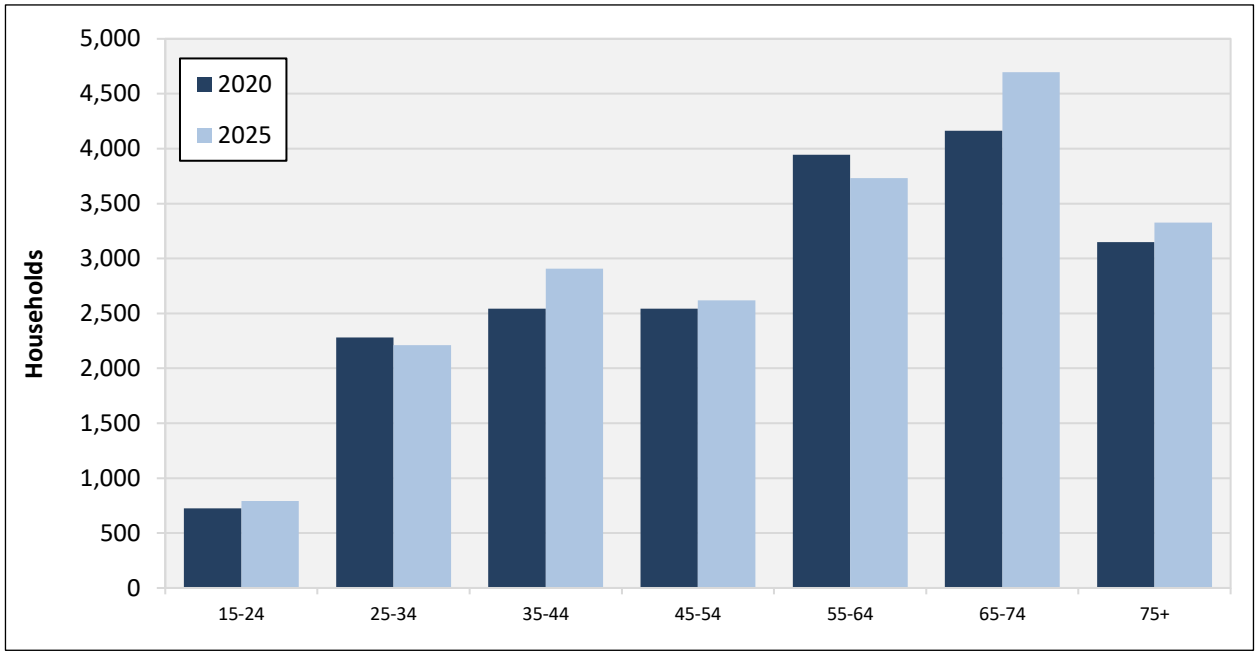

*SOURCE: JOHNSON ECONOMICS*

## FUTURE DEMAND GROWTH

JOHNSON ECONOMICS has developed a housing demand model that translates estimates of market-area household growth into demand for housing of different forms. The model begins with household growth estimates from Environics, which are stratified by age and income – the variables that best predict housing preferences. The goal is for the projections to reflect underlying demand rather than expected realized household growth, which is constrained by supply. Local, segment-specific propensity rates calculated from census microdata are used to allocate the new growth to different types of housing.

Based on the projections from Environics, we estimate a net increase in housing demand of 1,300 units in the PMA over the coming 10 years, followed by 1,400 units in the subsequent 10 years. These estimates represent an annual growth rate of 0.6%, which is somewhat higher than the 0.4% average annual growth over the past 20 years. The following chart displays the anticipated distribution of housing demand across age segments over the first five years. The projections take into account recent migration trends as well as aging of the existing household base. The estimates indicate particular growth concentrations among seniors (age 65+) and in the 35-44 age group over this period.

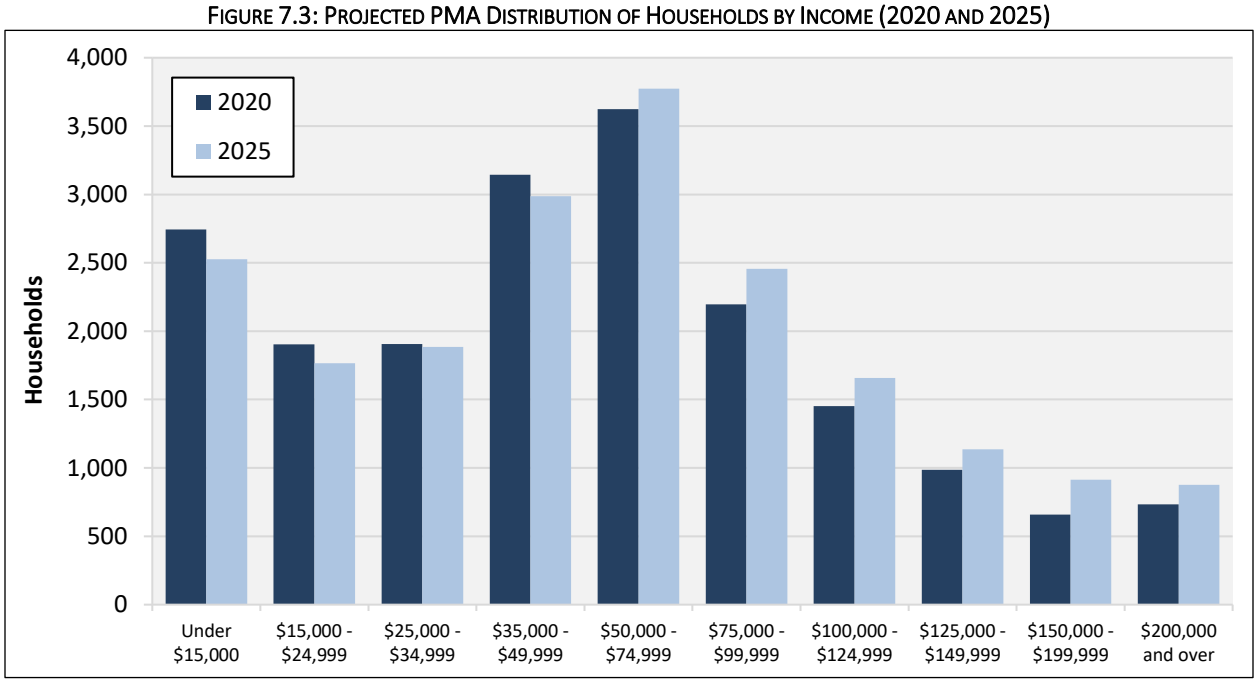
FIGURE 7.2: PROJECTED PMA DISTRIBUTION OF HOUSEHOLDS BY AGE (2020 AND 2025)




*SOURCE: JOHNSON ECONOMICS*

With respect to income, the demand growth on a net basis is anticipated to be concentrated among middle- and upper-income households, in line with recent trends. The strongest growth is expected in the $75,000-100,000 segment. Declines are expected at the lowest income levels.

FIGURE 7.3: PROJECTED PMA DISTRIBUTION OF HOUSEHOLDS BY INCOME (2020 AND 2025)

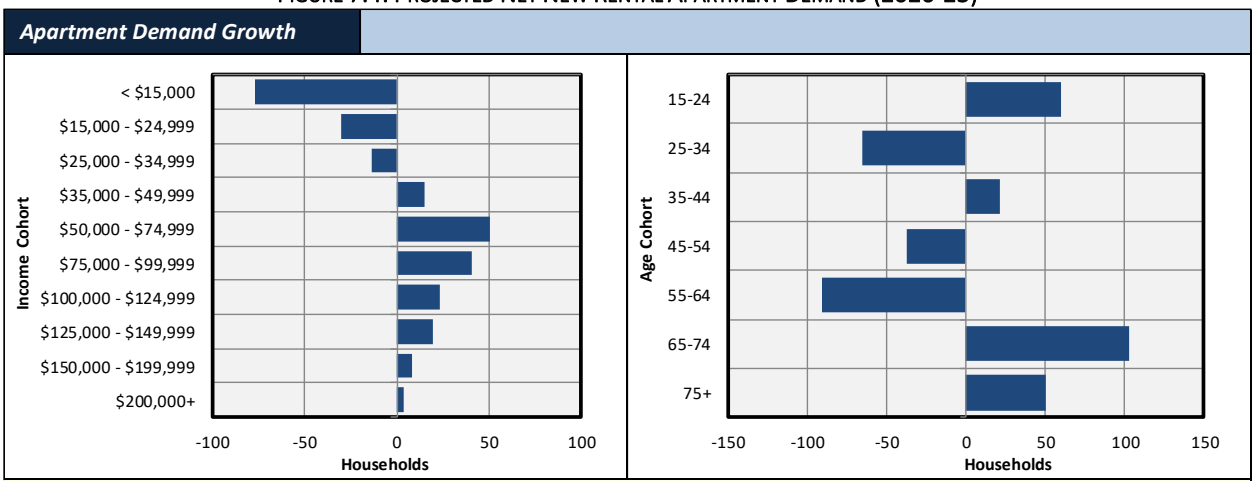



*SOURCE: JOHNSON ECONOMICS*

## FORECAST OF DEMAND GROWTH FOR RENTAL APARTMENTS

Our forecast model indicates demand growth of just over 100 apartment households over the coming 10 years (including 40 over the first five years), and 110 over the subsequent 10-year period. The growth is expected to be concentrated in middle- and upper-income segments, with seniors contributing strongly over the first 10 years. The following figure provides a profile of the net growth over the first five years.

FIGURE 7.4: PROJECTED NET NEW RENTAL APARTMENT DEMAND (2020-25)



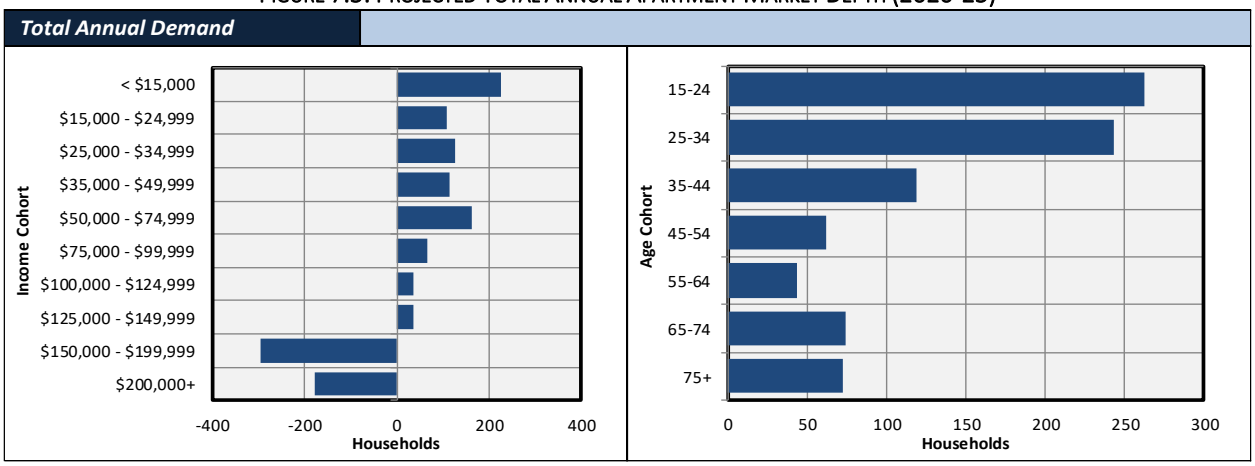

*SOURCE: JOHNSON ECONOMICS*

## FORECAST OF TOTAL APARTMENT DEMAND

Combining our estimates of turnover demand and demand growth, we arrive at the following profile of total demand within the market area over the next five years. The charts reflect annual estimates, indicating nearly 900 lease

transactions per year, dominated by young and low/middle-income renters. We expect more than 300 transactions annually involving households with incomes above $50,000.

FIGURE 7.5: PROJECTED TOTAL ANNUAL APARTMENT MARKET DEPTH (2020-25)




*SOURCE: JOHNSON ECONOMICS*

### POTENTIAL ABSORPTION AT THE SUBJECT SITE

Based on conversations with planning departments in North Bend and Coos Bay, recent development interest in the multifamily segment has been muted, and limited to buildings with a handful of units. This suggests that the subject site will meet limited competition from other projects over the forecast period. The subject site further benefits from a central and attractive location within the market area, with good access to the market's employment concentrations. From a competitive standpoint, we would thus expect the subject to capture a large part of the market-wide demand growth on a net basis. In markets that have gone decades without much new supply, we sometimes see new apartment projects capturing more absorption than the net market growth, at the expense of occupancy rates at existing properties.

For planning purposes, we have modeled potential absorption of 80 units over the coming 5-10 years at the subject site, equal to eight years of net market growth. At a density of 30 units per acre, this represents 2.7 acres. Over a 10-15-year period, we model absorption of 135 units, or 4.5 acres at 30 units per acre.

## RETAIL SPACE

In this section we estimate demand for retail space in the North Bend/Coos Bay market, including space occupied by eating and drinking places. We evaluate current unmet demand as observed through the leakage of retail spending to surrounding areas, as well as future demand growth. The latter relies on the household growth estimates generated in the previous section, which include households in rural areas and small communities surrounding these cities (the PMA).

### CURRENT UNMET DEMAND

A comparison of current household retail spending (demand) to current retail sales (supply) within the PMA reveals patterns of spending leakage – losses of retail sales to other geographic regions. The leakage represents potential unmet demand (identified as "opportunity gap" in the following table) that may be filled by new retailers within the trade area. Smaller towns typically exhibit considerable leakage, as they do not have the household counts required to sustain retail businesses dependent on scale. Tourist destinations typically exhibit "oversupply" in certain retail categories, reflecting that they serve visitors as well as residents. A qualitive analysis is required to evaluate which categories truly represent potential for additional establishments. Similarly, a qualitative analysis is required to determine which tenant categories have potential within a particular center format or at a particular site.

Data on retail spending by households (demand) is based on the Consumer Expenditure Survey conducted by the BLS, while data on sales by retailers within the market (supply) is sourced from the Census Bureau's Retail Sales Survey. Environics provides estimates of both spending and sales for custom drawn geographic areas like the PMA. We therefore rely on Environics data in this analysis.

Data for the PMA is presented below, with retail categories sorted by current unmet demand (in dollars). 26 out of the 36 categories are estimated to represent unmet demand, though the unmet demand is in some cases inadequate for additional establishments. Moreover, some of the retail sectors are not adding new stores at the moment, due to competition from online retail. Other categories are dependent on anchor stores or established retail clusters, and are typically only found in large indoor malls or downtowns. We do not regard these to be viable at the subject site.

We have highlighted in yellow 12 categories that we regard to represent the realistic potential at the subject site and that we expect represent adequate demand for additional establishments in this market currently. The estimated unmet demand in these categories total nearly $80 million annually, according to Environics.

FIGURE 7.6: RETAIL OPPORTUNITY GAP, PMA (2020)

| PRIMARY MARKET AREA, 2020 | 2020 Demand | 2020 Supply | Opportunity | |
|---|---|---|---|---|
| Store Category | (Spending) | (Sales) | Gap (Surplus) | Notes |
| Clothing and accessories stores | $34,243,707 | $10,252,153 | $23,991,554 | Demand met online, out of region |
| Pharmacies | $41,043,173 | $19,337,288 | $21,705,885 | Some demand met in grocery/supercenters |
| Gas stations | $69,332,228 | $49,768,866 | $19,563,361 | Potential for more stores |
| Home improvement stores | $28,885,283 | $10,282,849 | $18,602,434 | Some demand met in hardware/furnishings stores |
| Department stores | $18,545,536 | $8,555,535 | $9,990,000 | Demand met in supercenters, online, out of region |
| Electronics and appliance stores | $13,253,700 | $3,614,166 | $9,639,533 | Demand met in supercenters, online, out of region |
| Limited-service restaurants | $39,422,033 | $30,883,464 | $8,538,567 | Potential for more stores |
| Full-service restaurants | $43,112,447 | $36,468,488 | $6,643,960 | Potential for more stores |
| Beer, wine, and liquor stores | $9,072,539 | $3,189,412 | $5,883,126 | Some demand met in grocery/supercenters |
| Shoe stores | $5,043,351 | $1,057,201 | $3,986,149 | Demand met in supercenters, online, out of region |
| Cosmetics and personal care | $5,395,891 | $1,906,402 | $3,489,490 | Demand met in supercenters, online |
| Specialty food stores | $3,322,534 | $86,185 | $3,236,350 | Potential for more stores |
| Hobby, toy, game and book stores | $4,293,978 | $1,059,155 | $3,234,823 | Demand met in supercenters, online |
| Auto parts stores | $7,421,267 | $4,295,339 | $3,125,928 | Potential for more stores |
| Drinking places | $4,328,848 | $1,574,004 | $2,754,844 | Potential for more stores |
| Coffee shops, bakeries, snack bars | $6,353,088 | $3,903,661 | $2,449,427 | Potential for more stores |
| Sporting goods stores | $5,457,957 | $3,213,225 | $2,244,732 | Demand met in supercenters, online |
| Tire stores | $5,130,321 | $2,910,253 | $2,220,068 | Potential for more stores |
| Jewelry, luggage, and leather stores | $4,113,252 | $1,997,527 | $2,115,725 | Demand met in supercenters, online, out of region |
| Optical stores | $2,157,518 | $467,272 | $1,690,246 | Potential for more stores |
| Paint and wallpaper stores | $1,922,971 | $686,285 | $1,236,686 | Potential for more stores |
| Materials, lawn, garden stores | $23,922,917 | $23,137,060 | $785,856 | Iadequate unmet demand |
| Art galleries | $1,173,612 | $817,742 | $355,871 | Iadequate unmet demand |
| Florists | $1,052,318 | $710,248 | $342,070 | Iadequate unmet demand |
| Health supplement stores | $1,242,768 | $1,102,509 | $140,260 | Iadequate unmet demand |
| Pet and pet supplies stores | $3,099,514 | $3,049,012 | $50,502 | Iadequate unmet demand |
| Gift and souvenir stores | $2,043,192 | $2,206,403 | ($163,212) | Demand from tourists |
| Miscellaneous stores | $5,505,669 | $5,756,999 | ($251,330) | Demand from tourists |
| Home furnishings stores | $7,374,310 | $8,190,377 | ($816,067) | Demand from out of region, home improvement |
| Furniture stores | $8,260,246 | $9,400,426 | ($1,140,180) | Demand from out of region |
| Office supplies stores | $1,549,650 | $2,861,287 | ($1,311,637) | Demand from out of region |
| Used goods stores | $2,349,284 | $4,623,384 | ($2,274,101) | Demand from out of region |
| Hardware stores | $4,306,081 | $7,280,163 | ($2,974,082) | Demand from out of region, home improvement |
| Discount and general stores | $12,283,159 | $16,332,462 | ($4,049,302) | Demand from out of region, tourists |
| Convenience stores | $3,703,143 | $11,602,248 | ($7,899,105) | Demand from tourists |
| Motor vehicle dealers | $150,312,209 | $176,035,679 | ($25,723,470) | Demand from out of region |
| Supermarkets and grocery stores | $90,303,667 | $121,120,377 | ($30,816,710) | Demand from out of region, tourists, pharmacies |
| Warehouse clubs and supercenters | $66,930,426 | $115,025,916 | ($48,095,490) | Demand from out of region, tourists, pharmacies |
| ***Total*** | ***$737,263,787*** | ***$704,761,022*** | ***$32,502,761*** | ***Overall 4.4% undersupplied*** |
| *Total, most promising categories* | *$232,618,967* | *$153,570,517* | *$79,048,448* | *34% undersupplied* |

*SOURCE: Environics, JOHNSON ECONOMICS*

## Future Demand Growth

The following figure shows our retail spending forecast for the PMA over the coming 20 years. The estimates start with our assumptions for household growth over the period, to which we apply local average per-household retail expenditures as of 2020. In 2020 dollars, the collective retail spending by PMA households is anticipated to grow by around $50 million over the next 10 years and $100 million over the 20-year period. The demand growth does not substantially alter the picture of which categories represent a realistic opportunity at the subject site, though it may make a small art gallery viable.

Figure 7.7: PMA Retail Spending Forecast (2020-40, 2020 Dollars)

| HOUSEHOLD SPENDING FORECAST | Per Household | Household Spending (in Millions) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Category | Expenditures | 2020 | 2025 | 2030 | 2035 | 2040 | '20-'30 Δ | '20-'40 Δ |
| ***Households*** | | ***19,346*** | ***19,982*** | ***20,638*** | ***21,316*** | ***22,017*** | ***1,292*** | ***2,671*** |
| Clothing and accessories stores | $1,770 | *$34.2* | *$35.4* | *$36.5* | *$37.7* | *$39.0* | ***$2.3*** | ***$4.7*** |
| Pharmacies | $2,122 | *$41.0* | *$42.4* | *$43.8* | *$45.2* | *$46.7* | ***$2.7*** | ***$5.7*** |
| Gas stations | $3,584 | *$69.3* | *$71.6* | *$74.0* | *$76.4* | *$78.9* | ***$4.6*** | ***$9.6*** |
| Home improvement stores | $1,493 | *$28.9* | *$29.8* | *$30.8* | *$31.8* | *$32.9* | ***$1.9*** | ***$4.0*** |
| Department stores | $959 | *$18.5* | *$19.2* | *$19.8* | *$20.4* | *$21.1* | ***$1.2*** | ***$2.6*** |
| Electronics and appliance stores | $685 | *$13.3* | *$13.7* | *$14.1* | *$14.6* | *$15.1* | ***$0.9*** | ***$1.8*** |
| Limited-service restaurants | $2,038 | *$39.4* | *$40.7* | *$42.1* | *$43.4* | *$44.9* | ***$2.6*** | ***$5.4*** |
| Full-service restaurants | $2,228 | *$43.1* | *$44.5* | *$46.0* | *$47.5* | *$49.1* | ***$2.9*** | ***$6.0*** |
| Beer, wine, and liquor stores | $469 | *$9.1* | *$9.4* | *$9.7* | *$10.0* | *$10.3* | ***$0.6*** | ***$1.3*** |
| Shoe stores | $261 | *$5.0* | *$5.2* | *$5.4* | *$5.6* | *$5.7* | ***$0.3*** | ***$0.7*** |
| Cosmetics and personal care | $279 | *$5.4* | *$5.6* | *$5.8* | *$5.9* | *$6.1* | ***$0.4*** | ***$0.7*** |
| Specialty food stores | $172 | *$3.3* | *$3.4* | *$3.5* | *$3.7* | *$3.8* | ***$0.2*** | ***$0.5*** |
| Hobby, toy, game and book stores | $222 | *$4.3* | *$4.4* | *$4.6* | *$4.7* | *$4.9* | ***$0.3*** | ***$0.6*** |
| Auto parts stores | $384 | *$7.4* | *$7.7* | *$7.9* | *$8.2* | *$8.4* | ***$0.5*** | ***$1.0*** |
| Drinking places | $224 | *$4.3* | *$4.5* | *$4.6* | *$4.8* | *$4.9* | ***$0.3*** | ***$0.6*** |
| Coffee shops, bakeries, snack bars | $328 | *$6.4* | *$6.6* | *$6.8* | *$7.0* | *$7.2* | ***$0.4*** | ***$0.9*** |
| Sporting goods stores | $282 | *$5.5* | *$5.6* | *$5.8* | *$6.0* | *$6.2* | ***$0.4*** | ***$0.8*** |
| Tire stores | $265 | *$5.1* | *$5.3* | *$5.5* | *$5.7* | *$5.8* | ***$0.3*** | ***$0.7*** |
| Jewelry, luggage, and leather stores | $213 | *$4.1* | *$4.2* | *$4.4* | *$4.5* | *$4.7* | ***$0.3*** | ***$0.6*** |
| Optical stores | $112 | *$2.2* | *$2.2* | *$2.3* | *$2.4* | *$2.5* | ***$0.1*** | ***$0.3*** |
| Paint and wallpaper stores | $99 | *$1.9* | *$2.0* | *$2.1* | *$2.1* | *$2.2* | ***$0.1*** | ***$0.3*** |
| Materials, lawn, garden stores | $1,237 | *$23.9* | *$24.7* | *$25.5* | *$26.4* | *$27.2* | ***$1.6*** | ***$3.3*** |
| Art galleries | $61 | *$1.2* | *$1.2* | *$1.3* | *$1.3* | *$1.3* | ***$0.1*** | ***$0.2*** |
| Florists | $54 | *$1.1* | *$1.1* | *$1.1* | *$1.2* | *$1.2* | ***$0.1*** | ***$0.1*** |
| Health supplement stores | $64 | *$1.2* | *$1.3* | *$1.3* | *$1.4* | *$1.4* | ***$0.1*** | ***$0.2*** |
| Pet and pet supplies stores | $160 | *$3.1* | *$3.2* | *$3.3* | *$3.4* | *$3.5* | ***$0.2*** | ***$0.4*** |
| Gift and souvenir stores | $106 | *$2.0* | *$2.1* | *$2.2* | *$2.3* | *$2.3* | ***$0.1*** | ***$0.3*** |
| Miscellaneous stores | $285 | *$5.5* | *$5.7* | *$5.9* | *$6.1* | *$6.3* | ***$0.4*** | ***$0.8*** |
| Home furnishings stores | $381 | *$7.4* | *$7.6* | *$7.9* | *$8.1* | *$8.4* | ***$0.5*** | ***$1.0*** |
| Furniture stores | $427 | *$8.3* | *$8.5* | *$8.8* | *$9.1* | *$9.4* | ***$0.6*** | ***$1.1*** |
| Office supplies stores | $80 | *$1.5* | *$1.6* | *$1.7* | *$1.7* | *$1.8* | ***$0.1*** | ***$0.2*** |
| Used goods stores | $121 | *$2.3* | *$2.4* | *$2.5* | *$2.6* | *$2.7* | ***$0.2*** | ***$0.3*** |
| Hardware stores | $223 | *$4.3* | *$4.4* | *$4.6* | *$4.7* | *$4.9* | ***$0.3*** | ***$0.6*** |
| Discount and general stores | $635 | *$12.3* | *$12.7* | *$13.1* | *$13.5* | *$14.0* | ***$0.8*** | ***$1.7*** |
| Convenience stores | $191 | *$3.7* | *$3.8* | *$4.0* | *$4.1* | *$4.2* | ***$0.2*** | ***$0.5*** |
| Motor vehicle dealers | $7,770 | *$150.3* | *$155.3* | *$160.4* | *$165.6* | *$171.1* | ***$10.0*** | ***$20.8*** |
| Supermarkets and grocery stores | $4,668 | *$90.3* | *$93.3* | *$96.3* | *$99.5* | *$102.8* | ***$6.0*** | ***$12.5*** |
| Warehouse clubs and supercenters | $3,460 | *$66.9* | *$69.1* | *$71.4* | *$73.7* | *$76.2* | ***$4.5*** | ***$9.2*** |
| ***Total*** | **$38,109** | ***$737.3*** | ***$761.5*** | ***$786.5*** | ***$812.4*** | ***$839.1*** | ***$49.2*** | ***$101.8*** |
| *Total, most promising categories* | *$12,024* | *$232.6* | *$240.3* | *$248.2* | *$256.3* | *$264.7* | ***$15.5*** | ***$32.1*** |

*SOURCE: Environics, Johnson Economics*

By applying typical sales-per-square-foot figures for each category, we convert estimates of future spending into estimates of retail space demand. The spending increase is estimated to equate around 110,000 square feet over the

first 10 years, and 230,000 square feet over 20 years. Note that not all of this is likely to be captured within the defined trade area, and we would expect the ongoing shift to online shopping to take some of this demand. Within the 12 categories we regard to represent the strongest potential at the subject site, the spending increase is estimated to result in a demand increase of 32,000 and 66,000 square feet over the 10 and 20 years. We expect less online competition in these categories.

