Ko'Kwel Wharf Improvement Project PIDP Narrative (Revised 2/5/2024)

The Coquille Indian Tribe (CIT), a federally recognized Indian tribe, and Mith-ih-kwuh Economic Development Corporation (MEDC) requested $7,729,649.86 in Port Infrastructure Development Program (PIDP) funding for a project to rehabilitate, enhance and extend dock facilities at Ko'Kwel Wharf in North Bend, Oregon. The CIT is the lead applicant, and will manage the project jointly with the MEDC, a tribally owned corporation federally chartered under Section 17 of the Indian Reorganization Act.

The Ko-Kwel Wharf Property is located north adjacent to The Mill Casino Hotel & RV Park and the Property's bayfront and downtown-adjacent location creates substantial opportunity for redevelopment as a regional commercial destination and employment center. The site once supported industrial land use activities and remains mostly vacant and underutilized today. MEDC intends to redevelop the upland property for new industrial, commercial, entertainment, employment and income-generating uses that will bring vitality to this area of the City of North Bend, complement the Tribe's casino/hotel destination, and create long-term economic opportunity for Tribal members and the North Bend/Coos Bay community. The project site includes the dock adjacent to the wharf property and a small portion of the property for trenching for shore power.

Statement of Work

CIT/MEDC proposes to rehabilitate, enhance and extend the Wharf dock facilities through a project with three components: (1) to rehabilitate the existing dock to improve safety and reliability and be a catalyst for upland industrial development; (2) to bring shore power to the dock to reduce or eliminate the need for idling diesel engines, and (3) to conduct development phase activities for a proposed extension of the dock.

(1) Dock Rehabilitation – A dock inspection conducted by McGee Engineering found continued deterioration of a timber structure that is over 40 years old. Repairs conducted in 2015 and 2018 are performing well, but areas that were previously identified and not repaired have continued to deteriorate along with some newly identified areas. This component of the project will conduct all needed rehabilitation of the dock face along Lot 2 and 3 of Ko'Kwel Wharf. Proposed dock work will cost an estimated $4,067,953. Work will include the following repairs as recommended by the engineering review (see "Ko- Kwel Wharf: Condition Inspection Report Southern" and "Ko-Kwel Wharf: Condition Inspection Report Northern").

- The timber bull rail along the entire dock face has deteriorated and will be replaced;
- Deteriorated decking outside of identified areas will have local removal and replacement of the asphalt wearing surface;
- Repair approximately 1,300 stringers identified by engineers;
- Repair identified defective cap beams and sub-caps;
- Engineers identified approximately 595 defective piles that will be repaired using metal sheathing similar to the process used in 2015; and

Existing Dock Rehabilitation will encompass repairs on the northside of the proposed project site (Lot 2 and 3), and work can begin immediately upon commencement of the project performance period. Repairs will include bull rail, decking, stringers, fender pilings, cap beams, and about 170 pile repairs.

Additional existing dock rehabilitation will cover the south side of the proposed project site (Lot 2 and 3); pile driving will need to be performed prior to the beginning of other necessary repairs. Repairs will include bull rail, decking, stringers, cap beams, and rehabilitation of approximately 254 piles . Permitting for the additional repairs will begin upon receipt of the grant agreement and construction work will begin the following October. Final inspection will occur within 24 months.

Engineering and design for the proposed dock rehabilitation is approximately 80% complete. All obligated funds for dock rehabilitation repairs should be expended 36 months after grant execution.

(2) Shore Power – Recommendations from moorage customers and maritime experts conclude that the availability of shore power would improve the competitive position of Ko'Kwel Wharf. By eliminating the need for ships to keep diesel engines idling while in port, this component also contributes to the commitment of the Coquille Tribe and the State of Oregon to reduce carbon emissions.

