



**CITY COUNCIL MEETING
STAFF REPORT**

Meeting Date: August 7, 2023		Subject: Willamette Falls Locks Authority Update	
		Staff Member: Mark Ottenad, Public/Government Affairs Director	
		Department: Administration	
Action Required		Advisory Board/Commission Recommendation	
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input checked="" type="checkbox"/> Information Only <input checked="" type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments: N/A	
Staff Recommendations: City continues to support work of the Willamette Falls Locks Authority in order to provide economic- and tourism-development opportunities for the City related to accessing and utilizing the Willamette River for watercraft transportation.			
Recommended Language for Motion: N/A			
PROJECT / ISSUE RELATES TO:			
<input checked="" type="checkbox"/> Council Goals/Priorities The City of Wilsonville supports efforts to reopen and maintain the operations of the Willamette Falls Locks and Canal.	<input type="checkbox"/> Adopted Master Plan(s)	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL

City Council members have expressed an interest in learning more about the City’s 12-year-long effort with other jurisdictions and entities to reopen the Willamette Falls Locks to river traffic. The recently created Willamette Falls Locks Authority is working with the United States (US) Army Corps of Engineers on the repair and ownership transfer of the Locks to the Authority to reopen the Locks for on-going operations connecting the lower and upper portions of the Willamette River.

EXECUTIVE SUMMARY

In 2021, the Oregon legislature passed HB 2564 (Exhibit A), which established the Willamette Falls Lock Authority (WFLA) to establish ownership, oversight, and management of the Willamette Falls Locks Project. WFLA is a state-chartered public corporation like Oregon Health and Science University, State Accident Insurance Fund and the Oregon State Fair that shares aspects of being both a state agency (state resources, insurance) and private corporation (flexibility).

The federal Water Resources Development Act of 2020 authorized the US Army Corps of Engineers to transfer the Willamette Falls Locks to an entity identified by the State of Oregon—WFLA—after carrying out seismic and safety upgrades as identified in the Willamette Falls Locks Disposition Study of 2019.

Section 3 of HB 2564 provides that the Authority’s board of directors may have seven to 11 members appointed by the Governor, composed of but not limited to:

- (a) Federally recognized Oregon Indian Tribes with treaty interests in the Willamette Falls area;
- (b) Regional or municipal governments;
- (c) The maritime industry;
- (d) The tourism industry;
- (e) Persons with experience in finance, marketing or economic development;
- (f) Adjacent property owners [i.e., West Linn Paper Co.]; or
- (g) Abutting energy facilities [i.e., Portland General Electric].

Additionally, four state legislators (two Senators and two Representatives) who act in advisory ex-officio capacity are appointed individually by the Senate President, Senate Minority Leader, House Speaker and House Minority Leader.

The Authority’s board currently includes representatives from Metro, Clackamas County, West Linn, Confederated Tribes of the Grand Ronde, Confederated Tribes of the Siletz Indians, Willamette Falls and Landings Heritage Area Coalition and Portland General Electric. Metro Councilor Christine Lewis is the Chair; state legislators from the region also serve as non-voting advisors. Former Wilsonville City Councilor Charlotte Lehan applied to serve on WFLA and was appointed by the Governor in 2022; she subsequently resigned in 2023.

Demonstrations of support over the past decade by the City Council for active participation in efforts to reopen an operable Locks include, listed in chronological order:

2013 City Council adopts the Transportation System Plan, which states in part:

“The City’s policy is to “[m]aintain access to the Willamette River so that the river may be used for transportation purposes in the future. Acquire or improve access to Willamette River for public docking purposes and consider the potential development of a new port or ports.” Chapter 2: The Vision, Policy 25, page 2-8.

“[The] Willamette River Port can be considered to support businesses that ship goods using barges on the Willamette River.” Chapter 3: The Standards, Freight Routes, page 3-8.

“The City of Wilsonville...supports efforts by [the] Corps of Engineers to maintain...the Locks at Oregon City.” Chapter 4: The Needs, Water Needs, page 4-16.

2014 Resolution No. 2496: Resolution of the City of Wilsonville Supporting the Reopening of the Willamette Falls Locks

2014 City Council adopts the Wilsonville Tourism Development Strategy, which called for the City to improve recreational access and use of the Willamette River to promote tourism

2014 City Council agreed to help fund economics consulting firm ECONorthwest, under contract to the Willamette Falls Heritage Foundation, research and produce the *Willamette Locks Economic Potential Report, August 2014*, (Exhibit S) providing information on potential operating costs and community benefits of reopening the Locks to river traffic

2015 City Council adopted the *2015-16 State Legislative Agenda* on January 22, 2015, that adds a new provision under Section 2, Transportation & Transit Infrastructure, No. 2.4, “The City of Wilsonville supports efforts to re-open and maintain the operations of the Willamette Falls Locks and Canal”