FIGURE 7.8: RETAIL SPACE DEMAND SUPPORTED BY HOUSEHOLD GROWTH (2020-40)

| RETAIL SPACE DEMAND | Sales Per | Spending Supported Retail Demand (SF) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Category | Square Foot | 2020 | 2025 | 2030 | 2035 | 2040 | '20-'30 Δ | '20-'40 Δ |
| Clothing and accessories stores | $325 | 105,365 | 108,828 | 112,404 | 116,097 | 119,912 | ***7,038*** | ***14,547*** |
| Pharmacies | $452 | 90,803 | 93,787 | 96,869 | 100,052 | 103,340 | ***6,066*** | ***12,536*** |
| Gas stations | $986 | 70,317 | 72,627 | 75,014 | 77,479 | 80,025 | ***4,697*** | ***9,708*** |
| Home improvement stores | $461 | 62,658 | 64,717 | 66,843 | 69,040 | 71,308 | ***4,185*** | ***8,651*** |
| Department stores | $348 | 53,292 | 55,043 | 56,852 | 58,720 | 60,649 | ***3,560*** | ***7,357*** |
| Electronics and appliance stores | $694 | 19,098 | 19,725 | 20,373 | 21,043 | 21,734 | ***1,276*** | ***2,637*** |
| Limited-service restaurants | $467 | 84,415 | 87,189 | 90,054 | 93,013 | 96,070 | ***5,639*** | ***11,654*** |
| Full-service restaurants | $381 | 113,156 | 116,874 | 120,715 | 124,681 | 128,778 | ***7,559*** | ***15,622*** |
| Beer, wine, and liquor stores | $431 | 21,050 | 21,742 | 22,456 | 23,194 | 23,956 | ***1,406*** | ***2,906*** |
| Shoe stores | $397 | 12,704 | 13,121 | 13,552 | 13,998 | 14,458 | ***849*** | ***1,754*** |
| Cosmetics and personal care | $482 | 11,195 | 11,563 | 11,943 | 12,335 | 12,740 | ***748*** | ***1,546*** |
| Specialty food stores | $308 | 10,787 | 11,142 | 11,508 | 11,886 | 12,277 | ***721*** | ***1,489*** |
| Hobby, toy, game and book stores | $219 | 19,607 | 20,251 | 20,917 | 21,604 | 22,314 | ***1,310*** | ***2,707*** |
| Auto parts stores | $291 | 25,503 | 26,341 | 27,206 | 28,100 | 29,024 | ***1,704*** | ***3,521*** |
| Drinking places | $290 | 14,927 | 15,418 | 15,924 | 16,447 | 16,988 | ***997*** | ***2,061*** |
| Coffee shops, bakeries, snack bars | $503 | 12,630 | 13,045 | 13,474 | 13,917 | 14,374 | ***844*** | ***1,744*** |
| Sporting goods stores | $213 | 25,624 | 26,466 | 27,336 | 28,234 | 29,162 | ***1,712*** | ***3,538*** |
| Tire stores | $284 | 18,065 | 18,658 | 19,271 | 19,904 | 20,558 | ***1,207*** | ***2,494*** |
| Jewelry, luggage, and leather stores | $886 | 4,642 | 4,795 | 4,953 | 5,115 | 5,283 | ***310*** | ***641*** |
| Optical stores | $342 | 6,309 | 6,516 | 6,730 | 6,951 | 7,179 | ***421*** | ***871*** |
| Paint and wallpaper stores | $241 | 7,979 | 8,241 | 8,512 | 8,792 | 9,081 | ***533*** | ***1,102*** |
| Materials, lawn, garden stores | $261 | 91,659 | 94,671 | 97,781 | 100,994 | 104,313 | ***6,123*** | ***12,654*** |
| Art galleries | $561 | 2,092 | 2,161 | 2,232 | 2,305 | 2,381 | ***140*** | ***289*** |
| Florists | $253 | 4,159 | 4,296 | 4,437 | 4,583 | 4,734 | ***278*** | ***574*** |
| Health supplement stores | $321 | 3,872 | 3,999 | 4,130 | 4,266 | 4,406 | ***259*** | ***535*** |
| Pet and pet supplies stores | $249 | 12,448 | 12,857 | 13,279 | 13,716 | 14,166 | ***832*** | ***1,719*** |
| Gift and souvenir stores | $238 | 8,585 | 8,867 | 9,158 | 9,459 | 9,770 | ***573*** | ***1,185*** |
| Miscellaneous stores | $267 | 20,620 | 21,298 | 21,998 | 22,721 | 23,467 | ***1,377*** | ***2,847*** |
| Home furnishings stores | $232 | 31,786 | 32,830 | 33,909 | 35,023 | 36,174 | ***2,123*** | ***4,388*** |
| Furniture stores | $218 | 37,891 | 39,136 | 40,422 | 41,750 | 43,122 | ***2,531*** | ***5,231*** |
| Office supplies stores | $178 | 8,706 | 8,992 | 9,287 | 9,593 | 9,908 | ***582*** | ***1,202*** |
| Used goods stores | $112 | 20,976 | 21,665 | 22,377 | 23,112 | 23,872 | ***1,401*** | ***2,896*** |
| Hardware stores | $228 | 18,886 | 19,507 | 20,148 | 20,810 | 21,494 | ***1,262*** | ***2,607*** |
| Discount and general stores | $268 | 45,833 | 47,339 | 48,894 | 50,501 | 52,160 | ***3,062*** | ***6,328*** |
| Convenience stores | $243 | 15,239 | 15,740 | 16,257 | 16,791 | 17,343 | ***1,018*** | ***2,104*** |
| Motor vehicle dealers | $486 | 309,284 | 319,447 | 329,944 | 340,786 | 351,984 | ***20,660*** | ***42,700*** |
| Supermarkets and grocery stores | $361 | 250,149 | 258,368 | 266,858 | 275,627 | 284,684 | ***16,710*** | ***34,535*** |
| Warehouse clubs and supercenters | $717 | 93,348 | 96,415 | 99,583 | 102,856 | 106,235 | ***6,236*** | ***12,888*** |
| ***Total*** | | ***1,660,293*** | ***1,714,850*** | ***1,771,199*** | ***1,829,400*** | ***1,889,513*** | ***110,906*** | ***229,219*** |
| *Total, most promising categories* | | *475,941* | *491,581* | *507,734* | *524,418* | *541,650* | ***31,792*** | ***65,708*** |

*SOURCE: Environics, Urban Land Institute, retailer surveys, retailer financial reports, JOHNSON ECONOMICS*

Based on a typical retail floor area ratio of 0.25, the demand increase is estimated to represent 11 acres of land over 10 years and 22 acres over 20 years across all categories. Within the 12 most promising categories, the demand growth is estimated to represent 2.9 acres over 10 years and 6.0 acres over 20 years. The demand growth will add to the current unmet demand in these categories unless additional establishments open in this market.

FIGURE 7.9: RETAIL LAND DEMAND SUPPORTED BY HOUSEHOLD GROWTH (2020-40)

| RETAIL LAND DEMAND | Retail | Commercial Retail Land Need (Acres) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Category | F.A.R. | 2020 | 2025 | 2030 | 2035 | 2040 | '20-'30 Δ | '20-'40 Δ |
| Clothing and accessories stores | 0.25 | 9.7 | 10.0 | 10.3 | 10.7 | 11.0 | ***0.6*** | ***1.3*** |
| Pharmacies | 0.25 | 8.3 | 8.6 | 8.9 | 9.2 | 9.5 | ***0.6*** | ***1.2*** |
| Gas stations | 0.25 | 6.5 | 6.7 | 6.9 | 7.1 | 7.3 | ***0.4*** | ***0.9*** |
| Home improvement stores | 0.25 | 5.8 | 5.9 | 6.1 | 6.3 | 6.5 | ***0.4*** | ***0.8*** |
| Department stores | 0.25 | 4.9 | 5.1 | 5.2 | 5.4 | 5.6 | ***0.3*** | ***0.7*** |
| Electronics and appliance stores | 0.25 | 1.8 | 1.8 | 1.9 | 1.9 | 2.0 | ***0.1*** | ***0.2*** |
| Limited-service restaurants | 0.25 | 7.8 | 8.0 | 8.3 | 8.5 | 8.8 | ***0.5*** | ***1.1*** |
| Full-service restaurants | 0.25 | 10.4 | 10.7 | 11.1 | 11.4 | 11.8 | ***0.7*** | ***1.4*** |
| Beer, wine, and liquor stores | 0.25 | 1.9 | 2.0 | 2.1 | 2.1 | 2.2 | ***0.1*** | ***0.3*** |
| Shoe stores | 0.25 | 1.2 | 1.2 | 1.2 | 1.3 | 1.3 | ***0.1*** | ***0.2*** |
| Cosmetics and personal care | 0.25 | 1.0 | 1.1 | 1.1 | 1.1 | 1.2 | ***0.1*** | ***0.1*** |
| Specialty food stores | 0.25 | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | ***0.1*** | ***0.1*** |
| Hobby, toy, game and book stores | 0.25 | 1.8 | 1.9 | 1.9 | 2.0 | 2.0 | ***0.1*** | ***0.2*** |
| Auto parts stores | 0.25 | 2.3 | 2.4 | 2.5 | 2.6 | 2.7 | ***0.2*** | ***0.3*** |
| Drinking places | 0.25 | 1.4 | 1.4 | 1.5 | 1.5 | 1.6 | ***0.1*** | ***0.2*** |
| Coffee shops, bakeries, snack bars | 0.25 | 1.2 | 1.2 | 1.2 | 1.3 | 1.3 | ***0.1*** | ***0.2*** |
| Sporting goods stores | 0.25 | 2.4 | 2.4 | 2.5 | 2.6 | 2.7 | ***0.2*** | ***0.3*** |
| Tire stores | 0.25 | 1.7 | 1.7 | 1.8 | 1.8 | 1.9 | ***0.1*** | ***0.2*** |
| Jewelry, luggage, and leather stores | 0.25 | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | ***0.0*** | ***0.1*** |
| Optical stores | 0.25 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | ***0.0*** | ***0.1*** |
| Paint and wallpaper stores | 0.25 | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 | ***0.0*** | ***0.1*** |
| Materials, lawn, garden stores | 0.25 | 8.4 | 8.7 | 9.0 | 9.3 | 9.6 | ***0.6*** | ***1.2*** |
| Art galleries | 0.25 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | ***0.0*** | ***0.0*** |
| Florists | 0.25 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | ***0.0*** | ***0.1*** |
| Health supplement stores | 0.25 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | ***0.0*** | ***0.0*** |
| Pet and pet supplies stores | 0.25 | 1.1 | 1.2 | 1.2 | 1.3 | 1.3 | ***0.1*** | ***0.2*** |
| Gift and souvenir stores | 0.25 | 0.8 | 0.8 | 0.8 | 0.9 | 0.9 | ***0.1*** | ***0.1*** |
| Miscellaneous stores | 0.25 | 1.9 | 2.0 | 2.0 | 2.1 | 2.2 | ***0.1*** | ***0.3*** |
| Home furnishings stores | 0.25 | 2.9 | 3.0 | 3.1 | 3.2 | 3.3 | ***0.2*** | ***0.4*** |
| Furniture stores | 0.25 | 3.5 | 3.6 | 3.7 | 3.8 | 4.0 | ***0.2*** | ***0.5*** |
| Office supplies stores | 0.25 | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 | ***0.1*** | ***0.1*** |
| Used goods stores | 0.25 | 1.9 | 2.0 | 2.1 | 2.1 | 2.2 | ***0.1*** | ***0.3*** |
| Hardware stores | 0.25 | 1.7 | 1.8 | 1.9 | 1.9 | 2.0 | ***0.1*** | ***0.2*** |
| Discount and general stores | 0.25 | 4.2 | 4.3 | 4.5 | 4.6 | 4.8 | ***0.3*** | ***0.6*** |
| Convenience stores | 0.25 | 1.4 | 1.4 | 1.5 | 1.5 | 1.6 | ***0.1*** | ***0.2*** |
| Motor vehicle dealers | 0.25 | 28.4 | 29.3 | 30.3 | 31.3 | 32.3 | ***1.9*** | ***3.9*** |
| Supermarkets and grocery stores | 0.25 | 23.0 | 23.7 | 24.5 | 25.3 | 26.1 | ***1.5*** | ***3.2*** |
| Warehouse clubs and supercenters | 0.25 | 8.6 | 8.9 | 9.1 | 9.4 | 9.8 | ***0.6*** | ***1.2*** |
| ***Total*** | | ***162.1*** | ***167.5*** | ***173.0*** | ***178.6*** | ***184.5*** | ***10.8*** | ***22.4*** |
| *Total, most promising categories* | | *43.7* | *45.1* | *46.6* | *48.2* | *49.7* | ***2.9*** | ***6.0*** |

*SOURCE: Environics, JOHNSON ECONOMICS*

## POTENTIAL ABSORPTION AT THE SUBJECT SITE

Based on our conversations with the planning departments of North Bend and Coos Bay, there is only one commercial project currently in the works in this area that might impact absorption at the subject site. This is Coos Bay Village, located between Highway 101 and the Bay, north of Coos History Museum and south of the Red Lion Hotel. The project, which is under construction, totals seven acres of land and 73,000 square feet of planned commercial space in 12 buildings. As noted in the Market Survey section, three buildings with a total of 7,500 square feet has already been leased and constructed. The remainder of the project will be built out as leases are secured.

Based on the analysis of existing unmet demand and future demand growth, and taking into account absorption at Coos Bay Village and colocation considerations at the subject site, we have come up with the following list of establishments that we regard to represent a realistic opportunity on the site over the next 5-10 years. This includes a fitness center, a hair salon, and a spa/nail studio – all of which are expanding tenant categories that likely will be viable at the site, though they as service providers are not included in the preceding retail analysis.

All the identified users may be accommodated in a traditional auto-oriented retail center. However, many of the establishments would likely function well in a pedestrian-friendly mixed-use center, and some of the establishments would likely prefer this format (e.g., full-service restaurants).

The 18 potential establishments listed below represent total estimated absorption of 43,500 square feet and 3.5 acres of land at the subject site. Note that these are tenant categories that have adequate potential for additional establishments in this market, and thus do not rely on relocation of existing establishments. We regard this to be a very conservative approach, as the market currently offers very little up-to-date space. Given the access and visibility of the subject site, and the potential to create a modern, attractive environment, we would expect demand from existing establishments in the market as well. This would justify additional land allocation to commercial uses.

FIGURE 7.10: VIABLE RETAIL USERS AT THE SUBJECT SITE (5-10 YEARS ABSORPTION)

| # | MAJOR CATEGORY | CATEGORY | SQUARE FEET | F.A.R. | ACRES |
|---|---|---|---|---|---|
| ***Pedestrian-Friendly/Mixed-Use*** | | | | | |
| 1 | Everyday goods | Specialty food store | 1,500 | 0.35 | 0.1 |
| 2 | Eating/drinking places | Full-service restaurant #1 | 4,000 | 0.35 | 0.3 |
| 3 | Eating/drinking places | Full-service restaurant #2 | 2,500 | 0.35 | 0.2 |
| 4 | Eating/drinking places | Limited-service restaurant | 1,600 | 0.35 | 0.1 |
| 5 | Eating/drinking places | Coffee shop | 2,000 | 0.35 | 0.1 |
| 6 | Eating/drinking places | Bar/pub | 1,500 | 0.35 | 0.1 |
| 7 | Fitness center | Fitness center | 4,000 | 0.25 | 0.4 |
| 8 | Personal care | Hair salon | 1,800 | 0.35 | 0.1 |
| 9 | Personal care | Vision store | 1,600 | 0.35 | 0.1 |
| 10 | Personal care | Spa/nail studio | 1,600 | 0.35 | 0.1 |
| *Total* | | | *22,100* | *0.33* | *1.6* |
| ***Auto-Oriented (Freestanding and Strip Mall)*** | | | | | |
| 11 | Auto parts/service | Gas station w/convenience | 1,800 | 0.25 | 0.2 |
| 12 | Everyday goods | Pharmacy | 2,500 | 0.25 | 0.2 |
| 13 | Everyday goods | Beer/wine/liquor store | 1,800 | 0.25 | 0.2 |
| 14 | Eating/drinking places | Fast-casual restaurant | 2,500 | 0.25 | 0.2 |
| 15 | Eating/drinking places | Fast food restaurant | 1,800 | 0.25 | 0.2 |
| 16 | Home/garden | Paint store | 4,000 | 0.25 | 0.4 |
| 17 | Auto parts/service | Tire store | 3,000 | 0.25 | 0.3 |
| 18 | Auto parts/service | Auto parts store | 4,000 | 0.25 | 0.4 |
| *Total* | | | *21,400* | *0.25* | *2.0* |

*SOURCE: JOHNSON ECONOMICS*

## OFFICE AND INDUSTRIAL SPACE

JOHNSON ECONOMICS estimates future demand for employment uses by modeling employment growth and converting this to space needs. The methodology starts with employment forecasts by major industry sector. Forecasted employment is allocated to building type, and space demand is then estimated based on assumed square footage per employee. The need for space is then converted into land and site needs based on assumed development densities using floor area ratios (FARs).

### EMPLOYMENT FORECAST

The first step in the forecast process is to estimate base year employment for the North Bend/Coos Bay market. City-level employment estimates are only publicly available through 2017, via the Quarterly Census of Employment and Wages (QCEW). County-level estimates, on the other hand, are available through 2020. However, the most recent county-level estimates are affected by COVID-19. In general, jobs lost during the pandemic are expected to be regained over the near to mid-term without significant impact on real estate demand on a net basis. To avoid the distorting effects of COVID-19, we therefore use pre-COVID employment estimates (Dec 2019) as base employment for our projections.

We use the North Bend/Coos Bay market's share of countywide employment by industry in 2017 to estimate year-end 2019 employment in this area. As the QCEW dataset only measures employment covered by unemployment insurance, we use county estimates from the Current Employment Statistics (CES) survey to include uninsured workers like sole proprietors or commissioned workers. With this approach, total non-farm employment in the North Bend/Coos Bay area as of year-end 2019 is estimated to 13,500 (see next page).

FIGURE 7.11: BASE YEAR EMPLOYMENT ESTIMATES YEAR-END 2019, NORTH BEND/COOS BAY

| | MARKET AREA EMPLOYMENT (DEC 2019) | | |
|---|---|---|---|
| Major Industry Sector | County Employment | Market Area % (2017) | Market Area Employment |
| Construction | 1030 | 44.2% | 455 |
| Manufacturing | 1650 | 10.3% | 171 |
| Wholesale | 410 | 72.9% | 299 |
| Retail | 3010 | 73.5% | 2,213 |
| T.W.U. | 870 | 72.8% | 633 |
| Information | 160 | 83.2% | 133 |
| Finance & Insurance | 540 | 61.7% | 333 |
| Real Estate | 280 | 76.9% | 215 |
| Prof./Business Services | 527 | 69.7% | 367 |
| Administration Services | 1793 | 88.2% | 1,582 |
| Education | 772 | 72.5% | 560 |
| Health Care | 2,538 | 80.1% | 2,033 |
| Leisure & Hospitality | 2760 | 56.6% | 1,561 |
| Other Services | 580 | 55.8% | 323 |
| Government | 5840 | 45.1% | 2,636 |
| **TOTAL** | **22,760** | **59.4%** | **13,515** |

* T.W.U.: Transportation, Warehousing, and Utilities

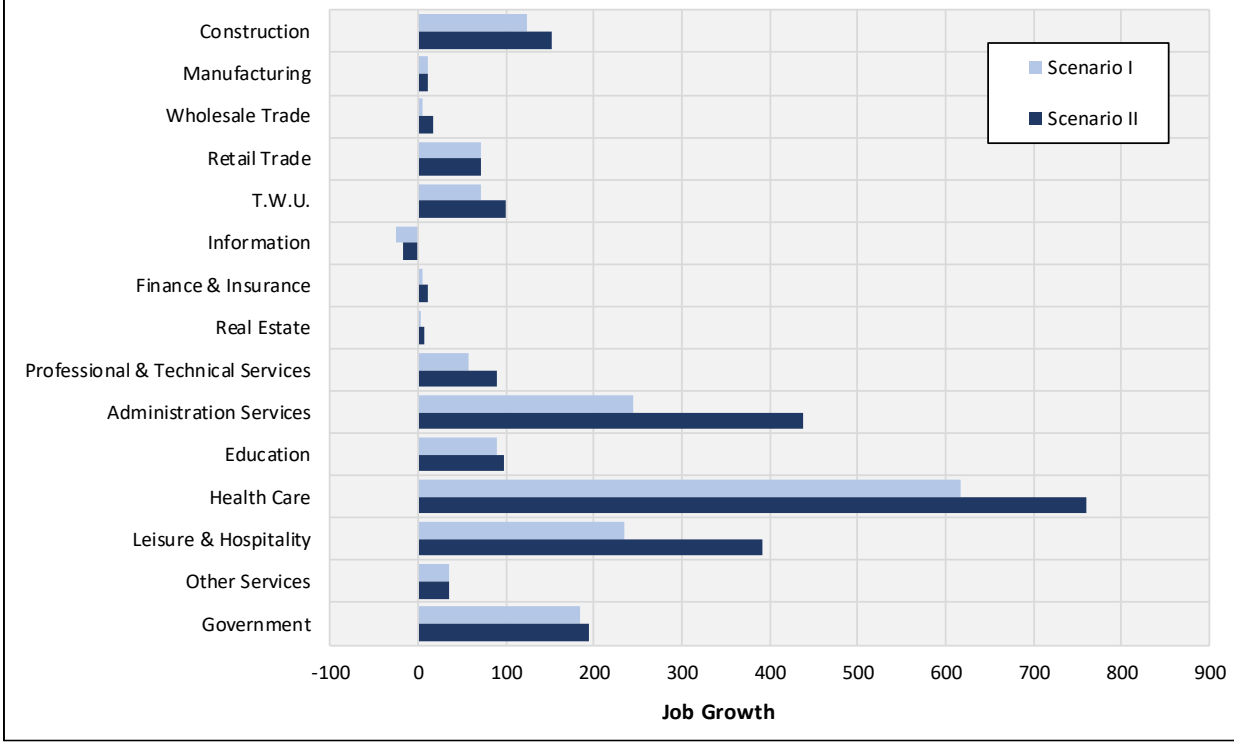
*SOURCE*: *Oregon Employment Department, U.S. Census Bureau, JOHNSON ECONOMICS*

Two forecast scenarios will be developed in the following. The first scenario is based on official employment projections from the Oregon Employment Department (OED) for the three-county region made up of Coos, Curry, and Douglas counties. These projections indicate total employment growth at an annual rate of 0.6%.

