

Market Advisory Group, LLC
December 2019

Market Feasibility Study for a

1 (+/-) acre waterfront development site at
the Port of Garibaldi, OR

prepared for: Port of Garibaldi, Garibaldi OR

ACKNOWLEDGEMENTS

This analysis was prepared independently by Market Advisory Group and FCS GROUP with assistance from the Port of Garibaldi (OR). Funding for the study was provided by the Port of Garibaldi and Oregon State Lottery Funds administered by the Oregon Business Development Department.

For more information about the Port of Garibaldi, visit:

www.portofgaribaldi.org

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Limiting Conditions

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

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

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

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

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I. Executive Summary

Market Advisory Group, LLC and FCS Group (MAG/FCS) were retained to complete this market study to assess the site development potential for acres located at the Port of Garibaldi, Oregon. The following points summarize our major findings and recommendations resulting from this assignment.

Market Conditions Observations

The broader Tillamook County region and economy reflect a rural and relatively slow growth region. The population as a whole is aging, and incomes trend significantly lower than state and national averages. Economic activity and employment have historically been rooted in natural resources and agriculture. Forecast new economic growth will be slow, growing at a rate at 0.8% per-annum in the foreseeable future. Positive growth in value added agriculture, food manufacturing, and tourism show promise in the years ahead.

Demand for new commercial and industrial building inventory will be limited. Speculative delivery of raw space could be a high-risk proposition, given the slow population and economic expansion growth rates. A focused development strategy taking advantage of forecast growth industries, tied to unique site attributes may be the most beneficial strategy for supporting new business growth within the market region.

Site Assessment Observations

In total, the subject site is suitable for an array of development uses. There are no apparent conditions or conflicts that would prohibit site development nor that would make it financially infeasible to develop the site. Current temporary uses of the site (commercial fishing supplies, overflow marina parking), and adjacent Coast Guard uses, may pose a constraint to full site development.

Feasibility and Development Analysis Observations

Based on current market conditions and forecast growth within the Tillamook region marketplace, there is ample justification for the Port of Garibaldi to pursue site development after several factors are addressed.

Considering the many factors, limitations and risks involved in site development, the most beneficial development strategies are to either:

- Do nothing and the leave the site vacant until an alternative site can be identified for the current overflow parking / temporary storage uses of the site;

or,

- Relocate / reduce the footprint of the overflow/temporary uses and then pursue a hybrid site development approach where the Port pursues a multi-tenant development. This concept may include a relocated Port administrative center, and the bulk of the building space would be marketed for lease to a commercial tenant, which can help support the overall site development concept.

There are many reasons that doing nothing and leaving the site vacant for the current overflow/temporary uses is a viable immediate/short-term option for the Port. This is in part because displacing those uses, without a functional alternative, may compromise important business functions of the Port (i.e. the marina and commercial fishing fleet/operations).

However, if the Port can either relocate those uses or design a site and building development concept that leaves sufficient room to accommodate (all or a reasonable portion of) the overflow/temporary uses, then pursuing the multi-tenant Port center development concept will produce the highest Port and community value.

Achieving a balance of implementing the Port's Vision Plan and community economic development goals, without compromising the existing functions of the Port harbor and viability of existing commercial enterprises, should be a priority of the Port. Site development may be achieved by careful site design and tenant selection which advances a long-term, Port industry centric approach, as a primary goal.

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Market Conditions

Task 2: Market Conditions and Trends Analysis

Market Conditions: Summary Observation

The broader Tillamook County region and economy reflect a rural and relatively slow growth region. The population as a whole is aging, and incomes trend significantly lower than state and national averages. Economic activity and employment have historically been rooted in natural resources and agriculture. Forecast new economic growth will be slow, growing at a rate at 0.8% per-annum in the foreseeable future. Positive growth in value added agriculture, food manufacturing, and tourism show promise in the years ahead.

Demand for new commercial and industrial building inventory will be limited. Speculative delivery of raw space could be a high-risk proposition, given the slow population and economic expansion growth rates. A focused development strategy taking advantage of forecast growth industries, tied to unique site attributes may be the most beneficial strategy for supporting new business growth within the market region.

Key Findings

Market Area:

- Garibaldi is a rural community located near the Pacific Ocean, nestled into the foothills at the north edge of the Tillamook Bay.
- Garibaldi is the closest recreational and commercial harbor to the Portland metropolitan area (85 miles).
 - o Competitive commercial and recreational marine harbors are located in Astoria (55 miles north) and Coos Bay (78 miles south).
- The retail trade area stretches north to Cannon Beach, west to Forest Grove, and south to Lincoln City.

Population and Demographics:

- The City of Garibaldi is a small community of roughly 800 persons (2017)
- Tillamook County is a rural coastal county, with a population of roughly 26,000 (2017)
- Annual population growth rates through year 2040 are estimated at:
 - o Tillamook County = 0.6%.
 - o City of Garibaldi (UGB) – 0.5%
- Tillamook County's natural rate of population growth is declining over the next 20-years, with more deaths than births. The net positive population growth is a result of in-migration.
- The median age within the County is 48, which is 9-years older than the state average.
- 24% of the population is over the age 65; compared to 16% for the Oregon state average.
 - o The 65+ population cohort is the fastest growing age group, growing 29% over the next 20-years.
 - o Median incomes are \$45,061 (year) which is 25% lower than the state median income of \$56,119.
 - o Poverty rates trend higher than the state average

- Educational attainment exceeds the state rates for associate degrees and below, and lags significantly behind the state in bachelor's degree or higher.
- Median earnings per worker of \$28,115 are well below the Oregon (\$30,442) and national (\$32,141) rates, which reflect typical conditions of a lower wage rural economy.

Industry Profile:

- Total Employment within Tillamook County for 2018 is estimated at 9,636 jobs.
- Total number of business Establishments within Tillamook County for 2018 is 1,058.
- Total Non-farm Employment growth rate from between 2010 to 2018 was 11.5%, or a compounded annual rate of 1.4%. The state grew a total of 19.4% at an annual rate of 2.2% over the same period.
- Between 2010-2018, key industries grew at significant rates, include: Health Care (44.5%); Accommodation and Food Services (24%) and Manufacturing (22.1%)
- Key regional industries with high Location Quotients (LQ), and exhibiting positive growth between 2010-2018 include:
 - Agriculture, Forestry, Fishing (LQ=3.1; Growth=12%);
 - Manufacturing (LQ=1.6; Growth=22%; and,
 - Accommodation and Food Services (LQ=1.6; Growth=24%).
- More residents commute out of Tillamook County for work (44%) than commute inbound into Tillamook County (32%). This imbalance reflects the lack of job opportunities within the Tillamook region market.

Community & Regional Amenities:

- The Tillamook has an abundance of natural and recreational amenities, and strong community partnerships continue to nurture and enhance initiatives such as: Salmonberry Trail, Oregon Coast Scenic Railroad, and emergent initiatives such as the Oregon Coast Food Trail.
- Post high-school technical and community college services are provided by the Tillamook Bay Community College.

Housing Trends:

- Tillamook housing is skewed to the single-family housing unit type, with over 80% of available housing within this product type.
- The second home market consumes a significant ratio of the current housing stock, estimated at nearly 30%.
- Housing production as measured by building permits, has decreased substantially over the past decade. In 2018, an estimated 150 permits were issued.
- Housing affordability is a major issue within the region. It is estimated that up to 30% of renters within the region are considered High Cost Burdened, meaning average rental rates significantly exceed the HUD approved rental rate.

Port of Garibaldi – Market Activity:

- The Port property is highly utilized. Current vacancies of leased spaces are roughly 0%

- Marina and RV leases are full, with both long-term wait lists and rapid renewal of annual permits as openings occur.
- Special Event activity has increased in recent years. Launch and programming of the *Special Event site* has added a new dimension for drawing tourists and residents to the Port facilities and for branding the Port site.
- Recent investments by tenants at the Port site (Portside Bistro and Harborview Inn) reflect optimism in the Port's vision as a destination and active fishing center.
- Revenues from moorage and leases are on the rise, enhancing the Port's financial bottom-line.

Commercial Real Estate Activity:

- The market can generally be defined as a Class B/C condition marketplace. Most buildings are old and in need of improvement.
- Vacancy rates (countywide) are estimated between 10-15%.
- Sales activity is modest, with 22 closed sales, trading at a median rate of \$136.00 PPSF.
- Current for-sale active listings are 11 properties, asking a median rate of \$153.00 PPSF.
- Very little inventory is available for lease. Advertised lease rates are between \$1.33-\$1.50 PPSF, Triple-Net (NNN).
- 3 properties are listed for sale in the Garibaldi sub-market. 2 retail commercial Class C properties and 1 vacant land parcel.

Industrial Real Estate Activity:

- The market can generally be defined as a Class B/C condition marketplace. The Port of Tillamook Bay is the largest industrial landowner/landlord within the County. The Port of Garibaldi is a major industrial landowner.
- Advertised lease rates at the Port of Tillamook Bay are \$0.45-0.50 PPSF (month) Triple-net (NNN).
- Lease rates at the Port of Garibaldi vary, and are based on a policy to achieve annual lease rates equivalent of a 10% CAP rate in relation to the total assessed value.
- Vacancy rates (countywide) are estimated between 10-15%. The Port of Garibaldi vacancy rate is 0%.
- Sales activity is minimal, with 1 closed sale, trading at a rate of \$51.00 PPSF.
- Current for-sale active listings are 2 properties, asking a median rate of \$51.00 PPSF.
- One property is listed for sale in the Garibaldi sub-market. The property is located at the Port of Garibaldi. What is offered for sale is roughly 14,000 SF of building improvement. The land is not sold with the building as it is owned by the Port.

Hotel / Lodging Activity:

- Tillamook County's Hotel/Motel market can be generally defined as an average to lower quality market, Class B/C.
- Room occupancy is high, particularly during the peak summer-fall season, when countywide nightly occupancy can achieve 100%.

- Average room rates along the Oregon Coast can average \$128.75 (YTD 2019) or during the August peak-season an average of \$162.46.
- Room night demand within Tillamook County has held relatively unchanged from 2016-2018. In 2018, the total room night demand was estimated at 2,570,000 overnight stays.
- Transient lodging tax collected within Tillamook County has increased significantly from 2014-2018, rising to \$3,981,024, which is a 73% increase from 2014. The rapid increase in transient lodging taxes collected helps support tourism related investments.
- Nightly hotel rental rates, as measured in October 2019, range from \$50.00 - \$350.00 per night across the Tillamook market.
- For sale activity in 2018, resulted in 1 sale of an RV campground.
- Current for-sale listings include 2 projects and a total of 22 rooms. 1 RV campground is also listed for sale, with 76 RV spots and 3 permanent camp/rental homes.

Retail Sales Activity:

- U.S. Retail sales per-capita have been steadily rising over the decade.
- Tillamook County's retail sales per capita lags behind the Oregon and national averages. Tillamook's retail sales per capita (2012) was \$9,842, which was 22% lower than the Oregon rate and 28% lower than the national rate.
- Tillamook County is under-retailed for basic consumer goods, meaning there is significant leakage out of the market area. Current estimates indicate a leakage of over \$17 million in sales within a 15-minute drive of Garibaldi, and over \$85 million in sales within a 45-minute drive of Garibaldi.
- Tillamook County has a surplus of retail sales within the Food & Drink consumption category. The Food & Drink sales surplus is over \$3.5 million within a 15-minute drive a Garibaldi, and nearly \$8.5 million within a 45-minute drive a Garibaldi. These surpluses reflect the tourist trade within the County.

Commercial Fisheries Activity:

- The Port of Garibaldi and regional partners have convened a multi-layered evaluation of the commercial fishing operations and the Port, and are setting in motion a series of studies and investments to promote the economic sustainability and enhancement of the small scale and commercial seafood industry that operates from the Garibaldi harbor.
- Total landing of all species has significantly declined over the past 15-years.
- The overall value of the landed species has increased over the past 15-years.

Industry & Employment Growth Forecasts:

- Tillamook County is combined in a 5-county North Coast region economic growth forecast. For the 5-counties (Benton, Clatsop, Columbia, Lincoln, and Tillamook) the total non-farm industry employment growth increase from 2017-2027 is forecast to be 7,390 jobs or an increase of 7% region-wide.
- Growth in key industries such as Construction (15%), Food Manufacturing (13%), Professional Services (15%), Education & Health Services (11%) and Leisure & Hospitality (10%) lead the growth industries.

- Declines in industry employment are forecast for the Logging (-1%); Wood Product Manufacturing (-4%); and, Paper Manufacturing (-10%) industries.
- Tillamook County's share of the 5-county region's industry employment is roughly 8%, or 9,080 jobs.
- Tillamook County's industry employment forecast from 2017-2027 is an increase of roughly 7% or 650 jobs.
- Tillamook County job growth is anticipated for key industries with high Location Quotients such as: Food Manufacturing (119 jobs); Professional and Business Services (68 jobs); Educate & Health Services (112 jobs); and, Leisure & Hospitality (150 jobs).

Tourism Growth:

- Tourism is a growth industry within Tillamook County. An estimated 2,200 jobs within the region are associated with Tourism spending.
- Tourism spending over the past 8-years has increased by over 30% during that period, resulting in expenditure of over \$236 million within the region in 2018.
- Tourism spending growth has been concentrated in a few industries. Accommodations spending increased by over 60%, Food Service by over 51% and Local Transportation & Gas by over 78%.
- Tourism related daytrip and overnight visitor stays are forecast to continue to increase through the next 10-years.
- Most tourists originate from the Portland metropolitan area (43%) and the highest visitation months are between July-September.

Market Demand Estimates:

- Growth in employment suggests there will be market demand for a range of 256,000 – 380,000 SQFT (low-high) of occupiable space within the Tillamook region sub-market. (note: this does not dictate the demand is for net-new space. Some space demand will be served by under-utilized or repurposed existing spaces).
- Growth in tourism, and specifically overnight lodging demand suggests there will be market demand for up to 360 new hotel/motel rooms in the Garibaldi and adjacent sub-markets in the next 20-years.
- Given the Port's existing occupancy levels (generally full occupancy), and the unique attributes at the Port (i.e. the scarcity of similarly situated and like parcels) there will be sustained strong demand for tenancy at the Port site for those industries and businesses who either: need to be located at or near the commercial fishing operations located at the Port site; or, desire to locate due to the amenity and marketing value of being at one of the only (and arguable the sole) authentic fishing villages / harbors on the Oregon coast.

Potential Target Uses (Tenant):

- Based on the types of growth private employment industries and tourism growth projections, the Port has an array of tenants that could be candidates for the Port site. Those include: professional businesses, artisan "makers" and entrepreneurs, warehousing, food/beverage processing, and lodging.

- Additional analysis of industries with high concentration (Location Quotient) and forecast growth in the Tillamook sub-region include industries which could be tenant targets. Those industries include: aquaculture, seafood processing, water recreation, lodging, and professional services which serve the food, forestry and wood/seafood processing and manufacturing industries.

II. Introduction

The primary purpose of this market conditions review is to assist the Port of Garibaldi with the assembly of relevant market data to assist the Port with internal planning and evaluation of site development options and opportunities. The intent of the market study is to document prevailing community, economic and real estate market conditions. The study also makes observations about growth forecasts which may dictate opportunities that may be forthcoming to the market.

The intent of market research is to understand the overall attributes of the region, the growth patterns within the community, and future prospects for market rate (or with limited public subsidy) development in the subject area.

The primary tasks involved in assessing the proposed project are as follows:

- Prepare an overview of the area demographic and economic conditions and trends.
- Analyze current economic conditions
- Survey the real estate market activity for and real estate market activity for sales, leasing and general market supply and demand conditions.
- Assess growth projections to prepare a forecast demand of future office, industrial and lodging space within the market region.
- Analyze economic forecasts of the market area and identify potential target industries and users for the subject project.

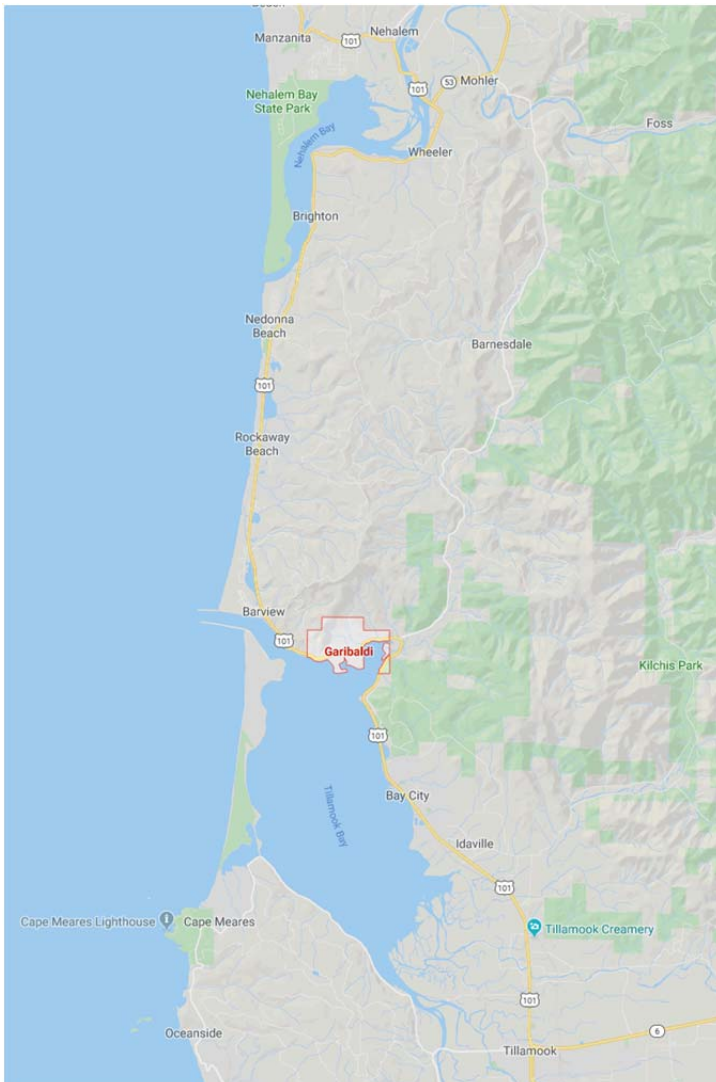
Research for this study was completed in October 2019, and the analysis of findings reflect market conditions as of that period. In all cases, attempts have been made to verify the data used in this analysis. Supplemental data on which these findings are found in both the body of the report and the appendices.

III. Community and Site Context

REGION

The subject site is located in the City of Garibaldi, Tillamook County Oregon. It is strategically located at the at the south frontage of the Port of Garibaldi’s marina district, abutting the Tillamook Estuary. Garibaldi is a small rural community served by US 101, located between the cities of Tillamook and Pacific City. Garibaldi is roughly 80 miles from the Portland/Vancouver metropolitan area. Interstate 5. Garibaldi is near abundant recreation, coastal communities, and is the closest public marina to the Portland metro which provides recreational and commercial boat launches to the Pacific Ocean.

Figure 1. Regional Context



UGB Population (est. 2019)

- Garibaldi: **800**
- Tillamook: **5,600**
- Manzanita/Nehalem/Wheeler: **2,600**
- Tillamook County: **26,600**

Poximity to Adjacent Markets (*from Garibaldi*):

- Tillamook: **10 +/- Miles**
- Manzanita: **17 +/- Miles**
- Forest Grove: **60 +/- Miles**
- Portland: **82 +/- Miles**

Garibaldi is a small community by population and employment. The community character is reflective of a coastal fishing/marine community in character and civic vision. Downtown's Main Street (US 101) is the commercial and circulation hub of the community and also serves as the through route for regional and bi-state travel. It is a limited service community, and where traditional commercial services don't exist, nearby cities of Tillamook and Rockaway Beach provide relief.