MEDC consulted with the local electric utility (Pacific Power) and a local electrical contractor (Reese Electric, Inc.) to design a project that would bring 800-amp service and a shore power outlet box to the wharf. Their solution includes the following:

- Provide and install new sectional cabinet vault and transformer vault for the power company on property as directed by the power company;
- Provide and install new 6" PVC conduit from the power pole to the new sectional vault and transformer vault;
- Provide and install new concrete pad for new Main Distribution Panel (MDP);
- Provide and install new 800-amp stainless steel 3R MDP on the new pad;
- Provide and install new stainless steel shore power pad mount assembly box with two factory-installed, three-phase, 320 amp, 7.2KV Proconnect receptacles;
- Provide and install four new three-inch PVC conduit runs with 250 MCM feeder wiring from the new MDP to the new shore power receptacle box; and
- All permitting, trenching and backfill.

Engineering and design for the shore power component of this project is approximately 75% complete. Shore power will cost an estimated $439,816. Construction work on this component can begin within six months after receipt of the grant agreement and is expected to take one to two months to complete.

(3) Dock Extension – In 2013, the engineering team created a conceptual plan to construct a 608-foot dock extension that could be anchored on five existing dolphins extending along Lot 1. By building an extension rather than reconstructing the existing dock, MEDC can support revenue producing use of the wharf property over the next 10 years while also building a modern, safe and resilient docking facility on adjacent land.

Grant funding would support development phase activities leading to the construction of a 600'- 700' extension of the Ko'Kwel Wharf dock. Development phase work is expected to include the following:

- A feasibility analysis;
- A market study leading to a revenue forecast and benefit/cost analysis for the dock extension;

- An environmental review related to all in-water construction and operations;
- Permitting; and
- Preliminary engineering and design.

The proposed component involves development activities, including preliminary engineering and design; as such, 0% of engineering and design work has been completed yet on the proposed dock extension. Dock extension development activities will cost an estimated $2,449,181.

Planning and development will begin within three months after the grant agreement is executed and is expected to take two years to complete. All obligated funds for this project component will be expended by September 2026.

Transportation Challenges and Approach

This project is designed to meet several challenges facing CIT and MEDC for the current and future operation of the terminal at Ko'Kwel Wharf. The wharf, like all Tribal enterprises and investments, is expected to produce a return to the Tribe to support services to Tribal members including elder services, education programs and cultural development. Under its 1989 Restoration Act, the Tribe is required to seek self-sufficiency through its economic development resources. Ko'Kwel Wharf is one of those economic development resources.

Rehabilitating an aging dock infrastructure constitutes the greatest challenge for current and future uses of the wharf. Engineering reports indicate that live loads on the dock currently remain at 300 PSF with vehicular live loads posted at 40,000 pounds depending on how well wheel loads are distributed. This limits the activities on the currently repaired portion of the dock. These reports likewise recommend a vehicular live load posting of 72,000 pounds to safely move loads on the dock. The rehabilitation proposal would bring the entire dock area up to safe operating standards and open opportunities for new uses of the terminal and wharf facility to generate revenue to support Tribal member services.

Providing shore power to ships arriving at the terminal contributes to commitments by CIT, MEDC and the State of Oregon to meet the challenges of climate change by reducing carbon emissions from idling diesel engines. Improvement and modernization of Ko'Kwel Wharf will be conducted with a keen eye on its ability to contribute to reducing and eliminating carbon emissions. For the Coquille people, planning includes considerations for the health and well-being of their people and lands for many generations in the future. In addition, availability of shore power will keep Ko'Kwel Wharf competitive as other facilities adapt to climate change.

The project's third component, the dock extension, will enable the wharf to remain competitive in the face of much larger port facilities with greater financial resources. Ko'Kwel Wharf requires a modern facility to maintain long-term competitiveness. According to the engineering inspection reports, the current structure is beyond its design service life. It is not configured for modern vessels, does not meet modern seismic design requirements and does not have utility provisions common to modern facilities of similar size. Development activities for a new dock extension would address these challenges through construction of a new structure that meets safety and performance standards well into the future.