The three-county region is not completely representative for trends in Coos County, as it is dominated by the inland Douglas County. We have therefore included a second scenario that takes into account historical differentials between three-county growth rates and Coos County growth rates in recent years, and applies these to the projected three-county rates. This scenario indicates total employment growth of 0.8% per year, with stronger growth in administrative services, leisure/ hospitality, and healthcare. We give weight to this scenario in our demand forecast.

FIGURE 7.12: EMPLOYMENT FORECAST SCENARIOS, NORTH BEND/COOS BAY (2019-39)

| | SCENARIO I (OED 3-COUNTY) | | | | SCENARIO II (ADJUSTED COOS) | | | |
|---|---|---|---|---|---|---|---|---|
| **Industry** | **2019** | **2039** | **Chg.** | **AAGR** | **2019** | **2039** | **Chg.** | **AAGR** |
| Construction | 455 | 579 | 124 | 1.2% | 455 | 607 | 152 | 1.5% |
| Manufacturing | 171 | 182 | 12 | 0.3% | 171 | 182 | 12 | 0.3% |
| Wholesale Trade | 299 | 304 | 6 | 0.1% | 299 | 316 | 17 | 0.3% |
| Retail Trade | 2,213 | 2,284 | 71 | 0.2% | 2,213 | 2,284 | 71 | 0.2% |
| T.W.U. | 633 | 705 | 72 | 0.5% | 633 | 732 | 99 | 0.7% |
| Information | 133 | 108 | -25 | -1.0% | 133 | 115 | -18 | -0.7% |
| Finance & Insurance | 333 | 339 | 5 | 0.1% | 333 | 344 | 11 | 0.2% |
| Real Estate | 215 | 219 | 3 | 0.1% | 215 | 221 | 6 | 0.1% |
| Professional & Technical Services | 367 | 424 | 57 | 0.7% | 367 | 456 | 88 | 1.1% |
| Administration Services | 1,582 | 1,827 | 245 | 0.7% | 1,582 | 2,020 | 438 | 1.2% |
| Education | 560 | 648 | 89 | 0.7% | 560 | 658 | 98 | 0.8% |
| Health Care | 2,033 | 2,650 | 618 | 1.3% | 2,033 | 2,794 | 761 | 1.6% |
| Leisure & Hospitality | 1,561 | 1,796 | 235 | 0.7% | 1,561 | 1,953 | 392 | 1.1% |
| Other Services | 323 | 358 | 35 | 0.5% | 323 | 358 | 35 | 0.5% |
| Government | 2,636 | 2,821 | 184 | 0.3% | 2,636 | 2,830 | 194 | 0.4% |
| **TOTAL:** | **13,515** | **15,245** | **1,730** | **0.6%** | **13,515** | **15,870** | **2,355** | **0.8%** |




*SOURCE: Oregon Employment Department, JOHNSON ECONOMICS*

The following table includes employment forecasts by five-year increments. In Scenario 1, each five-year period is projected to see employment gains of 400-460, for an average of 86 new jobs per year over the 20 years. In Scenario 2, the five-year gains are projected to be in the range of 540-640 jobs, for an average of 118 per year. Note that there is a great degree of uncertainty with long-term projections, and that short-term cyclical changes are likely to depart considerably from the long-term trend.

FIGURE 7.13: SUMMARY OF EMPLOYMENT PROJECTIONS, NORTH BEND/COOS BAY (2019-39)

| | Overall Employment | | | | | Net Change by Period | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Industry | 2019 | 2024 | 2029 | 2034 | 2039 | 19-24 | 24-29 | 29-34 | 34-39 | 19-39 |
| **SCENARIO I (OED)** | | | | | | | | | | |
| Construction | 455 | 483 | 513 | 545 | 579 | 28 | 30 | 32 | 34 | 124 |
| Manufacturing | 171 | 173 | 176 | 179 | 182 | 3 | 3 | 3 | 3 | 12 |
| Wholesale Trade | 299 | 300 | 302 | 303 | 304 | 1 | 1 | 1 | 1 | 6 |
| Retail Trade | 2,213 | 2,231 | 2,248 | 2,266 | 2,284 | 18 | 18 | 18 | 18 | 71 |
| T.W.U. | 633 | 651 | 668 | 687 | 705 | 17 | 18 | 18 | 19 | 72 |
| Information | 133 | 126 | 120 | 114 | 108 | -7 | -6 | -6 | -6 | -25 |
| Finance & Insurance | 333 | 335 | 336 | 337 | 339 | 1 | 1 | 1 | 1 | 5 |
| Real Estate | 215 | 216 | 217 | 218 | 219 | 1 | 1 | 1 | 1 | 3 |
| Professional & Technical Services | 367 | 381 | 395 | 409 | 424 | 13 | 14 | 14 | 15 | 57 |
| Administration Services | 1,582 | 1,640 | 1,700 | 1,763 | 1,827 | 58 | 60 | 62 | 65 | 245 |
| Education | 560 | 581 | 602 | 625 | 648 | 21 | 22 | 23 | 23 | 89 |
| Health Care | 2,033 | 2,172 | 2,321 | 2,480 | 2,650 | 139 | 149 | 159 | 170 | 618 |
| Leisure & Hospitality | 1,561 | 1,617 | 1,675 | 1,734 | 1,796 | 56 | 58 | 60 | 62 | 235 |
| Other Services | 323 | 332 | 340 | 349 | 358 | 8 | 9 | 9 | 9 | 35 |
| Government | 2,636 | 2,681 | 2,727 | 2,773 | 2,821 | 45 | 46 | 47 | 47 | 184 |
| **TOTAL:** | **13,515** | **13,919** | **14,341** | **14,783** | **15,245** | **403** | **422** | **442** | **463** | **1,730** |
| **SCENARIO 2 (ADJUSTED)** | | | | | | | | | | |
| Construction | 455 | 489 | 526 | 565 | 607 | 34 | 37 | 39 | 42 | 152 |
| Manufacturing | 171 | 173 | 176 | 179 | 182 | 3 | 3 | 3 | 3 | 12 |
| Wholesale Trade | 299 | 303 | 307 | 311 | 316 | 4 | 4 | 4 | 4 | 17 |
| Retail Trade | 2,213 | 2,231 | 2,248 | 2,266 | 2,284 | 18 | 18 | 18 | 18 | 71 |
| T.W.U. | 633 | 657 | 681 | 706 | 732 | 23 | 24 | 25 | 26 | 99 |
| Information | 133 | 128 | 124 | 119 | 115 | -5 | -5 | -4 | -4 | -18 |
| Finance & Insurance | 333 | 336 | 339 | 341 | 344 | 3 | 3 | 3 | 3 | 11 |
| Real Estate | 215 | 217 | 218 | 220 | 221 | 1 | 1 | 1 | 1 | 6 |
| Professional & Technical Services | 367 | 388 | 409 | 432 | 456 | 20 | 21 | 23 | 24 | 88 |
| Administration Services | 1,582 | 1,682 | 1,788 | 1,900 | 2,020 | 100 | 106 | 113 | 120 | 438 |
| Education | 560 | 583 | 607 | 632 | 658 | 23 | 24 | 25 | 26 | 98 |
| Health Care | 2,033 | 2,201 | 2,383 | 2,580 | 2,794 | 168 | 182 | 197 | 214 | 761 |
| Leisure & Hospitality | 1,561 | 1,651 | 1,746 | 1,847 | 1,953 | 90 | 95 | 101 | 106 | 392 |
| Other Services | 323 | 332 | 340 | 349 | 358 | 8 | 9 | 9 | 9 | 35 |
| Government | 2,636 | 2,684 | 2,732 | 2,781 | 2,830 | 47 | 48 | 49 | 50 | 194 |
| **TOTAL:** | **13,515** | **14,053** | **14,623** | **15,228** | **15,870** | **538** | **570** | **605** | **642** | **2,355** |

*SOURCE*: *JOHNSON ECONOMICS*

## SPACE AND LAND DEMAND

The next step is to convert projections of employment into forecasts of space and land demand. The generally accepted methodology for this conversion begins by allocating employment by sector into a distribution of building typologies that the respective industries usually locate in. As an example, workers in the construction industry are primarily out in the field, though administrative positions are typically located in office space while warehouse workers occupy industrial space. Below, we limit the analysis to office, institutional, and industrial building formats. Institutional demand is included for reference, as it is not specifically evaluated as a potential use at the subject site.

Under both forecast scenarios, employment housed in office space accounts for the greatest shares of the employment growth, while limited growth is expected in industrial space.

FIGURE 7.14: NET CHANGE IN EMPLOYMENT BY BUILDING TYPE, NORTH BEND/COOS BAY (2019-39)

| SCENARIO I | 20-year Job Forecast | | USE TYPE | | | EMPLOYMENT CHANGE BY USE TYPE | | | |
|---|---|---|---|---|---|---|---|---|---|
| Industry Sector | Jobs | AAGR | Office | Institutional | Industrial | Office | Institutional | Industrial | Total |
| Construction | 124 | 1.2% | 14% | 0% | 14% | 17 | 0 | 17 | 35 |
| Manufacturing | 12 | 0.3% | 8% | 0% | 92% | 1 | 0 | 11 | 12 |
| Wholesale Trade | 6 | 0.1% | 8% | 0% | 82% | 0 | 0 | 5 | 5 |
| Retail Trade | 71 | 0.2% | 5% | 1% | 18% | 4 | 1 | 13 | 17 |
| T.W.U. | 72 | 0.5% | 15% | 0% | 80% | 11 | 0 | 57 | 68 |
| Information | -25 | -1.0% | 25% | 0% | 65% | -6 | 0 | -16 | -23 |
| Finance & Insurance | 5 | 0.1% | 72% | 1% | 7% | 4 | 0 | 0 | 4 |
| Real Estate | 3 | 0.1% | 72% | 1% | 7% | 2 | 0 | 0 | 3 |
| Professional & Technical Services | 57 | 0.7% | 72% | 1% | 7% | 41 | 1 | 4 | 46 |
| Administration Services | 245 | 0.7% | 72% | 1% | 7% | 177 | 2 | 17 | 196 |
| Education | 89 | 0.7% | 30% | 53% | 7% | 27 | 47 | 6 | 80 |
| Health Care | 618 | 1.3% | 30% | 53% | 2% | 185 | 327 | 12 | 525 |
| Leisure & Hospitality | 235 | 0.7% | 20% | 1% | 9% | 47 | 2 | 21 | 71 |
| Other Services | 35 | 0.5% | 72% | 1% | 7% | 25 | 0 | 2 | 28 |
| Government | 184 | 0.3% | 43% | 35% | 7% | 79 | 65 | 13 | 157 |
| **TOTAL** | **1,730** | **0.6%** | **35%** | **26%** | **9%** | **614** | **445** | **163** | **1,222** |

| SCENARIO II | 20-year Job Forecast | | USE TYPE | | | EMPLOYMENT CHANGE BY USE TYPE | | | |
|---|---|---|---|---|---|---|---|---|---|
| Industry Sector | Jobs | AAGR | Office | Institutional | Industrial | Office | Institutional | Industrial | Total |
| Construction | 152 | 1.2% | 14% | 0% | 14% | 21 | 0 | 21 | 43 |
| Manufacturing | 12 | 0.3% | 8% | 0% | 92% | 1 | 0 | 11 | 12 |
| Wholesale Trade | 17 | 0.1% | 8% | 0% | 82% | 1 | 0 | 14 | 15 |
| Retail Trade | 71 | 0.2% | 5% | 1% | 18% | 4 | 1 | 13 | 17 |
| T.W.U. | 99 | 0.5% | 15% | 0% | 80% | 15 | 0 | 79 | 94 |
| Information | -18 | -1.0% | 25% | 0% | 65% | -5 | 0 | -12 | -16 |
| Finance & Insurance | 11 | 0.1% | 72% | 1% | 7% | 8 | 0 | 1 | 9 |
| Real Estate | 6 | 0.1% | 72% | 1% | 7% | 4 | 0 | 0 | 5 |
| Professional & Technical Services | 88 | 0.7% | 72% | 1% | 7% | 64 | 1 | 6 | 71 |
| Administration Services | 438 | 0.7% | 72% | 1% | 7% | 315 | 4 | 31 | 350 |
| Education | 98 | 0.7% | 30% | 53% | 7% | 29 | 52 | 7 | 88 |
| Health Care | 761 | 1.3% | 30% | 53% | 2% | 228 | 403 | 15 | 647 |
| Leisure & Hospitality | 392 | 0.7% | 20% | 1% | 9% | 78 | 4 | 35 | 118 |
| Other Services | 35 | 0.5% | 72% | 1% | 7% | 25 | 0 | 2 | 28 |
| Government | 194 | 0.3% | 43% | 35% | 7% | 83 | 68 | 14 | 165 |
| **TOTAL** | **2,355** | **0.6%** | **37%** | **23%** | **10%** | **873** | **534** | **237** | **1,644** |

*SOURCE*: *JOHNSON ECONOMICS*

The next step converts employment into space using estimates of the typical square footage exhibited within each typology. Adjusting for typical market-clearing vacancy for each building type, we arrive at an estimate of total space demand for each type.

Finally, we consider the physical characteristics of individual building types and the amount of land they typically require for development. The site utilization metric commonly used is referred to as a "floor area ratio" or FAR. For example, a 25,000-square-foot industrial building may require roughly two acres to accommodate its structure, setbacks, parking, and necessary yard/storage space. This building would have an FAR of roughly 0.29. Demand for space is converted to net acres using a standard floor area ratio FAR for each development form.

The tables on the next page summarize the demand forecasts under the two scenarios.

FIGURE 7.15: LAND DEMAND BY BUILDING TYPE, NORTH BEND/COOS BAY (2019-39)

| SCENARIO I | DEMAND GROWTH, 2019-2039 | | |
|---|---|---|---|
| | Office | Institutional | Industrial |
| Employment Growth | 614 | 445 | 163 |
| Avg. SF Per Employee | 325 | 450 | 1,150 |
| Demand for Space (SF) | 199,500 | 200,500 | 187,500 |
| Floor Area Ratio (FAR) | 0.35 | 0.45 | 0.35 |
| Market Vacancy | 10.0% | 0.0% | 5.0% |
| Implied Density (Jobs/Acre) | 42.2 | 43.6 | 12.6 |
| **Net Acres Required** | 14.5 | 10.2 | 12.9 |

| SCENARIO II | DEMAND GROWTH, 2019-2039 | | |
|---|---|---|---|
| | Office | Institutional | Industrial |
| Employment Growth | 873 | 534 | 237 |
| Avg. SF Per Employee | 325 | 450 | 1,150 |
| Demand for Space (SF) | 283,600 | 240,200 | 272,600 |
| Floor Area Ratio (FAR) | 0.35 | 0.45 | 0.35 |
| Market Vacancy | 10.0% | 0.0% | 5.0% |
| Implied Density (Jobs/Acre) | 42.2 | 43.6 | 12.6 |
| **Net Acres Required** | 20.7 | 12.3 | 18.8 |

*SOURCE*: *JOHNSON ECONOMICS*

Over the 20-year period, new demand for office space is estimated to represent 200,000-280,000 square feet and 15-21 acres of land, while industrial space is estimated to represent 190,000-270,000 square feet and 13-19 acres of land. The figure below summarizes these figures in the two scenarios, for the first 10 years as well as for the entire 20-year period.

FIGURE 7.16: SUMMARY OF SPACE AND LAND DEMAND BY BUILDING TYPE (2019-39)

| SUMMARY | | 10-YEAR DEMAND GROWTH (2019-2029) | | | | 20-YEAR DEMAND GROWTH (2019-2039) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Office | Institutional | Industrial | Total | Office | Institutional | Industrial | Total |
| SQ.FT. | Scenario I | 95,400 | 94,700 | 90,000 | 280,100 | 199,500 | 200,500 | 187,500 | 587,500 |
| | Scenario II | 133,600 | 112,000 | 129,800 | 375,400 | 283,600 | 240,200 | 272,600 | 796,400 |
| ACRES | Scenario I | 7.0 | 4.8 | 6.2 | 18.0 | 14.5 | 10.2 | 12.9 | 37.7 |
| | Scenario II | 9.7 | 5.7 | 9.0 | 24.4 | 20.7 | 12.3 | 18.8 | 51.7 |

*SOURCE*: *JOHNSON ECONOMICS*

Note that both demand scenarios are based on recent historical trends and the anticipated future growth trajectory for each industry based on macro-economic changes. Neither scenario takes into account the possibility of a disruptive event like the closure of a major existing plant or a new large employer moving into the area.

POTENTIAL ABSORPTION AT THE SUBJECT SITE

There are no major office or industrial projects planned in North Bend or Coos Bay according to city planners. However, the two cities have a significant amount of existing office and retail space that we expect will accommodate much of the new office demand. The users that are most likely to locate on the subject site are medical and professional/financial service providers that value new space for functional and/or client-related reasons. We would assume that roughly 30% of the net new office demand can be absorbed at the subject site. We have identified the users we regard as most likely on the next page, together representing roughly two acres of land over a 5-10-year period.

The North Bend/Coos Bay market has very little existing industrial space available. Thus, from a market standpoint, the subject site has the potential to capture a larger share of the new industrial land demand than the office demand in this market. Disregarding price considerations (users gravitating to lowest priced land), we would assume that the subject has the potential to capture around two-thirds of the net new demand generated in the market. Over a 5-10-year horizon, we would expect this to represent around four acres of land.

Additionally, we regard a self-storage project to be viable at the site (demand generated by household growth rather than employment growth). We have assumed a 40,000-square-foot project with 200-250 units at the site, requiring nearly two acres.

Finally, we consider it possible that the subject site – as an international maritime port site – might attract a larger export user. There are recent examples of such users looking for port sites in the Pacific Northwest (e.g., Pembina, NW Innovation Works, Tesoro), and Tribal One has received multiple inquiries from such users regarding the Ko-Kwel Wharf. It is difficult to project demand from these users, as they tend to be few and far between, and represent varying land needs. We would consider a project ranging from 10 acres to the entire site (27 acres) to be possible. This has been included below as part of the potential industrial demand at the subject site.

FIGURE 7.17: VIABLE OFFICE AND INDUSTRIAL USERS AT THE SUBJECT SITE (5-10 YEARS ABSORPTION)

| # | MAJOR CATEGORY | CATEGORY | SQUARE FEET | F.A.R. | ACRES |
|---|---|---|---|---|---|
| ***Professional/Medical Office Park*** | | | | | |
| 19 | Health services | Medical clinic (build-to-suit) | 15,000 | 0.35 | 1.0 |
| 20 | Health services | Physician/clinic | 3,000 | 0.35 | 0.2 |
| 21 | Health services | Chiropractor/physical therapy | 2,500 | 0.35 | 0.2 |
| 22 | Health services | Vet/animal clinic | 2,200 | 0.35 | 0.1 |
| 23 | Health services | Dentist | 2,100 | 0.35 | 0.1 |
| 24 | Financial/legal/insurance | Insurance | 1,800 | 0.35 | 0.1 |
| 25 | Financial/legal/insurance | Real estate agent | 1,200 | 0.35 | 0.1 |
| 26 | Financial/legal/insurance | CPA | 1,000 | 0.35 | 0.1 |
| *Total* | | | *28,800* | *0.35* | *1.9* |
| ***Industrial Park*** | | | | | |
| 27 | Manufacturing/shipping | Specialty facility w/yard | 200,000 | 0.17 | 27.4 |
| 28 | Distribution | Logistics | 30,000 | 0.35 | 2.0 |
| 29 | Misc. industrial | Distributor | 10,000 | 0.30 | 0.8 |
| 30 | Misc. industrial | Wholesaler | 5,000 | 0.30 | 0.4 |
| 31 | Misc. industrial | Contractor storage | 10,000 | 0.35 | 0.7 |
| 32 | Self Storage | Self storage | 40,000 | 0.50 | 1.8 |
| *Total* | | | *295,000* | *0.21* | *33.0* |

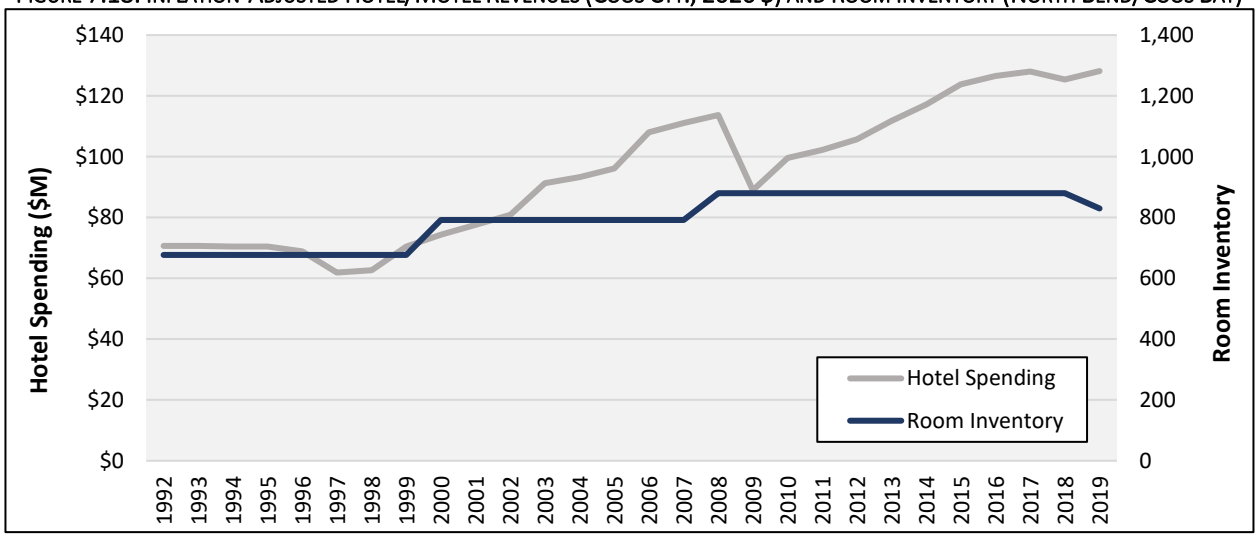
*SOURCE: JOHNSON ECONOMICS*

## HOSPITALITY

JOHNSON ECONOMICS estimates hotel room demand based on historical hotel revenue trends. However, with an average room age of 44 years, the age and standard of the existing room inventory in the North Bend/Coos Bay market suggests that there is already some demand for a new hotel in this area. This is confirmed by high pre-COVID occupancy rates in this market.

One can get an indication of the existing demand by comparing recent hotel revenue growth to room inventory growth. However, in the case of Coos County, hotel revenues have been boosted by casino revenues. Thus, the recent revenue growth exaggerates the capacity for additional rooms. As shown in the following chart, inflation-adjusted hotel (and casino) revenues, which have averaged 2.9% annual growth over the past two decades, have outpaced the growth in room inventory by a wide margin in recent years, suggesting capacity for around 400 additional rooms currently. We expect the actual current demand to be closer to 100-150 rooms, reflecting hotel revenue growth of 1.5-1.9% per year.