Figure 2: City of Garibaldi limits

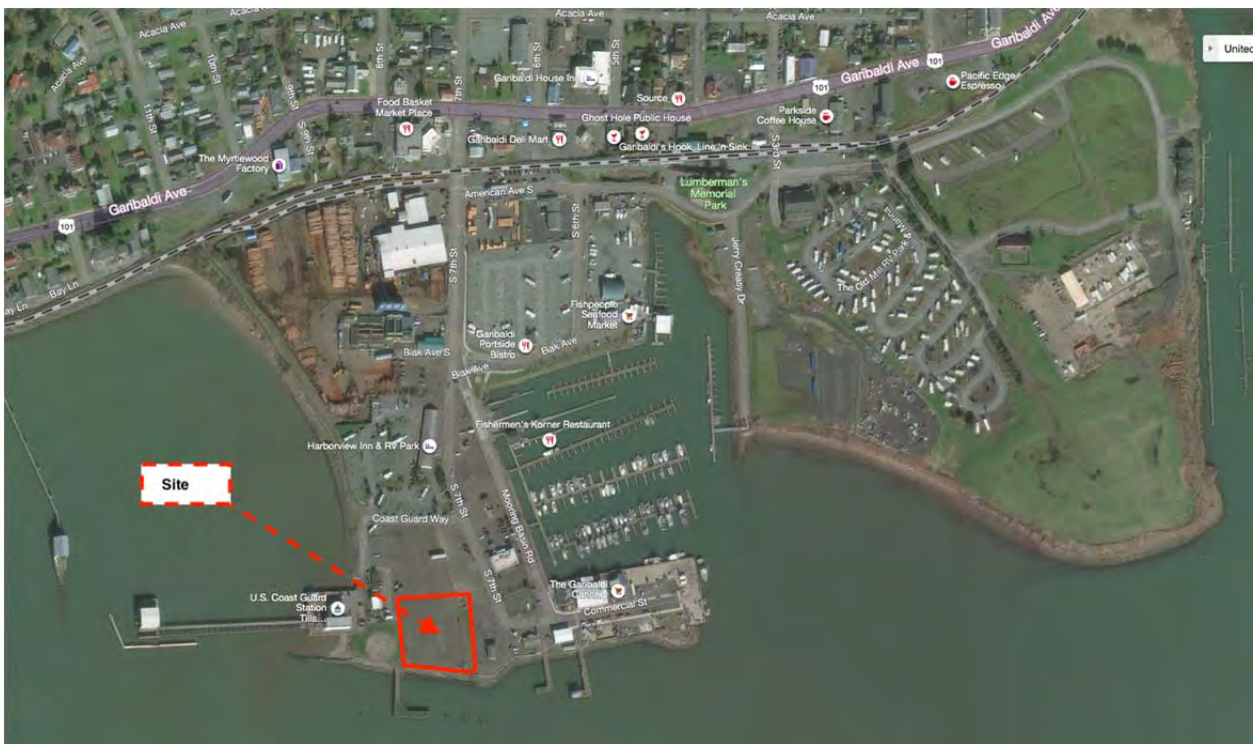


Source: Tillamook County

AREA

The subject sites are located in at the south edge of the Port of Garibaldi marina. The site is abutting the Tillamook Bay. The site is roughly 0.5 miles south of the intersection of S. 7th Street / US 101. The site is served, and nearly abutting the Port's primary interior north/south circulation corridor S. 7th Street.

Figure 3. Garibaldi Downtown and Site Proximity



Source: Google Maps

GENERAL SITE CHARACTERISTICS

The subject sites comprise roughly 1 (+/-) acre upon 1 legal lot, abutting S. 7th Street, which loops the site and. Abutting the site are: existing buildings to the east (Port of Garibaldi offices) and to the west (US Coast Guard helipad and station offices); the Tillamook Bay (to the south) and a gravel overflow parking lot to the north.

The lot is flat with no unusual topographic features.

Figure 4: Site Context



Source: Google Maps

Figure 5: Site, looking South



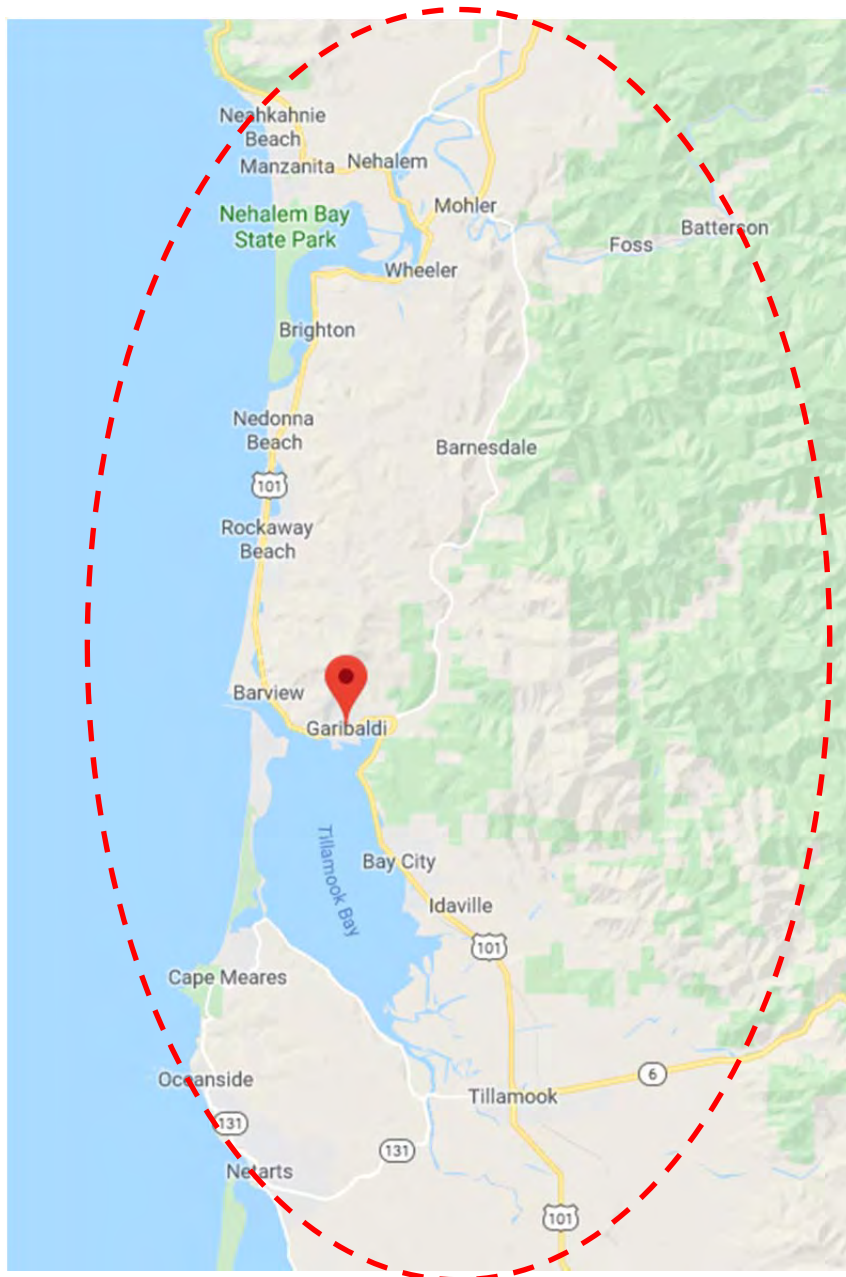
Figure 6: Site, looking North



IV. Market Area

General Market Definition: In general, the geographic areas and growth assumptions used in this analysis cover the greater Tillamook County and *North Coast* (Lincoln/Tillamook/Clatsop county) areas. In addition, the analysis recognizes that the Tillamook County and North Coast region market draws residents, consumers, businesses and visitors from the greater Portland/Vancouver and Salem metropolitan areas in addition to traditional out-of-state tourism.

Figure 7. Primary Market Area



Source: Google Maps

Primary Market Area

The primary market area is generally defined as the combination of major cities and urban clusters within Tillamook County.

The **Primary Market Area** includes the cities and unincorporated areas of Tillamook County in vicinity to:

- Garibaldi
- Bay City
- Rockaway Beach
- Manzanita
- Nehalem
- Wheeler
- Tillamook

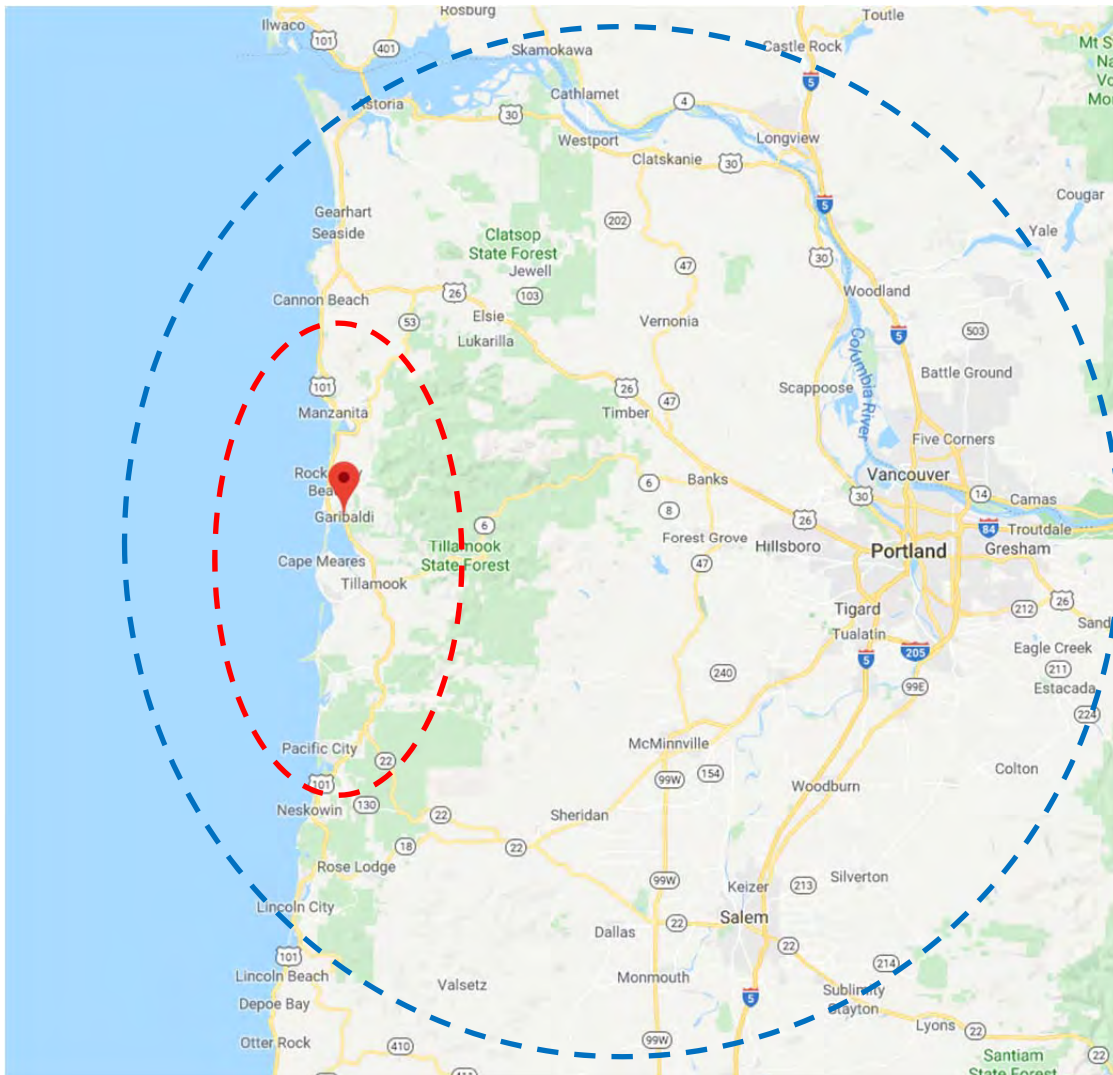
The total estimated household population of the **Primary Market Area** is: **20,000 (+)**

Key: Primary Market Area:
Red dash line

Secondary Market Area

The secondary market area is generally defined as the broader North Coast region, and also includes the major metropolitan areas of Portland and Salem. The Secondary Market Area stretches to the east of the cascade mountain range into the Portland and Salem markets due to: employment and service opportunities, and the secondary market are feeding the market region for tourism related capture is the major metropolitan areas of the Willamette Valley.

Figure 8: Primary and Secondary Market Areas



Source: Google Maps

The total estimated population with the secondary market areas include:

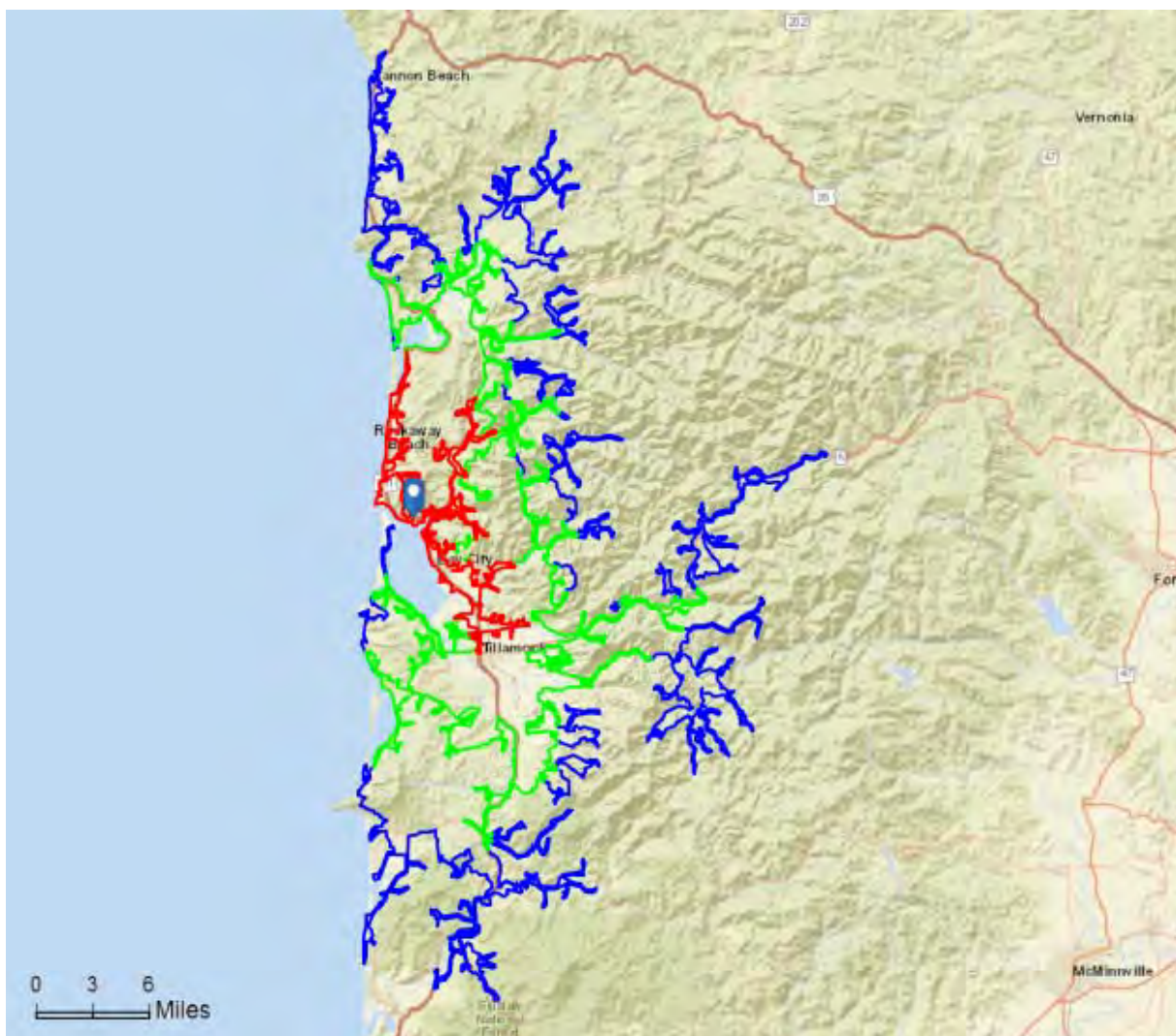
- North Coast: **50,000 (+)** (Market area Lincoln City 53 miles; Seaside 38 miles)
- Portland metro area: **2.5 Million** (distance 82 miles)
- Salem metro area: **400,000** (distance 85 miles)

Retail Market Area

The retail market is generally defined as the trade area where retail activity takes place. Within a predominantly rural region such as Tillamook County, it is common that a full array of retail services is not available within the community. Thus, the geographic distance that residents and business travel to conduct retail purchases are generally longer distances (compared to urban areas). Further, the diversity of services and number retail establishments are more limited in rural areas, and which also contributes to a larger trade area to find the desired services and good.

The trade area for Tillamook County region stretches up into Clatsop County to the north and into Washington County to the west. The trade areas as defined in 3 increments of travel: 15 minutes (RED); 30 minutes (GREEN); and, 45 minutes (BLUE) (stretches north to Cannon Beach/Seaside and south to Lincoln City) are illustrated in Figure 9.

Figure 9: Retail Trade Areas



Source: Google Maps

How were the Market Areas determined?

Key factors that contributed to the primary and secondary market and retail trade areas for this market study included:

- Evaluation of jobs and employment options. Limited job options within Tillamook County indicate that the market area for job seekers is greater that compared to more urbanized areas.
- Evaluation of employment centers. Tillamook County has few major employment centers, with rural town community centers scattered up and down US 101. Employment tends to be more distributed to services within each community, where major employers are concentrated in a few key industries within the city of Tillamook and at other key locations such as the Port of Garibaldi.
- Evaluation of retail trade activity and specific imbalances (lack) of retail services within the community.
- Evaluation of the commuting patterns and employment characteristics and documented in publicly available data sets. A high percentage of Tillamook County residents commute outside of the County for employment.
- Evaluation of Tourism travel trends and origin locations. The largest market base for tourists to the Tillamook region originate from the Portland metropolitan area (43%).
- Assessment of anecdotal informed gathered through in-person interviews with city and economic development officials and ad-hoc interviews and discussions with local business owners, and real estate professionals.

V. Market Conditions Overview

The intent of the Market Conditions Assessment is to document key population, demographic, economic data and field conditions. The analysis provides a foundation of data and observation to begin to optimize the development program in order to derive optimum value. The study will use the market conditions data to assess the amount and attributes of future economic and community growth, and will make strategic observations based on potential highest and best use considerations and projected market desires. Observations and recommendations are intended as advisory only and are contingent upon market and finance contingencies and consumer preferences.

The results of the market study can help refine assumptions, plans and strategies for either subject site or off-site development opportunities. It is expected that subsequent review will be completed concurrent with future site master planning and prior to development decisions.

Approach

The MAG/FCS team conducted a site visit of the subject site to gain a better understanding within the context of its site characteristics, and that of the greater Port, Garibaldi and Tillamook County. In a separate report, the MAG/FCS team has documented a Site Assessment.