Broader Project Outcomes

The *Ko'Kwel Wharf Improvements Project* seeks to improve facilities that directly impact port operations in the Coquille and Coos County communities; its three key project components will, collectively, rehabilitate aging infrastructure, reduce greenhouse gas emissions from diesel engines, improve climate resilience, and increase economic opportunity. Project outcomes thus include:

(1) **Safety** – The proposed project will rehabilitate current facilities on the northern and southern sides of Lots 2 and 3 currently identified to be critical to the superstructure and in a dangerous state of disrepair. Additionally, the installation of shore power will decrease diesel fumes well known to have harmful health effects on communities and particularly, hospitality venues in adjoining properties.

(2) **Efficiency** – The proposed dock repairs will increase load capacity by 85%. The proposed dock extension would increase load capacity from 300 PST to 1,000 PST, putting it on par with loads of standard cargo facilities and increasing long-term efficiency and competitiveness.

(3) **Climate Resilience** – The improvement of aging infrastructure and the proposed development of new facilities incorporating seismic design will improve the design life of the wharf, as well as its long-term resilience against increasing climate impacts.

(4) **Environmental Justice** – The installation of shore power will lower greenhouse gas emissions and decrease hazardous air pollution produced by diesel engines on Tribal lands that have been historically disadvantaged and disproportionally impacted by environmental harms.

(5) **Economic Development** – The proposed port infrastructure improvements will increase long-term competitiveness and will produce immediate benefits from improved capacity, as well additional revenue from an industrial tenant that is projected to invest nearly $10.9 million into the industrial project.

(6) **Workforce Development** – When the wharf operation is fulling ramped up after the dock repairs, shore power, and dock extension projects are completed, the Ko'Kwel Wharf will create about 22 good-paying jobs (with rights to a union) at the log yard and in trucking.

Project History

In 2004, the Coquille Tribe, though its tribally chartered Coquille Economic Development Corporation (CEDCO), purchased a 50.5-acre former industrial site from the Weyerhaeuser Company, which previously operated a sawmill and timber processing plant at the site. All industrial activity had ceased on the property by 1989 and the last industrial structures, except for a small office building, were removed from the property by 2000.

With the purchase, CEDCO began a master planning process for the property that included a series of listening sessions with Tribal members, Tribal employees and a well-attended session with members of the community. Attendees were asked what they would like the Tribe to do with the property. By 2006, CEDCO produced a plan for a mixed-use, retail and entertainment development on the 30-acre north section of the property, while completing construction of an RV Park and a new casino entrance and parking area on the remaining 20 acres (see "Ko-Kwel Wharf Master Plan Summary Document"). Plans for the mixed-use development were set aside in 2007 as a national recession led to the cancellation of an anchor tenant's agreement.

Understanding the risks inherent in retail development and the value of the existing port facilities – a value that was singled out during the public hearing sessions – CEDCO engaged with K2 Exports LLC, in 2014 to use the Lot 2 section as a distribution center and export terminal to ship logs to ports in China. CEDCO's economic development team considered this a proof-of-concept project that would demonstrate the wharf's capabilities as an export terminal. Operating from 2014-2020, the effort achieved the following milestones.

> 2015 – Dock infrastructure repaired to accommodate Handy Max bulk carriers. 2015 – First vessel arrived and received cargo in April.
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> 2018 – A 10-car rail spur is added to the wharf through an Industrial Track Agreement with the International Port of Coos Bay and Coos Bay Rail Line.
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> 2018 – Dock face is strengthened with reinforced concrete pads to improve dockside log loading and cutting loading times nearly in half.
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> 2020 – Agreement with K2 Exports ended.