FIGURE 7.18: INFLATION-ADJUSTED HOTEL/MOTEL REVENUES (COOS CTY., 2020 $) AND ROOM INVENTORY (NORTH BEND/COOS BAY)




*SOURCE: Smith Travel Research, JOHNSON ECONOMICS*

For the next 20 years, we will assume demand growth of 1.4-1.8% annually, which indicates capacity for nearly 150 additional rooms by 2030 and roughly 300 additional rooms by 2040. We consider the subject site to have potential to capture all of this demand, given its tourist-friendly location by the Bay and along Highway 101, near the Mill Casino. For planning purposes, we would assume that one hotel with 100-150 rooms is viable today, while another hotel of similar scale but different market orientation might be viable beyond the next 10 years.

FIGURE 7.19: PROJECTED HOTEL/MOTEL ROOM DEMAND, NORTH BEND/COOS BAY

| | LOW | MID | HIGH |
|---|---|---|---|
| Room Inventory, 2020 | 830 | 830 | 830 |
| Assumed Annual Demand Growth, 2019-29 | 1.4% | 1.6% | 1.8% |
| Room Need, 2030 | 954 | 973 | 992 |
| Room Need, 2040 | 1,096 | 1,140 | 1,186 |
| **Room Demand Growth, 2020-30 (10 Years)** | **124** | **143** | **162** |
| **Room Demand Growth, 2020-40 (20 Years)** | **266** | **310** | **356** |

*SOURCE: JOHNSON ECONOMICS*

## SUMMARY

The following table summarizes the uses and development forms we expect to be viable at the subject site, along with estimated achievable pricing in the current market and land absorption over a 5-10 year and 10-15 year period.

2.1: SUMMARY OF VIABLE USES AND DEVELOPMENT FORMS, KO-KWEL WHARF

| LAND USE | USER CATEGORY | DEVELOPMENT FORM | ACHIEVABLE PRICING* | LAND ABSORPTION (AC.) 5-10 YRS | 10-15 YRS | SHARE |
|---|---|---|---|---|---|---|
| Residential | Rental apartments | 3-story walk-up, surface parking | $18.30 - $19.40 | 1.4 | 2.2 | 3% |
| Residential | Rental apartments | 3-4 story elevator, surface parking | $19.00 - $20.20 | 1.4 | 2.2 | 3% |
| *Total Residential* | | | | *2.7* | *4.5* | *6%* |
| Retail | Small retail/restaurant | 1-story freestanding/strip mall | $20.00 - $24.00 | 3.0 | 5.0 | 7% |
| Retail | Drive-thru restaurant | 1-story freestanding drive-thru | $36.00 - $40.00 | 0.5 | 0.8 | 1% |
| *Total Retail* | | | | *3.5* | *5.8* | *8%* |
| Office | Prof./personal service | 1-2 story multi-tenant | $16.00 - $20.00 | 0.7 | 1.2 | 2% |
| Office | Medical clinic | 1-2 story clinic, build-to-suit | $25.00 - $40.00 | 1.2 | 1.9 | 3% |
| *Total Office* | | | | *1.9* | *3.1* | *4%* |
| Industrial | Manufacturing/shipping | Large build-to-suit, ground lease | $0.55 - $0.60 | 27.4 | 27.4 | 64% |
| Industrial | Misc. industrial | Small-bay/flex/distribution | $8.00 - $12.00 | 3.1 | 5.1 | 7% |
| Industrial | Contractors | Contractor storage | $12.00 - $14.00 | 0.7 | 1.1 | 2% |
| Industrial | Self storage | Mini storage | $13.50 - $16.00 | 1.8 | 3.0 | 4% |
| *Total Industrial* | | | | *33.0* | *36.6* | *77%* |
| Hospitality | Hotel | 4-story elevator | $140.00 - $160.00 | 1.5 | 2.5 | 4% |
| *Total Hospitality* | | | | *1.5* | *2.5* | *4%* |
| ***Total, Net of Roads and Open Space*** | | | | ***42.6*** | ***52.4*** | ***100%*** |

* All rates except hotel rates are annual per-square-foot rates. All rates are for finished space, except industrial manufacturing/ shipping facility, which are for ground lease. Commercial rates are NNN. Hotel rates are average daily room rates.

*SOURCE: JOHNSON ECONOMICS*

# VIII. FINANCIAL VIABILITY

In this section, we test the financial viability of the use types and building formats that appear most promising on the basis of the preceding market analysis. This is done through proforma financial analyses of nine development prototypes, including two residential, four commercial, two industrial, and one lodging. These are evaluated individually, in order to identify use types and development forms that may be prioritized in a master plan for the site.

## RESIDUAL LAND VALUE

When evaluating financial viability, we solve for residual land value for each development prototype. The residual land value represents the maximum supportable acquisition value that a development can support while still generating an adequate return. The higher the residual value, the higher the profit. It is important to recognize that a residual property budget reflects the maximum supportable acquisition price for a site, and that the actual market clearing price will often be lower than the residual property budget assuming a competitive market and multiple alternative sites. In other words, the budget reflects the maximum amount that a developer could pay for a site and still make a profit. If a site can be acquired for a lower amount that allows for the same program, the lower value would represent the market clearing price.

Developers typically approach land acquisition using a residual approach. From a developer's perspective, market and financing variables are assumed to be largely outside of their control, as is the cost of construction. The developers will assess their ability to pay for acquisition of a site based on what the program is worth at completion, and then deducting development costs and the profit necessary to justify the risk inherent in development. The value of the project must be balanced by the development costs. To the extent that overall costs (including profit) are greater than the value of the property, the project is not viable.

In the case of the Ko-Kwel Wharf, residual land values estimated on the basis of vertical construction costs will need to adequately cover any preparatory site development costs.

## ASSUMPTIONS

The development prototypes evaluated are necessarily simplified, and many of the variables that substantively impact financial viability are only roughly estimated in this analysis. Moreover, these variables can change significantly over time. The most important variables are achievable pricing, construction costs, and capitalization rates. Assumptions of achievable pricing are derived from the preceding market analysis. Construction costs have been provided by Tribal One, and have been sourced from BNi Building News 2021 Square Foot Costbook. These represent vertical construction costs, and do not include preparatory site development.

Capitalization rates determine the current value of future income streams, and are reflective of the risks associated with a particular use type and the market/location in which it will operate. These have been estimated by JOHNSON ECONOMICS on the basis of disclosed capitalization rates in sales transactions in Oregon over the past three years, with an emphasis on markets similar to the North Bend/Coos Bay market. Capitalization rates have trended lower in recent years, meaning the valuation of real estate income has increased, due to broader trends in capital markets.

In addition to estimates of achievable pricing, construction costs, and capitalization rates, the development proformas rely on typical assumptions for other development factors like density, floor area ratios, building efficiency, parking ratios, and operating cost ratios, based on observations from new projects in Oregon over the past decade.

## RESULTS

The results of the analysis are summarized on the next page. The nine development prototypes are estimated to represent returns on cost ranging from 5.6% and 10.2%, with a four-story, elevator apartment building representing the lowest return and mini storage representing the highest return. In terms of residual land value, lodging is estimated to represent the strongest financial potential, with a four-story hotel estimated to represent residual property values of $1.5 million per acre and $35 per square foot. Three-story walk-up apartments, mini storage,

industrial distribution center, and a medical office building are all estimated to represent positive residual land values, with returns above required thresholds. Retail space, professional office space, and elevator-served four-story apartment buildings have returns below the thresholds and are unable to support positive land values.

FIGURE 8.1: RESIDUAL LAND VALUE ANALYSIS, PROTOTYPE DEVELOPMENTS

| | | RESIDENTIAL | | COMMERCIAL | | | | INDUSTRIAL | | LODGING |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Apartments 3-story wood walk-up | Apartments 4-story wood w/elevator | Retail Multi-tenant strip mall | Retail Single-tenant freestanding | Office, prof. 2-story wood w/elevator | Office, medic. 2-story wood w/elevator | Industrial Distr. Center 1-story concr. | Industrial Mini storage 1-story steel | Hotel 4-story wood w/elevator |
| PROGRAM | **Property Assumptions** | | | | | | | | | |
| | Site Size (SF) | 43,560 | 43,560 | 43,560 | 43,560 | 43,560 | 43,560 | 43,560 | 43,560 | 43,560 |
| | FAR | 0.55 | 0.70 | 0.25 | 0.25 | 0.50 | 0.30 | 0.35 | 0.50 | 1.27 |
| | Building Square Feet | 23,958 | 30,492 | 10,890 | 10,890 | 21,780 | 13,068 | 15,246 | 21,780 | 55,185 |
| | Efficiency | 92% | 87% | 100% | 100% | 100% | 100% | 100% | 90% | 64% |
| | Leasable Area | 22,041 | 26,528 | 10,890 | 10,890 | 21,780 | 13,068 | 15,246 | 19,602 | 35,318 |
| | Units | 31 | 37 | - | - | - | - | - | - | 58 |
| | Parking Ratio/000 SF | 2.00 | 2.00 | 4.00 | 4.00 | 2.75 | 2.75 | 1.00 | 0.25 | 1.75 |
| | Parking Spaces | 44 | 53 | 43 | 43 | 59 | 35 | 15 | 4 | 102 |
| | **Cost Assumptions** | | | | | | | | | |
| | Hard Construction Cost/SF | $113 | $163 | $203 | $242 | $163 | $295 | $65 | $60 | $241 |
| | *Soft Cost % of Hard* | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% |
| | *Total Construction Cost/SF* | $136 | $196 | $243 | $290 | $195 | $353 | $77 | $72 | $290 |
| OPERATING ASSUMPTIONS | **Income Assumptions** | | | | | | | | | |
| | Base Income/Sf/Yr. | $18.85 | $19.60 | $20.50 | $24.00 | $18.00 | $30.00 | $8.00 | $14.00 | $150.00 |
| | *Adjustment Factor* | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | *Achievable Pricing* | $18.85 | $19.60 | $20.50 | $24.00 | $18.00 | $30.00 | $8.00 | $14.00 | $150.00 |
| | **Expense Assumptions** | | | | | | | | | |
| | Vacancy/Collection Loss | 5.00% | 5.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 35.00% |
| | Base Operating Expenses | 33.00% | 32.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 62.00% |
| | *Adjustment Factor* | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | *Operating Expenses* | 33.00% | 32.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 35.00% | 62.00% |
| | **Valuation Assumptions** | | | | | | | | | |
| | Base Capitalization Rate | 5.50% | 5.50% | 7.00% | 7.00% | 7.00% | 6.00% | 6.50% | 6.50% | 6.50% |
| | *Adjustment Factor* | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| | *Capitalization Rate* | 5.50% | 5.50% | 7.00% | 7.00% | 7.00% | 6.00% | 6.50% | 6.50% | 6.50% |
| SUPPORTABLE PROPERTY VALUE | **Cost** | | | | | | | | | |
| | Hard Cost | $2,714,202 | $4,977,209 | $2,206,423 | $2,632,984 | $3,545,566 | $3,848,526 | $984,129 | $1,306,800 | $13,323,289 |
| | Soft Cost | $542,840 | $995,442 | $441,285 | $526,597 | $709,113 | $769,705 | $196,826 | $261,360 | $2,664,658 |
| | Estimated Project Cost | $3,257,042 | $5,972,651 | $2,647,707 | $3,159,581 | $4,254,679 | $4,618,231 | $1,180,955 | $1,568,160 | $15,987,947 |
| | **Income** | | | | | | | | | |
| | Annual Base Income | $415,480 | $519,950 | $223,245 | $261,360 | $392,040 | $392,040 | $121,968 | $274,428 | $5,297,750 |
| | Annual Parking | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| | Gross Annual Income | $415,480 | $519,950 | $223,245 | $261,360 | $392,040 | $392,040 | $121,968 | $274,428 | $5,297,750 |
| | Less: Vacancy & CL | $20,774 | $25,997 | $22,325 | $26,136 | $39,204 | $39,204 | $12,197 | $27,443 | $1,854,213 |
| | Effective Gross Income | $394,706 | $493,952 | $200,921 | $235,224 | $352,836 | $352,836 | $109,771 | $246,985 | $3,443,538 |
| | Less Expenses: | | | | | | | | | |
| | Operating Expenses | $130,253 | $158,065 | $8,037 | $9,409 | $14,113 | $14,113 | $4,391 | $86,445 | $2,134,993 |
| | Annual NOI/Stabilized | $264,453 | $335,887 | $192,884 | $225,815 | $338,723 | $338,723 | $105,380 | $160,540 | $1,308,544 |
| | **Property Valuation** | | | | | | | | | |
| | Return on Cost | 8.12% | 5.62% | 7.28% | 7.15% | 7.96% | 7.33% | 8.92% | 10.24% | 8.18% |
| | Threshold Return on Cost | 6.33% | 6.33% | 8.05% | 8.05% | 8.05% | 6.90% | 7.48% | 7.48% | 7.48% |
| | Residual Value per Acre | $924,030 | ($662,178) | ($251,637) | ($354,425) | ($46,946) | $290,791 | $228,815 | $579,537 | $1,517,661 |
| | **Residual Value per Square Foot** | **$21.21** | **($15.20)** | **($5.78)** | **($8.14)** | **($1.08)** | **$6.68** | **$5.25** | **$13.30** | **$34.84** |

*SOURCE: JOHNSON ECONOMICS*

We may add a few observations regarding the above analysis. The differential between construction costs for three-story walk-up and four-story elevator apartment buildings is relatively high, and likely reflects an upscale, urban four-story format. We would expect a more basic format that resembles typical three-story buildings (but with elevator) to represent moderate positive residual land values. Similarly, the construction costs assumed for retail structures also likely represent relatively costly formats with expansive window lines. Recently constructed retail space at Coos Bay Village suggests that more basic formats are feasible in today's environment at the subject site. Drive-thru restaurant space, in particular, is likely to be feasible given achievable lease rates. Ground-floor retail spaces in mixed-use buildings without good auto access and visibility may not be feasible currently.

# APPLICATION FOR AUTHORITY

Corporation Division
sos.oregon.gov/business

**E-FILED**
Feb 29, 2024
**OREGON SECRETARY OF STATE**

**REGISTRY NUMBER**

223382599

**TYPE**

FOREIGN BUSINESS CORPORATION

**1. ENTITY NAME**

MITH-IH-KWUH ECONOMIC DEVELOPMENT CORPORATION

**2. MAILING ADDRESS**

3201 TREMONT ST
NORTH BEND OR 97459 USA

**3. NAME & ADDRESS OF REGISTERED AGENT**

JUDY FARM

3201 TREMONT ST
NORTH BEND OR 97459 USA

**4. PRESIDENT**

JUDY FARM

3201 TREMONT ST
NORTH BEND OR 97459 USA

**5. SECRETARY**

DENNIS WORDEN

3201 TREMONT ST
NORTH BEND OR 97459 USA

**6. DATE OF INCORPORATION**

01-31-2011

**7. DURATION**

PERPETUAL

**8. JURISDICTION**

USA

**9. PRIMARY PHYSICAL LOCATION**

3201 TREMONT ST
NORTH BEND OR 97459 USA

I declare, under penalty of perjury, that this document does not fraudulently conceal, fraudulently obscure, fraudulently alter or otherwise misrepresent the identity of the person or any officers, directors, employees or agents of the corporation on behalf of which the person signs. This filing has been examined by me and is, to the best of my knowledge and belief, true, correct, and complete. Making false statements in this document is against the law and may be penalized by fines, imprisonment, or both.

By typing my name in the electronic signature field, I am agreeing to conduct business electronically with the State of Oregon. I understand that transactions and/or signatures in records may not be denied legal effect solely because they are conducted, executed, or prepared in electronic form and that if a law requires a record or signature to be in writing, an electronic record or signature satisfies that requirement.

**ELECTRONIC SIGNATURE**

**NAME**

ALAN R. DALE III

**TITLE**

AUTHORIZED AGENT

**DATE**

02-28-2024

**Alex Dunn, P.E.** *President*

Office: (541) 757-1270
Fax: (541) 758-6585
alexdunn@mcgee-engineering.com

804 D NW Buchanan Ave. Corvallis, OR 97330
P.O. Box 1067 Corvallis, OR 97339
www.mcgee-engineering.com

# MEMORANDUM

February 23, 2024

**TO:** Mith-ih-kwuh Economic Development Corporation

**RE:** Ko'Kewl Wharf Improvement Project

McGee Engineering has been asked to provide MEDC with recommendations and guidance on improvements to the Ko'Kwel Wharf to rehabilite, improve and modernize the existing dock including adding a new fendering system to allow for a larger variety in size of vessel served and increasing the dock's capacity and longevity.

## KO'KWEL DOCK IMPROVEMENTS

The existing Ko'Kwel Dock structure does not have berthing fenders designed to dissipate energy along the face of the structure. The existing structure is currently relying on the inherent flexibility of the timber structure, and very careful operation of approaching vessels to absorb the energy of berthing impacts. This requires incoming vessels to approach at velocities an order of magnitude lower than that recommended by current design guidance. Any error in vessel operation is likely to cause structural damage to the existing structure. Additionally, the structure is not able to effectively function as a lay berth. The mooring anchorages and structure foundations have been damaged by vessels moored in unattended lay berth for as little as a few hours.

The proposed fender improvements add steel fender piles and a rubber energy dissipating element every 20 feet along the face of the existing structure, along with a marine camel to improve service for a wider size range of vessels. The rubber elements act as a cushion to reduce the impact on the structure, and therefore reduce the likelihood that damage will occur. Improvements will also increase the lateral capacity of the structure by installing replacement steel battered piles and a reinforced concrete edge beam.

The proposed fendering improvements must be combined with rehabilitation of portions of the dock to improve the overall load capacity. McGee Engineering inspected the Ko'Kwel Wharf dock as recently as April 2023, and based on that inspection has recommended rehabilitation of specific elements.

After the rehabilitation and improvements are complete, a wide variety of vessels, ranging from fishing trawlers and barges to HandyMax ships, are expected to safely moor and lay berth at the Ko'Kwel dock.

Due to the configuration of the existing timber structure, it is not practical to meet all modern design criteria for mooring and fendering. However, these improvements are expected to allow the structure to be used for more than 20 years and will allow the structure to withstand berthing velocities much closer to modern recommended design guidance.

## CAPACITY IMPROVEMENT

Improvement efforts are designed to increase the load carrying capacity of the current structure to 300 PSF material storage and 72,000LB trucks. Current load restrictions by area:

| | | |
|---|---|---|
| No capacity (closed to all use) | 31,600 SF | 38% |
| 10,000 LB GVW, no material storage | 6,300 SF | 8% |
| Full capacity | 43,700 SF | 54% |

These restrictions combined yield an average current overall load capacity of 39,680 pounds with no material storage allowed on 46% of dock area. The lack of a fendering system results in no safe mooring or berthing for smaller vessels.

## SUCCESS METRICS

- Dock load capacity increased
    - 72,000lb trucks and 300PSF material storage allowed on full dock area.
- Range of vessel size
    - Vessels as small as 60' safely accommodated by mooring/fendering system
    - Measure by mooring small vessels for a full tide cycle. Successful if no damage to boat or facility.
- Shore power installed
    - Final electrical permit &shore power operational

## USEFUL LIFE

The useful life of an asset is an estimate of the number of years it is likely to remain in service for the purpose of cost-effective revenue generation. This estimate typically includes routine maintenance and repairs but does not include major reconditioning efforts which would extend the useful life. Damage from events beyond design criteria, such as severe ship impacts, overloading, and extreme weather, are not included because they do not to affect the lifespan as long as adequate repairs are performed promptly after the event.

The baseline useful life of a timber wharf is 40-50 years. The existing timber structure is at least 40 years old. Planned improvement efforts are expected to extend the useful life more than 20 years. Service life estimates for proposed structure elements include:

- UHMW facing 10 years (assuming heavy use)
- Fenders 20 years (manufacturer data)
- Marine Camel 25 years (manufacturer data)
- Mooring Bollards 20 years (manufacturer data) (note: age of existing bollards unknown, new bollards not currently included in project)
- Concrete beam and steel piles 30 years (design/detailing criteria)

## MAINTENANCE

Improvements are expected to minimize maintenance costs by designing concrete components for a 30-year service live and selecting durable manufactured components. Maintenance efforts are expected to include:

- Replace UHMW pads every 10 years
- Replace restraint chains/hardware every 10 years
- Paint bollards/exposed steel every 5 years

Property Ownership

The property is owned by Mith-ih-Kwuh Economic Development Corporation through its wholly owned subsidiary Ko-Kwel Wharf 2, LLC. A copy of the Certificate of Formation for Ko-Kwel Wharf 2, LLC is attached and lists MEDC as its sole member. A copy of the deed held by Ko-Kwel Wharf 2 is also attached.

**Coquille Indian Tribe** **Certificate of Formation/ Articles of Organization**
**Ph: (541) 756-0904 Fx: (541) 756-0847** **Limited Liability Company**

**Secretary of the**
**Coquille Indian Tribe**
3050 Tremont Avenue
North Bend, OR 97459

Attach Additional Sheet if Necessary

1) **Name** (shall contain the words "Limited Liability Company" or the abbreviation "L.L.C." or the designation "LLC"):

Ko-Kwel Wharf 2, LLC

2) **Name and Address of the Registered Agent**:

Judy Duffy-Metcalf

3201 Tremont, North Bend, Oregon 97459

3) **Address of the Registered Office**:
3201 Tremont, North Bend, Or 97459

4) **Name of each Manager or Member:**

Mith-ih-Kwuh Economic Development Corporation, member

**Each of the above designated managers or members hereby consents to be subject to the non-exclusive jurisdiction of the Tribal Court of the Coquille Indian Tribe.**

5) **Optional Provisions** (Attach a separate sheet if necessary.)

6) **Execution: In Witness Whereof,** the undersigned have executed this Certificate of Formation of Ko-Kwel Wharf 2, LLC this 30th day of October, 2017.

| **Printed Name** | **Signature** | **Title** |
|---|---|---|
| Judy Duffy-Metcalf | | CEO/President of Member |
| | | |

**FEES**
Make Check for $50 payable to the "Coquille Indian Tribe", c/o Secretary of the Coquille Indian Tribe.

FILED
DATE 11/9/2017
JM 3:00 p.m.

6

AFTER RECORDING, RETURN TO:

Judy Metcalf, CEO
Coquille Economic Development Corporation
3201 Tremont
North Bend, Oregon 97459

UNTIL A CHANGE IS REQUESTED,
SEND ALL TAX STATEMENTS TO:

Ko-Kwel Wharf 2, LLC
3201 Tremont
North Bend, Oregon 97459

COOS COUNTY, OREGON **2018-01413**
**$71.00** **02/12/2018 04:08:00 PM**
DEBBIE HELLER, CEA, COOS COUNTY CLERK Pgs=6

**SPECIAL WARRANTY DEED**

Coquille Economic Development Corporation, a corporation chartered under the laws of the Coquille Indian Tribe, Grantor, conveys and specially warrants to Ko-Kwel Wharf 2, LLC Grantee, the real property described on the attached Exhibit A free of encumbrances created or suffered by the grantor except as specifically set forth herein.

Grantor conveys the property to Grantee subject to the exceptions to title set forth on the attached Exhibit B.

Other property or value was either part or the whole consideration for this conveyance.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

AFTER RECORDING
RETURN TO
Ticor Title Company
300 West Anderson Ave. - Box 1075
Coos Bay, OR 97420-0233

7021901

Feb. 12, 2018

Dated: January __, 2018

**Grantor:**

Coquille Economic Development Corporation

Judy Metcalf, CEO

State of Oregon )
) ss.
County of Coos )

Feb. 12, 2018

This instrument was acknowledged before me on January __, 2018 by Judy Metcalf as Chief Executive Officer of Coquille Economic Development Corporation.

OFFICIAL SEAL
MAKAYLA MECHELLE WALKER
NOTARY PUBLIC - OREGON
COMMISSION NO. 957110
MY COMMISSION EXPIRES JANUARY 02, 2021

Makayla Walker
Notary Public for Oregon
Commission No.: 957110
My Commission Expires: Jan 02, 2021

## EXHIBIT A

## LEGAL DESCRIPTION

Lots 2, KO'KWEL WHARF, Coos County, Oregon.