For the Market Conditions Study, the analysis is informed by review of national, regional and local market conditions, demographics and employment trends and market context. MAG/FCS assessed (and supplemented as appropriate) growth forecasts for residential populations and employment, in order to quantify support for various land uses, review of target market segments, and support supply and demand analyses.

The findings are intended to inspire additional conversations with the Port Commission and staff, City of Garibaldi, and other affiliates partners.

VI. Population, Demographics, Housing

POPULATION GROWTH

Garibaldi is a stable, rural community. Population and Economic growth rates for Garibaldi, and the broader Tillamook County, are forecast to trend below statewide averages over the same period. Garibaldi's growth rates are forecast to be significantly slower than nearly all community's within Tillamook County.

Table 1. Population Growth 2017-2040 (forecast)

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

Source: Population Research Center, Portland State University, July 1, 2017

Final Forecasts represent populations as of July 1 of each year

AAGR = Average Annual Growth Rate from period 2017-2040

Table 2. Population Growth – Percentage Increases

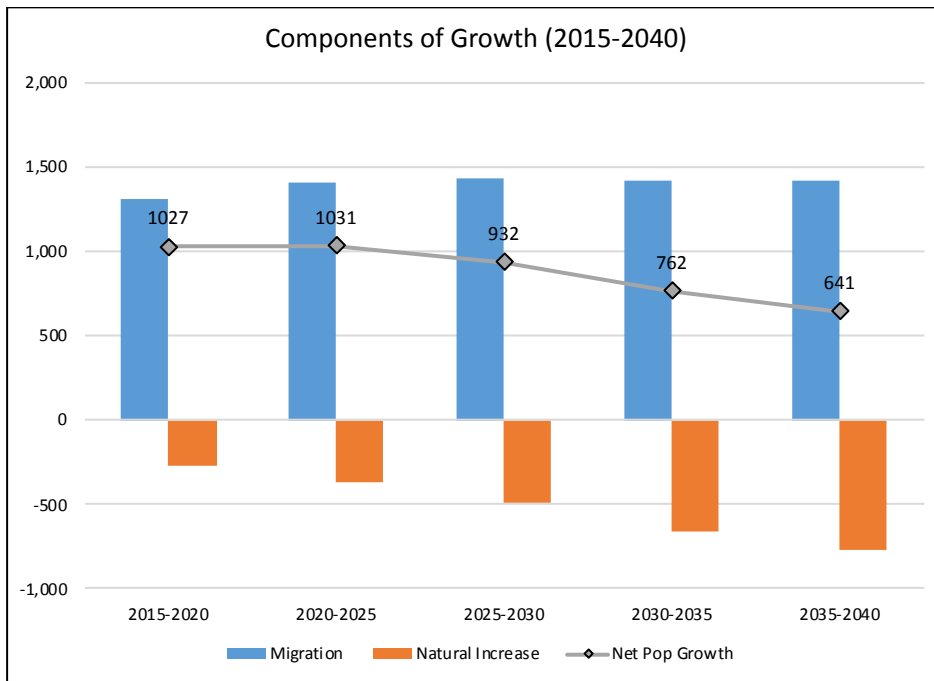
	2017 - 2030	% Increase	2017-2040	% Increase
Tillamook County	2,176	8.3%	3,369	13%
Bay City UGB	219	15.5%	397	28%
Garibaldi UGB	48	6.0%	84	11%
Manzanita UGB	198	22.4%	342	39%
Nehalem UGB	232	18.7%	423	34%
Rockaway Beach UGB	185	11.8%	312	20%
Tillamook UGB	539	9.7%	913	16%
Wheeler UGB	48	11.7%	82	20%
Outside UGB Area	709	5.0%	815	6%
Oregon	626,900	15.1%	1,061,900	26%

Source: Population Research Center, Portland State University, July 1, 2017

Tillamook County's growth rate is half the state Average Annual Growth Rate (0.6% to 1.2%) and Garibaldi's average annual growth rate (AAGR) is slower than the countywide average

Forecast population growth is based on in-migration (versus births). In fact, for the observation periods, deaths in Tillamook County far outpace births. It is also representative of the age demographics of the broader community. For Tillamook County, and Garibaldi specifically, this is important because it reflects the quality of life that new residents are seeking when they relocate to coastal Oregon. Quality of life (community, recreation, etc.) and a lower cost of living is a major driver of Tillamook County’s growth story.

Figure 10: Key Factors Population Growth - In Migration Trends



Source: Population Research Center, Portland State University, July 1, 2017

Key Findings:

- Garibaldi is one of the slowest urban growth areas in Tillamook County.
- Forecast annual average growth rates (2017-2040) for Tillamook County are roughly half of the Oregon state average: Oregon = 1.2%; Tillamook County = 0.6%
- The key driver of Population growth is in-migration of new residents.
- Quality of life (community, recreation, etc.) and a lower cost of living is a major driver of Tillamook County’s growth story.

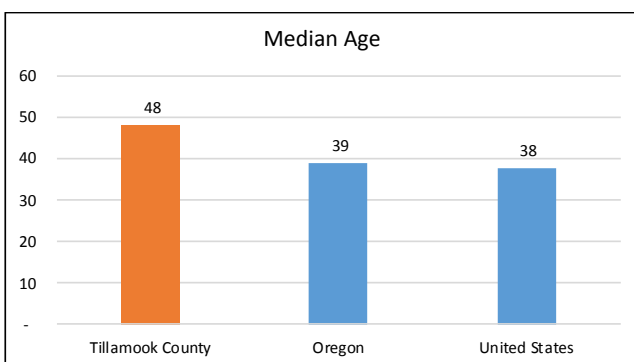
DEMOGRAPHIC AND HOUSEHOLD CHARACTERISTICS

Population age, average number of people in households (household size), and income levels affect economic development opportunities. Within the Tillamook County region, forecast demographic trends point in the direction of an aging and slow net-new growth community. That in turn will reduce the economic development options within this region, except for those demands that are associated with key regional industries of: agriculture, natural resources and tourism.

Population Age:

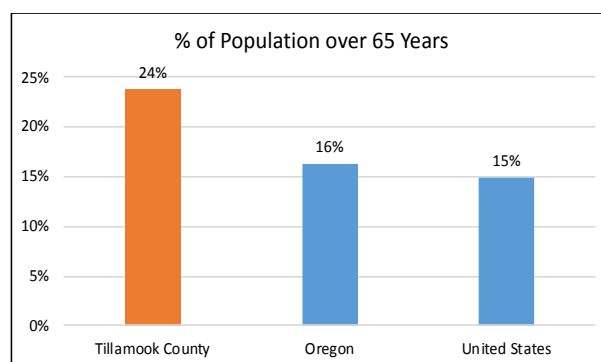
Population composition of Tillamook County indicates an older population. The median age of the region's resident population is nearly a decade older than the state rate. The percentage of the population over 65 years currently exceeds the state average by 8%. Over the next 20 years forecast growth indicates a growing portion of residents over 65-years of age, growing by a rate of twenty-nine percent compared to a range of 6-9% for the other age cohorts.

Figure 11. Population & Age



Source: US Census, ACS 2012-2017 data series

Figure 12. Age Cohort Growth



Source: US Census, ACS 2012-2017 data series

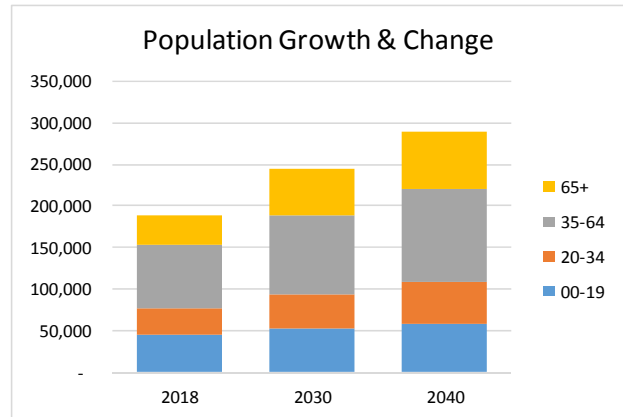
Growth in Age Cohorts:

Jobs and economic development are generally associated with a younger population. As Tillamook County's population ages, employment growth opportunities outside of the industries of key importance to the region (agriculture, natural resources, tourism) will dwindle, as employment growth is often geared to more urbanized and younger population regions.

Table 3 & Figure 13. Age Cohort Growth Estimates Years 2017-2040

Source: Population Research Center, Portland State University, July 1, 2017

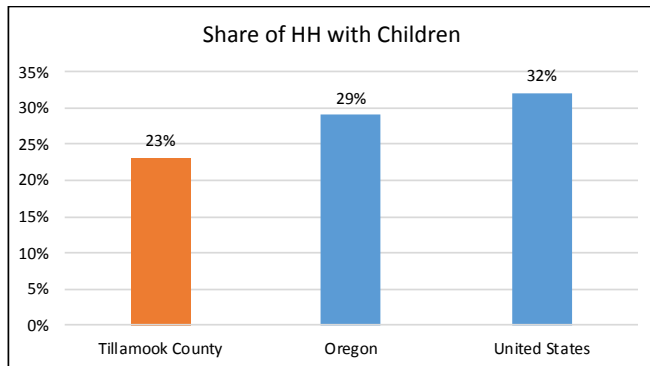
Age Cohort	2017	2040	% Change	Total Change
00-19	5,637	6,074	7.7%	436
20-34	3,492	3,822	9.5%	330
35-64	10,340	11,022	6.6%	682
65+	6,600	8,522	29.1%	1,922
Total	26,070	29,439	12.9%	3,370



Household Size:

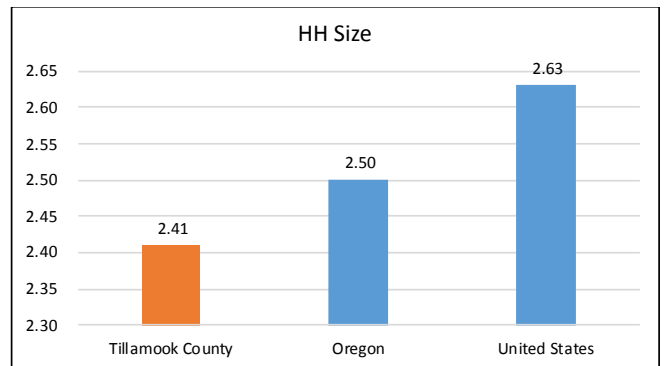
The aging of the Tillamook County region population correlates to fewer families with children and smaller household sizes. The share of households in Tillamook County with children tracks a rates 6% lower than the state average and 9% lower than the national average.

Figure 14. Sisters HH with Children



Source: US Census, ACS 2012-2017 data series

Figure 15. Sisters Persons per HH

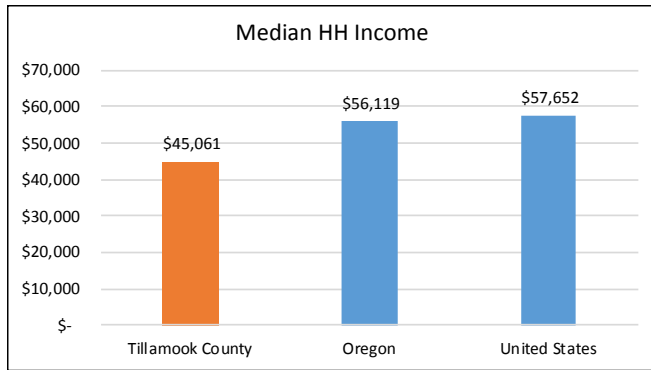


Source: US Census, ACS 2012-2017 data series

Income and Purchasing Power:

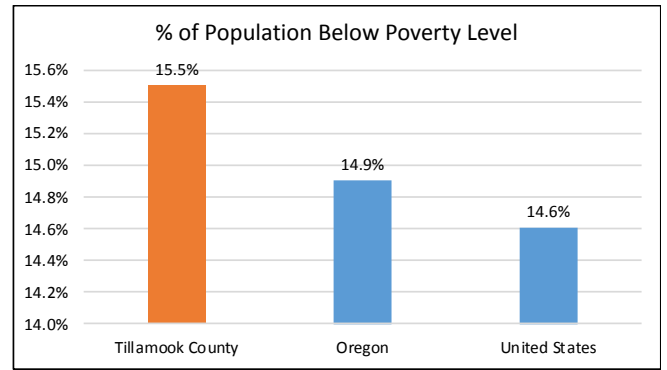
Median household incomes in Tillamook County are estimated at roughly \$45,061 (year) in 2018. Tillamook County median incomes trend 25% lower than the same Oregon and the 28% lower than United State. Poverty rates are also higher in Tillamook County, compared to Oregon and the United States’ average. These trends are reflective of Tillamook County’s rural location and aging population.

Figure 16. Median HH Incomes



Source: US Census, ACS 2012-2017 data series

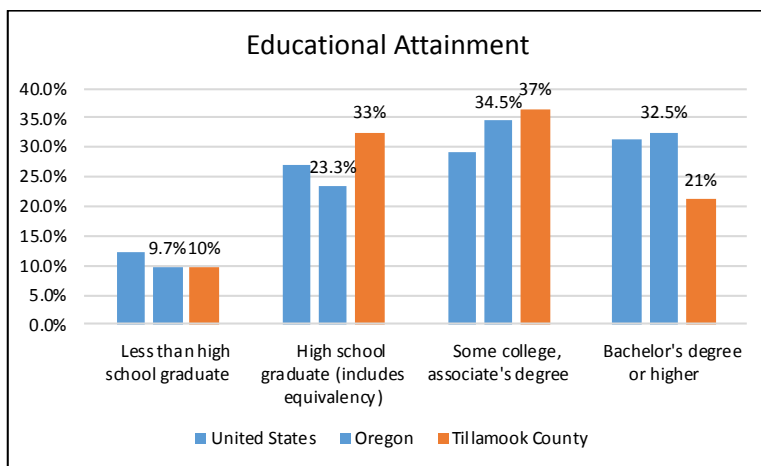
Figure 17. Poverty Rate Profiles



Source: US Census, ACS 2012-2017 data series

Education, Income and Earnings:

Figure 18. Educational Attainment

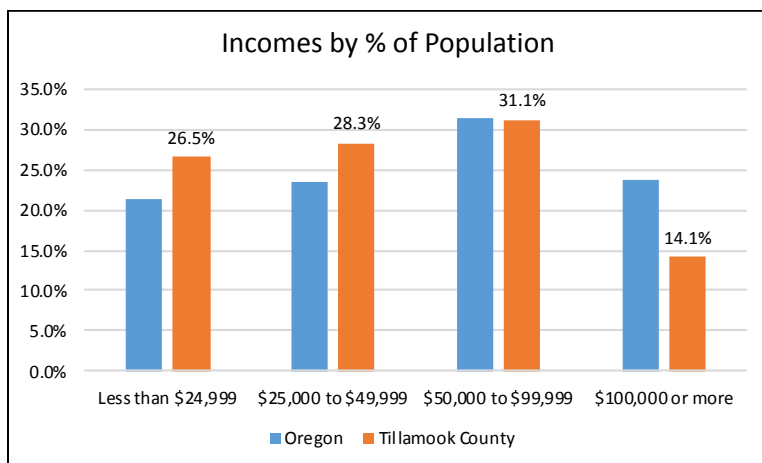


Source: US Census, ACS 2012-2017 data series

Tillamook County's rate of educated residents exceeds the rates for Oregon and the National averages below a bachelor's degree or higher. Conversely, the population trails the Oregon average for educational levels at or above a bachelor's degree by over 10%.

This education imbalance reflects the rural nature of jobs available and skills required within the region as a whole.

Figure 19. Income Distribution

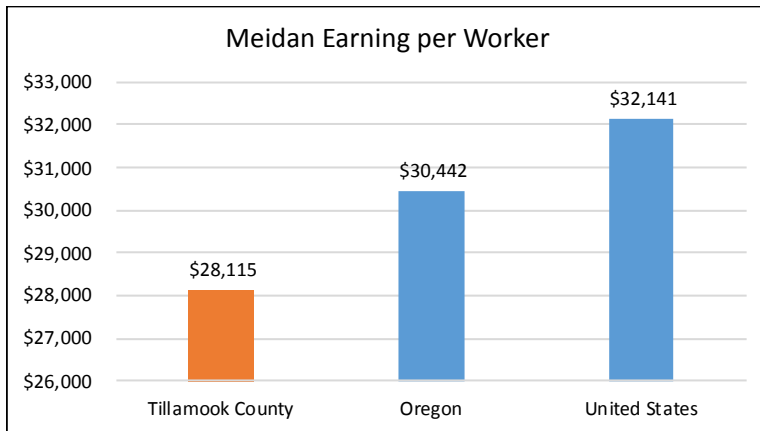


Source: US Census, ACS 2012-2017 data series

Tillamook County's average incomes are skewed to the lower quadrants of income ranges. And very few workers are securing incomes at the top end of the spectrum (>\$100K/yr.)

The incomes trends reflect the abundance of lower wage / lower skill jobs that are available within this rural region.

Figure 20. Median Incomes per Worker



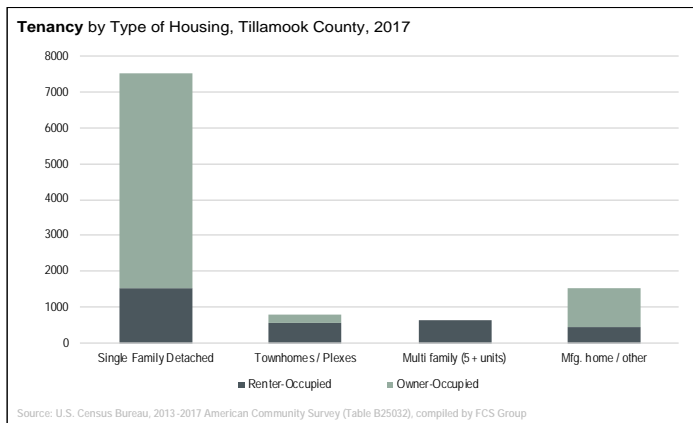
Median Incomes earned by Tillamook County employees trend well below the Oregon and National incomes.

Tillamook County’s median income is 8% less than the Oregon median and 14% below the national median.

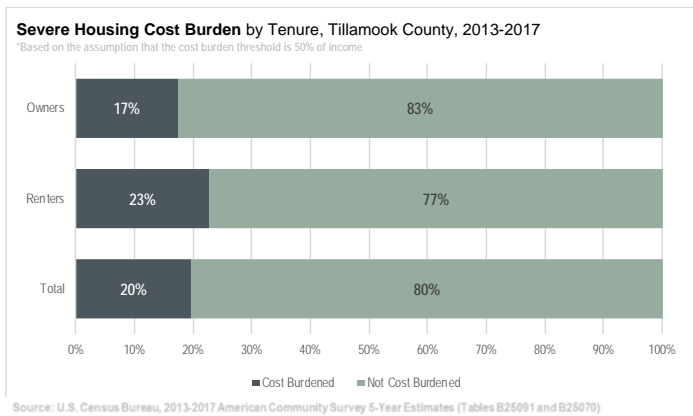
Source: US Census, ACS 2012-2017 data series

HOUSING AFFORDABILITY

Tillamook County housing conditions are acute. Current market conditions indicate a lack of affordable housing within both the ownership and rental category. This condition is exacerbated by two key factors: Incomes (individual and households) trends significantly below state and national comparison; and, nearly one-third of the single-family housing inventory is not available for sale or rent because it is used as second homes. These factors have created a housing affordability condition, which affects the employer labor pool and contributes to long commutes for many employees.