2015 City testifies before Oregon legislature in support of SB 131 to establish the Task Force on the Willamette Falls Navigation Canal and Locks

2016 Resolution No. 2601: A Resolution of the City of Wilsonville Adopting as a Concurring Party the Willamette Falls Locks “Section 106” Memorandum of Agreement (“MOA”) And Exhibits

2017 City testifies before Oregon legislature in support of SB 256 to establish the Willamette Falls Locks Commission

2018 City Council nominates City Councilor Scott Starr for appointment by the Governor’s Office to serve on the Willamette Falls Locks Commission

- 2019 Resolution No. 2737: A Resolution of the City of Wilsonville Adopting An Intergovernmental Agreement With Clackamas County to Support the Work of the Willamette Falls Locks Commission
- 2019 City testifies before Oregon legislature in support of HB 5030 and HB 2304 to provide state funds in support of reopening the Locks
- 2019 City Council nominates City Councilor Ben West for appointment by the Governor’s Office to serve on the Willamette Falls Locks Commission; City Council nominates City Councilor Joann Linville for appointment by the Governor’s Office to serve on the Willamette Falls Locks Commission
- 2020 City testifies before Oregon legislature in support of HB 4150 2304 to provide state funds in support of reopening the Locks
- 2021 City testifies before Oregon legislature in support of HB 2564 and SB 5534 to provide state funds in support of reopening the Locks

House Bill 2564 of 2021, Section 2 (3), indicates that “The mission of the authority is to establish ownership, oversight and management of the Willamette Falls Locks project, for the purposes of:

- "(a) Enhancing the economic vitality of Oregon through facilitating the resiliency and navigability of the Willamette River; and
- "(b) Repairing, maintaining, upgrading and operating the Willamette Falls Locks project and associated properties and facilities for commercial, transportation, recreational, cultural, historic, heritage and tourism purposes.”

To date, \$16.75 million in federal and state funds have been allocated to Willamette Falls Locks project for repairing the Locks to operable condition and provide start-up operation and maintenance funds for WFLA. The total estimated costs in 2018 for repair and renovation of the Locks was \$15.5 million. Funds dedicated to date include:

- \$7.25M – 2023 state legislative appropriation (lottery bond funding)
- \$6.20M – 2022 federal earmark by Congressman Schrader and Senators Wyden and Merkley to US ACE for repairs
- \$3.30M –2021 and earlier state and federal appropriations

The Locks were suddenly closed without advance notice in 2011 by the operator US Army Corps of Engineers due to finding an “emergency life-safety” problem with the Locks gates’ mechanisms. The Corps’ initial recommendation for the Locks was to “abandon ship” and permanently cement closed the gates, preventing future use of the Locks that would forever split the Lower and Upper reaches of the Willamette River to boat traffic.

The formation of WFLA as a public corporation was recommended by the preceding Willamette Falls Locks Commission, established in 2017 by Oregon Senate Bill 256 (Exhibit K). Acting as the Willamette Falls Locks Coalition, the City, along with Clackamas County, Metro, and the cities of Oregon City and West Linn, lobbied for creation of a state-chartered commission to pull together resources and multiple interests and work the US Army Corps of Engineers to determine if the Willamette Falls Locks could be reopened for river traffic.

The Commission was tasked with identifying a non-federal transferee to assume ownership of the shuttered Willamette Falls Locks, and to propose a potential governance and finance plan for which to make a transfer successful. In 2019, the Army Corps of Engineers finalized a disposition study affirming a desire to transfer the facility to a non-federal owner and commit limited funding to seismic repairs on the upper gates of the Locks to remove flood liability of the upper-Willamette River pool.

Nominated by the City Council, former Council President Scott Starr was appointed by the Governor to the Commission in 2018, and he served through that year. Subsequently, the City Council nominated for the Governor's Office consideration Council Ben West, whose appointment was declined. The Council then nominated Councilor Joann Linville, who was appointed by the Governor in 2019 to the Commission and served through until 2022.

Starting in FY2020-21, the City Council honored a request by the Commission to provide \$7,000 per year over an approximate five-year period in financial support of the work of the Commission and subsequent Authority. Clackamas County has acted as the primary organizer and funder for lobbying efforts and staffing Locks-related work since 2015, working with Portland State University's Oregon Solutions Center as facilitator that was funded through approximately \$180,000 of state funding under SB 256.