## EXHIBIT B

## EXCEPTIONS

1. City Liens, if any, in favor of the City of North Bend.

2. The Land lies within the North Bend Urban Renewal Area and is subject to the terms and provisions thereof.

3. Rights of the public and governmental agencies in and to any portion of said land lying within the boundaries of streets, roads, and highways.

4. Any adverse claim based upon the assertion that some portion of said Land is tide or submerged lands, or has been created by artificial means or has accreted to such portion so created.

5. Any adverse claim based upon the assertion that:
   a) Some portion of said Land is tide or submerged land, or has been created by artificial means or has accreted to such portion so created.
   b) Some portion of said Land has been brought within the boundaries thereof by an avulsive movement of Coos Bay or has been formed by accretion to any such portion.

6. Rights and easements for navigation and fishery which may exist over that portion of said Land lying beneath the waters of Coos Bay.

7. Any rights in favor of the public which may exist on said Land if said Land or portions thereof are or were at any time used by the public.

8. Any rights, interests or claims which may exist or arise by reason of the following facts shown by an inspection of said Land:
   a) The fact that a walkway or footpath extends over a portion of said Land, and is used by the public for access to and from the adjoining body of water known as Coos Bay.
   b) The fact that portions of said Land are used by the public for beach and recreational purposes.

9. Any adverse claim based upon the assertion that any portion of said Land was not tideland which was available for disposition by the State, or that any portion thereof has become submerged land by reason of erosion or has become upland by reason of accretion.

   Rights and easements for commerce, navigation and fishery.

10. Any adverse claim based upon the assertion that said Land or any part thereof is now or at any time has been included within a navigable river, slough, or other navigable body of water.

11. The rights of the public and governmental bodies for fishing, navigation and commerce in and to any portion of the Land herein described, lying below the high water line of the Coos Bay.

    The right, title and interest of the State of Oregon in and to any portion lying below the high water line of Coos Bay.

12. Easement(s), conditions, restrictions and notes and rights incidental thereto as delineated or as offered for dedication, on the map of said Ko'Kwel Wharf tract/plat;

13. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: The Coos Bay Gas and Electric Company Recording Date: January 11, 1906
Recording No: Book 48, Page 607

14. Agreement, including the terms and provisions thereof,
Between: Weyerhaeuser Timber Company
And: H. W. Irwin, et ux and James Lyons, et ux
Recorded: October 23, 1946
Book 164, Page 615
And supplemented by Agreement recorded August 6, 1947 in Book 171, page 466

15. Easement, including the terms and provisions thereof, From: Weyerhaeuser Timber Company
To: City of North Bend
Recorded: October 17, 1947
Book: 174 Page: 340, Deed Records of Coos County, Oregon.
For: sewer pipe line

16. Waiver of Access, including the terms and provisions thereof, as set forth in instrument between Weyerhaeuser Timber Company and State of Oregon, by and through its State Highway Commission, recorded August 27, 1954 in Book 236, Page 354

17. Terms and provisions of Ordinance No. 1041, between City of North Bend, Southern Pacific Railroad and Weyerhaeuser Timber Company, recorded April 9, 1956 in Book 249, Page 482, Deed Records of Coos County, Oregon and amended by instrument recorded May 7, 1956 in Book 250, Page 227, Deed Records of Coos County, Oregon.

18. Easement, including the terms and provisions thereof, From: Weyerhaeuser Timber Company
To: Southern Pacific Company
Recorded: August 19, 1959
Book: 273 Page: 325,

19. Terms, covenants, conditions, restrictions and provisions, imposed by instrument, including the terms and provisions thereof,
Recorded: March 19, 2004
Bearing Inst. #2004-3696

20. Oil and Gas Lease, including the terms and provisions thereof, a memorandum of which was,
Recorded: September 22, 2005
Inst # 2005-14483, Records
in Coos County, Oregon.
Lessor: Weyerhaeuser Company
Lessee: Methane Energy Corp., an Oregon corporation
1. Assignment of Overriding Royalty Interest
Recording Date: April 6, 2006
Recording No: 2006-4483
2. Memorandum of Assignment
Recording Date: June 8, 2010
Recording No: 2010-5100

23. Terms and Provisions of QuitClaim Deed
Recording Date: April 18, 2006 Recording No.: 2006-5107

24. Easement(s) and Equitable Servitudes for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: State of Oregon, acting by and through the Oregon Department of Environmental Quality Purpose: Soil Management Plan
Recording Date: May 18, 2009
Recording No: 2009-4649

25. Easement(s) and Equitable Servitude for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: State of Oregon acting by and through the Oregon Department of Environmental Quality Purpose: Environmental clean up
Recording Date: September 17, 2012
Recording No: 2012-7751

**RESOLUTION OF BOARD OF DIRECTORS**
**OF MITH-IH-KWUH ECONOMIC DEVELOPMENT CORPORATION**

**RESOLUTION CY 2024-01**

**APPROVAL OF CONNECT OREGON GRANT APPLICATION SUBMITTAL FOR KO'KWEL WHARF DOCK IMPROVEMENTS**

The Board of Directors ("**Board**") of Mith-ih-Kwuh Economic Development Corporation ("**MEDC**"), a federally chartered tribal business corporation of the Coquille Indian Tribe ("**Tribe**"), does hereby adopt the following resolution:

WHEREAS, MEDC is wholly owned by the Tribe; and

WHEREAS, MEDC is charged with economic development for the Tribe; and

WHEREAS, MEDC, by and through its wholly owned subsidiaries, operates the Ko'Kwel Wharf (the "**Wharf**") and related facilities in North Bend, Oregon; and

WHEREAS, MEDC hired Johnson Economics in 2021 to perform a Market Study (the "**Market Study**") for the Wharf; and

WHEREAS, the Market Study and financial analysis conducted by Johnson Economics determined the highest and best use of the Wharf property and included a preliminary conceptual plan recommending creation of an industrial development area that can benefit from the availability of a deep-water port, rail access and highway access at the Wharf; and

WHEREAS, MEDC has adopted the Market Study recommendation and is pursuing an improvement project for the Wharf's dock (the "**Dock**") that includes, among other things, the (a) rehabilitation, improvement and modernization of the Dock, including adding a new fendering system to allow for a larger variety in size of vessel served and increase the Dock's capacity and longevity, and (b) the addition of shore power to reduce the idling of diesel engines (the "**Dock Improvements**"); and

WHEREAS, the Tribe and MEDC's commitment to reducing carbon emissions will be served by providing shore power and eliminating use of diesel engines at the Dock; and

WHEREAS, MEDC has received commitments from a new industrial tenant to locate operations on the Wharf and create 4 to 5 jobs at the Wharf with an additional 41 to 52 new jobs created at the tenant's mills that will manufacture product for export at the Dock; and

WHEREAS, MEDC together with the Tribe has been awarded a MARAD PIDP in the amount of $7,729,650 of which $4,729,650 is available to improve the existing Dock; and

WHEREAS, additional funds are necessary to improve the dock to allow for a larger variety in size of vessel served and increase the Dock's capacity and longevity; and

WHEREAS, on January 11, 2024 the State of Oregon opened the next competitive opportunity for the Connect Oregon Grant Fund;

NOW THEREFORE BE IT RESOLVED, that:

1. MEDC approves and authorizes the submission of an application for the Connect Oregon Grant to fund the Dock Improvements.

2. In addition to using the MARAD PIDP funds as matching funds for the Connect Oregon Grant application, MEDC commits an additional $100,000 in matching funds for the Dock Improvements.

3. Judy Farm, as CEO of MEDC, or her designee, is authorized to act as representative of MEDC and to execute, submit and administer the Connect Oregon Grant application (and all related application documentation).

4. Each of the CEO and chair is authorized to sign and deliver all documents and to take or cause to be taken all other acts on behalf of MEDC that she or he deems necessary or appropriate to affect and carry out the intent of the above resolutions.

5. All actions heretofore or hereafter taken by any officer of MEDC in accordance with the foregoing resolution shall be, and hereby are, ratified and confirmed as the act and deed of MEDC taken or made by them within the scope of their duties to MEDC.

**Certification**

It is hereby certified that the Board of Directors of Mith-ih-Kwuh Economic Development Corporation, a corporation wholly owned by the Tribe and chartered under federal law, composed of five members of whom five constituting a quorum were present at a meeting duly noticed and held on February 27, 2024, adopted the foregoing Resolution of the Board of Directors of Mith-ih-Kwuh Economic Development by a vote of 5 for; 0 against, and 0 abstaining.

Attest: _____

Attest: _____

# Ko'Kwel Wharf Improvement Project
## Budget Support
## February 2024

1. Civil West - Permitting Estimate
2. McGee Engineering - Engineering Design & Construction Administration Estimate
3. Billeter Marine – Construction Estimates
    a. Bent 42 – 85
    b. Bent 86-114
    c. Bent 115-138
    d. Fendering Bent 42 – 138
4. Reese Electric and Pacific Power – Shore Power Estimate

Civil West Engineering Services, Inc.

**Rogue Valley Office**
830 O'Hare Parkway Ste 102
Medford, OR 97504
541-326-4828

**Coos Bay Office**
486 'E' Street
Coos Bay, OR 97420
541-266-8601

**Albany Office**
200 Ferry Street SW
Albany, OR 97321
541-223-5130

**Newport Office**
409 SW 10th Street
Newport, OR 97366
541-264-7040

# ENGINEERING SCOPE OF SERVICES

Date: February 16, 2024 Work Order Number:

To: Lorie Hancock

From: Will Dawson, Principal, Civil West Engineering Services, Inc.

RE: **Ko'Kwel Wharf Dock and Fendering Project Permitting**
Civil West Project Number: to be assigned

The purpose of this engineering proposal is to outline and describe the anticipated environmental permitting requirements for the Proposed Scope of Services to develop perform repairs and rehabilitation of the existing Ko'Kwel Wharf.

**Background Summary**

Lori Hancock, representing the Coquille tribe regarding potential environmental permitting requirements for their planned repairs and rehabilitation at the existing wharf located to the North of the Mill Casino in Coos Bay. The scope will include consultation with the primary permitting agencies: U.S. Army Corps of Engineers, Oregon Department of State Lands, and Department of Environmental Quality; review of existing design and planning documentation, preparation of a remove-fill Joint Permit Application and its associated attachments. Depending upon the initial data review and input from the agencies, additional evaluations may also be required, such as a Wetland Determination, which could also require the preparation of a Wetland Delineation and a Mitigation Plan.

We have completed our review of the available information, and we feel we have adequate information to develop a scope of work for the required documents. The following document has been developed based on information provided by FWMC.

**Goal for the Project**

To work as a part of a coordinated team. To prepare and submit a Joint Permit Application to cover in-water work associated with the Ko'Kwel Wharf repairs and rehabilitation. Additional documentation may be required depending upon details to be identified during performance of preliminary permit preparation that are identified as potential work scope.

Development of construction design documents is not included in this scope. It is anticipated that conceptual level design figures will be included in the SWPCP that will provide sufficient level of detail necessary to retrofit existing stormwater system components and/or procurement of new filtering system components.

**Part A: Scope of Work**

The following tasks have been identified to track the project's progress. Each task will be assigned a certain number of engineering hours for completion. While there may be many subtasks included within these major task areas, only the major tasks will be discussed below.

## I. Proposed Civil Engineering Scope of Services

**Task 1 – Project Management and Administration –** Under this task, we will provide the necessary project management and administrative services to conduct an orderly and well-managed project. This will include organizational issues, financial, and other administrative requirements. Coordination with the owner, and other affected parties is included in this task.

**Task 2 – Kick-off Meeting and Data Review –** Under this task, we will review existing, available data, documents, and research provided by the Owner.

**Task 3 –Consultation with Regulatory Agencies –** Under this task, we will meet with the three primary regulatory agencies (USACE, DSL, and DEQ ) to discuss the specific evaluations and supplementary agency involvement required for the permit.

**Tasks 4-15 – Prepare Joint Permit Application –** Under this task, we will prepare a remove-fill Joint Permit Application to include several attachments such as an alternatives analysis, SLOPES evaluation, ORWAP report, SFAM Report, Stream Stats Report, Sediment Evaluation Framework (level 1), consultation with the County to obtain a land use compatibility affidavit, preparation of sediment and erosion control plan for on-deck work activities to ensure protection of waters of the state, preparation of an enforceable policy report, and preparation of a functional assessment. Each of these evaluations and attachments are anticipated to be required for the wharf repair and rehabilitation activities.

**Task 16 - Reimbursables –** This task will cover reimbursable expenses for this project including:

a. Travel costs – mileage and meals for site visits
b. Reproduction costs and office reimbursables.

Additional work, outside the scope presented herein may be performed at the hourly rates presented in Exhibit A. The level of agency involvement, the nature of their comments, and response to any public comments received may require additional support and multiple revisions of the SWPCP documentation that is not included in this cost estimate.

In addition, specific exclusions may include but are not limited to the following:

- Construction design documents
- Hydrology
- Permitting Fees
- Wetland Delineation and Mitigation
- Specifications
- Construction Management
- Surveying

**Part B: Project Fee Proposal**

A summary of the anticipated fee schedule for the anticipated permitting and optional wetland/mitigation activities is provided below:

**Ko Kwel Wharf Permitting**

| Task No. | Task Description | Proposed Total Fee |
|---|---|---|
| 1 | Project Management and Administration | $1,486.00 |
| 2 | Kick-off Meeting and Data/Design Review | $1,430.00 |
| 3 | Meetings and Consultation with USACE, DSL, DEQ and other agencies | $1,144.00 |
| 4 | Prepare Joint Removal-Fill Permit Application (USACE, DSL, DEQ) | $6,060.00 |
| 5 | Prepare Alternatives Analysis | $2,860.00 |
| 6 | Prepare SLOPES Evaluation | $1,430.00 |
| 7 | Prepare ORWAP Report | $572.00 |
| 8 | Prepare SFAM Report | $572.00 |
| 9 | Prepare Stream Stats Report | $572.00 |
| 10 | Prepare Sediment Evaluation Framework - Level 1 Evaluation | $572.00 |
| 11 | Obtain Land Use Compatibility Affidavit | $572.00 |
| 12 | Prepare Sediment and Erosion Control Plan | $2,860.00 |
| 13 | Obtain Coastal Zone Management Act Documentation | $1,144.00 |
| 14 | Prepare Enforceable Policy Report | $1,144.00 |
| 15 | Prepare Functional Assessment/Streams Best Professional Judgement | $1,144.00 |
| 16 | Reimbursables | $350.00 |
| | Total : | $23,912.00 |
| | **Total Proposed Permitting Budget:** | **$23,912.00** |

We propose the above work be performed on a time and materials basis. CWE will invoice monthly based on the percentage of completion. If additional support is required beyond these allowances, we will communicate with the owner on an amendment to the agreement. Any additional work will be billed on a time and materials basis pursuant to the 2024 Rate Schedule attached hereto. If this proposed approach is acceptable, please sign below and return a copy to our office for our records.

**Part C: Project Schedule**

We will adjust our approach and efforts to meet the owner's schedule as required.

We are grateful for this opportunity to provide these services The Coquille Tribe. We are prepared to begin work on this important project as soon as we are authorized to do so. Let me know if you have any questions, or if you wish to see any alterations to our proposed approach. If this proposed approach is acceptable, please sign below and return a copy to our office for our records.

Sincerely,
**Civil West Engineering Services, Inc.**

Will Dawson
Principal/ South Coast Regional Manager

Authorized Representative Signature Accepting Scope of Services

Date

Civil West Engineering Services, Inc.

| STAFF/ITEM | BILLING RATE |
|---|---|
| **ENGINEERING** | |
| Expert Witness | $425 |
| Principal Engineer | $176 |
| Regional Manager | $170 |
| Senior Project Manager | $165 |
| Senior Project Engineer | $155 |
| Senior Engineering Technician | $128 |
| Project Manager | $160 |
| Project Engineer | $143 |
| Staff Engineer | $122 |
| Engineering Technician | $90 |
| Drafter | $81 |
| Inspector 1 | $165 |
| Inspector 2 | $143 |
| Inspector 3 | $122 |
| Administration / Marketing / Intern | $56 |
| **Surveying** | |
| Senior Surveyor (PLS) | $160 |
| Senior Survey Technician | $128 |
| Survey Technician | $112 |
| 1-person Survey Crew | $170 |
| 2-person Survey Crew | $200 |
| 3-person Survey Crew | $239 |
| **REIMBURSABLES** | |
| Mileage | $0.655 - or current IRS Rate |
| Survey Equipment | $250/day |
| GIS Data Collection Unit | $125/day |
| Technology Charge | 2.0% of Direct labor Costs |
| Lodging, meals as required for travel | Cost |
| Reproduction, Printing, Etc. | Cost plus 10% |
| Lab Fees | Cost plus 10% |
| Subconsultants | Cost plus 10% |
| Expert Witness Support Expenses | Cost |
| * Scoped Support Services Approved Travel Budgets Will be Developed and Approved by Client Using Standard Billing Rates. | |

**Alex Dunn, P.E.** *President*

Office: (541) 757-1270
Fax: (541) 758-6585
alexdunn@mcgee-engineering.com

804 D NW Buchanan Ave. Corvallis, OR 97330
P.O. Box 1067 Corvallis, OR 97339
www.mcgee-engineering.com

# MEMORANDUM

February 23, 2024

**TO:** Mith-it-kwuh Economic Development Corporation

**RE:** Ko'Kwel Wharf Improvement Project: Estimated Engineering Costs

We are providing the following estimated engineering costs to complete design of dock improvements and for construction administration.

## DESIGN

Typically 5% of construction cost: 0.05 x $4.5m = $225,000. About 1300 engineer hours at our blended rate, or 7 months of full time work for one engineer. Probably about 30% high, recommend $160,000 and four months duration for budgeting.

## CONSTRUCTION ADMINISTRATION

Depends largely on construction duration; if the work is staged in phased to accommodate ship traffic the schedule could be much longer than a single linear project. Assumed duration for two scenarios:

1. All in-water work completed in 25-26 window (4 months), construction continues for 6 months after, total construction duration 10 months. Estimated engineering support: (50 hours per week x 16 weeks + 8 hours per week x 24 weeks) = 992 hours x $200/hr = $198,400.
2. In-water work completed in two seasons (8 months), construction continues for 6 months after each one, total construction duration 20 months. Estimated engineering support: (50 hours per week x 32 weeks + 8 hours per week x 48 weeks) = 1984 hours x $200/hr = $396,800.

Commonly 5-10% of construction budget, may be light in first scenario. Recommend $300,000-400,000 for budgeting.

# Billeter Marine, LLC

520 3rd Court
Coos Bay, OR 97420

Ph: 541.269.8600
Fx: 541.266.0532

| | | | |
|---|---|---|---|
| **To:** | Coquille Indian Tribe | **Contact:** | |
| **Address:** | 3050 Tremont Ave | **Phone:** | 541-756-0904 |
| | North Bend, OR 97459 | **Fax:** | |
| **Project Name:** | Ko-Kwel Wharf Fendering System Rev3 | **Bid Number:** | |
| **Project Location:** | | **Bid Date:** | 2/16/2024 |

| Line # | Item # | Item Description | Estimated Quantity | Unit | Unit Price | Total Price |
|---|---|---|---|---|---|---|
| | 1 | Mobilization | 1.00 | LS | $137,476.17 | $137,476.17 |
| | 2 | Demo & Site Prep | 1.00 | LS | $66,244.54 | $66,244.54 |
| | 3 | Supply 24" X .750" Pile | 51.00 | EACH | $16,352.97 | $834,001.47 |
| | 4 | Drive 24" Fender Pile | 51.00 | EACH | $3,090.25 | $157,602.75 |
| | 5 | Supply 16" X .500" Pile | 102.00 | EACH | $7,424.70 | $757,319.40 |
| | 6 | Drive 16" Batter Pile | 102.00 | EACH | $4,138.46 | $422,122.92 |
| | 7 | Concrete Bull Rail | 1.00 | LS | $124,627.69 | $124,627.69 |
| | 8 | Concrete Edge Beam & Deck Slab | 1.00 | LS | $300,298.04 | $300,298.04 |
| | 9 | Pile 20 Replace Bents 42, 47, 49, 52, 60, 62, 64, 66, 67, 68, 70, 76, 77, 78, 86, 95, 97, 98, 105, 114, 115, 117, 121, 122, 124, 125, 128, 133, 134, 136 | 1.00 | LS | $170,937.33 | $170,937.33 |
| | 10 | Fendering Components & Hardware Supply And Install | 1.00 | LS | $250,560.31 | $250,560.31 |
| | 11 | Marine Camel Supply & Install | 25.00 | EACH | $28,050.39 | $701,259.75 |
| | | | | | **Total Bid Price:** | **$3,922,450.37** |
| **1** | | | | | | |
| | 12 | 5% Contingency | 1.00 | LS | $196,122.52 | $196,122.52 |
| | | | | | **Total Price for above 1 Items:** | **$196,122.52** |

**Notes:**

- The above prices include all cost for Performance and Payment Bonds.
- The above prices do not include Permits. If permits are to be obtained by Billeter Marine, LLC an extra charge of 75.00 per hour plus materials (if any) will be charged in addition to the proposal amount
- Billeter Marine, LLC reserves the right to pass on any material price increases that occur between the time this quote was given and the time of construction.
- Billeter Marine, LLC is not liable for any possible damages to underground utilities not located by others prior to our work.
- Quote good if accepted in writing within 15 days. Please sign and return one copy of this proposal to signify an acceptance of this quote and its terms and conditions as stated or feel free to call me if you have any questions. Our CCB# is 166653
- Any additional work will be billed on a cost plus 10% basis.
- All material is guaranteed to be as specified. All work is to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the agreed upon price. All agreements contingent upon strikes, accidents or delay beyond our control. Owner to carry fire, tornado, and other necessity insurance. Our workers are fully covered by Workmen's Compensation Insurance.
- Billeter Marine, LLC reserves the right to make progress billings on projects with durations greater than 1 month. This contract is to be paid in full within 30 days from the date the work has been substantially completed. Interest at the rate of ONE AND ONE-HALF (1-1/2%) PER MONTH (18% PER ANNUM) will be charged on all balances not paid when due. In the event legal action is necessary to enforce the contract, the prevailing party will be entitled to court costs and reasonable attorney fees.
- The prevailing party in any action or suit is entitled to costs and attorney fees. This receipt evidences a purchase as provided for in the ACCOUNT Plan Agreement between Billeter Marine, LLC and the above-named Purchaser. All provisions and agreements contained in the Account Plan Agreement, if applicable, are hereby incorporated by reference.