Tillamook County’s housing inventory is predominantly allocated to the single-family unit type: Single family units comprise over 80-% of the available housing inventory.



Renters within Tillamook County are heavily cost-burdened, compared to owners of single-family homes. A lack of available rental inventory and near zero vacancy rates have created an environment where landlords are commanding rents in excess of the capacity of renter’s ability to pay, creating a significant rent burden and “affordability crisis”.

Market Advisory Group (December 2019)

The National Association of Realtors publishes an Affordability Index methodology. When applied to the Tillamook County for-sale housing market, it finds that nearly 15% of Tillamook County households could not afford a median priced home. This also assumed that those who can afford that type of home, could qualify for a mortgage with a 20% down payment.

Table 4. National Association of Realtors Affordability Index

NAR Housing Affordability Index							
	Median Sale Price Existing Family Home	Mortgage Rate	Monthly P&I Payment *	Month P&I as a % of Income	Median Family Income	Qualifying Income	Index
Average 2019	\$ 335,000	4.5%	\$ 1,358	29.6%	\$ 55,095	\$ 65,184	84.52

Note: * = Assumes 20% cash down payment

VII. Industry and Jobs

Tillamook County is a rural community with a relatively small industrial base and employment market. As reported by the Oregon Employment Department, as of year-end 2018, Tillamook County's reported number of business establishments is 1,058; and that total employment job pool is 9,636.

For the period 2010 to 2018, Tillamook County's compounded annual growth rate of non-farm employment was 1.4% per year, which trailed by state comparative growth rate by 0.8% points. Over the same period, Oregon state's compounded annual growth rate was 2.2%. Generally speaking, Tillamook's growth rate generally trails the state average.

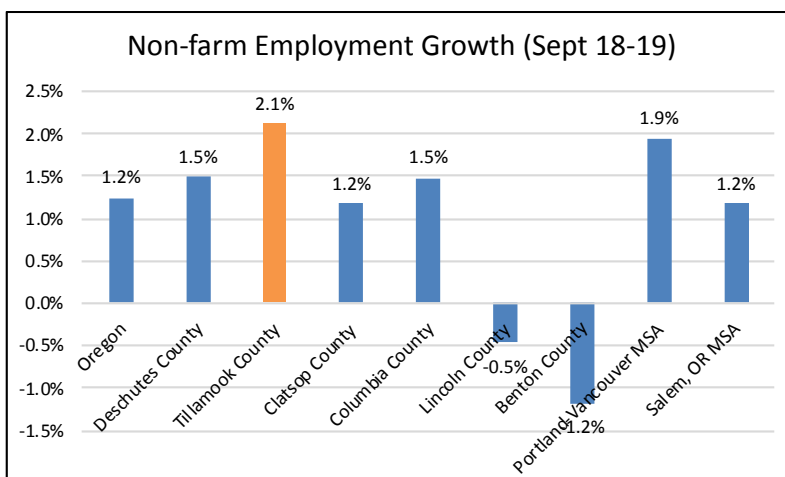
Table 5: Non-farm Employment Growth Rates Years 2010 - 2018

	2010	2018	Change	Growth	CAGR
Tillamook County	8,350	9,310	960	11.5%	1.4%
Oregon	1,601,700	1,911,700	310,000	19.4%	2.2%

source: Oregon Employment Department

However, within the past year, from September 2018 to 2019, Tillamook County's annual non-farm employment growth outpaced the same growth rate for the urban metro areas and the state average. Tillamook County had a robust gain of 180 payroll and the highest growth rate of the five counties in Northwest Oregon. Manufacturing added 110 jobs and leisure and hospitality was up 50 jobs. Tillamook County has added 430 manufacturing jobs since the depths of the Great Recession.

In the long run, Tillamook County's non-farm compounded annual average growth rate trends at slightly under 1% (0.9 +/-) net-new growth in non-farm employment. That annual growth rate is most likely to be sustained into the future.



INDUSTRY PROFILE

The Tillamook County economy is a moderately growing economy (at annual average rates at slightly under 0.9%). The County’s economic and job market growth has experienced modest recovery since the 2008-2011 economic recession. Since the recession the economy has added grown by nearly 14%. Total number of establishments added from 2010-2018 was roughly 90, and total employment added was over 1,200 jobs.

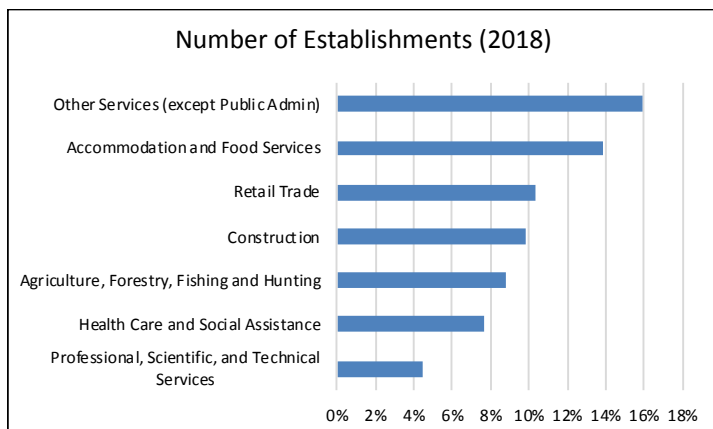
From 2010-2018, the greatest rate of growth came in key industries, specifically:

- Other Services establishments **grew by over 41%** (the “service economy”)
- Manufacturing establishments **grew nearly 40%**. (*growth was food manufacturing*)
- Health Care & Social Assistance **grew by over 26%**

From 2010-2018, the greatest losses in establishment in key industries was:

- Finance & Insurance **loses of 13%**
- Construction **loses of 11%**
- Transportation & Warehousing **loses of 10%**

	Establishments 2010	Establishments 2018	Change	% Change
Agriculture, Forestry, Fishing and Hunting	78	93	15	19.2%
Mining, Quarrying, and Oil and Gas Extraction	-	-	-	
Utilities	18	19	1	5.6%
Construction	117	104	(13)	-11.1%
Manufacturing	23	32	9	39.1%
Wholesale Trade	23	22	(1)	-4.3%
Retail Trade	108	109	1	0.9%
Transportation and Warehousing	38	34	(4)	-10.5%
Information	11	11	-	0.0%
Finance and Insurance	30	26	(4)	-13.3%
Real Estate and Rental and Leasing	34	34	-	0.0%
Professional, Scientific, and Technical Services	46	47	1	2.2%
Management of Companies and Enterprises	5	6	1	20.0%
Waste Management and Remediation Services	38	37	(1)	-2.6%
Educational Services	28	31	3	10.7%
Health Care and Social Assistance	64	81	17	26.6%
Arts, Entertainment, and Recreation	17	18	1	5.9%
Accommodation and Food Services	138	147	9	6.5%
Other Services (except Public Administration)	119	168	49	41.2%
Public Administration	29	31	2	6.9%
Unclassified	4	8	4	100.0%
Total	968	1,058	90	9.3%



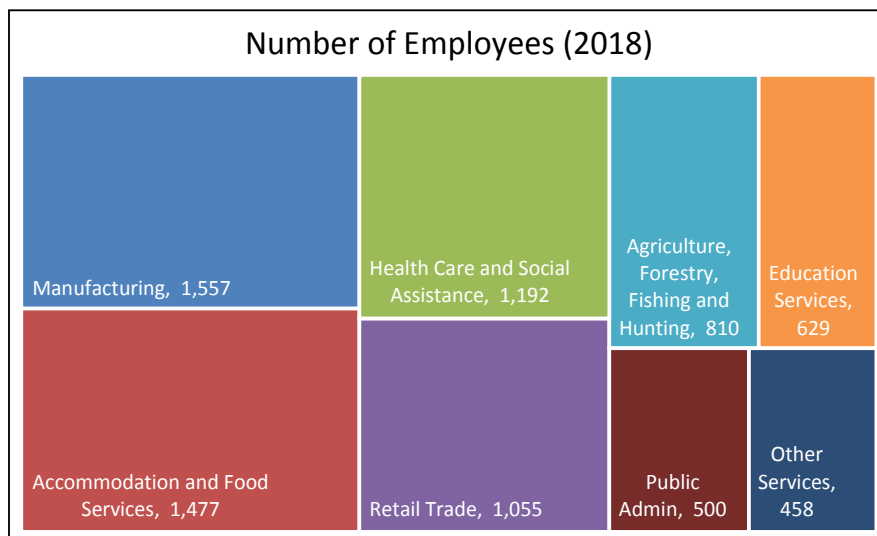
JOBS PROFILE

Employment (jobs) growth between 2010-2018 was varied within the market. Jobs losses within the service and government sectors, were offset by strong gains within the health care, manufacturing, and accommodation/food service sectors. Not surprisingly, the gains most closely correlated to key industries within the County (food manufacturing and tourism) and the loss reflect consolidation of key services to larger urban areas and the downsizing the consolidation of government functions to other locations.

The largest job expansions were within:

- Health Care and Social Assistance: **367 jobs**
- Accommodation and Food Services (tourism related): **286 jobs**
- Manufacturing (food related): **282 jobs**

	Employees 2010	Employees 2018	Change	% Change
Agriculture, Forestry, Fishing and Hunting	721	810	89	12.3%
Mining, Quarrying, and Oil and Gas Extraction	-	-	-	
Utilities	153	156	3	2.0%
Construction	299	418	119	39.8%
Manufacturing	1,275	1,557	282	22.1%
Wholesale Trade	117	141	24	20.5%
Retail Trade	907	1,055	148	16.3%
Transportation and Warehousing	265	331	66	24.9%
Information	63	79	16	25.4%
Finance and Insurance	168	125	(43)	-25.6%
Real Estate and Rental and Leasing	137	100	(37)	-27.0%
Professional, Scientific, and Technical Services	121	135	14	11.6%
Management of Companies and Enterprises	44	51	7	15.9%
Waste Management and Remediation Services	253	281	28	11.1%
Educational Services	695	629	(66)	-9.5%
Health Care and Social Assistance	825	1,192	367	44.5%
Arts, Entertainment, and Recreation	151	139	(12)	-7.9%
Accommodation and Food Services	1,191	1,477	286	24.0%
Other Services (except Public Administration)	389	458	69	17.7%
Public Administration	627	500	(127)	-20.3%
Unclassified	3	2	(1)	-33.3%
Total	8,404	9,636	1,232	14.7%



Key Regional Industries

Measurement of key regional industries and employment is assessed by calculating a statistical measure called the *Location Quotient* (LQ). Estimating the LQ is one way to reveal what makes the Tillamook region “unique” in comparison to the state average. Industry LQ is a way of quantifying how “concentrated” an industry is in a region compared to a larger geographic area in this case the state of Oregon. The basic uses of industry LQs (and, by extension, for clusters and occupations as well) include these.

- To determine which industries, make the regional economy unique.
- To identify the “export orientation” of an industry and identify the most export-oriented industries in the region.
- To identify emerging export industries beginning to bring money into the region.
- To identify endangered export industries that could erode the region’s economic base.

Location quotient tells a much different story than merely job numbers or job growth. Industries with high LQ are typically (but not always) export-oriented industries, which are important because they bring money into the region, rather than simply circulating money that is already in the region (as most retail stores and restaurants do). Industries which have both high LQ and relatively high total job numbers typically form a region’s economic base.

Key LQ Findings for Tillamook County (Growing Employment and LQ >1:

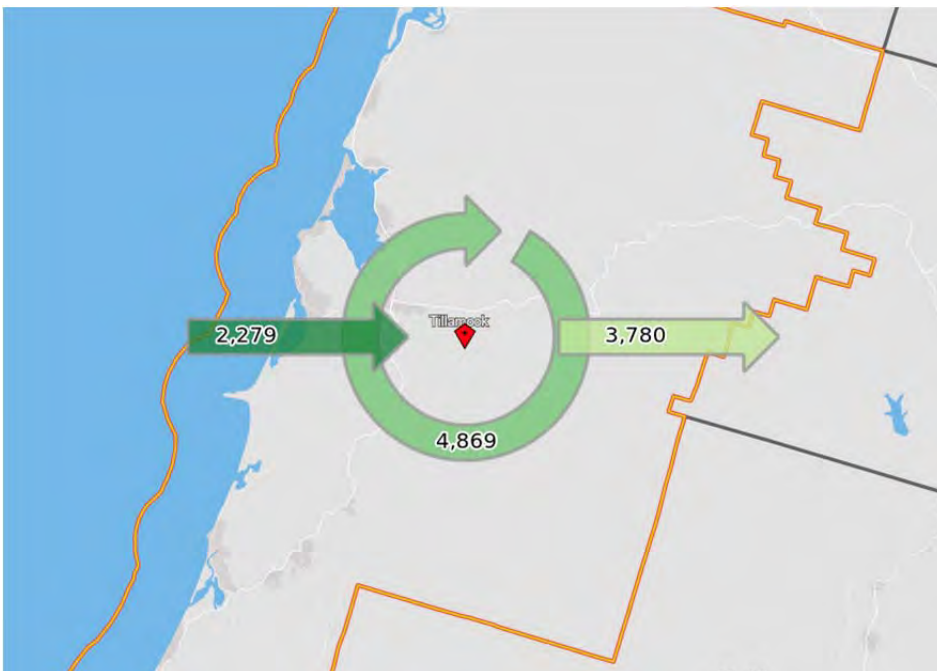
- Agriculture, Forestry, Fishing, Hunting: **LQ = 3.1; Growth = 12%**
- Accommodating and Food Services (tourism related) : **LQ = 1.6; Growth = 24%**
- Manufacturing (food related): **LQ = 1.6; Growth = 22%**
- Other Services: **LQ = 1.2; Growth = 18%**

	Employees 2018	Growth (2010-2018)	Location Quotient
Agriculture, Forestry, Fishing and Hunting	810	12%	3.1
Mining, Quarrying, and Oil and Gas Extraction	-		0.0
Utilities	156	2%	N/A
Construction	418	40%	0.8
Manufacturing	1,557	22%	1.6
Wholesale Trade	141	21%	0.4
Retail Trade	1,055	16%	1.0
Transportation and Warehousing	331	25%	1.0
Information	79	25%	0.5
Finance and Insurance	125	-26%	0.4
Real Estate and Rental and Leasing	100	-27%	0.7
Professional, Scientific, and Technical Services	135	12%	0.3
Management of Companies and Enterprises	51	16%	0.2
Administrative and Support and Waste Management and Remediation Services	281	11%	0.5
Educational Services	629	-9%	4.0
Health Care and Social Assistance	1,192	44%	0.9
Arts, Entertainment, and Recreation	139	-8%	1.0
Accommodation and Food Services	1,477	24%	1.6
Other Services (except Public Administration)	458	18%	1.2
Public Administration	500	-20%	0.4
Unclassified	2	-33%	N/A
Total	9,636	15%	

Commuting Patterns

Commuting patterns are often reflective of housing conditions and job prospects within a community. Generally, where commuting patterns are disproportionate, they represent an imbalance in the community (i.e., lack of housing or lack of jobs). As a rule of thumb, if data indicate strong out-bound commuting patterns, it may reflect of lack of jobs to meet potential demand. Conversely, if a community experiences significant in-bound community patterns, it may reflect that more jobs are available than housing options within a community.

Figure 26: Sisters OR Commuting Pattern Estimates (source: US Census)



Key Findings:

- In 2017, roughly 68% of those employed in Tillamook County (4,869) lived within the county. And 32% of those employed commuted into the county. Outbound (commuting to work outside Sisters) commute estimates over 450.
- Conversely, among those living in Tillamook County, roughly 44% commuted outside of the county for employment.

VIII. Community & Regional Amenities

Garibaldi is part of the northwest Oregon coastal region. The primary economic and cultural hubs within this region are: Tillamook, Manzanita, Cannon Beach/Seaside and Lincoln City. Economic, cultural and recreation amenities are abundant within this broader coastal region which stretched roughly 90 miles in length. Civic investment in parks, cultural and tourist amenities define the region. Higher education facilities are limited. Notable projects and initiatives that provide value to the subject site include the following:

REGIONAL INITIATIVES

Salmonberry Trail

The Salmonberry Trail is an initiative of the Oregon Parks and Recreation Department and a host of public and private stakeholders to envision and develop a multiuse regional trail connecting the corridor from Banks, Oregon in the Tualatin Valley near Portland to the Oregon Coast in Tillamook County, Oregon. The Trail will utilize the Port of Tillamook Bay rail right-of-way or nearby roads and properties serving the Oregon Coast and almost 11 miles of coastal marine estuary, including the federally recognized Tillamook Bay Estuary.

The Salmonberry Trail Coast Segment (Trail) is planned as a multiuse pathway

accommodating two-way bicycle and pedestrian travel within and between the eight coastal communities. The basic standard for Trail development for the Coast Segment is a 10- or 12-foot-wide asphalt paved surface, with 2-foot-wide shoulders.



Within the Garibaldi urban area, the Trail will run west of the rail right-of-way, and turn south at 7th Street and then along a shared street segment along American Ave, and then return to the rail right-of-way at roughly S. 3rd Street.

Figure 27: Salmonberry Trail Schematic (source: Tillamook County)

Oregon Coast Scenic Railroad

The Oregon Coast Scenic Railroad (OCSR) operate regularly scheduled trains between Garibaldi and Rockaway Beach in the summer months and special event trains throughout the year. The OCSR Our line extends from the Tillamook Air Museum blimp hangar through Garibaldi, Rockaway Beach, and Wheeler where the tracks turn to the East and head up into the coast range into Nehalem and Salmonberry River canyons. Several fundraising initiatives and plans are underway to both restore additional steam locomotive engines and also to restore/improve the Garibaldi station, which is located at the NE corner of American Way/S. 3rd Street at the Port's facilities. A concept drawing of the Garibaldi station restoration is shown in Figure 28.



Figure 28:
(source: Oregon Coast Scenic Railroad)



North Coast Food Trail

Designed as a showcase of producers of Oregon's North Coast culinary uniqueness, the Food Trail has become a recognized cultural attraction for the communities and farmers/fishermen from Lincoln City to Cannon Beach. The Food Trail is designed as an informal culinary experience, and many vendors have established business around the concept, including guided tours and also special events such as Crave the Coast, which is hosted in Garibaldi each fall.

Figure 28: Schematic Map for Food Trail (source: northcoastfoodtrail.com)

Cultural Amenities

Several regionally/statewide significant cultural and historic resources exist within Garibaldi.

Among the most notable are:

Oregon Coast Scenic Railroad – Garibaldi depot

Garibaldi Maritime Museum

US Coast Guard Boathouse – Garibaldi

Tillamook Bay Estuary – Partnership offices and visitor center

Higher Education

TILLAMOOK BAY COMMUNITY COLLEGE (TBCC). The Tillamook Bay Community College, founded in 1981, serves enrollment of roughly 2,600 students at its main campus near downtown Tillamook and other satellite campus within the County. TBCC provides associate degree (AAS), technical education certifications, and transfer degrees to public universities within Oregon. TBCC also hosts Oregon State University extension programs and has ties to other technical and public education institutions which provide a pipeline for talent, skills and educational development for residents and businesses within the greater Tillamook County region.