The cumulative local stakeholder contribution totals just under \$1 million (not including staff time from Clackamas County, Metro, and West Linn), and includes funding partners from Metro, a variety of river users and advocates, the tourism industry, and a collection of cities, including Wilsonville for \$21,000. Portland General Electric and Wilsonville Concrete and Marine Industrial LLC, each of which have strategic interests in the Locks, have been two primary private-sector funders of the Commission's work. The City's first contribution of \$7,000 for the work of WFLA occurred in FY22-23; \$14,000 total was provided by the City in FY2020-21 and FY 2021-22 to support work of the Commission. In July 2023, the Clackamas County Board of County Commissioners approved a \$120,000 allocation over three years to WFLA.

The City's interests in the Locks is historical, reaching back to prior to the City's formation in 1968 when the area was known as Boone's Landing. Willamette Falls Locks opened in 1873, and was operated by a number of private owners before the US Army Corps of Engineers purchased the Locks in 1915. Following the purchase, the Corps began a series of renovations, which were completed in 1921. Currently, since the Corps stopped dredging the Willamette River in the 1980s due to endangered species issues, Wilsonville is the second highest "port of call" on the Willamette River that may be reached via motorboat from Portland.

The Congressional authorization for the Locks was based on the volume of commodity transportation through the Locks that was composed primarily of logs and aggregate. As the quantity of logs passing through the Locks dropped during the 1990s, one of the last regular Locks users was Wilsonville Concrete and Marine Industrial LLC, which transported aggregate via barge and moved tugboats through the Locks. Each barge carried the equivalent of 35-60 truckloads of heavy aggregate, saving wear-and-tear on City roads.

When the Corps suddenly closed without advance notice the Locks in 2011, a majority of Wilsonville Concrete and Marine Industrial LLC boats and barges were located near the confluence of the Columbia and Willamette Rivers, where the company was engaged in dredging activities for the Corps. The company's remaining vessels passed through the Locks a few years later. In August 2020, Wilsonville Concrete and Marine Industrial LLC announced that the marine operations of the company were relocating to the Port of St. Helens due to continued closure of the Locks; Wilsonville Concrete continues operations in Wilsonville, and has expanded to Salem.

Currently, US ACE has contracted to commence repairs and seismic retrofits to the Locks that are anticipated over the next two years. Additionally, due to the Locks placement on the National Register of Historic Places in 1974, the Corps has been undertaking a "Section 106 consultation" (Section 106 of the National Historic Preservation Act (54 U.S.C. § 306108)) with the Oregon State Historic Preservation Officer (SHPO) and the Advisory Council on Historic Preservation. The Corps is in the process of preparing a Historic Property Management Manual for the Willamette Falls Locks in consultation with the Oregon SHPO, Indian Tribes, and concurring parties. Until the transfer to WFLA is finalized, the Corps will continue current caretaker activities commensurate with obligations under Section 110 of the National Historic Preservation Act.

The WFLA business plan is divided into two phases:

- Phase 1 covers approximately the first four (4) years of establishing and operating WFLA as a public corporation, negotiating transfer of the facility from the Corps, and managing the capital repairs of the Locks. Because no existing revenue mechanism presently exists for the Locks, and revenue is dependent on an operational Locks facility, the proposal to fund this phase is primarily through federal and state appropriations and ongoing local stakeholder contributions.

The anticipated expenses of Phase 1 of the Public Corporation total \$350,000 per year, over a period of three to five (5) years. Commission staff believes that work to repair, transfer, and reopen the Locks can occur in a three-year period, but years four and five are included for consideration to account for the volatility in the state and federal legislative process.

- Phase 2, starting in approximately five years, begins after the transfer and construction of the Locks are complete, and the facility has returned to operating status. During this phase, the expectation is for the Locks to meet revenue goals through a variety of usage fees, including commercial, tourism, and recreational uses.

EXPECTED RESULTS

The City Council is informed about the history of the City's efforts to reopen the Locks, including the formation of WFLA with the objective of reopening an operable Locks.

TIMELINE

N/A

CURRENT YEAR BUDGET IMPACTS

\$7,000 is budgeted for FY 2023/24 for WFLA.

COMMUNITY INVOLVEMENT PROCESS

The Corps, Clackamas County, Metro, and the state legislature led the public engagement process over a 12-year period.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY

An operational Locks would support new economic development opportunities on the Willamette River for Wilsonville, including outdoor recreation and tourism, river travel and seismic resilience transportation. Operators of the Portland Spirit have indicated interest in excursions to Oregon Wine Country with stops in Wilsonville and/or Newberg. Additionally, Wilsonville Concrete could consider restarting barging operations for river transportation of aggregate.

ALTERNATIVES

The City Council could opt out of support for WFLA.

CITY MANAGER COMMENT

The City has new economic development opportunities on the Willamette River with an operational Locks. Additionally, the City's modest contribution in support of WFLA leverages considerable funding by other stakeholders.