- If payment(s) are to be made using a credit card, Billeter Marine, LLC will charge an additional processing and handling fee of 3.5% of the amount (s) charged to offset bank charges.
- Survey
  Engineering
  Special inspections
  Testing - Including but not limited to, compaction, concrete, grout, rock, asbestos, lead, hydro and pressure testing
  Site Utilities -Water, power, lighting or sanitary facilities.
  Asbestos or lead based paint abatement
  Landscaping

**Payment Terms:**

Payment for project to be set forth in contract

| | |
|---|---|
| **ACCEPTED:**<br>The above prices, specifications and conditions are satisfactory and hereby accepted.<br>**Buyer:** _____<br>**Signature:** _____<br>**Date of Acceptance:** _____ | **CONFIRMED:**<br>**Billeter Marine LLC**<br>**Authorized Signature:** _____<br>**Estimator:** Todd Pannell<br>541-269-8600 todd@billetermarine.com |

# Billeter Marine, LLC

520 3rd Court
Coos Bay, OR 97420

Ph: 541.269.8600
Fx: 541.266.0532

| | | | |
|---|---|---|---|
| **To:** | Coquille Indian Tribe | **Contact:** | |
| **Address:** | 3050 Tremont Ave | **Phone:** | 541-756-0904 |
| | North Bend, OR 97459 | **Fax:** | |
| **Project Name:** | Bents 115 - 138 Improvements Fendering System Overlap Removed | **Bid Number:** | |
| **Project Location:** | | **Bid Date:** | 2/22/2024 |

| Line # | Item # | Item Description | Estimated Quantity | Unit | Unit Price | Total Price |
|---|---|---|---|---|---|---|
| | 1 | Mobilization | 1.00 | LS | $1,995.26 | $1,995.26 |
| | 3 | Demo Ramps | 3.00 | EACH | $1,349.01 | $4,047.03 |
| | 2 | Concrete Slab | 3.00 | EACH | $13,395.61 | $40,186.83 |
| | 1 | Bent 115: Pile 7A, 16 Repair, | 1.00 | LS | $16,471.93 | $16,471.93 |
| | 2 | Bent 116: Pile 7, 7A Repair, 17 Shim | 1.00 | LS | $11,071.74 | $11,071.74 |
| | 3 | Bent 117: Pile 7A Repair, Pile 19 Replace | 1.00 | LS | $22,577.83 | $22,577.83 |
| | 4 | Bent 118: Pile 7, 7A Repair, Stringer 17 Repair | 1.00 | LS | $17,295.51 | $17,295.51 |
| | 5 | Bent 119: Cap Bear Repair, Pile 19 Shim | 1.00 | LS | $5,577.62 | $5,577.62 |
| | 6 | Bent 120:Pile 7A, 11, 12 Repair, Deck Repair | 1.00 | LS | $22,370.90 | $22,370.90 |
| | 7 | Bent 121: Pile 7A Repair, Stringer 36 Install, Deck Repair | 1.00 | LS | $16,741.01 | $16,741.01 |
| | 8 | Bent 122: Pile 7A Repair, Pile 20 Install New, Sub Cap 17 Repair, Cap Beam Repair, Stringer 13, 36 Repair | 1.00 | LS | $35,336.28 | $35,336.28 |
| | 9 | Bent 123: Pile 7A, 19A Repair, Deck Repair | 1.00 | LS | $13,099.89 | $13,099.89 |
| | 10 | Bent 124: Pile 8 Shim, Deck Repair | 1.00 | LS | $4,194.82 | $4,194.82 |
| | 11 | Bent 125: Pile 7, 19 Repair | 1.00 | LS | $16,011.67 | $16,011.67 |
| | 12 | Bent 126: Pile 18 Repair, , Stringer 2 Repair, Deck Repair | 1.00 | LS | $30,642.79 | $30,642.79 |
| | 13 | Bent 127: Pile 7A, 15 Repair | 1.00 | LS | $16,198.72 | $16,198.72 |
| | 14 | Bent 128: Pile 7, 7A, 10,19 Repair, Sub Cap 17 Repair, Stringer 2, 25 Repair | 1.00 | LS | $45,307.89 | $45,307.89 |
| | 15 | 1Bent 129: Pile 7A Repair, Stringer 2 Install | 1.00 | LS | $5,914.61 | $5,914.61 |
| | 16 | Bent 130: Pile 7A, 12 Repair, Deck Repair | 1.00 | LS | $10,711.39 | $10,711.39 |
| | 17 | Bent 131: Pile Cap Repair | 1.00 | LS | $4,068.11 | $4,068.11 |
| | 18 | Bent 132: Pile 7A Repair, Stringer 2 Repair | 1.00 | LS | $22,658.06 | $22,658.06 |
| | 19 | Bent 133: Pile 7A Repair | 1.00 | LS | $8,192.89 | $8,192.89 |
| | 20 | Bent 134: Pile 7A Repair: Stringer 2, 36 Repair | 1.00 | LS | $22,658.06 | $22,658.06 |
| | 21 | Bent 135: Deck Repair | 1.00 | LS | $24,693.79 | $24,693.79 |
| | 22 | Bent 136: Pile 7, 7A, 19 Repair, Deck Repair | 1.00 | LS | $5,086.66 | $5,086.66 |
| | 23 | Bent 137: Pile 7,7A Repair, Deck Repair | 1.00 | LS | $23,074.38 | $23,074.38 |
| | 24 | Bent 138: Pile 7A, 13 Repair, Cap Beam Repair, Deck Repair | 1.00 | LS | $27,441.77 | $27,441.77 |
| | 25 | Re-attach Outboard HP 14x89 Between Bent 130 - 134 | 1.00 | LS | $0.00 | $0.00 |

**Total Bid Price: $473,627.44**

**Notes:**

- The above prices do not include Permits. If permits are to be obtained by Billeter Marine, LLC an extra charge of 75.00 per hour plus materials (if any) will be charged in addition to the proposal amount

- Billeter Marine, LLC reserves the right to pass on any material price increases that occur between the time this quote was given and the time of construction.
- Quote good if accepted in writing within 7 days. Please sign and return one copy of this proposal to signify an acceptance of this quote and its terms and conditions as stated or feel free to call me if you have any questions. Our CCB# is 166653
- Any additional work will be billed on a cost plus 10% basis.
- All material is guaranteed to be as specified. All work is to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the agreed upon price. All agreements contingent upon strikes, accidents or delay beyond our control. Owner to carry fire, tornado, and other necessity insurance. Our workers are fully covered by Workmen's Compensation Insurance.
- Billeter Marine, LLC reserves the right to make progress billings on projects with durations greater than 1 month. This contract is to be paid in full within 30 days from the date the work has been substantially completed. Interest at the rate of ONE AND ONE-HALF (1-1/2%) PER MONTH (18% PER ANNUM) will be charged on all balances not paid when due. In the event legal action is necessary to enforce the contract, the prevailing party will be entitled to court costs and reasonable attorney fees.
- The prevailing party in any action or suit is entitled to costs and attorney fees. This receipt evidences a purchase as provided for in the ACCOUNT Plan Agreement between Billeter Marine, LLC and the above-named Purchaser. All provisions and agreements contained in the Account Plan Agreement, if applicable, are hereby incorporated by reference.
- If payment(s) are to be made using a credit card, Billeter Marine, LLC will charge an additional processing and handling fee of 3% of the amount(s) charged to offset bank charges.
- Survey
  Engineering
  Special inspections
  Testing - Including but not limited to, compaction, concrete, grout, rock, asbestos, lead, water
  Site Utilities -Water, power, lighting or sanitary facilities.
  Bonds, payment or performance. If bonds required add 3%
  Asbestos or lead based paint abatement
  Landscaping

**Payment Terms:**

Payment for project to be set forth in contract

| **ACCEPTED:** | **CONFIRMED:** |
|---|---|
| The above prices, specifications and conditions are satisfactory and hereby accepted. | **Billeter Marine LLC** |
| **Buyer:** _____ | |
| **Signature:** _____ | **Authorized Signature:** _____ |
| **Date of Acceptance:** _____ | **Estimator:** Todd Pannell<br>541-269-8600 todd@billetermarine.com |

# Billeter Marine, LLC

520 3rd Court
Coos Bay, OR 97420

Ph: 541.269.8600
Fx: 541.266.0532

| | | | |
|---|---|---|---|
| **To:** | Coquille Indian Tribe | **Contact:** | |
| **Address:** | 3050 Tremont Ave | **Phone:** | 541-756-0904 |
| | North Bend, OR 97459 | **Fax:** | |
| **Project Name:** | Bent 86 - 114 Improvements - Fendering System Overlap Removed | **Bid Number:** | |
| **Project Location:** | | **Bid Date:** | 2/22/2024 |

| Line # | Item # | Item Description | Estimated Quantity | Unit | Unit Price | Total Price |
|---|---|---|---|---|---|---|
| | 01 | Mobilization | 1.00 | LS | $1,887.18 | $1,887.18 |
| | 1 | Bent 86, | 1.00 | LS | $0.00 | $0.00 |
| | 2 | Bent 90, Stringer 36 | 1.00 | LS | $7,013.32 | $7,013.32 |
| | 3 | Bent 91 | 1.00 | LS | $0.00 | $0.00 |
| | 4 | Bent 92, Decking | 1.00 | LS | $6,583.68 | $6,583.68 |
| | 5 | Bent 93, | 1.00 | LS | $0.00 | $0.00 |
| | 6 | Bent 94, Decking | 1.00 | LS | $6,809.74 | $6,809.74 |
| | 7 | Bent 95, Decking | 1.00 | LS | $7,548.08 | $7,548.08 |
| | 8 | Bent 96, Decking | 1.00 | LS | $7,548.08 | $7,548.08 |
| | 9 | Bent 97 | 1.00 | LS | $0.00 | $0.00 |
| | 10 | Bent 98 | 1.00 | LS | $0.00 | $0.00 |
| | 11 | Bent 99 | 1.00 | LS | $0.00 | $0.00 |
| | 12 | Bent 100 | 1.00 | LS | $0.00 | $0.00 |
| | 13 | Bent 101 | 1.00 | LS | $0.00 | $0.00 |
| | 14 | Bent 102, Decking | 1.00 | LS | $6,556.96 | $6,556.96 |
| | 15 | Bent 104 | 1.00 | LS | $0.00 | $0.00 |
| | 16 | Bent 105 | 1.00 | LS | $0.00 | $0.00 |
| | 17 | Bent 106 | 1.00 | LS | $0.00 | $0.00 |
| | 18 | Bent 107 | 1.00 | LS | $0.00 | $0.00 |
| | 19 | Bent 108 | 1.00 | LS | $0.00 | $0.00 |
| | 20 | Bent 109 | 1.00 | LS | $0.00 | $0.00 |
| | 21 | Bent 110, Decking | 1.00 | LS | $7,297.32 | $7,297.32 |
| | 22 | Bent 112, Decking | 1.00 | LS | $8,052.59 | $8,052.59 |
| | 23 | Bent 113, Decking | 1.00 | LS | $7,142.97 | $7,142.97 |
| | 244 | Bent 114 | 1.00 | LS | $0.00 | $0.00 |

**Total Bid Price: $66,439.92**

**Notes:**

- The above prices do not include Permits. If permits are to be obtained by Billeter Marine, LLC an extra charge of 75.00 per hour plus materials (if any) will be charged in addition to the proposal amount
- Billeter Marine, LLC reserves the right to pass on any material price increases that occur between the time this quote was given and the time of construction.
- Quote good if accepted in writing within 7 days. Please sign and return one copy of this proposal to signify an acceptance of this quote and its terms and conditions as stated or feel free to call me if you have any questions. Our CCB# is 166653
- Any additional work will be billed on a cost plus 10% basis.
- All material is guaranteed to be as specified. All work is to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the agreed upon price. All agreements contingent upon strikes, accidents or delay beyond our control. Owner to carry fire, tornado, and other necessity insurance. Our workers are fully covered by Workmen's Compensation Insurance.

- Billeter Marine, LLC reserves the right to make progress billings on projects with durations greater than 1 month. This contract is to be paid in full within 30 days from the date the work has been substantially completed. Interest at the rate of ONE AND ONE-HALF (1-1/2%) PER MONTH (18% PER ANNUM) will be charged on all balances not paid when due. In the event legal action is necessary to enforce the contract, the prevailing party will be entitled to court costs and reasonable attorney fees.
- The prevailing party in any action or suit is entitled to costs and attorney fees. This receipt evidences a purchase as provided for in the ACCOUNT Plan Agreement between Billeter Marine, LLC and the above-named Purchaser. All provisions and agreements contained in the Account Plan Agreement, if applicable, are hereby incorporated by reference.
- If payment(s) are to be made using a credit card, Billeter Marine, LLC will charge an additional processing and handling fee of 3% of the amount(s) charged to offset bank charges.
- Survey
  Engineering
  Special inspections
  Testing - Including but not limited to, compaction, concrete, grout, rock, asbestos, lead, water
  Site Utilities -Water, power, lighting or sanitary facilities.
  Bonds, payment or performance. If bonds required add 3%
  Asbestos or lead based paint abatement
  Landscaping
  Survey
  Engineering
  Special inspections
  Testing - Including but not limited to, compaction, concrete, grout, rock,
  asbestos, lead, water
  Site Utilities -Water, power, lighting or sanitary facilities
  Bonds, payment or performance. If bonds required add 3%

**Payment Terms:**

Payment for project to be set forth in contract

| | |
|---|---|
| **ACCEPTED:**<br>The above prices, specifications and conditions are satisfactory and hereby accepted.<br>**Buyer:** _____<br>**Signature:** _____<br>**Date of Acceptance:** _____ | **CONFIRMED:**<br>**Billeter Marine LLC**<br>**Authorized Signature:** _____<br>**Estimator:** Todd Pannell<br>541-269-8600 todd@billetermarine.com |

# Billeter Marine, LLC

520 3rd Court
Coos Bay, OR 97420

Ph: 541.269.8600
Fx: 541.266.0532

| | | | |
|---|---|---|---|
| **To:** | Coquille Indian Tribe | **Contact:** | |
| **Address:** | 3050 Tremont Ave | **Phone:** | 541-756-0904 |
| | North Bend, OR 97459 | **Fax:** | |
| **Project Name:** | Bent 42 - 85 Improvements - Fendering System Overlap Removed | **Bid Number:** | |
| **Project Location:** | | **Bid Date:** | 2/22/2024 |

| Line # | Item # | Item Description | Estimated Quantity | Unit | Unit Price | Total Price |
|---|---|---|---|---|---|---|
| | 1 | Mobilization | 1.00 | LS | $45,566.21 | $45,566.21 |
| | 2 | Demo Pier Deck | 1.00 | LS | $219,440.83 | $219,440.83 |
| | 2a | Install Pan Decking, Pour And Finish Concrete | 1.00 | LS | ~~$601,237.86~~ | ~~$601,237.86~~ |
| | 3 | Bent 42; Stringer 6 & 13 Repair, Pile 9, 11A, 13, 14, 15, 16 Replace | 1.00 | LS | $71,162.37 | $71,162.37 |
| | 4 | Bent 43: Pile 9, 12, 13, 17, 19 Replace | 1.00 | LS | $47,595.69 | $47,595.69 |
| | 5 | Bent 44: Stringer 12, 13 Repair, Pile 9, 10, 11A, 12, 13, 14, 17 & 18 Replace | 1.00 | LS | $84,041.99 | $84,041.99 |
| | 6 | Bent 45: Pile 10, 11A, 12, 13, 14 & 15 Replace | 1.00 | LS | $57,340.66 | $57,340.66 |
| | 7 | Bent 46: Pile 18 Repair, Pile 10,11 13, 14 & 17 Replace | 1.00 | LS | $55,699.34 | $55,699.34 |
| | 8 | Bent 47: Pile 13 Repair, Pile 10, 11A, 15, 19 Replace | 1.00 | LS | $45,239.59 | $45,239.59 |
| | 9 | Bent 48: Stringer 12 Repair, Pile 12, 13, 15, 17 & 19 Replace | 1.00 | LS | $52,234.10 | $52,234.10 |
| | 10 | Bent 49: Pile 9, 11, 11A, 12, 13 & 18 Replace | 1.00 | LUM | $57,340.66 | $57,340.66 |
| | 11 | Bent 50: Pile 9, 10, 11, 11A, 13, 14, 15 & 18 Replace | 1.00 | LS | $76,458.26 | $76,458.26 |
| | 12 | Bent 51: Stringer 12 & 13 Repair, Pile 10, 11, 11A, 12, 13 & 18 Replace | 1.00 | LS | $93,300.15 | $93,300.15 |
| | 13 | Bent 52: Stringer 12, 13 Repair, Pile 7A, 9 10, 12 Replace | 1.00 | LS | $44,497.93 | $44,497.93 |
| | 14 | Bent 53: Stringer 36 Repair, Pile 9, 11, 11A, 13, 14 & 16 Replace | 1.00 | LS | $68,797.71 | $68,797.71 |
| | 15 | Bent 54: Pile 15 Shim, Pile 11, 11A, 13, 14, 16, 19 Replace | 1.00 | LS | $67,668.76 | $67,668.76 |
| | 16 | Bent 55: Pile 9, 11, 12, 14, 15, 16 & 18 Replace | 1.00 | LS | $66,299.96 | $66,299.96 |
| | 17 | Bent 56: Pile 9, 11A & 15 Replace | 1.00 | LS | $28,670.33 | $28,670.33 |
| | 18 | Bent 57: Pile 8, 12, 15, 16, 17 & 19 Replace | 1.00 | LS | $57,340.66 | $57,340.66 |
| | 19 | Bent 58: Stringer 13 Repair, Pile 11, 12, 14, 16 & 18 Replace | 1.00 | LS | $51,579.80 | $51,579.80 |
| | 20 | Bent 59: Pile 9, 11, 11A, 12, 13, 15, 16 & 17 Replace | 1.00 | LS | $76,458.26 | $76,458.26 |
| | 21 | Bent 60: Pile 11A, 12, 13, 14, 17 & 18 Replace | 1.00 | LS | $57,340.66 | $57,340.66 |
| | 22 | Bent 61: Stringer 32, 33, 34, 35 Repair, Pile 9, 10, 11, 11A, 13, 14, 16 & 19 Replace | 1.00 | LS | $93,275.89 | $93,275.89 |
| | 23 | Bent 62: Pile 11, 11A, 12, 14, 15, 18, 19 Replace, Pile: 13 & 16 Shim | 1.00 | LS | $71,006.04 | $71,006.04 |
| | 24 | Bent 63: Pile 9, 11, 12, 14, 15 & 18 Replace, Pile 12 Sub Cap Repair | 1.00 | LS | $60,694.02 | $60,694.02 |
| | 25 | Bent 64: Pile 11 Repair, Pile 9, 13, 14, 16, 17, 19 Replace, Stringer 12 & 13 Repair | 1.00 | LS | $59,143.62 | $59,143.62 |
| | 26 | Bent 65: Pile 11A, 12, 15, 16 @ 17 Replace, Stringer 14 Repair | 1.00 | LS | $51,518.92 | $51,518.92 |
| | 27 | Bent 66: Pile 11A, 12, 13, 14, 16 Replace, Pile 15 Shim | 1.00 | LS | $49,711.62 | $49,711.62 |

| Line # | Item # | Item Description | Estimated Quantity | Unit | Unit Price | Total Price |
|---|---|---|---|---|---|---|
| | 28 | Bent 67, Cap Beam Repair, Pile 9, 14, 15, 16, 18, 19 Replace | 1.00 | LS | $61,664.00 | $61,664.00 |
| | 29 | Bent 68: Stringer 13 Repair, Pile 9, 11A, 12, 15, 19 Replace | 1.00 | LS | $50,453.54 | $50,453.54 |
| | 30 | Bent 69: Stringer 3 Repair, Pile 9, 11A, 12, 13, 14, 16, 17, 18 Replace | 1.00 | LS | $80,773.06 | $80,773.06 |
| | 31 | Bent 70: Sub Cap 13 Repair, Stringer 13 Repair, Pile 10, 14, 15, 16, 18 & 19 Replace | 1.00 | LS | $61,010.77 | $61,010.77 |
| | 32 | Bent 71: Pile 12, 13, 16, 18 Replace | 1.00 | LS | $39,229.82 | $39,229.82 |
| | 33 | Bent 72: Sub Cap 13 Repair, Pile 11A, 12, 13, 14, 17 Replace | 1.00 | LS | $50,673.51 | $50,673.51 |
| | 34 | Bent 73: Stringer 26 Repair, Pile 9, 10, 15, 18 & 19 Replace | 1.00 | LS | $47,787.93 | $47,787.93 |
| | 35 | Bent 74: Pile 16 Shim, Pile 9, 10, 12 & 13 Replace | 1.00 | LS | $39,928.19 | $39,928.19 |
| | 36 | Bent 75: Pile 13 Shim, Pile 11, 12, 14 & 19 Replace | 1.00 | LS | $45,001.79 | $45,001.79 |
| | 37 | Bent 76: Pile 18 Repair, Cap Beam Repair, Stringer 12 Repair Pile 13 & 16 Replace | 1.00 | LS | $32,991.41 | $32,991.41 |
| | 38 | Bent 77: Pile 9, 14, 15, 18 Replace | 1.00 | LS | $39,229.82 | $39,229.82 |
| | 39 | Bent 78: Pile 12, 13 & 17 Replace | 1.00 | LS | $28,670.33 | $28,670.33 |
| | 40 | Bent 79: Pile 9, 13 & 16 Replace | 1.00 | LS | $28,670.33 | $28,670.33 |
| | 41 | Bent 80: Pile 8 Repair, Cap Beam Repair, Pile 10, 11, 11A, 12, 17 Replace | 1.00 | LS | $68,004.43 | $68,004.43 |
| | 42 | Bent 81: Pile 14 Shim, Sub Cap 10 Repair, Pile 9, 11, 11A, 16, 18 Replace | 1.00 | LS | $53,869.87 | $53,869.87 |
| | 43 | Bent 82: Cap Beam Repair, Pile 10 Replace | 1.00 | LS | $17,722.09 | $17,722.09 |
| | 44 | Bent 83: Stringer 10 Repair, Pile 7A, 10 & 18 Replace | 1.00 | LS | $32,583.94 | $32,583.94 |
| | 45 | Bent 84, Pile 9 & 10 Repair | 1.00 | LS | $11,312.69 | $11,312.69 |
| | 46 | Bent 85: Pile 7 & 11A Repair, Stringer 10 & 11 Repair | 1.00 | LS | $22,225.53 | $22,225.53 |
| | | | | **Total Bid Price:** | | **$3,222,464.94** |
| | | | | | | - 401,237.86 |
| **1** | | | | | | |
| | 47 | Install Wood Decking & Asphalt | 1.00 | LS | $401,235.03 | $401,235.03 |
| | | | | **Total Price for above 1 Items:** | | + **$401,235.03** ← |
| | | | | | | 3,022,462.11 |

**Notes:**

- The above prices do not include Permits. If permits are to be obtained by Billeter Marine, LLC an extra charge of 75.00 per hour plus materials (if any) will be charged in addition to the proposal amount
- Billeter Marine, LLC reserves the right to pass on any material price increases that occur between the time this quote was given and the time of construction.
- Quote good if accepted in writing within 7 days. Please sign and return one copy of this proposal to signify an acceptance of this quote and its terms and conditions as stated or feel free to call me if you have any questions. Our CCB# is 166653
- Any additional work will be billed on a cost plus 10% basis.
- All material is guaranteed to be as specified. All work is to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the agreed upon price. All agreements contingent upon strikes, accidents or delay beyond our control. Owner to carry fire, tornado, and other necessity insurance. Our workers are fully covered by Workmen's Compensation Insurance.
- Billeter Marine, LLC reserves the right to make progress billings on projects with durations greater than 1 month. This contract is to be paid in full within 30 days from the date the work has been substantially completed. Interest at the rate of ONE AND ONE-HALF (1-1/2%) PER MONTH (18% PER ANNUM) will be charged on all balances not paid when due. In the event legal action is necessary to enforce the contract, the prevailing party will be entitled to court costs and reasonable attorney fees.
- The prevailing party in any action or suit is entitled to costs and attorney fees. This receipt evidences a purchase as provided for in the ACCOUNT Plan Agreement between Billeter Marine, LLC and the above-named Purchaser. All provisions and agreements contained in the Account Plan Agreement, if applicable, are hereby incorporated by reference.
- If payment(s) are to be made using a credit card, Billeter Marine, LLC will charge an additional processing and handling fee of 3% of the amount(s) charged to offset bank charges.

- Survey
  Engineering
  Special inspections
  Testing - Including but not limited to, compaction, concrete, grout, rock, asbestos, lead, water
  Site Utilities -Water, power, lighting or sanitary facilities.
  Bonds, payment or performance. If bonds required add 3%
  Asbestos or lead based paint abatement
  Landscaping
  Survey
  Engineering
  Special inspections
  Testing - Including but not limited to, compaction, concrete, grout, rock,
  asbestos, lead, water
  Site Utilities -Water, power, lighting or sanitary facilities
  Bonds, payment or performance. If bonds required add 3%

- This Bid has been calculated removing existing pier decking and installing new pan decking and 6" reinforced concrete deck, Piling is 80' x 12" x .5'

**Payment Terms:**

Payment for project to be set forth in contract

| | |
|---|---|
| **ACCEPTED:**<br>The above prices, specifications and conditions are satisfactory and hereby accepted.<br>**Buyer:** _____<br>**Signature:** _____<br>**Date of Acceptance:** _____ | **CONFIRMED:**<br>**Billeter Marine LLC**<br>**Authorized Signature:** _____<br>**Estimator:** Todd Pannell<br>541-269-8600 todd@billetermarine.com |

Reese Electric, Inc.
ELECTRICAL CONTRACTORS
P.O. BOX 1068
1750 SHERMAN AVENUE
NORTH BEND, OR 97459
(541) 756-0581 • FAX: 756-6613
CCB #23563

# Quote

**Date:** 2/27/2023

**Project:** KOKWEL TERMINAL
3201 TREMONT
NORTH BEND, OR 97459

**To:** TRIBAL 1 CONSTRUCTION
3201 TREMONT AVE
NORTH BEND, OR 97459

**From:** REESE ELECTRIC
1750 SHERMAN AVE
NORTH BEND, OR 97459

ESTIMATE FOR NEW 800 AMP SERVICE AND SHORE POWER OUTLET BOX FOR SHIPS.