Cultural (non-governmental)

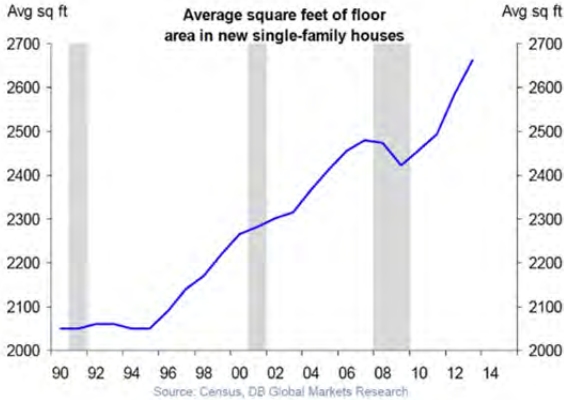
Civic, arts and entertainment opportunities are abundant in the Tillamook County region. The Tillamook region is considered to be one of the agricultural and recreational ocean fishing centers of the state. Natural areas and recourse are abundant and some of the most popular are near the ocean side communities that run along Pacific Hwy 101. Among the cultural and recreational areas within the Garibaldi sub-market are the nationally designated Tillamook Bay Estuary, the vibrant commercial and recreational fishing activity which is based or operates out of the Port of Garibaldi, and nearby ocean front destinations such as Bayocean Peninsula Park and Cape Mears.

IX. Detailed Market Conditions

- Real Estate Market Trends
 - National
 - Regional
- Port of Garibaldi Activity
- Commercial Real Estate Activity
- Industrial Real Estate Activity
- Hotel / Lodging Activity
- Retail Sales Activity
- Commercial Fisheries Activity

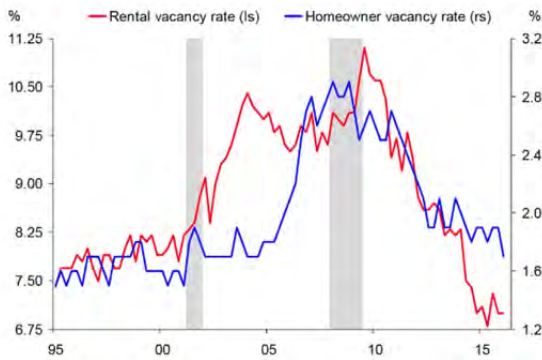
REAL ESTATE MARKET TRENDS

NATIONAL TRENDS

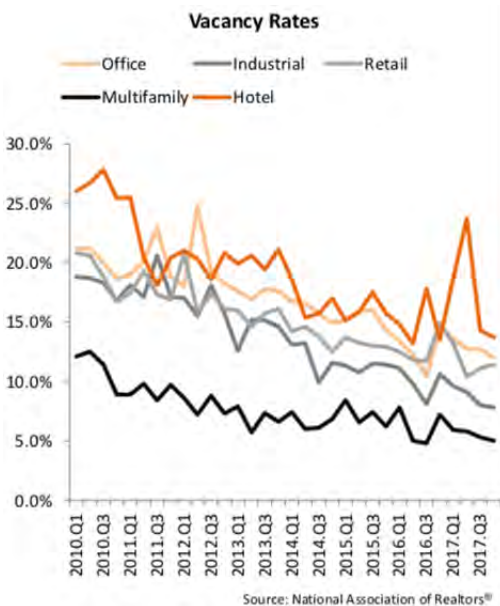


- Housing production (new project starts) has been insufficient to cover demand (well below early 2000 levels) contributing to supply shortages, low vacancy rates, and rapid price appreciation in all west coast markets.

- Consumer preferences remain strong for increasing average size of housing units.



- Homeownership demands and rapid price appreciation for single-family homes, has created an acute rental market crisis. Lack of existing inventory (compared to demand) and slow delivery of new rental housing has created sustained rental vacancy rates less than a normalized 5-8%. This acute rental housing crises has led to rapid rent appreciation furthering the housing affordability issues in coastal markets.



- Vacancy rates across Commercial space types are at extremely low levels, contributing also to rent/lease price appreciations for most property classes, particularly in urban areas. Rural markets have seen less rent escalation demand.

- A growing economy and current fiscal policy and tax reforms will continue to drive demand for new commercial space in all categories.

Figures: 29-31 (source: National Association of Commercial Real Estate Brokers)

REGIONAL

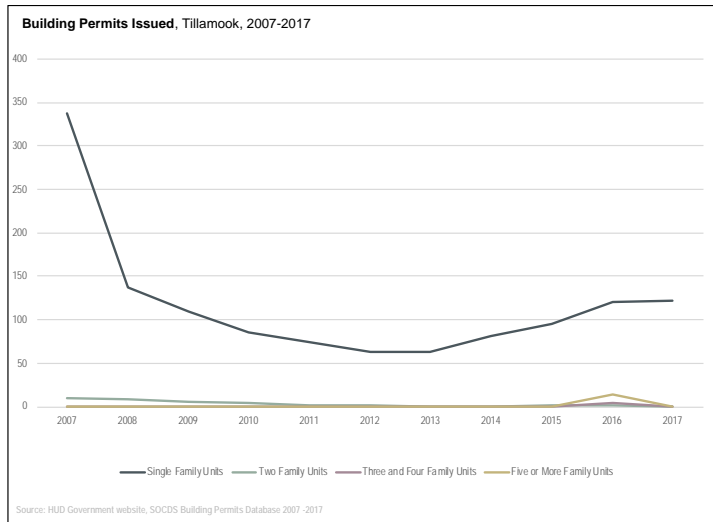


Figure 32: Building Permit Trends

Source: Tillamook County

- Housing production (new project starts) has been insufficient to cover demand contributing to supply shortages and rapid price appreciation within the Tillamook County market. An estimated less than 150 new building permits were issues in 2018.

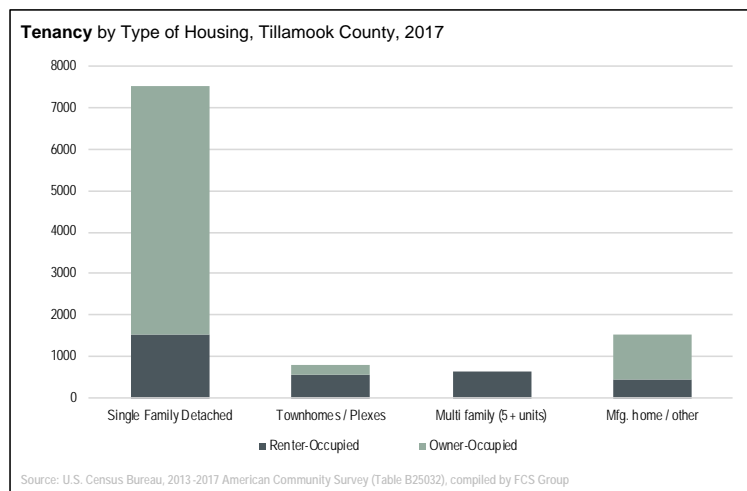


Figure 33: Housing Stock

Source: US Census, ACS 2012-2017

- Tillamook County's housing stock is skewed to the single-family housing type, exceeding the average state ratio. This is further exacerbated by the fact that nearly 30% of Tillamook County's housing market is dedicated to the "second home" market, further exacerbating the ownership and rental market supply.

- Current median family incomes struggle to afford the 2018 median priced home (2018 sale prices), even up to the 120% income level.

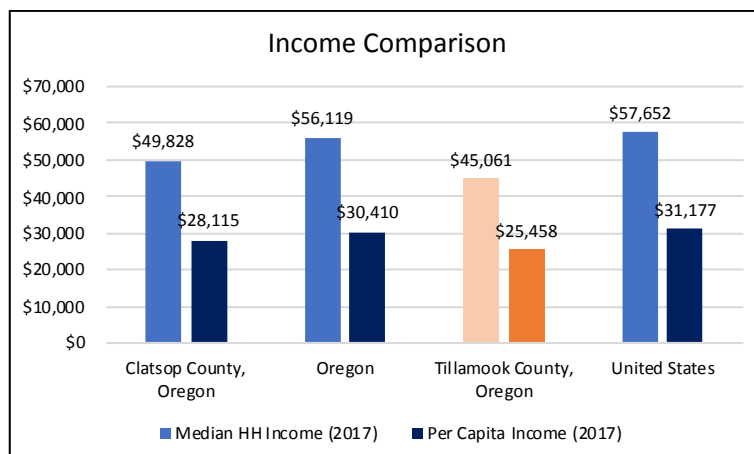


Figure 34: Incomes Comparisons

Source: US Census, ACS 2012-2017

- Very limited business expansion has led to tepid demand for new Commercial or Industrial space development.

PORT OF GARIBALDI ACTIVITY

GENERAL Market Conditions:

- The Port of Garibaldi is a vibrant commercial and recreational fishing port, located within the Tillamook Bay and with direct ocean access to commercial fisheries and coastal shipping lanes.
- The Port is home to key businesses in the City of Garibaldi, as well as the U.S. Coast Guard. Port property also houses an RV park, restaurants, fishing charters, shrimp, crab and fish processing facilities, a lumber mill and recreational businesses.
- The Port of Garibaldi is the closest commercial and recreational seaport to the Portland metropolitan region: 82 miles.

The closest competing seaports to Garibaldi are:

- Port of Astoria: 55 miles (Portland to Astoria: 95 miles)
- Port of Newport: 78 miles (Portland to Newport: 130 miles)

The Port's key businesses are:

- Commercial and public moorage and boat launch. 277 commercial leased boat slips and several hundred feet of dock for day-use boat moorage.
- Commercial wharf and deep-water pier facility with moorage dolphins are proximate to the deep water and dredged channel.
- Overnight Lodging in the form of leased space for motel and RV lodging.
- Commercial leased space property under lease. Private building improvements are on long-term ground leases.
- The Port is the key employment center within Garibaldi and an important employment center within the Tillamook region.
- The Port is expanding its cultural and tourism activities through special events and facility offerings.

DETAILED Market activity:

- Approximately 20 businesses operate and the Port of Garibaldi harbor and on Port land.
- The types of businesses include:
 - o three restaurants, two fresh seafood outlets, boat-to-table seafood enterprise, three seafood processing companies, five fishing charter services, a boat, crabbing and fishing gear rental business, two marine repair businesses, a car and boat wash, the U.S. Coast Guard Station Tillamook Bay, Tillamook Estuaries Partnership headquarters, historic Pier's End Boathouse, a motel, RV park and hardwoods sawmill.
- Port leased buildings and facilities are fully occupied.
- Roughly (+/-) of raw land is available for development.

- This land serves as both an unpaved overflow parking lot supporting the recreational marina, and, also serves as a temporary staging facility for commercial fishing materials during peak fishing season.

Leasing / Property Management Activity:

- Land/Building Leasing Rates:
 - The Port provides a customizable leasing policy, in order to promote full utilization of Port facilities and to leverage tenants’ capacities to support other commercial activities at the Port. The Port’s leasing objectives and rental rates to computed as a 10% CAP rate in relation to the Tillamook County Assessor’s calculated Real Market Value (RMV) of the site buildings and land. Port leases are structured to achieve a 10% CAP rate to RMV, and periodic concessions are incorporated into leases on a case by case basis.
 - Leases are assumed to the NNN lease, with the tenant paying for all necessary utility, insurance, and tax costs. The Port also assesses a common area maintenance (CAM) charge which is billed to the tenant.
- Land / Buildings: 100% occupied.
 - Port has had some tenant turn-over and some spaces not leased within the last 3-years, due to recent capital improvements, including Commercial Ave wharf and street improvements.
 - Since capital upgrades have been completed, re-leasing has achieved full occupancy.
 - Port has a few leased properties that are not being used at probably highest/best-use. When leases expire, Port will look to re-lease with better lease terms and consider tenant mix
- Moorage: 100% occupied.
 - Up to 2-4-year waitlist for full-time moorage (wait list length depends on slip size)
- RV Park: 100% occupied.
 - Annual lease renewal typically completed in less than 1 week.

General Private Investment Momentum:

- Given full occupancy conditions and high day and permanent use levels (associated with marina, commercial fisheries, and RV campgrounds), several private investments have been made to key assets within the Port site. Recent tenant upgrades have included:
 - Major renovations and interior upgrades to the Garibaldi Portside Bistro, and the Harborview Inn.

Special Events:

For 2019, the Port opened a seasonal special event site and also continued to partner with longstanding regional events and staging a new special event: Crave the Coast. The Port sponsored or co-sponsored events continued to draw new patrons to the Port site. The events create a growing brand awareness of the Port’s fishing industry, as well induces community and tourist interest, which may translate into additional demand as the broader amenities offered at the Port site and Garibaldi community become increasingly known. Key event statistics include:

- 2019 events
 - o Garibaldi Days Concerts – 2,000+ over two-day event
 - o Crave the Coast regional food event – 1,000
 - o Port Night Market – 800 to 1,200 per event (3 events)
 - o Oregon Tuna Classic – 400
 - o Numerous small private events ranging from 100 to 400

Summary of Key Financial Performance and Activity Metrics

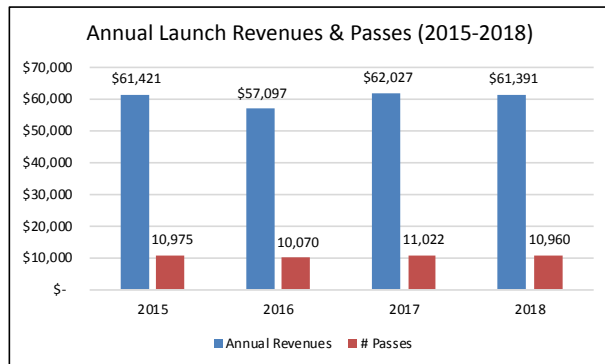


Figure 35 Source: Port of Garibaldi
 Launch Revenues and Passes:
 Growth rates are relatively flat for the past 3-years.

Recent updates to launch / pass rates will increase revenues in the future.

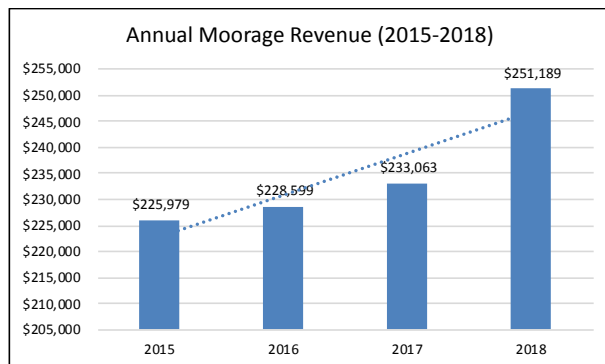


Figure 36 Source: Port of Garibaldi
 Annual moorage revenues have increased substantially over the past 3-years. (15-18 growth rate of 11%)

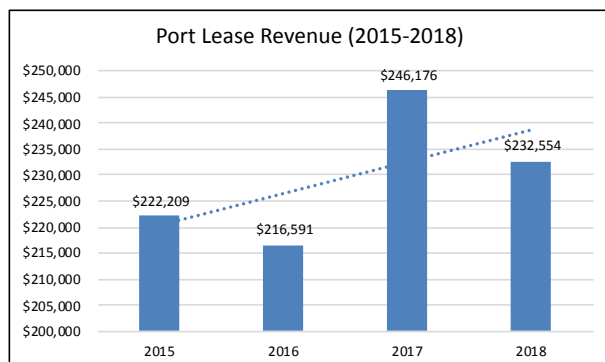


Figure 37 Source: Port of Garibaldi
 :Port Lease revenues have modestly increased from 15-18. Revenues are forecast to increase over time as individual leases are reset and rates escalated.

COMMERCIAL REAL ESTATE ACTIVITY

GENERAL Market Conditions:

- Tillamook County's Commercial market can be generally defined as a rural and low quality, Class B-C market.
- Limited quality spaces exist within the marketplace, outside new special use and office spaces built recently for the Tillamook Cheese Factory center. All other buildings in the market would be graded Class B and mostly Class C.
- No speculative Class A commercial development space has been built or proposed within the last 12 months.
- In broad terms, there is minimal and slow market turn-over for both sales and leasing within the Tillamook County region.

DETAILED Market activity:

- Most market turn-over (closed sales, active for-sale listings, and for lease property) is within the primary City of Tillamook sub-market, located along US 101.
- Tillamook County's Office market show very little activity. New and or speculative development has been limited.
- Vacancy levels have been trending below 10% countywide.

Closed Sales Activity: (source: Tillamook County)

- Closed sales activity within Tillamook county for YR 2018 (as reported by Tillamook County)
- Improved Property:
 - o # of Closed Sales: 22
 - o Gross Building Area sold: 116,057 sqft. (county assessor estimated)
 - o Median price per square-foot: \$136.62
- Unimproved Property
 - o # of Closed Sales: 11
 - o Gross Acres of Land Sold: 4.87 acres
 - o Median price per SQFT of Land: \$25.00

Active For-Sale Listing Activity: (source: LoopNet)

- As of October 2019, market scan, the following inventory of commercial properties is listed for-sale within the market region:
 - o Commercial retail/ mixed-use / office use types: 16
 - o Gross building area listed for sale: 71,620 sqft.
 - o Median price for square-foot: \$153.00
 - o Estimated CAP Rates: 7 – 11%

Leasing Activity: (source: LoopNet)

- As of an October 2019 market scan, a limited number of properties are being marketed for lease.
- Current listed property asking rents by sub-market are categorized as follows:
 - o Tillamook city-center: \$1.33 - \$1.50 (NNN) Class B/C space quality
 - o Garibaldi: None identified
 - o Manzanita: None identified

Garibaldi Active For-Sale Listing Activity: (figures included in market-wide summary above)

- As of October 2019, market scan, the following inventory of commercial properties is listed for-sale within the market region:
- Improved Properties
 - o Commercial retail/ mixed-use / office use types: 2
 - o Gross building area listed for sale: 5,409 sqft.
 - o Median price for square-foot: \$152.00
 - o Estimated CAP Rates: 7 – 11%. (estimated). Buildings are being sold with business or vacant.
- Vacant Land:
 - o Commercial zoning: 1
 - o Gross land area: 0.22 acres. (9,583 SQFT)
 - o Price: \$13.00 PPSF

Garibaldi Market Comparable: (source: LoopNet)



Figures:

- Top Left: Located on US 101 in Garibaldi
- Bottom Left: Located on US 101 in Garibaldi
- Bottom Right: Located on US 101 in Garibaldi



INDUSTRIAL REAL ESTATE ACTIVITY

GENERAL Market Conditions:

- Tillamook County's Industrial market can be generally defined as a rural and low quality, Class C market.
- The Port of Tillamook Bay is the largest industrial/commercial landowner in the market area, with over 1,600 acres under ownership/management.
- The Port of Garibaldi would be the second largest public Industrial property owner.
- Limited quality spaces exist within the marketplace, outside new spec development at the Port of Tillamook Bay. All other market offerings are generally low-grade Class B / C assets.
- In broad terms, there is minimal and slow market turn-over for both sales and leasing within the Tillamook County region.

DETAILED Market activity:

- Most market turn-over (closed sales, active for-sale listings, and for lease property) is within the primary City of Tillamook sub-market, located along US 101.
- Tillamook County's industrial market show very little activity.
- No private speculative Class A industrial development space has been built or proposed within the last 12 months. The most recent new construction was the leased flex industrial building at the Port of Tillamook Bay.
- Vacancy levels have been trending below 10% countywide.