EXHIBITS: Listed in Reverse Chronological Order (most recent first)

- A. 2021 Enrolled House Bill 2564, "Relating to Willamette Falls Locks Authority; creating new provisions; amending sections 1, 2 and 4, chapter 734, Oregon Laws 2017; and declaring an emergency."
- B. Article "Quasi-government agency would oversee Willamette Falls locks: House bill would ease transfer from federal government and allow reopening after a decade," By Peter Wong, Portland Tribune, May 11 2021
- C. Testimony by City of Wilsonville Mayor Julie Fitzgerald Supporting an Amended SB 5534, Capitol Construction Funding Bill: "Strategic Use of State Funds to Leverage Federal Infrastructure Investment for Proposed Public Corporation to Reopen the Willamette Falls Locks"; Scheduled for public hearing on May 7, 2021, before the Joint Committee on Ways and Means Subcommittee on Capital Construction

- D. Testimony by City of Wilsonville Mayor Julie Fitzgerald Supporting HB 2564: “Proposed Legislation Provides for State to Accept Transfer Ownership of Willamette Falls Locks from Federal Government with Goal of Re-Opening”; Scheduled for public hearing on February 11, 2021, before the Joint Committee on Transportation
- E. Testimony by City of Wilsonville Mayor Tim Knapp Supporting HB 4150: “Proposed Legislation Provides Ability to Reopen the Willamette Falls Locks, Leverage Federal Funds and Advance State Goals for Tourism, Commerce and Resilience”; Scheduled for public hearing on February 4, 2020, before the Joint Committee on Transportation
- F. Letter from City of Wilsonville Mayor Tim Knapp to Joint Committee on Ways and Means, RE: City of Wilsonville Support for Proposed Willamette Falls Locks Authority Public Corporation and State Capital Investment, December 16, 2019
- G. Letter from City of Wilsonville Mayor Tim Knapp to Willamette Falls Locks Commission, RE: City of Wilsonville Support for Proposed Willamette Falls Locks Authority Public Corporation, December 16, 2019
- H. Testimony by City of Wilsonville Mayor Tim Knapp Supporting HB 2304-2: “Proposed Legislation Provides Ability to Re-Open Willamette Falls Locks, Leverage Federal Funds and Advance State Goals for Tourism, Commerce and Resilience”; Scheduled for public hearing on May 22, 2019, before the Joint Committee On Transportation
- I. Testimony by City of Wilsonville Mayor Tim Knapp Supporting HB 5030: “Proposed Legislation Funds Ability for State to Re-Open Willamette Falls Locks, Benefiting Tourism, Commerce and Resilience Goals”; Scheduled for public hearing on April 19, 2019, before the Joint Committee On Ways and Means Subcommittee On Capital Construction
- J. Resolution No. 2737: A Resolution of the City of Wilsonville Adopting An Intergovernmental Agreement With Clackamas County to Support the Work of the Willamette Falls Locks Commission, April 15, 2019
- K. 2017 Enrolled Senate Bill 256: “Relating to Willamette Falls navigation infrastructure”; and declaring an emergency.”
- L. 2015-2017 Local Contributions toward the Willamette Falls Locks Effort
- M. Testimony by Wilsonville Mayor Tim Knapp in Support of SB 256-3: “Establishes the Willamette Falls Locks Commission”; Scheduled for public hearing on June 14, 2017, before the Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development
- N. Testimony by Wilsonville Mayor Tim Knapp in Support of SB 256: “Establishes the Willamette Falls Locks Commission”; Scheduled for public hearing on Feb. 15, 2017, before the Senate Committee on Business and Transportation

- O. Resolution No. 2601: A Resolution of the City of Wilsonville Adopting as a Concurring Party the Willamette Falls Locks “Section 106” Memorandum of Agreement (“MOA”) And Exhibits, including Staff Report and Memorandum of Agreement Between the U.S. Army Corps of Engineers, Portland District and the Oregon State Historic Preservation Officer, and the Advisory Council On Historic Preservation Regarding the Interim Closure of the Willamette Falls Locks, West Linn, Oregon, Sept. 8, 2016
- P. Letter from Wilsonville Mayor Tim Knapp to Senate President Peter Courtney, RE: “Support for Willamette Falls Locks Economic Development Funding”; February 10, 2016
- Q. Testimony by Wilsonville Mayor Tim Knapp in Support of SB 131: “Establishing The Task Force on the Willamette Falls Navigation Canal and Locks”; For Public Hearing Scheduled on Feb. 18, 2015, Before the Senate Committee on Business and Transportation
- R. Resolution No. 2496: Resolution of the City of Wilsonville Supporting the Reopening of the Willamette Falls Locks, Nov. 3, 2014
- S. Willamette Locks Economic Potential Report by EcoNorthwest, August 2014