1. PROVIDE AND INSTALL NEW SECTIONAL CABINET VAULT AND TRANSFORMER VAULT FOR POWER COMPANY ON PROPERTY AS DIRECTED BY POWER COMPANY.
2. PROVIDE AND INSTALL NEW 6" PVC CONDUIT FROM POWER POLE TO NEW SECTIONAL VAULT AND TRANSFORMER VAULT.
3. PROVIDE AND INSTALL NEW CONCRETE PAD FOR NEW MDP.
4. PROVIDE AND INSTALL NEW 800 AMP STAINLESS STEEL 3R MDP ON NEW PAD.
5. PROVIDE AND INSTALL NEW STAINLESS STEEL SHORE POWER PAD MOUNT ASSEMBLY BOX WITH TWO FACTORY INSTALLED THREE PHASE 320 AMP 7.2KV PROCONECT RECEPTACLES.
6. PROVIDE AND INSTALL FOUR NEW 3 INCH PVC CONDUIT RUNS WITH 250 MCM FEEDER WIRING FROM NEW MDP TO NEW SHORE POWER RECEPTACLE BOX.
7. INCLUDES PERMIT, TRENCHING, AND BACKFILL.

(THIS SCOPE OF WORK IS BASED ON THE ABOVE SPECIFICATIONS FOR TWO 320 AMP RECECPTACLS.) THE PRICE AND SCOPE OF WORK MAY BE SUBJECT TO CHANGE WHEN OR IF ANY OTHER TYPE OF SHORE POWER RECEPTACLE SPECIFICATION IS PROVIDED BY OWNER PRIOR TO BEGINNING OF WORK.

**Price: *** $362,815.00*****

**Excludes:**
Utility Fees

Notes:
1. This quote may be withdrawn by us if not accepted within thirty (30) days.
2. This quote excludes any and all insurance requirements other than listed on our basic insurance certificates, specifically, but not limited to, Waivers of Subrogation, Additional Insured, Pollution Writers, increased policy limits, and etc. Any special provisions will be subject to additional fees.
3. Our bid is predicated upon the understanding that our work is fully set forth in the Specification Division mentioned above and that any resulting subcontract shall be subject to the terms of the current edition of American Institute of Architects (AIA) Document A401, Standard Form of Agreement Between Contractor and Subcontractor.
4. If applicable, any Builder's Risk policy will be paid by owner or general contractor.
5. If progress billings are to be paid by credit card, a fee of 2% of payment amount will be added at time of payment.
6. The schedule shall be made in consultation with us and shall provide time for us to perform our work on an 8-hour day, Mon-Fri 8:00am to 5:00pm 40-hour a week basis. This proposal does not include provision for our being required to perform overtime work for delays not caused by us.

If you have any questions, please don't hesitate to call.
Thank you,
Shane Rogers
Reese Electric, Inc.

**From:** Freeman, Kristofer (PacifiCorp) <Kristofer.Freeman@pacificorp.com>
**Sent:** Thursday, April 27, 2023 2:18 PM
**To:** Ray Doering <raydoering@tribal.one>
**Subject:** RE: [INTERNET] FW: Shore power to Ko'Kwel Wharf

Good afternoon Ray,

This cost is for installation all of our facilities to give the requested 800amp 277/480v 3phase service,

For ship mooring needs. Our cost is based on current design subject to change.

Our ball park cost at this time would be $77,000.00

If there are any questions please feel free to call or email.

Kristofer Freeman

Pacific Power/ Estimator

Kristofer.Freeman@pacificorp.com

541-267-1830

Builders and contractors Info

Electric service requirements

# Ko'Kwel Wharf Improvement Project
# COST-BENEFIT ANALYSIS AND RATE OF RETURN

The following tables show the Ko'Kwel Wharf Improvement Project cost-benefit analysis and rate of return calculation over the 20-year project life.

Conservative Cost Benefit Analysis – Although we anticipate that at the completion of the improvements to the Ko'Kwel Dock additional users will be added, the cost/benefit analysis benefits conservatively includes only wages from currently committed jobs. The Project yields over $78 million in net benefit over the Project life.

Rate of Return – Using the numbers in the cost-benefit analysis table, a rate of return for the total investment in the Ko'Kwel Wharf Improvement Project is estimated at 29.01%. If the rate of return is calculated using only the requested Connect Oregon grant fund investment, the rate of return is 85%.

**Cost-Benefit Analysis**
Based on Conservative Assumptions

**Ko'Kwel Wharf Cost-Benefit Analysis**

| Connect Oregon Grant Application | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NON-RECURRING COSTS | | | | | | | | | | | | | | | | | | | | | |
| Permitting | 23,912 | | | | | | | | | | | | | | | | | | | | 23,912 |
| Engineering Design | 225,000 | | | | | | | | | | | | | | | | | | | | 225,000 |
| Construction Award oversight | 100,000 | 100,000 | 100,000 | | | | | | | | | | | | | | | | | | 300,000 |
| Mobilization | 186,924 | | | | | | | | | | | | | | | | | | | | 186,924 |
| Demo& Site prep | 289,702 | | | | | | | | | | | | | | | | | | | | 289,702 |
| Construction - dock | | 3,470,957 | 3,470,957 | | | | | | | | | | | | | | | | | | 6,941,914 |
| Equipment - Shore Power | 276,465 | | | | | | | | | | | | | | | | | | | | 276,465 |
| Construction - Shore Power | 163,351 | | | | | | | | | | | | | | | | | | | | 163,351 |
| TOTAL NON-RECURRING COSTS | 1,265,354 | 3,570,957 | 3,570,957 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 8,407,268 |
| RECURRING COSTS | | | | | | | | | | | | | | | | | | | | | |
| Maintenance* | | | | | 50,000 | | | | | 100,000 | | | | | 100,000 | | | | | | 250,000 |
| Operations | - | 53,650 | 152,260 | 156,827 | 161,532 | 166,378 | 171,369 | 176,510 | 181,806 | 187,260 | 192,878 | 198,664 | 204,624 | 210,763 | 217,086 | 223,598 | 230,306 | 237,215 | 244,332 | 251,662 | 3,618,720 |
| TOTAL RECURRING COSTS | - | 53,650 | 152,260 | 156,827 | 211,532 | 166,378 | 171,369 | 176,510 | 181,806 | 287,260 | 192,878 | 198,664 | 204,624 | 210,763 | 317,086 | 223,598 | 230,306 | 237,215 | 244,332 | 251,662 | 3,868,720 |
| **TOTAL COSTS** | **1,265,354** | **3,624,607** | **3,723,217** | **156,827** | **211,532** | **166,378** | **171,369** | **176,510** | **181,806** | **287,260** | **192,878** | **198,664** | **204,624** | **210,763** | **317,086** | **223,598** | **230,306** | **237,215** | **244,332** | **251,662** | **12,275,988** |
| DIRECT BENEFITS | | | | | | | | | | | | | | | | | | | | | |
| Revenues - Lease** | | 280,078 | 288,480 | 297,135 | 306,049 | 315,230 | 324,687 | 334,428 | 344,461 | 354,794 | 365,438 | 376,401 | 387,693 | 399,324 | 411,304 | 423,643 | 436,352 | 449,443 | 462,926 | 476,814 | 7,034,682 |
| Revenus Lease Wharfage** | | 46,350 | 47,741 | 49,173 | 50,648 | 52,167 | 53,732 | 55,344 | 57,005 | 58,715 | 60,476 | 62,291 | 64,159 | 66,084 | 68,067 | 70,109 | 72,212 | 74,378 | 76,609 | 78,908 | 1,164,167 |
| Revenues - Operations/Tariff*** | 45,000 | 53,650 | 152,260 | 156,827 | 161,532 | 166,378 | 171,369 | 176,510 | 181,806 | 187,260 | 192,878 | 198,664 | 204,624 | 210,763 | 217,086 | 223,598 | 230,306 | 237,215 | 244,332 | 251,662 | 3,663,720 |
| TOTAL DIRECT BENEFITS | 45,000 | 380,078 | 488,480 | 503,135 | 518,229 | 533,776 | 549,789 | 566,283 | 583,271 | 600,769 | 618,792 | 637,356 | 656,477 | 676,171 | 696,456 | 717,350 | 738,870 | 761,036 | 783,868 | 807,384 | 11,862,569 |
| OTHER BENEFITS | | | | | | | | | | | | | | | | | | | | | |
| Labor Income - direct jobs (46.5x$60k)**** | 600,000 | 2,790,000 | 2,873,700 | 2,959,911 | 3,048,708 | 3,140,170 | 3,234,375 | 3,331,406 | 3,431,348 | 3,534,289 | 3,640,317 | 3,749,527 | 3,862,012 | 3,977,873 | 4,097,209 | 4,220,125 | 4,346,729 | 4,477,131 | 4,611,445 | 4,749,788 | 70,676,063 |
| Labor Income - construction jobs***** | 480,000 | 480,000 | | | | | | | | | | | | | | | | | | | 960,000 |
| TOTAL OTHER BENEFITS | 1,080,000 | 3,270,000 | 2,873,700 | 2,959,911 | 3,048,708 | 3,140,170 | 3,234,375 | 3,331,406 | 3,431,348 | 3,534,289 | 3,640,317 | 3,749,527 | 3,862,012 | 3,977,873 | 4,097,209 | 4,220,125 | 4,346,729 | 4,477,131 | 4,611,445 | 4,749,788 | 71,636,063 |
| **TOTAL BENEFITS** | **1,125,000** | **3,650,078** | **3,362,180** | **3,463,046** | **3,566,937** | **3,673,945** | **3,784,164** | **3,897,689** | **4,014,619** | **4,135,058** | **4,259,109** | **4,386,883** | **4,518,489** | **4,654,044** | **4,793,665** | **4,937,475** | **5,085,599** | **5,238,167** | **5,395,312** | **5,557,172** | **83,498,632** |

| Total Summary | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| COSTS | 1,265,354 | 3,624,607 | 3,723,217 | 156,827 | 211,532 | 166,378 | 171,369 | 176,510 | 181,806 | 287,260 | 192,878 | 198,664 | 204,624 | 210,763 | 317,086 | 223,598 | 230,306 | 237,215 | 244,332 | 251,662 | 12,275,988 |
| BENEFITS | 1,125,000 | 3,650,078 | 3,362,180 | 3,463,046 | 3,566,937 | 3,673,945 | 3,784,164 | 3,897,689 | 4,014,619 | 4,135,058 | 4,259,109 | 4,386,883 | 4,518,489 | 4,654,044 | 4,793,665 | 4,937,475 | 5,085,599 | 5,238,167 | 5,395,312 | 5,557,172 | 83,498,632 |
| NET IMPACT | (140,354) | 25,471 | (361,036) | 3,306,218 | 3,355,405 | 3,507,567 | 3,612,794 | 3,721,178 | 3,832,813 | 3,847,798 | 4,066,232 | 4,188,219 | 4,313,865 | 4,443,281 | 4,476,580 | 4,713,877 | 4,855,293 | 5,000,952 | 5,150,981 | 5,305,510 | 71,222,644 |
| | | | | | | | | | | | | | | | | | | | | | Total NPV |
| Discounted Annual Cash Flow (5%) | | 24,258 | (327,470) | 2,856,036 | 2,760,500 | 2,748,271 | 2,695,923 | 2,644,572 | 2,594,199 | 2,480,325 | 2,496,314 | 2,448,765 | 2,402,122 | 2,356,367 | 2,260,977 | 2,267,455 | 2,224,266 | 2,181,899 | 2,140,339 | 2,099,570 | 41,354,685 |

*Maintenance based on McGee

**Committed Lease Rent/Wharfage with 3% escalator
***Tariff Wharfage & fees, increase 5% after year 3

****Year 1 assume only 10 new jobs, wages increase 3% per year; additioanl jobs may occur with new businesses once dock improved but not included here
*****16 jobs for 1/2 year per Billeter split between year 1 and year 2

RATE OF RETURN

Connect Oregon Grant Application -
Ko'Kwel Wharf Improvement Project

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total Summary | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 | TOTAL |
| COSTS | 1,265,354 | 3,624,607 | 3,723,217 | 156,827 | 211,532 | 166,378 | 171,369 | 176,510 | 181,806 | 287,260 | 192,878 | 198,664 | 204,624 | 210,763 | 317,086 | 223,598 | 230,306 | 237,215 | 244,332 | 251,662 | 12,275,988 |
| BENEFITS | 1,125,000 | 3,650,078 | 3,362,180 | 3,463,046 | 3,566,937 | 3,673,945 | 3,784,164 | 3,897,689 | 4,014,619 | 4,135,058 | 4,259,109 | 4,386,883 | 4,518,489 | 4,654,044 | 4,793,665 | 4,937,475 | 5,085,599 | 5,238,167 | 5,395,312 | 5,557,172 | 83,498,632 |
| NET IMPACT | (140,354) | 25,471 | (361,036) | 3,306,218 | 3,355,405 | 3,507,567 | 3,612,794 | 3,721,178 | 3,832,813 | 3,847,798 | 4,066,232 | 4,188,219 | 4,313,865 | 4,443,281 | 4,476,580 | 4,713,877 | 4,855,293 | 5,000,952 | 5,150,981 | 5,305,510 | 71,222,644 |
| | | | | | | | | | | | | | | | | | | | | | Total NPV |
| Discounted Annual Cash Flow (5%) | | 24,258 | (327,470) | 2,856,036 | 2,760,500 | 2,748,271 | 2,695,923 | 2,644,572 | 2,594,199 | 2,480,325 | 2,496,314 | 2,448,765 | 2,402,122 | 2,356,367 | 2,260,977 | 2,267,455 | 2,224,266 | 2,181,899 | 2,140,339 | 2,099,570 | 41,354,685 |
| Annual Rate of Return | -11.09% | 0.52% | -4.91% | 85.21% | 910.91% | 928.15% | 1069.67% | 1069.67% | 1069.67% | 820.31% | 846.89% | 1069.67% | 1069.67% | 1069.67% | 848.08% | 871.84% | 1069.67% | 1069.67% | 1069.67% | 1069.67% | 29.01% |
| Cumulative Rate of Return | -11.09% | -1.17% | -1.84% | 8.07% | 13.77% | 17.66% | 20.40% | 22.41% | 23.95% | 24.79% | 25.75% | 26.52% | 27.15% | 27.66% | 27.77% | 28.13% | 28.42% | 28.66% | 28.85% | 29.01% | |
| Connect Oregon Grant Investment | - | 3,624,607 | 845,830 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,470,437 |
| Return on Oregon Investment | 0% | -3.17% | -5.32% | 21.10% | 34.59% | 43.37% | 49.61% | 54.41% | 58.33% | 61.41% | 64.37% | 67.03% | 69.49% | 71.79% | 73.81% | 75.92% | 77.96% | 79.96% | 81.92% | 83.85% | 83.85% |

**Alex Dunn, P.E.** *President*

Office: (541) 757-1270
Fax: (541) 758-6585
alexdunn@mcgee-engineering.com

804 D NW Buchanan Ave. Corvallis, OR 97330
P.O. Box 1067 Corvallis, OR 97339
www.mcgee-engineering.com

# MEMORANDUM

January 5, 2022

**TO:** Chad Walker, West Coast Contractors

**RE:** Ko-Kwel Wharf: Dock Repair

Chad,

We performed a visual inspection of the damaged dock area with yesterday. The purpose of the inspection was to identify compromised members. This memorandum summarizes our findings and repair recommendations.

We understand that on December 29, at low tide your barge moored to the dock became lodged underneath a protruding breasting pad mounted to the steel fender pile at Bent 126. When the tide rose, the barge lifted the fender pile approximately three feet. The pile lifted the end of the timber cap beam, breaking it near pile 19. The two outermost stringers broke in the adjacent spans, and some timber decking broke as well. The damaged area is isolated between Bents 125 and 127 and extends approximately ten feet from the dock face.

Generally, the repair will be to remove and replace damaged members and connections in-kind. The specific repairs we discussed are as follows. Tasks are listed in a general sequence, but you will determine the actual construction sequence.

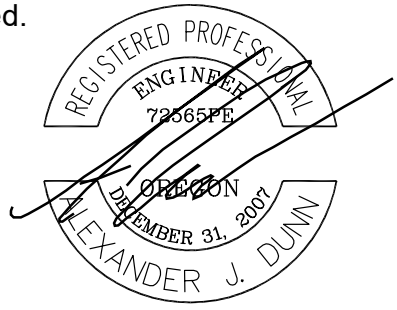
1. Remove the damaged bull rail. 14”x12” by approximately 20’-4”, untreated, painted yellow, fastened with 1” diameter hardware.
2. Remove asphalt (+/- 5” thick) and timber decking (4x12 S4S PT) from Bent 125 to 127, ten feet back from the dock face (approximately 200 square feet).
3. Remove the horizontal steel (W14x111) members attached to the exterior face of the dock from Bent 125 to 127.
4. Install 24” long steel collar fabricated from steel pipe pile around Bent 126 Pile 21 where the W14x111 welds damaged the pile wall. Weld the collar to the pile top and bottom.
5. Lower Bent 126 Pile 21 down to original elevation.
6. Remove Stringers 36 (6”x11.5” PT) and 37 (15.5”x11.5” PT) from Bent 125 to Bent 127, approximately 20’ long. Locate butt joint at centerline of cap beam.
7. Remove Bent 126 cap beam from the dock face to the existing splice over Pile 17. Approximately 18’-6” long.
8. Install new Bent 126 cap beam. Duplicate existing connections, replacing deteriorated hardware as needed. Most bolts are ¾” diameter.
9. Install new Stringers 36 and 37, as shown in the attached framing plan.
10. Install new decking, asphalt, and bull rail.
11. Re-install W14x111 along dock face and reconnect the fender pile to the dock.

We understand that repairs will be installed in early February. Please keep us informed of your schedule so we can schedule construction observation as needed.

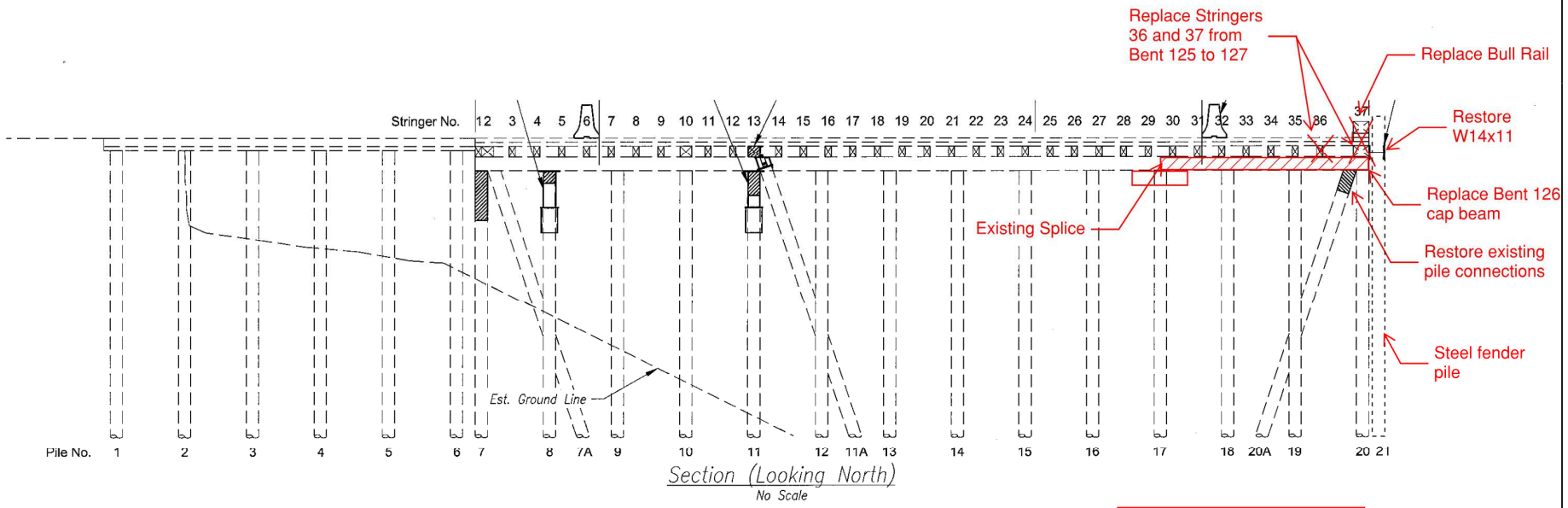
Sincerely,

Alex Dunn

**ATTACHED:** Framing Plan, Bent 126 Drawing, Photos




Renewal: 12/31/2023




Section (Looking North)

No Scale

Red notes are 1-5-2022 repairs

Indicates deteriorated area found during dock inspection. Defects to be repaired are called out on this drawing. Not all defects will be repaired in this construction phase.

| Rev | Description | By | Date |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

McGee Engineering Inc.
P.O. Box 1067
Corvallis, OR 97339
Phone: (541) 757-1270
Fax: (541) 758-6585

Measures one inch on original drawing. Adjust scales accordingly.

REGISTERED PROFESSIONAL ENGINEER
OREGON
DECEMBER 31, 2007
ALEXANDER J. DUNN

Renewal: 12/31/2015

# CEDCO

North Bend Dock Repair

Bent 126

| | |
|---|---|
| Designed: A. Dunn | Date: 1-30-2015 |
| Drawn: A. Dunn | Sheet A43 of A61 |

| Calc. Date: | Project: | | 1/1 |
|---|---|---|---|
| 1-5-2022 | KO-KWEL WHARF | ALEX DUNN | |
| **Calculation:** | **Checked by:** | **Check Date:** | |
| DOCK REPAIR | | | |





McGee Engineering
804 D NW Buchanan Ave.
Corvallis, OR 97330
Phone: 541-757-1270
Fax: 541-758-6585

McGee Engineering Inc.
P.O. Box 1067, Corvallis, OR 97339
Phone: (541)757-1270 Fax: (541)758-6585

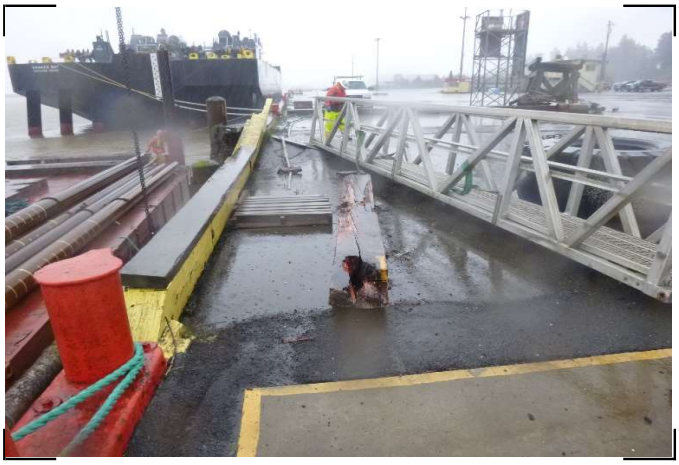
# INSPECTION PHOTOGRAPHS

Client ***West Coast Contractors***
Inspector ***Alex Dunn***
Inspection Date ***1/4/2022***

Bridge No. Road #
Bridge Name ***Ko-Kwel Wharf*** Milepost Photo Page ***1*** of ***3***

**Photograph #1**

*Looking west at dock face. Bents 125, 126, and 127 visible, numbered left to right.*



**Photograph #2**

*Bull rail, looking South*

**Photograph #3**

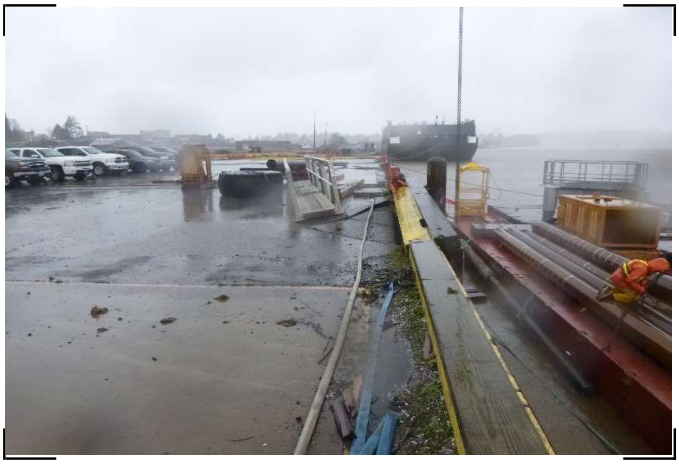
*Looking east at Bent 126*

McGee Engineering Inc.
P.O. Box 1067, Corvallis, OR 97339
Phone: (541)757-1270 Fax: (541)758-6585

# INSPECTION PHOTOGRAPHS

Client ***West Coast Contractors***
Inspector ***Alex Dunn***
Inspection Date ***1/4/2022***

Bridge No. Road #
Bridge Name ***Ko-Kwel Wharf*** Milepost Photo Page ***2*** of ***3***



**Photograph #4**

*Bull rail looking North*

**Photograph #5**

*Bent 126 cap beam, piles 19, 20, 20A and fender pile. Stringer 36 visible.*

**Photograph #6**

*Bent 126 cap beam broken near Pile 19.*

McGee Engineering Inc.
P.O. Box 1067, Corvallis, OR 97339
Phone: (541)757-1270 Fax: (541)758-6585

# INSPECTION PHOTOGRAPHS

Client ***West Coast Contractors***
Inspector ***Alex Dunn***
Inspection Date ***1/4/2022***

Bridge No. Road #
Bridge Name ***Ko-Kwel Wharf*** Milepost Photo Page ***3*** of ***3***

**Photograph #7**

*Existing Bent 126 cap beam splice at Pile 17.*

**Photograph #8**

*Typical pile connections to be duplicated at Bent 126.*

**Photograph #9**

*Typical battered pile connection to be duplicated at Bent 126.*

April 19, 2023

Subject: Letter of Support for the Ko'Kwel Wharf Project

To whom it may concern,

On behalf of the Oregon Business Development Department dba Business Oregon, I would like to extend our support to the Coquille Indian Tribe (CIT) and Mith-ih-kwuh Economic Development Corporation (MEDC) dba Tribal1 regarding their Ko'Kwel Wharf Project.