Closed Sales Activity: (source: Tillamook County)

- Closed sales activity within Tillamook county for YR 2018 (as reported by Tillamook County)
- Improved Property:
 - o # of Closed Sales: 1
 - o Gross Building Area sold: 5,812 sqft. (county assessor estimated)
 - o Median price per square-foot: \$51.00 (building area)
 - o Gross Land Area: 1 acre
- Unimproved Property
 - o # of Closed Sales: 1
 - o Gross Acres of Land Sold: 79 acres
 - o Median price per SQFT of Land: \$12.00

Active For-Sale Listing Activity: (source: LoopNet)

- As of October 2019, market scan, the following inventory of commercial properties is listed for-sale within the market region:
 - o Commercial retail/ mixed-use / office use types: 2
 - o Gross building area listed for sale: 91,370 sqft.
 - o Median price for square-foot: \$51.00
 - o Estimated CAP Rates: 10% +

Leasing Activity: (source: LoopNet)

- As of an October 2019 market scan, a limited number of properties are being marketed for lease.
- Current listed property asking rents by sub-market are categorized as follows:
 - o Tillamook: \$0.45 - \$0.50 sqft offered by the Port of Tillamook Bay for Class C space
 - o Garibaldi: None identified
 - o Manzanita: None identified

Garibaldi Active For-Sale Listing Activity: *(figures included in market-wide summary above)*

- As of October 2019, market scan, the following inventory of commercial properties is listed for-sale within the market region:
- Improved Properties
 - o Industrial use types: 1
 - o Gross building area listed for sale: 14,000 sqft.
 - o Median price for square-foot: \$57.00
 - o Estimated CAP Rates: NA. Buildings are being sold vacant.
- Vacant Land:
 - o Commercial zoning: 0
 - o Gross land area: 0
 - o Price: 0

Port Market Comparable (Port of Garibaldi and Port of Tillamook Bay) (source: LoopNet, Port of Tillamook Bay)



Figures:

- Top Left: Located at Port of Garibaldi
- Top Right: Located at Port of Tillamook Bay
- Bottom Right: Located at Port of Tillamook Bay



HOTEL / LODGING ACTIVITY

GENERAL Market Conditions:

- Tillamook County’s Hotel/Motel market can be generally defined as an average to lower quality, Class B-C market.
- A limited number of premium lodging destinations have been built within the last couple years, namely in the Pacific City sub-market.
- Owners are making some improvements to existing inventory condition. A good example would be owner investments in properties like the Harbor View Inn (Garibaldi).

DETAILED Market Activity:

- Tillamook County’s s hotel market has seen increases in both average annual occupancy and daily room rental rates.
- Average nightly occupancy rates have increased in recent years, and the occupancy conditions are particularly acute in the peak tourist season. (Avg. August 2019: \$162.00)
- No new projects have been announced in the broader Tillamook County sub-markets in the most recent 12 months.

Person Room Night Demand

- Overall person room night demand has grown at less than <1% year-year from years 2016-2018.
 - o The Hotel/Motel./STVR market has seen a modest decline in demand
 - o The Private Home (i.e. Airbnb) demand has seen the greatest gains of nearly 6% growth.

	2016	2017	2018	Growth (16-18)
Hotel, Motel, STVR	751,000	741,000	747,000	-0.5%
Private Home	255,000	265,000	270,000	5.9%
Other Overnight	1,543,000	1,543,000	1,553,000	0.6%
Total - All Overnight	2,549,000	2,549,000	2,570,000	0.8%

Lodging Taxes Paid by Overnight Tenancy Room Rate Levels:

- Despite the tepid growth rates in Person Room Night Demand, the Tillamook County market has seen a significant increase in Transit Lodging Tax (TLT) receipts paid between the years 2014-2018.

	2014	2018	Growth (14-18)
B&B	\$ 30,540	\$ 54,281	78%
Hotel	\$ 474,940	\$ 810,766	71%
Multi-Family	\$ 213,149	\$ 207,990	-2%
RV/Camp	\$ 429,701	\$ 635,436	48%
Single Family	\$ 1,150,100	\$ 2,272,551	98%
Total	\$ 2,298,430	\$ 3,981,024	73%

- The total growth rate TLT market wide has been 73%, with the Single-Family segment showing growth of nearly 100%. This is likely a response to operators registering with local ordinances.

Average Nightly Room Rate Levels:

The following market scan is a representation of the average week-day room night rates publicly advertised as part on the internet. All attempts were made to find equivalent comparison rooms: King size (non-suite). However, due to location, age, condition and amenity levels, the rooms and room-night rates may not be directly comparable. However, the analysis generally shows the market conditions and nightly-rate levels for a non-peak season period. (*November 2019 mid-week nightly rate market scan*)

Average room rates along the entirety of the Oregon Coast market in August 2019 were \$162.00. Average room rates YTD for 2019 were \$128.00 (see Appendix). Off peak-season rates are typically lower and the Tillamook market is a lower quality market, with few premium lodging options, so that market's average rates trend lower than the overall Coast average.

A room rate survey was completed in October 2019 for the various sub-markets within Tillamook County. The average week-day room night advertised rates are as follows:

(source: Hotels.com)

Manzanita

- Advertised range of: \$85.00 – \$130.00

Rockaway Beach

- Advertised range of: \$50.00 - \$110.00

Garibaldi

- HarborView Inn. \$114.00
- Garibaldi Inn & Suites. \$149.00

Tillamook

- Advertised range of: \$75.00 - \$160.00

Pacific City:

- Advertised range of : \$87.00 - \$350.00
 - o Headlands coastal Lodge and Spa. (Advertised rates: \$350 hotel room – \$500 condo type unit)
 - o Kape Kiwanda Inn. \$259
 - o Hart's Camp Airstream Hotel & RV Park. \$279

Market Sales Activity: (source: Tillamook County)

- For YR 2018, a limited number of motel/RV parks were sold within the broader Tillamook County market.
- Closed sales activity within Tillamook county for YR 2018 (as reported by Tillamook County)
- Improved Property:

- # of Closed Sales: 1 – RV Campground with permanent support buildings
- Gross Acreage sold: 6.72 acres (county assessor estimated)
- Median price per square-foot: Undetermined – not able to verify # of RV spaces/rooms

Market Active For-Sale Listing Activity: (figures included in market-wide summary above)

(source: LoopNet)

- As of October 2019, market scan, the following inventory of Hotel/Motel/RV properties is listed for-sale within the market region:
- Improved Properties
- Hotel/Model: **2**
 - # of Rooms for sale (Hotel/Motel): **22**
 - Median price for square-foot: **\$66,548.00 per room** (range: \$49,929 - \$83,167)
 - Estimated CAP Rate: **10-12%**
- RV Campground: **1**
 - # of RV Spaces for sale: 76, including 3 permanent camp/rental homes.
 - Acreage: 18.64 acres
 - Median price for square-foot: **\$30,367.00 space/room**
 - Estimated CAP Rate: *unable to calculate*

RETAIL SALES ACTIVITY

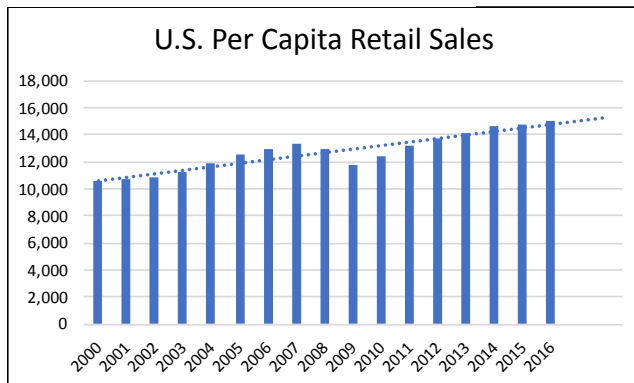
GENERAL Market Conditions:

- Considering the Tillamook County population and tourism dynamic, the overall retail conditions are:
 - o Extensive leakage out of the marketplace for common consumer goods
 - o Over-spending in food and drinking establishments, which is reflective of the tourism dynamic.
- With limited exception, the majority of the commercial retail development, in both the lease and owner-user business segments is lower quality (Class B and C) space type.
 - o New Class A development construction is limited to the Tillamook, Pacific City and Manzanita sub-markets, and those buildings are typically owner-user or associated with the tourism industry.

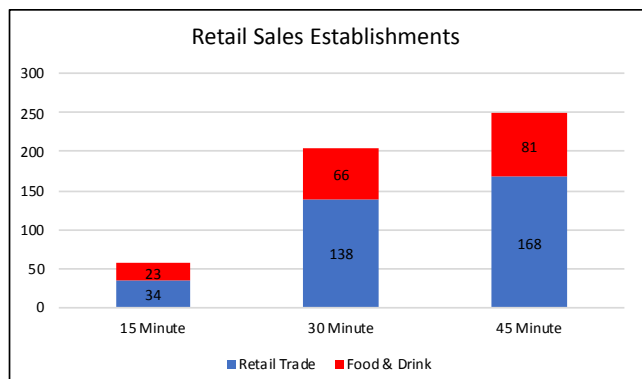
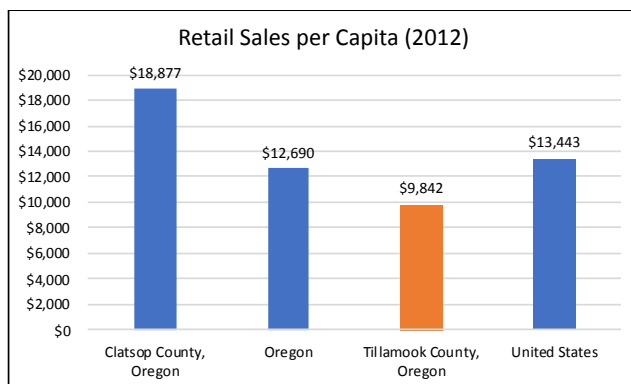
DETAILED Market assessment:

- As measured from the Garibaldi city limits, there is limited retail offerings in the City.
- Recent closures of a bank branch and other retail offerings have exacerbated the retail “desert” in Garibaldi.
- More broadly, retail expenditures in the broader Tillamook County market lag both state and national averages.
- Among the vacant and for-sale commercial buildings for sale within Garibaldi, are or have been used for retail or food/beverage sales businesses.

Figure 38a, 38b. Source: US Retail Census, 2012



- Tillamook County retail sales per capita is growing, but the growth is predominantly related to tourist / visitor trade.
- Total retail sales per capita in the Tillamook County marketplace is significantly lower than both the Oregon and United States rates (lags the state by 22% and the US rate by 28%).

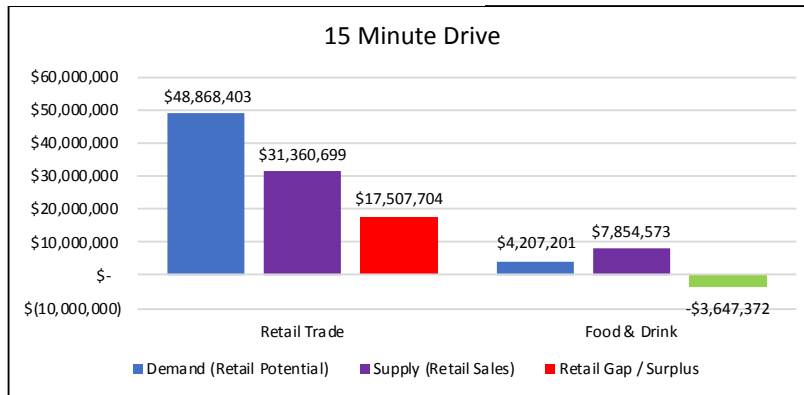


- As a comparison, Clatsop County's per-capita sales are 149% of Tillamook County's. Clatsop County's retail sales rate reflects that it is a more premium and visited tourist county with major regional and national destinations located in the communities of Cannon Beach, Seaside and Astoria.

Retail Leakage (gaps):

Retail sales data compiled for this analysis finds significant gaps in retail offerings within pre-defined market areas of: 15, 30, and 45-minute drive. The only retail offerings where significant leakage does not occur relate to food services and drinking establishments. Given the Tillamook region's rural location and market size, the outbound market leakage is not surprising. And the Food Services & Drinking Places sales surplus reflects the tourism focus on eating and drinking sales (etc.).

Figure 40. Source: ESRI Retail Analyst, 2017



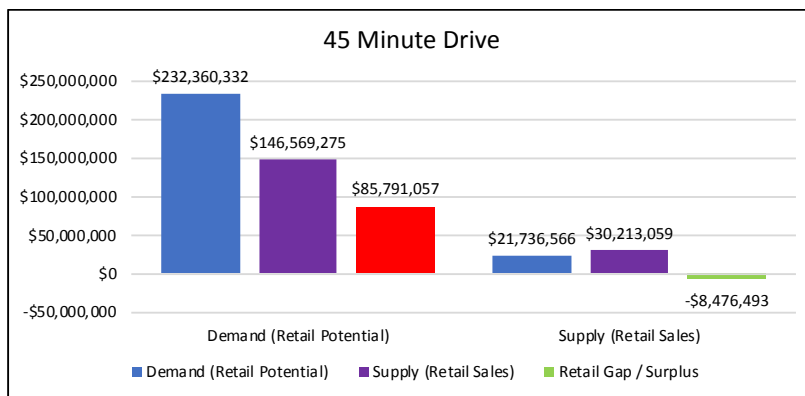
Retail Sales Activity: Garibaldi
Retail sales Demand significantly exceeds the Supply (actual sales) within a 15-minute drive of Garibaldi.

Except for Food & Drink, where actual Sales exceed the community Demand.

Meaning, for all but Food &

Drink Services, retail sales leaks to other sub-markets.

Figure 41. Source: ESRI Retail Analyst, 2017



This trend of leakage exists even at a 45-minute drive time from Garibaldi. This reflects that in aggregate, retail consumer goods offerings are lacking within the market (due to its small size and rural location) whereas the tourism responsive retail sectors (Food & Drink, transportation, specialty shops) are more abundant than the

market numbers otherwise would demand, reflecting the outside tourism trade inflow and retail activity

COMMERCIAL FISHERIES ACTIVITY

Commercial fishing activity within Tillamook County is on a gradual decline. Regional efforts to reverse this gradual decline, by developing entrepreneurship around the emergent sustainable fishing and fresh food source trend is gaining interest. The Port has partnered with regional agencies on a targeted study of this issue and development of an economic development and resiliency strategy.

The Port of Garibaldi’s Small Commercial Fisheries Supply Chain Business Development initiative and strategy is ongoing and has provided key data to and analysis which has begun to identify service and facility need with the intent of completing a feasibility assessment of a Seafood Service Hub.

A key outcome of these efforts is to identify and eliminate barriers of market access and provide increased access to capital and markets for existing and future businesses. A goal is to sustain the economic viability of this scale of commercial fishing operation.

Key data reported in the published Commercial Fisheries of Tillamook County – Economic Impact Report (September 2019) found key indicators which support the case for improving the operating conditions and access to markets for commercial fishing operations.

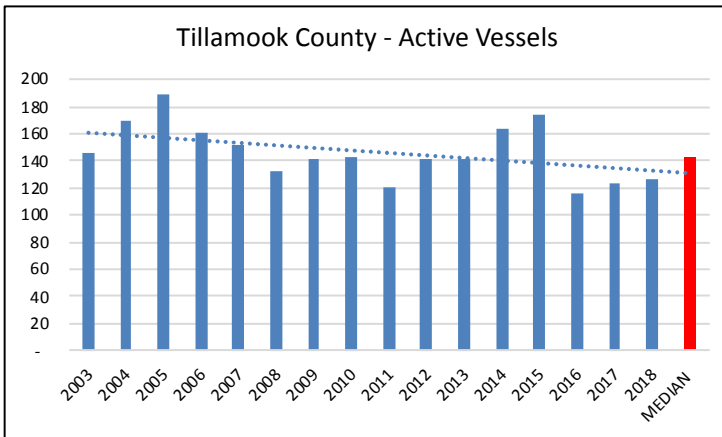


Figure 42. Active commercial fishing vessels are on the decline (2003-2018). (source: Commercial Fisheries of Tillamook County, Economic Impact Report, September 2019. ECOTRUST)

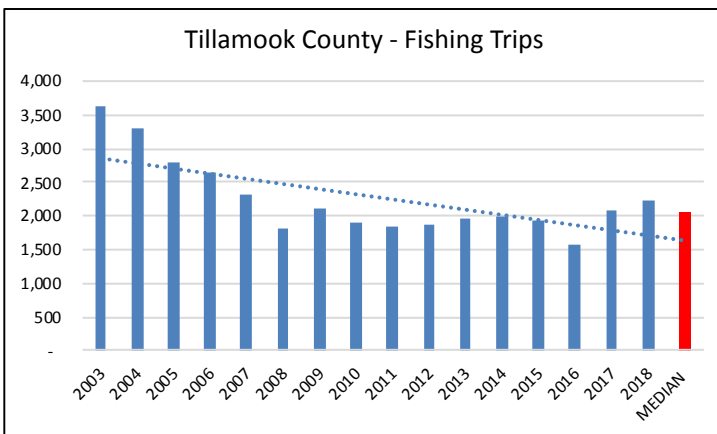


Figure 43: Trend of Fishing Trips is on the decline (2003-2018). source: Commercial Fisheries of Tillamook County, Economic Impact Report, September 2019. ECOTRUST)

Short term stabilization of fishing trips, from 14-15 and slight recent increase in 2017 and 2018.

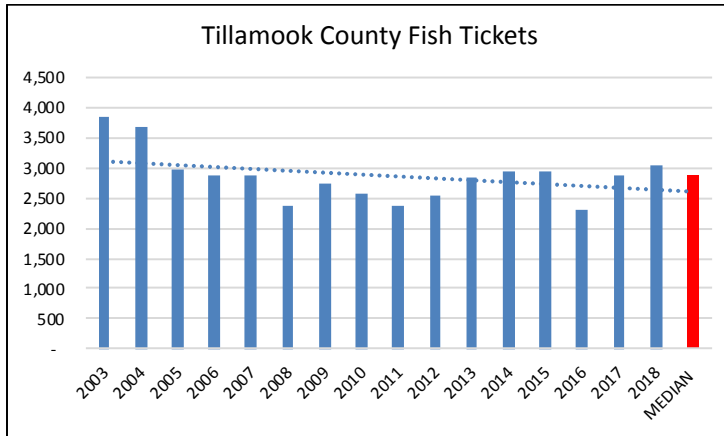


Figure 44: Total fish tickets is relatively flat from 2013-2018.

source: Commercial Fisheries of Tillamook County, Economic Impact Report, September 2019. ECOTRUST)

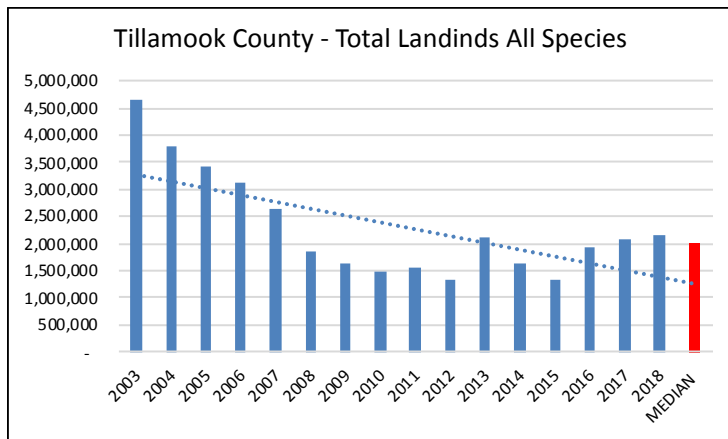


Figure 45: Total fish harvest (landings) is on the decline 2003-2018), for reported fish species.

source: Commercial Fisheries of Tillamook County, Economic Impact Report, September 2019. ECOTRUST)

Recent normalizing of fish landings from 2016-2018.