In 2020 MEDC entered into a Cooperative Agreement with the Environmental Protection Agency to administer a $350,000 Brownfields Assessment Grant to conduct a Phase II environmental assessment and to develop a reuse plan for the Ko'Kwel Wharf property. As part of the workplan, MEDC contracted with Johnson Economics to conduct a market study and financial analysis to determine the highest and best use of the property (see "Ko-Kwel Wharf Market Analysis"). A preliminary conceptual plan was prepared from these results that recommends creation of an industrial use zone that can profit from the availability of a deep- water port, rail access and highway access available at Ko'Kwel Wharf. The concept plan designates a seven-acre area for industrial development, which can be expanded to accommodate an industrial tenant.

On the date of the grant application, MEDC was in negotiations with an industrial tenant who would make use of the terminal facilities and ultimately the rail facilities. Their operations would bring manufactured materials to an on-site transfer facility and then load it on a handy max bulk carrier for shipment to ports in Asia. This company would invest in a transfer facility and a bulk loading structure on the upland portion of the Wharf property. Rehabilitation and improvement to the existing dock structure will contribute to finalizing an industrial lease. Overall, the project will increase the types and numbers of dock users and will help facilitate multi-modal transportation.

Project Schedule

CIT anticipates beginning the proposed project immediately upon execution of the grant agreement. Upon receipt of the grant agreement, CIT and MEDC project staff will establish pertinent fiscal accounts for award management and develop RFPs for needed subcontracted work in compliance with the Tribe's Financial Management Policy. CIT and MEDC will fulfill the community engagement plan outlined above under "Equity and Justice40." The project milestones for each proposed project component are outlined below.

Dock Rehabilitation

- Some preliminary RFP work may be completed prior to grant execution.
- Construction work on the bull rails, decking, stringers and cap beams will begin as soon as the grant agreement is executed.
- Permitting for in water work for the proposed dock rehabilitation will begin as soon as the grant agreement is executed.
- Construction replacement work on the piles would have to be completed between October 1 and February 1 due to the in-water work window in the region.
- Final inspection will occur approximately 24 months after permitted work begins.

Shore Power

- Construction work will begin within 6 months after the grant agreement is executed and should be completed three months later.

Dock Extension Development

- Development and planning activities for the dock extension will begin upon receipt of the executed grant agreement.
- Development and planning activities for the dock extension will be completed within three years of the grant agreement execution date.

All projects should be obligated by September 2026.

Risk Mitigation

This project will utilize the Plan-Do-Check method of project management to mitigate risks to project performance. The Plan-Do-Check-Act (PDAC) protocol evaluates, corrects, and improves the overall quality of the program by providing performance feedback throughout the funding period. This protocol will allow CIT and MEDC to assess ongoing progress toward completing each of the project's objectives and to continuously adjust strategies for achieving the program's projected outcomes. Project evaluation will occur in four phases, including (1) establishing measurable performance indicators; (2) recording results and feedback for each indicator during the project; (3) analyzing the results for each year during the project; and (4) creating and implementing strategies for improving any existing program deficiencies.

CIT and MEDC have managed federal grants of a similar scope successfully and have constructed both the project timeline and project budget with built in contingencies for increased costs and delays pertaining to approval or permits, procurement or design and construction challenges. The Table below details the basis-of-cost for each project component, the majority of which are estimates that factor in potential cost increases over the lifetime of the project.

Additionally, 10% contingencies have been added to the budget to anticipate any unforeseen challenges.

Table 6: Budget Basis-of-Cost Summary

Project Component	**Basis-of-Cost**
(1) Dock Repair – Repair Bents 85- 144	Estimate from McGee Engineering/Billeter Marine
(1) Dock Repair – Repair Bents 42- 85	Estimate from Billeter Marine
(2) Shore Power – Itemized List with Projected Cost Increase	Estimate from Reese Electric
(2) Shore Power – Connection to PacElectric	Estimate from PacElectric
(3) Dock Extension Development Activities	Estimates from McGee Engineering

CIT and MEDC have an excellent working relationship with the State of Oregon, Coos County, and the City of North Bend and do not foresee any issues with permitting that will impact the project's start and completion. Additionally, CIT has performed their due diligence with an environmental Brownfield grant through the EPA to ensure the feasibility of the proposed project.