The Project sets forth an ambitious vision to repair, enhance and extend the Wharf dock facilities through a project with three components: the first is to repair the existing dock to improve safety and reliability and be a catalyst for upland industrial development; the second is to bring shore power to the dock to reduce or eliminate the need for idling diesel engines, and the final piece is to conduct development phase activities for a proposed extension of the dock.

Repair of the existing dock along Parcel 2 of the Ko'Kwel Wharf will allow potential industrial tenants access to important transportation avenues via the bay. This section of the wharf is vital in allowing the Coquille Indian Tribe to utilize the property as a continuos revenue stream. This will help promote a healthy company bottom line as well as solid economic development in the North Bend/Coos Bay area.

Going further into the project and providing shore power to ships in the terminal will assist in reducing carbon emissions and to help fight climate change, which is a state of Oregon priority. Both the Coquille Indian Tribe and the Mith-ih-kwuh Economic Development Corporation have made commitments to help when meeting the challenges of climate change. The availability of shore power will keep Ko'Kwel Wharf competitive as other facilities adapt to the reduction of carbon emissions.

In order to remain competitive long-term the Ko'Kwel Wharf requires a modern facility. The current structure is beginning to deteroriate as it has survived longer than its design life. It is not configured for modern vessels nor does it meet modern seismic design requirements. Development activities for a new dock extension would address these challenges.

Business Oregon is keenly supportive of this project as it will be a benefit to the entire region. The agency has loan and forgiveable loan options this project may be eligible for should additional funding be needed.

Sincerely,

Chris Cummings
Deputy Director

**Alex Dunn, P.E.** *President*

Office: (541) 757-1270
Fax: (541) 758-6585
alexdunn@mcgee-engineering.com

804 D NW Buchanan Ave. Corvallis, OR 97330
P.O. Box 1067 Corvallis, OR 97339
www.mcgee-engineering.com

# MEMORANDUM

February 27, 2024

**TO:** Mith-ih-kwuh Economic Development Corporation

**RE:** Ko'Kewl Wharf Improvement Project: Phased Project Approach Alternative

McGee Engineering has been asked to provide MEDC with an alternative recommendation to reduce project costs in case a Connect Oregon grant is not available in the full amount of the request. It is possible to phase the construction of the project to reduce costs while providing substantial benefit.

The full proposal includes improving the 1000-foot-long dock by:

- Rehabilitating and improving the dock to increase its capacity and extend its useful life
- Modernizing the fendering system to allow for a larger variety in size of vessels served

The phased approach proposal includes improving the dock by:

- Rehabilitating and improving all 1000 feet of the dock to increase its capacity and extend its useful life
- Modernizing the fendering system on the northern 500 feet of dock to allow for a larger variety in size of vessels served (Phase 1)
- Modernizing the fendering system on the southern 500 feet of dock to allow for a larger variety in size of vessels served (Phase 2, timeline based on future funding)

Based on modified estimates from Billeter Marine, LLC, we understand that the cost estimate for performing the Phase 1 work is $8,111,649. Applying the committed matching funds, the Connect Oregon grant request to fund Phase 1 would be $3,281,999.

Completing the effort in two phases would reduce the benefits achieved in Phase 1 by limiting the number of vessels that could access the dock. This would have the greatest impact on dock availability for smaller vessels to unload cargo. It would also likely reduce the additional new businesses attracted to the Ko'Kwel Wharf because of the berthing limitations. However, if limited funds are available, it would be an approach that would yield significant benefits.

United States Department of the Interior
Bureau of Indian Affairs
Northwest Regional Office
911 NE 11th Avenue
Portland, Oregon 97232-4169

MAY 06 2019

**REPLY TO:**
**Division of Tribal Government**
**3702-P5 Coquille Charter (MITH-IH-KWUH)**

The Honorable Brenda Meade
Coquille Indian Tribe
3050 Tremont Street
North Bend, Oregon 97459

Dear Chairperson Meade:

This confirms our receipt of Coquille Council Resolution Number CY 19031 ratifying the amended and restated Mith-Ih-Kwuh Economic Development Corporation. The amended and restated charter was approved by this office on April 1, 2019. The process is now complete; copies will be forwarded to Central Office. An original Certificate of Good Standing is included with this mailing.

Please contact Greg Norton, Tribal Government Specialist, at (503) 231-6723 with any questions or comments.

Sincerely,

Bryan Mercier

Northwest Regional Director

Enclosure

CC: Brett Kenney, Legal Counsel

United States Department of the Interior
Bureau of Indian Affairs
Northwest Regional Office
911 NE 11th Avenue
Portland, Oregon 97232-4169

**CERTIFICATE OF GOOD STANDING AND COMPLIANCE**
**(IRA SECTION 17 FEDERAL CORPORATION)**

**IT IS HEREBY CERTIFIED THAT:**

**MITH-IH-KWUH ECONOMIC DEVELOPMENT CORPORATION,**

a corporation chartered pursuant to Section 17 of the Act of June 18, 1934 (48 Stat. 984, 988; 25 U.S.C. § 5124 (formerly, 25 U.S.C. §477)), as amended, of the laws of the United States of America, is duly authorized to transact business and to exercise the powers, privileges and immunities granted by said Act and embodied in its Amended Federal Charter of Incorporation, issued by the Assistant Secretary – Indian Affairs on April 1, 2019, and effective upon its ratification by the Coquille Indian Tribe on April 10, 2019.

IT IS FURTHER CLARIFIED that the aforesaid corporation is in good corporate standing and duly authorized to transact business, as its corporate charter has not been rescinded by act of Congress or surrendered by the Coquille Indian Tribe. This certification is not to be construed as an endorsement, recommendation or notice of approval of the corporation's financial condition or business activities and practices.

This certificate of good standing and compliance shall remain effective until rescinded by the Department of the Interior.

This certificate is issued by virtue of the authority granted to the Secretary of the Interior by the Act of June 18, 1934 (48 Stat. 984), as amended, and delegated to the Director, Bureau of Indian Affairs.

Executed on: MAY 06 2019

Bryan Mercier

Bryan K. Mercier
Northwest Regional Director

Portland, Oregon

TRIBAL1
The Mith-ih-Kwuh Economic Development Corporation
3201 Tremont Ave., North Bend, OR 97459 541-756-0662

February 27, 2024

Connect Oregon Grant Application Review
Oregon Department of Transportation
555 13th Street NE, Suite 2
Salem, Oregon 97301-4178

RE: Tax Declaration and DOR Tax Certification Forms – Connect Oregon Grant
Mith-ih-Kwuh Economic Development Corporation

Mith-ih-kwuh Economic Development Corporation d/b/a Tribal One ("MEDC") is a federally chartered corporation formed under Section 17 of the Indian Reorganization Act. MEDC is wholly owned by the Coquille Indian Tribe and shares the same tax status as the Coquille Indian Tribe. Thus, MEDC is not taxable under federal or state laws.

In light of MEDC's tax status, MEDC is not subject to Oregon income taxes and does not file an annual Oregon income tax return. Therefore, a Tax Declaration form is not applicable. The Department of Revenue Tax Certification requested under the Connect Oregon Grant application would also not be applicable, but we have attached a completed form to eliminate any questions regarding the administrative eligibility of MEDC. MEDC is registered with the Department of Revenue for a Business Identification Number #01762396-6.

Please contact me if you have any questions regarding this matter.

Respectfully,

Judy Farm
Chief Executive Officer

Clear this page

# Form OR-TCC

Page 1 of 1, 150-800-743
(Rev. 06-23-23, ver. 01)

Oregon Department of Revenue

14120001010000

Office use only

## Tax Compliance Certification

*Submit original form—do not submit photocopy.*

### Part 1—To be completed by applicant

Check one: ☒ Owner/officer ☐ Employee

Preferred response communication method (check one): ☐ Mail ☐ Fax ☐ Email

| Applicant first name | Initial | Applicant last name | Social Security number (SSN) **or** Individual taxpayer identification number (ITIN) |
|---|---|---|---|
| | | | – – |

| Address | City | State | ZIP code |
|---|---|---|---|
| | | | |

| Business name | Federal employer identification number (FEIN) |
|---|---|
| Mith-ih-Kwuh Economic Development Corporation | 36 – 4696200 |
| **Doing business as (DBA) or assumed business name (ABN) if applicable** | **Business identification number (BIN)** |
| Tribal One | 01762396 – 6 |

| Business address | City | State | ZIP code |
|---|---|---|---|
| 3201 Tremont Ave | North Bend | OR | 97459 |

| Phone | Fax | Email |
|---|---|---|
| 541 – 756 – 0662 | – – | judyfarm@tribal.one |

Business type (check one): ☐ Sole proprietor ☐ Partnership ☐ Corporation ☐ Other (specify) Federally chartered corporation

Did you have employees working for you within the past 12 months? (check one) ☒ Yes ☐ No If yes, how many? 72

Do you expect to have employees working for you within the next 12 months? (check one) ☒ Yes ☐ No If yes, how many? 78

### Part 2—Authorization

I hereby authorize the Oregon Department of Revenue and its employees to disclose to Oregon Department of Transportation whether the applicant or business entity named above has filed all required tax returns and/or whether the applicant or business entity has paid all taxes due, which includes adherence to an acceptable payment plan. This authorization applies to the three tax years preceding and for any tax years subsequent to the date of this authorization. This authorization applies to the individual applicant or business entity, including all business owners indicated above. This authorization remains in effect until (MM/DD/YYYY) 7 / 3 / 2024 or until the Oregon Department of Revenue receives a notice of revocation from the taxpayer, whichever is sooner. This authorization is intended to designate Oregon Department of Transportation to receive tax compliance information for the applicant or business entity and tax years indicated. Oregon Revised Statute (ORS) 305.193, Oregon Administrative Rule (OAR) 150-305-0120.

| Applicant or business entity owner/officer signature | Print name |
|---|---|
| X | |

| Title (if applicable) | Daytime phone | Date |
|---|---|---|
| CEO | 541 – 756 – 0662 | 02 / 27 / 2024 |

**Fax to:** 503-945-8735

**—OR—**

**Mail to:** PTAC, Compliance & Filing Enforcement
Oregon Department of Revenue
955 Center St NE
Salem OR 97301-2555

**Do you have questions or need help?**
www.oregon.gov/dor
503-378-4988 or 800-356-4222
questions.dor@dor.oregon.gov
Contact us for ADA accommodations or assistance in other languages.

### Department of Revenue office use only

**Oregon Department of Revenue tax compliance certification:** ☐ In compliance ☐ Not in compliance ☐ Unable to process

| Department of Revenue certifying official signature | Title | Date of certification |
|---|---|---|
| X | | / / |

# Oregon Pellet Mills, LLC

**MAILING ADDRESS**
Oregon Pellet Mills, LLC
P.O. Box 825
North Bend, OR 97459

Mith-ih-Kwuh Economic Development Corporation
Judy Farm, Chief Executive Officer
3201 Tremont Ave.
North Bend, OR 97459

Re: Commitment/Support Letter

Dear Judy:

I am writing today on behalf of Oregon Pellet Mills, LLC ("OPM") in support of the Connect Oregon 9 Grant Application request being submitted by the Mith-ih-Kwuh Economic Development Corporation (MEDC) regarding their Ko'Kwel Wharf Dock Rehabilitation and Improvement Project.

OPM, is committed to developing a wood pellet storage warehouse and export facility, adjacent to the Ko'Kwel Wharf Dock. This facility will be the US West Coast's first wood pellet export facility. The wood pellets will be sourced from pellet mills being developed by area forest products companies, which will use sawmill wood waste as a fuel source for the manufacture of wood pellets. The renewable wood pellets will be stored on site and loaded and shipped, via the Wharf Dock, to overseas markets to help the transition away from fossil fuels for energy production. The Company will invest over $10 million in development at the site and the new facility will create 4 or 5 new jobs with an estimated average annual wage between $55,000 and $65,000.

The Wharf Dock Rehabilitation and Improvement Project sets forth an ambitious vision to rehabilitate and improve vessel and cargo access at the Ko-Kwel Wharf dock facilities through a project that will (a) rehabilitate and improve the existing dock, and (b) add shore power to eliminate the need for the idling of diesel engines.

Rehabilitation and improvement of the existing dock ensure OPM and other shippers have access to important transportation avenues via the bay. With the new fendering system, not only will a broader range of vessel sizes be able to moor at the dock, from smaller barges to large HandyMax ships, but also the load capacity of the dock will be increased.

The dock and wharf is located adjacent to Highway 101 with a rail spur connection to the Coos Bay Rail Line which runs to Eugene. This combination of truck and rail access is well-suited for a user, such as OPM, who is interested in moving product to and from the dock via rail and/or truck.

Given all this, we steadfastly support the application of MEDC for Connect Oregon 9 Grant funds for the Ko'Kwel Wharf Dock Rehabilitation and Improvement Project.

Sincerely,

Doug Woolsey
Manager

**Dean Resources, LLC**
PO Box 1168
Roseburg, OR 97470
Office (541) 832-1121
www.swansongroup.biz

Mith-ih-Kwuh Economic Development Corporation
Judy Farm, Chief Executive Officer
3201 Tremont Ave.
North Bend, OR 97459

Dear Judy:

I am writing today on behalf of Dean Resources, LLC in support of the Connect Oregon 9 Grant Application request being submitted by the Mith-ih-Kwuh Economic Development Corporation (MEDC) regarding their Ko'Kwel Wharf Dock Rehabilitation and Improvement Project.

The Project sets forth an ambitious vision to rehabilitate and improve vessel and cargo access at the Ko-Kwel Wharf dock facilities through a project that will (a) rehabilitate and improve the existing dock, and (b) add shore power to eliminate the need for the idling of diesel engines.

Rehabilitation and improvement of the existing dock along the Ko'Kwel Wharf will allow potential industrial tenants access to important transportation avenues via the bay. With the new fendering system, not only will a broader range of vessel sizes be able to moor at the dock, from smaller barges to large HandyMax ships, but also the load capacity of the dock will be increased.

Dean Resources, which is a subsidiary of Swanson Group, is in the process of developing a wood pellet mill in Oakland, Oregon. The Oakland Pellet mill will utilize wood waste from area sawmills to produce renewable wood pellets for use in the production of green energy. When operational, by the end of 2024, this plant will account for 25-30 family wage jobs and will further diversify the forest products sector with additional vertical integration.

The finished pellets will be sold as an export product and will be shipped from a storage warehouse and export facility that is being developed by Oregon Pellet Mills, LLC, on property owned by MEDC's subsidiary. The dock and wharf is located adjacent to Highway 101 with a rail spur connection to the Coos Bay Rail Line which runs to Eugene. This combination of truck and rail access is well-suited for a user, such as us, who is interested in moving product to and from the dock via rail and/or truck. Moreover, the Ko'Kwel Wharf and its ability to receive ships and handle commodities is critical to the success of the Dean Resources pellet mill and Swanson Group.

Given this background we steadfastly support the application of MEDC for Connect Oregon 9 Grant funds for the Ko'Kwel Wharf Dock Rehabilitation and Improvement Project.

Sincerely,

Chris Swanson
Executive Vice President
Swanson Group, Inc. (member, Dean Resources, LLC)

Subject: Letter of Support/Commitment for the Ko'Kwel Wharf Project – Connect Oregon Grant

To whom it may concern,

On behalf of [a group of Coquille Indian Tribe fisherman], I would like to extend our support to Mith-ih-Kwuh Economic Development Corporation regarding their Ko'Kwel Wharf Dock Rehabilitation and Improvement Project. The Project sets forth an ambitious vision to improve vessel and cargo access at the Ko-Kwel Wharf dock facilities through a project that will improve load capacity and accessibility of the existing dock.

The Project improvements on the existing dock along the Ko'Kwel Wharf will allow potential tenants access to important transportation avenues via Coos Bay. With the improved fendering system, not only will a broader range of vessel sizes be able to moor at the dock, from smaller barges to large HandyMax ships, but the load capacity of the dock and the life expectancy of the dock will each be increased. As a group that desires to use this dock, our group is very supportive of this project as it will be a benefit to both the local economy and to the entire region.

The Project improvements to allow a broad size range of vessels to use the dock will specifically address the needs of the tribal fisherman to access a local dock and unload their catch. The combination of these improvements and access to Highway 101 will increase our distribution capacities and efficiencies. We are committed to using the improved facility and anticipate the availability of this location will help our group retain at least 60 jobs with an average annual wage of $ 55,000

This project will help promote solid economic development in Southern Oregon coastal region, and in particular the North Bend/Coos Bay area. For these reasons, please accept this letter as our support for the Ko'Kwel Wharf Dock Rehabilitation and Improvement Project.

Bryan Burns F/V COHO

Subject: Letter of Support/Commitment for the Ko'Kwel Wharf Project – Connect Oregon Grant

To whom it may concern,

On behalf of [a group of Coquille Indian Tribe fisherman], I would like to extend our support to Mith-ih-Kwuh Economic Development Corporation regarding their Ko'Kwel Wharf Dock Rehabilitation and Improvement Project. The Project sets forth an ambitious vision to improve vessel and cargo access at the Ko-Kwel Wharf dock facilities through a project that will improve load capacity and accessibility of the existing dock.

The Project improvements on the existing dock along the Ko'Kwel Wharf will allow potential tenants access to important transportation avenues via Coos Bay. With the improved fendering system, not only will a broader range of vessel sizes be able to moor at the dock, from smaller barges to large HandyMax ships, but the load capacity of the dock and the life expectancy of the dock will each be increased. As a group that desires to use this dock, our group is very supportive of this project as it will be a benefit to both the local economy and to the entire region.

The Project improvements to allow a broad size range of vessels to use the dock will specifically address the needs of the tribal fisherman to access a local dock and unload their catch. The combination of these improvements and access to Highway 101 will increase our distribution capacities and efficiencies. We are committed to using the improved facility and anticipate the availability of this location will help our group retain at least 60 jobs with an average annual wage of $53,000

This project will help promote solid economic development in Southern Oregon coastal region, and in particular the North Bend/Coos Bay area. For these reasons, please accept this letter as our support for the Ko'Kwel Wharf Dock Rehabilitation and Improvement Project.

Jim W. Rumsey
F/V ECHO BELLE 96'
F/V GALWAY BAY 76'
F/V FOOTLOOSE 47'

Subject: Letter of Support/Commitment for the Ko'Kwel Wharf Project – Connect Oregon Grant

To whom it may concern,

On behalf of [a group of Coquille Indian Tribe fisherman], I would like to extend our support to Mith-ih-Kwuh Economic Development Corporation regarding their Ko'Kwel Wharf Dock Rehabilitation and Improvement Project. The Project sets forth an ambitious vision to improve vessel and cargo access at the Ko-Kwel Wharf dock facilities through a project that will improve load capacity and accessibility of the existing dock.

The Project improvements on the existing dock along the Ko'Kwel Wharf will allow potential tenants access to important transportation avenues via Coos Bay. With the improved fendering system, not only will a broader range of vessel sizes be able to moor at the dock, from smaller barges to large HandyMax ships, but the load capacity of the dock and the life expectancy of the dock will each be increased. As a group that desires to use this dock, our group is very supportive of this project as it will be a benefit to both the local economy and to the entire region.

The Project improvements to allow a broad size range of vessels to use the dock will specifically address the needs of the tribal fisherman to access a local dock and unload their catch. The combination of these improvements and access to Highway 101 will increase our distribution capacities and efficiencies. We are committed to using the improved facility and anticipate the availability of this location will help our group retain at least 60 jobs with an average annual wage of $53,000

This project will help promote solid economic development in Southern Oregon coastal region, and in particular the North Bend/Coos Bay area. For these reasons, please accept this letter as our support for the Ko'Kwel Wharf Dock Rehabilitation and Improvement Project.

Jimi Bo

F/V Intimidator 39'7"

Southport

Mith-ih-Kwuh Economic Development Corporation
Judy Farm, Chief Executive Officer
3201 Tremont Ave.
North Bend, OR 97459

Dear Judy:

Southport Chip Co, LLC would like to express our support of the Connect Oregon 9 Grant Application request being submitted by the Mith-ih-Kwuh Economic Development Corporation (MEDC) regarding their Ko'Kwel Wharf Dock Rehabilitation and Improvement Project.

This Project is part of a much needed plan to rehabilitate and improve vessel and cargo access at the Ko-Kwel Wharf dock facilities through a project that will rehabilitate and upgrade the existing dock, improve the mooring and fender system to allow for added vessel capacity and add shore power. With the new fendering system, not only will a broader range of vessel sizes be able to moor at the dock, from smaller barges to large Handy-Max ships. Additionally, the load capacity of the dock will be increased to allow for a wider range of cargos.

Ongoing dock improvements are essential to maintaining the critical marine cargo infrastructure in Coos Bay. Vessels with up to 1,500 truck loads of cargo capacity provide access to offshore markets for wood pellets. To accommodate this new bulk cargo, rehabilitation and improvement of the existing dock along the Ko'Kwel Wharf allow for long term industrial tenants like Oregon Pellet Mills access to important ocean freight carriers via Coos Bay.

Southport Chip Co, is in the process of developing a wood pellet mill in North Bend, Oregon adjacent to the Southport sawmill. The North Bend Pellet mill will utilize wood waste from Southport's sawmill to produce renewable wood pellets for use in the production of green energy. When operational, by the end of 2024, this plant will account for 12-17 family wage jobs and will further diversify the forest products sector with additional vertical integration. The finished pellets will be sold as an export product and will be loaded onto export vessels from a storage warehouse and export loading facility that is being developed by Oregon Pellet Mills, LLC, on property owned by MEDC's subsidiary.

The dock and wharf is located adjacent to Highway 101 with a rail spur connection to the Coos Bay Rail Line which runs to Eugene. We see the KKW Dock project as a vital component of Coos Bay transportation infrastructure with the potential to move additional residual wood fiber via the Coos Bay Rail. This combination of truck and rail

access is well-suited for a user, such as us Oregon Pellet Mills, interested in moving product to and from the dock via truck and rail. We plan to continue to support the collaborative relationship that encourages rehabilitation of marine infrastructure for exporters operating in Coos Bay. Moreover, the Ko'Kwel Wharf and its ability to receive ships and handle commodities is critical to the success of the new Southport pellet mill and Southport's on-going sawmill operations.

Based on the importance of this project we strongly support the application of MEDC for Connect Oregon 9 Grant funds for the Ko'Kwel Wharf Dock Rehabilitation and Improvement Project.

Sincerely,

Jim Lyons
Southport Chipco LLC.