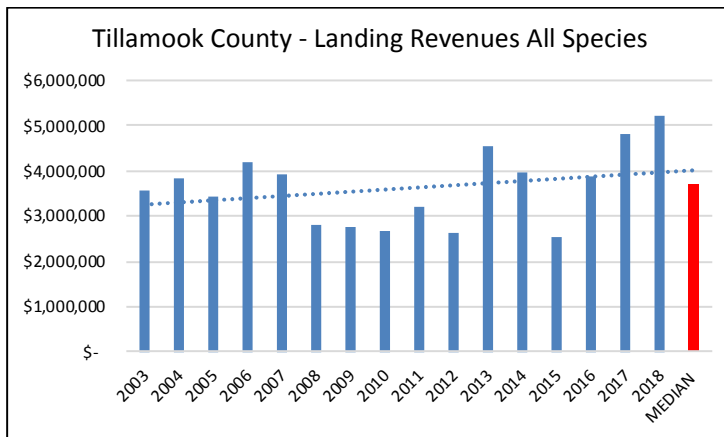


Figure 46: Total revenues from all fish landings is on the rise (2003-2018).

source: Commercial Fisheries of Tillamook County, Economic Impact Report, September 2019. ECOTRUST)

Activity and revenue trends suggest opportunity in optimizing the retaining the efficient operation of the Garibaldi harbor and prioritizing commercial seafood operations as a niche economic development strategy for the Port and broader community.

X. Drivers of Economic Growth & Demand

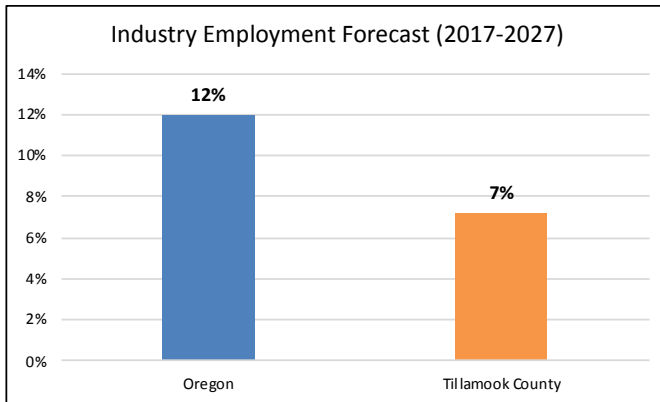
- Industry Expansion and Employment Growth
- Tourism Growth

INDUSTRY EXPANSION AND EMPLOYMENT GROWTH

Future growth forecasts indicate limited economic expansion and job growth within both the North Coast region and the Tillamook County sub-market within the next decade.

The Industry Employment Forecast growth rate for Tillamook County is to be roughly 5% below the state growth rate:

- Tillamook County (2017-2027): **7%**
- Oregon (2017-2027): **12%**



	2017	2027	Growth	% Growth
Total payroll employment	103,230	110,620	7,390	7%
Total private	77,600	83,980	6,380	8%
Natural resources and mining	3,600	3,780	180	5%
Mining and logging	990	980	-10	-1%
Construction	3,810	4,300	490	13%
Manufacturing	8,650	9,040	390	5%
Durable goods	4,700	4,820	120	3%
Wood product manufacturing	1,160	1,110	-50	-4%
Nondurable goods	3,950	4,230	280	7%
Food manufacturing	1,810	2,050	240	13%
Paper manufacturing	1,270	1,140	-130	-10%
Trade, transportation, and utilities	14,920	15,540	620	4%
Wholesale trade	990	1,000	10	1%
Retail trade	12,000	12,440	440	4%
Transportation, warehousing, and utilities	1,930	2,100	170	9%
Information	980	1,000	20	2%
Financial activities	3,870	4,060	190	5%
Professional and business services	7,840	9,020	1,180	15%
Professional and technical services	3,220	3,640	420	13%
Private educational and health services	13,730	15,190	1,460	11%
Hospitals	4,490	4,900	410	9%
Leisure and hospitality	16,090	17,770	1,680	10%
Accommodation and food services	15,040	16,630	1,590	11%
Accommodation	3,970	4,330	360	9%
Food services and drinking places	11,070	12,300	1,230	11%
Other services and private households	4,110	4,280	170	4%
Government	25,630	26,640	1,010	4%
Self-employment	5,750	6,350	600	10%

North Coast Region

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

The 2017-2027 forecast for this region estimates a 7% increase in total employment and an 8% increase in private employment (non-government).

Total employment increase of 7,300 jobs for the 5 counties is the forecast from 2017-2027. The forecast predicts:

- Employment Losses in the timber and paper manufacturing sectors are estimates over the 10-years.
- Employment increases in Construction, Food Manufacturing and Leisure/Hospitality are expected.

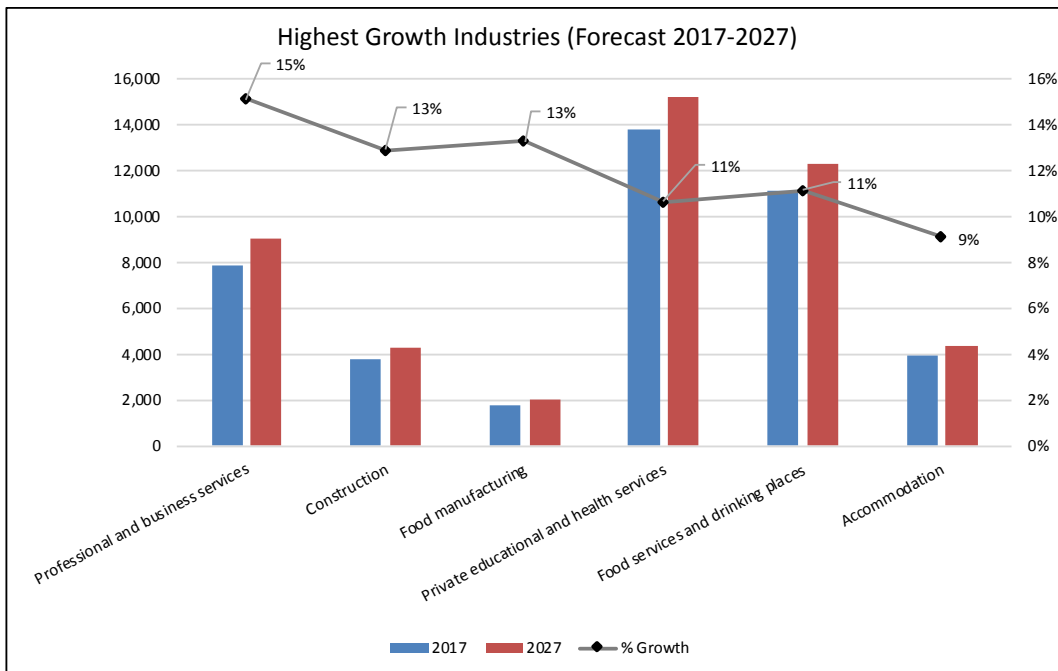
Growth Industries

Highest growth industries Forecast for the North Coast region are listed in Figure 48. Growth in key industries with a high Location Quotient include:

Food Manufacturing: **Growth Rate = 13%; Location Quotient = 1.6**

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

Figure 48. North Coast Region - Highest Economic Growth Sectors (2017-2027)
source Oregon Employment Department)



Tillamook County Forecast (2017-2027)

The MAG/FCS team prepared a sub-forecast for the 2017-2027 period for Tillamook County. The Tillamook County forecast is a linear trend line employment growth forecast key industries, beginning from the year 2017 certified industry employment forecasts provided by the Oregon Employment Department.

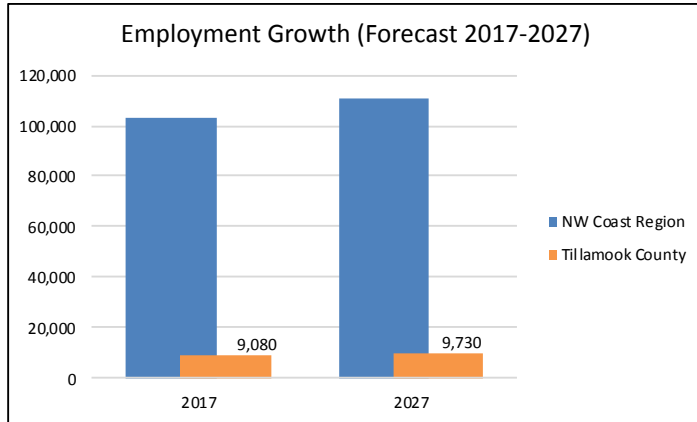


Figure 49: Employment Forecasts (2017-2027)

Source: computed by MAG/FCS

- Tillamook forecast total private employment growth = 8%

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

Table 12: Tillamook County Employment Forecast (2017-2027)

Source: computed by MAG/FCS

Total Employment	Tillamook (2017)	Tillamook (2027)	# of Jobs	Growth Rate
Total payroll employment	9,080	9,730	650	7.2%
Total private	7,110	7,695	585	8.2%
Natural resources and mining	570	599	29	5.0%
Mining and logging	220	218	(2)	-1.0%
Construction	350	395	45	12.9%
Manufacturing	1,430	1,494	64	4.5%
Durable goods	450	461	11	2.6%
Wood product manufacturing	370	354	(16)	-4.3%
Nondurable goods	980	1,049	69	7.1%
Food manufacturing	900	1,019	119	13.3%
Paper manufacturing				
Trade, transportation, and utilities	1,430	1,489	59	4.2%
Wholesale trade	1,070	1,081	11	1.0%
Retail trade				
Transportation, warehousing, and utilities				
Information	50	51	1	2.0%
Financial activities	310	325	15	4.9%
Professional and business services	450	518	68	15.1%
Professional and technical services				
Private educational and health services	1,050	1,162	112	10.6%
Hospitals				
Leisure and hospitality	1,440	1,590	150	10.4%
Accommodation and food services	1,390	1,537	147	10.6%
Accommodation	480	524	44	9.1%
Food services and drinking places	910	1,011	101	11.1%
Other services and private households	380	396	16	4.1%
Government	1,970	2,048	78	3.9%
Federal government	100	99	(1)	-0.8%
State government	390	417	27	6.9%
Local government	1,480	1,540	60	4.0%
Local education	680	706	26	3.8%
Self-employment	800	883	83	10.4%

Source: Oregon Employment Forecast for 2017; MAG/FCS for 2027

Key Growth Industries as forecast by MAG/FCS:

-Food Manufacturing increase by 13% or roughly 120 jobs

-Education and Health Services increase by over 10% or roughly 110 jobs

-Leisure and Hospitality increase by over 10% or roughly 150 jobs

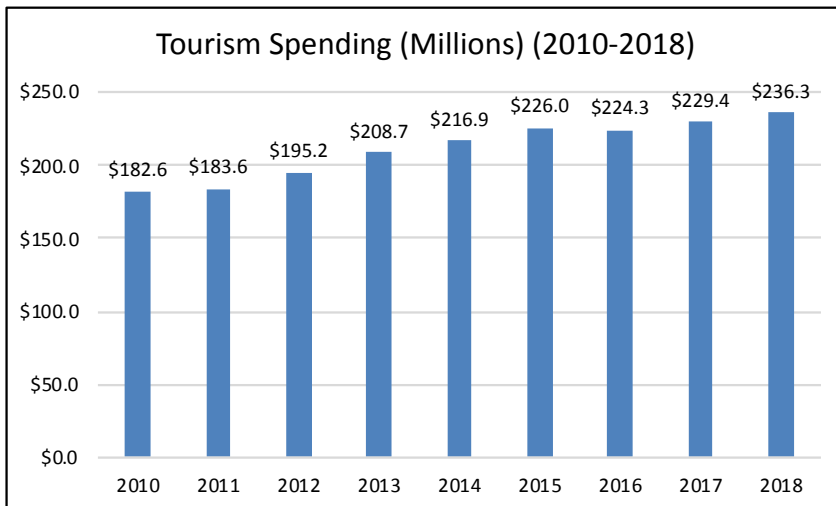
-Self Employment increases by over 10% or roughly 80 jobs.

TOURISM GROWTH

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

Since 2010, tourism spending within Tillamook County has increased by roughly 30%. Current estimates figure that over \$236 Million was spent within Tillamook County in 2018. Current visitor spending supports nearly 2,200 jobs within Tillamook County, or roughly twenty-three percent of total non-farm employment.

Figure 50: Source: Dean Runyan Associates (2018)



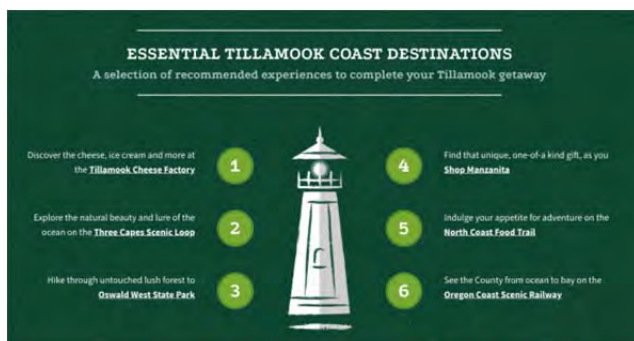
In addition to employment, tourism spending is directly associated with land development and building needs.

In the past several years, focused tourism planning and marketing has begun to yield dividends regarding overall growth in tourism visits and tourism spending with the region.



The [Visit Tillamook Coast](#) initiative has increased its branding and awareness programs, including documenting key assets and creating new marketing campaigns to increase day and overnight visitation within the County.

the Tillamook Coast Visitors Association include:



Among the notable activities sponsored by

[North Coast Food Trail, Explore Nature Series](#)

and provides a comprehensive inventory of events and destinations to promote overall visitation within the County.

the Visitors Association collaborates with partners to advance community initiatives and events like: Crave the Coast

Key Components of the Tillamook County

Tourism Industry

Tourism spending continues to grow and is concentrated in a few key categories:

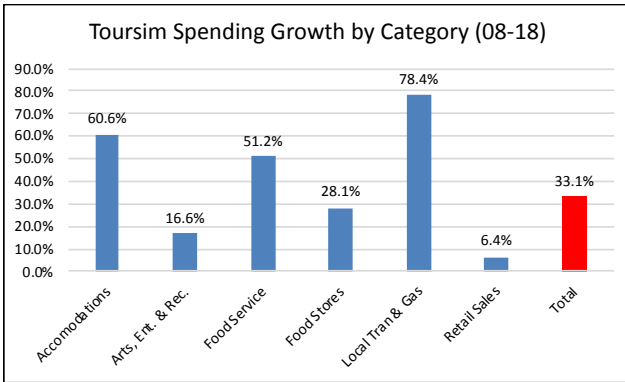


Figure 51: Source: Dean Runyan Associates (2018)

Tourism spending growth in Accommodations, Food Service and Local Transportation/Gas exceeds the 10-year average growth rate.

Tourism employment is relatively flat over the period of 2008-2018. Total employment is estimated at roughly 2,200 jobs within Tillamook County which can be attributed to Tourism spending (if the spending did not occur, the jobs would diminish). As a whole, Accommodations has the highest number of estimated employees, estimated at 480 employees in 2017.

Figure 52: Source: Dean Runyan Associates (2018)

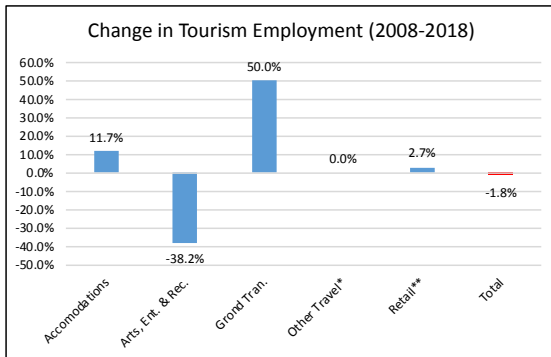
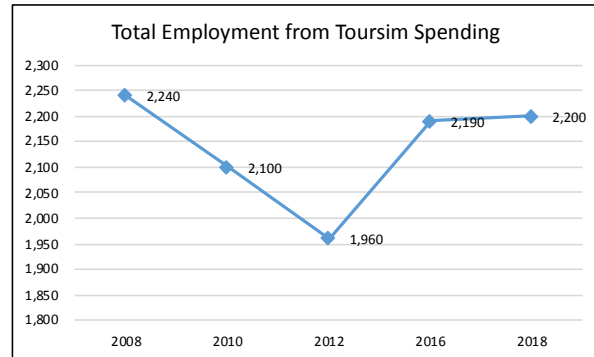


Figure 53: Source: Dean Runyan Associates (2018)



Overnight Visitor Nights have remained relatively flat over the last 3-years (2016-2018), in part attributed to the lack of new supply of inventory units. However, Transient Lodging Tax has seen a major increase in the last 4 years; climbing roughly 73%.

Figure 54: Source: Dean Runyan Associates (2018)

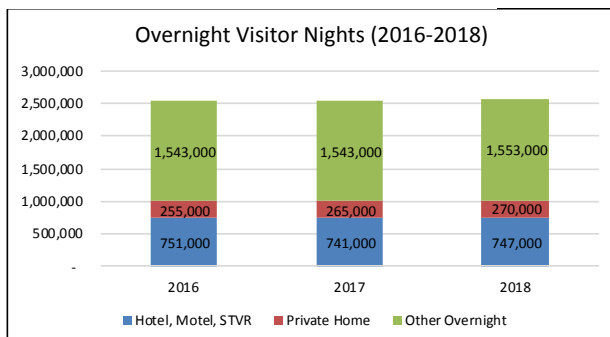
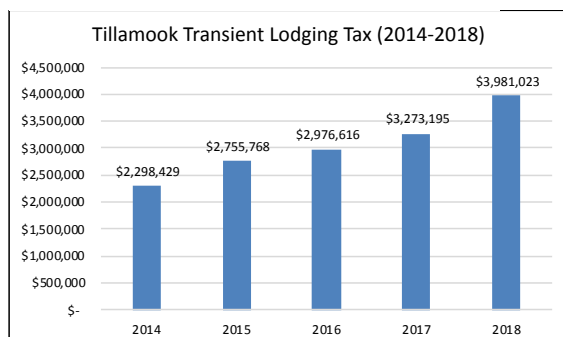


Figure 55: Source: Visit Tillamook County



XI. Drivers of Market Demand

For this study purpose, overall market demand is an estimate of future new building construction that could be supported within the market area over a 10+ year timeframe. Demand is generally estimated as a function of the community’s overall growth trends, factoring together population, business formation and employment growth. The analyst also considers primary and secondary market area factors such as: demographics, unique market conditions, competitive building inventory –vacancies-new construction pipeline, community attractiveness, as well as site specific attributes, uniqueness and amenities.

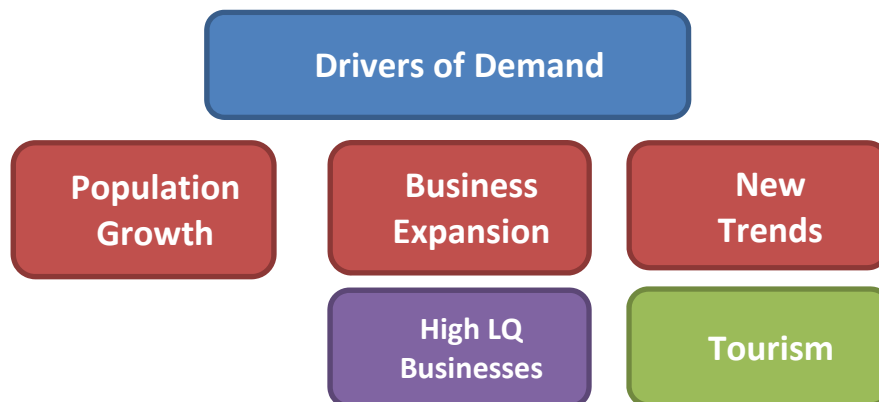
Key Factors:

The current demand for new building development and creation of new space for commercial and industrial business expansion is going to remain relatively flat over the near term. Limited new speculative construction has occurred in recent years.

Into the future, slow growth in new commercial / industrial building construction is anticipated. Considering the forecast growth in Industry expansion and employment growth, there appears to be little need for major building expansions and limited “spec” development opportunities among the traditional commercial and industrial development categories. When new construction does occur, it will likely be associated with pre-leased or owner/user space expansions.

An opportunity area may be derived from the continued growth of tourism related activity and spending. If sustained, this growth will drive demands for new spaces. Within the region, marketing and branding of unique visitor experiences is expanding and gaining traction. An emerging “*Agri-tourism*” trend provides opportunities to provide unique and branded experiences and spaces. In turn, that sector’s growth may drive new development opportunities. Tillamook County appears to need more high-quality tourism related accommodations and could support specialty uses that build upon and improve the year-round tourism experience.

Demand conclusions are not prescriptive or absolute. They are a judgement of multiple data points and variables and an opinion of new development demand. Whether there is support within the proposed market will be dependent on uncertain events and economic conditions.



Industrial & Office (*Potential demand*)

Future business expansion and net industry growth within the Tillamook market region and within the Garibaldi sub-market will drive net-new demand for real estate development. Forecast growth for key industries within the Tillamook region market include: food manufacturing, professional services and health care, and leisure and hospitality. Those growth industries combined with new entrepreneurship will drive demand for new space construction as well as occupation and rehab of existing spaces within the region.

Key Growth Assumptions:

Population Growth Tillamook County (2017-2040): **3,369**

Private Employment Growth – North Coast (5-county) Region (2017-2027): **8%**; or **6,380 jobs**

Private Employment Growth – Tillamook County (2017-2027): **8%**; or **650 +/- estimated jobs**

Future Growth Rate (beyond 2027 estimate): **0.8% Annual Average** (compounded)

New Space Demand: **Market averages for Job Type**

Market Vacancy Rate: **10 % (+/-) Annual Average**

Product Type Absorption Rates: **Varies by year, estimated overall at 40% Office / 60% Flex-Light Industrial**

			2017-2027
TOTAL SQ.FT. DEMAND			
Tillamook County Market - Estimated Demand			324,729
- Flex / Light Industrial			194,837
- Office			129,891
Tillamook Region - Capture Rate Estimates			
LOW	80.0%		259,783
MEDIUM	100%		324,729
HIGH	120.0%		389,674

Table 13.

Total Estimated Market Demand (2017-2027): **324,000 (+/-) SQFT**

Range of Absorption:

Low = 80% of total demand

High – 120% of total demand

			2017-2027
CAPTURE - LOW			
Flex/Industrial	60%		155,870
Office	40%		103,913
	Total		259,783
CAPTURE - MEDIUM			
Flex/Industrial	60%		194,837
Office	40%		129,891
	Total		324,729
CAPTURE - HIGH			
Flex/Industrial	60%		233,805
Office	40%		155,870
	Total		389,674

Total Estimated Market Demand (2017-2027)

Segmented by Space Type

Low and High Forecast Demand for Space:

Flex/Industrial/Manufacturing/Warehouse: **60%**

Office/Flex: **40%**

Lodging (*Potential demand*)

As tourism increases so too will demand for overnight accommodations. An analysis of the lodging market within the Garibaldi submarket indicates that the area is currently served by 10 “competitive” lodging establishments, including 3 full-service hotels and 7 limited-service facilities (Table 14).

In addition, it is estimated that there are many RV parks, campsites and short-term rentals that are marketed through various websites, such as Air B&B and VRBO. The number of homes and condos being utilized for shared arrangements, such as Airbnb has increased significantly since 2010. Dean Runyan estimates that there were a total of 2,500,000 person-nights staying in various accommodations in Tillamook County in 2018. The short-term rental segment currently accounts for approximately 15% of the demand; hotels/motels account for about 25% of the demand and RV/campsites account for about 60% of the market demand.

Table 14: Area Lodging Accommodations

Summary of Competitive Lodging Facilities, Garibaldi Submarket (30 minute drive time)				
Lodging Type	Facilities	Rooms	Est. Avg. Annual Occupancy Rate	Annual Room-Night Demand
Hotels with meeting Facilities	3	167	70%	42,669
Other Hotels/Motels/B&Bs	7	283	70%	72,307
Total	10	450		114,975

Source: analysis by FCS using Hotels.com.

Tillamook County overnight demand is forecasted into the future by market segment, including: tourists/visitors, groups (organized events, weddings, conventions) and business travelers. Each segment’s growth is based on the trends and forecasts that have been described in previous sections of this report (Table 15).

Table 15: Lodging Demand Segments

Tillamook County Lodging Demand Drivers		
Demand Segment	Annual Growth Rate	Source
Visitors	3.3%	Dean Runyan Travel Impacts in Tillamook County: 2010-2018
Groups	1.0%	Oregon Office of Economic Analysis pop. proj. for Oregon
Business Travellers	0.7%	OED 2017-2027 Job Forecast for Northwest Oregon

The lodging demand analysis indicates that over the next 20 years there will be demand for approximately 362 new hotel/motel rooms in the Garibaldi and adjacent submarket (see Tables 16-17). If the existing lodging supply is not expanded to accommodate increases in

demand, there will be market pressure to convert single family dwellings to short-term rentals.

Key Growth Assumptions:

Tillamook County Population Growth (2019-2040): **3,369**

Demand for Total room nights (2019): **373,500**

Growth in Demand:

- **Visitors: 3.3% annual**
- **Groups: 1.0% annual**
- **Business: 0.7% annual**

Room Night Demand for Garibaldi and adjacent sub-market (2040): **203,837**

% Growth in Room Nights (2019-2040): 325%

Table 16: Lodging Demand Room-night Growth Potential, Garibaldi Submarket

Projected 2039 Room-Night Demand by Lodging Type, Garibaldi Market Area				
Existing Lodging Rooms	Net New Room-Night Demand	Total Supportable Rooms 2039*	Net New Supportable Rooms*	% Needing Meeting Facilities
450	88,864	812	362	35%

*Assuming 70% minimum required average annual occupancy

Estimated 2019 Room-Night Demand by Lodging Type (%)				
Lodging Type	Visitors	Groups	Business Travellers	Total
With Meeting Facilities	65%	20%	15%	100%
Without Meeting Facilities	90%	0%	10%	100%

Estimated 2019 Room-Night Demand by Lodging Type				
Lodging Type	Visitors	Groups	Business Travellers	Total
With Meeting Facilities	27,735	8,534	6,400	42,669
Without Meeting Facilities	65,076	-	7,231	72,307
Total in Submarket	92,810	8,534	13,631	114,975

Estimated 2040 Room-Night Demand by Lodging Type				
Lodging Type	Visitors	Groups	Business Travellers	Total
Without Meeting Facilities	124,574	-	8,330	132,903
Total in Submarket	177,665	10,470	15,703	203,839
Tillamook County Total*				373,500
percent in submarket				55%

* Source: Dean Runyan estimated person-night stays in hotel/motel facilities divided by 2 people per room.

Table 17: Lodging Demand Rooms Growth Potential, Garibaldi Submarket

ADDITIONAL DEMAND FACTORS

Vacancy Rates:

The current market condition of effectively 0% Vacancy within the Port of Garibaldi is a demand driver in the short term. The Port offers a unique array of amenities and for some businesses, being at the Port and harbor is the only option for their business purpose. This tight market condition will continue to support better lease terms and financial performance for the Port's benefit, once leases expire and are renewed. Further, the dynamic of greater demand than supply, will allow the Port to be very careful in tenant selection and which enables the Port to pursue business and tenant synergies when releasing and or in consideration of converting the limited raw land to developed use.

Within the broader market, the calculated vacancy condition trends at around 10% for current space. Vacancy rates for raw land are greater. The Port of Tillamook Bay has significant land holdings, and combined with private land holders, there is sufficient long-term supply of raw land for industrial development purposes.

Catalytic Employment Growth:

The Tillamook region is staged for relatively slow growth over the next couple decades. No major catalytic industry expansions have been announced. The region's major employers (Tillamook County Creamery and related, Tillamook County Smoker, health and medical services, etc.) are stable and growing, but at moderate rates. Should major shifts occur within the industrial base, there will be demand for additional and high-quality development spaces to support that growth.

Market Position and Opportunities:

- Location. The subject site is wholly unique in its location at the Tillamook harbor and site attributes (near other commercial fishing operations, marine access to the Tillamook Bay and Pacific Ocean, etc.). These site attributes do not exist elsewhere within the market region. This lack of site competition will drive demand and put the Port in the driver's seat regarding tenant selection and lease negotiations.
- Aquaculture and sustainable food (*farm to table*) growth. Growing market demand for sustainably harvested crops and seafood will drive demand for both new spaces to support such enterprise, and also ancillary retail components which serve the developing casual agri-tourism trend. The site's location is an emerging coastal hub for this type of market opportunity, and combined with the ongoing efforts to sustain, develop and brand the commercial fishing enterprises operating from Garibaldi as a farm-to-table fishery, will drive interest in the site.

XII. Potential Target Tenants

Based on the industry employment growth analysis and findings, several “target business types” have been identified that are consistent with market trends and community development objectives. High location quotient target business opportunities are summarized in Table 18 and include:

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

Table 18. Growth Industries with High Location Quotient (LQ)

LQ Analysis, Potential target opportunities for Port of Garibaldi

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

Examples of niche building types:
 Lower left: Boatel
 Upper/Lower right: Shipping container cluster: office and retail food pod.



XIII. Next Steps

Strategic Observations:

The broader Tillamook County region and economy reflect a rural and relatively slow growth region. The population as a whole is aging, and incomes trend significantly lower than state and national averages. Economic activity and employment have historically been rooted in natural resources and agriculture. Forecast new economic growth will be slow, growing at a rate at less than 1% per-annum in the foreseeable future. Positive growth in value added agriculture, food manufacturing, and tourism show promise in the years ahead.

Demand for new commercial and industrial building inventory will be limited. Speculative delivery of raw space in the commercial and industrial space categories could be a high-risk proposition, given the slow population and economic expansion growth rates. When new construction does occur, it will be associated with pre-leased or owner/user space expansions. Also, evaluation of innovative building types (creating a sustainable building type and branding niche) may be an approach to differentiate the Port from other areas and create a unique experience that becomes a unique environment attraction for both tenants and visitors alike

A focused and pre-leasing development strategy which takes advantage of growth industries may be the most beneficial strategy for supporting new business growth within the market region. A key question ahead is tenant selection. Choosing tenants and use types which augment the overall synergies and value and existing Port businesses, and the overall key industries and job development goals of the Port will be a critical factor in site development.

Given the sustained growth of tourism related activity and spending, Tillamook County appears to need more high-quality tourism related accommodations and could support specialty uses that build upon and improve the year-round tourism experience.

Next Steps:

The next steps of this study will be to complete a thorough *Site Assessment*. This assessment will identify the current conditions of the site, it's context, and identify known risks and opportunities given the physical, regulatory and overall site context.

The *Site Assessment* and *Market Conditions* reports will form a comprehensive body of background data which will inform the *Feasibility Analysis* of site development opportunities and identification of the probably Highest and Best-use of the site, given all the factors in play.


Final strategic observations will be presented to the Port of Garibaldi for future deliberation and finalization of a site development strategy.

XIV. Appendix

RETAIL SALES ANALYSIS

Source: ESRI. Year of analysis 2017.

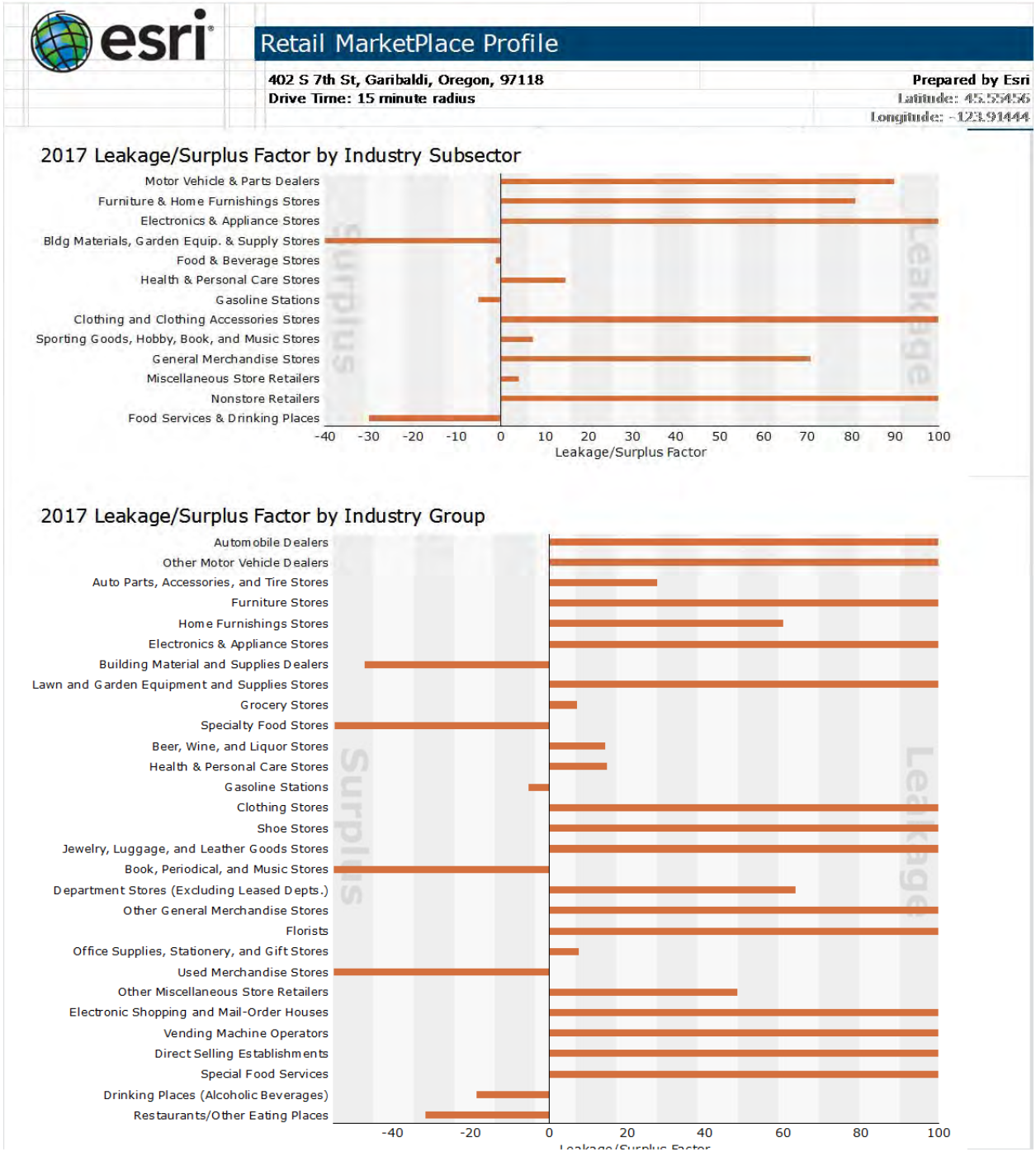
RETAIL DEMAND EXPENDITURE PROFILE – 2017 (15 Minute Drive)

		Retail MarketPlace Profile				
402 S 7th St, Garibaldi, Oregon, 97118		Prepared by Esri				
Drive Time: 15 minute radius		Latitude: 45.55456				
		Longitude: -123.93444				
Summary Demographics						
2019 Population		4,095				
2019 Households		196				
2019 Median Disposable Income		\$37,573				
2019 Per Capita Income		\$29,438				
2017 Industry Summary						
	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$53,075,604	\$39,215,272	\$13,860,332	6.0	56
Total Retail Trade	44-45	\$48,868,403	\$31,360,699	\$17,507,704	2.18	34
Total Food & Drink	722	\$4,207,201	\$7,854,573	-\$3,647,372	-30.2	23
2017 Industry Group						
	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$1,619,061	\$614,622	\$1,003,439	90.0	1
Auto Mobile Dealers	4411	\$9,243,412	\$0	\$9,243,412	100.0	0
Other Motor Vehicle Dealers	442	\$1,385,733	\$0	\$1,385,733	100.0	0
Auto Parts, Accessories & Tire Stores	4413	\$988,917	\$556,164	\$432,753	28.0	1
Furniture & Home Furnishings Stores	442	\$1,308,958	\$15,996	\$1,292,962	81.2	1
Furniture Stores	4421	\$761,600	\$0	\$761,600	100.0	0
Home Furnishings Stores	4422	\$547,358	\$15,996	\$531,362	60.2	1
Electronics & Appliance Stores	443	\$1,362,833	\$0	\$1,362,833	100.0	0
Bldg Materials, Garden Equip. & Supply Stores	444	\$3,850,586	\$9,050,132	-\$5,199,546	-40.3	4
Bldg Material & Supplies Dealers	4441	\$3,225,779	\$8,991,553	-\$5,765,774	-47.2	4
Lawn & Garden Equip & Supply Stores	4442	\$624,807	\$0	\$624,807	100.0	0
Food & Beverage Stores	445	\$7,892,700	\$8,102,391	-\$209,691	-13	8
Grocery Stores	4451	\$7,001,237	\$6,048,541	\$952,696	7.3	4
Specialty Food Stores	4452	\$517,141	\$1775,19	-\$1,257,978	-54.9	4
Beer, Wine & Liquor Stores	4453	\$374,322	\$278,731	\$95,591	11.6	1
Health & Personal Care Stores	446,4461	\$3,182,137	\$2,356,682	\$825,455	14.9	2
Gasoline Stations	447,4471	\$5,316,011	\$5,898,228	-\$583,217	-5.2	2
Clothing & Clothing Accessories Stores	448	\$1,884,929	\$0	\$1,884,929	100.0	0
Clothing Stores	4481	\$1,220,490	\$0	\$1,220,490	100.0	0
Shoe Stores	4482	\$355,346	\$0	\$355,346	100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	\$309,093	\$0	\$309,093	100.0	0
Sporting Goods, Hobby, Book & Music Stores	451	\$1,475,554	\$1,274,108	\$201,446	7.3	3
Sporting Goods/Hobby/Musical Instr Stores	4511	\$1,330,308	\$769,389	\$560,919	26.7	2
Book, Periodical & Music Stores	4512	\$145,246	\$504,719	-\$359,473	-55.3	2
General Merchandise Stores	452	\$7,776,630	\$1,342,717	\$6,433,913	70.6	1
Department Stores Excluding Leased Depts.	4521	\$5,469,225	\$1,222,597	\$4,246,628	63.5	1
Other General Merchandise Stores	4529	\$2,307,405	\$0	\$2,307,405	100.0	0
Miscellaneous Store Retailers	453	\$2,505,354	\$2,301,124	\$204,230	4.2	10
Florists	4531	\$50,717	\$0	\$50,717	100.0	0
Office Supplies, Stationery & Gift Stores	4532	\$395,348	\$337,106	\$58,242	8.0	2
Used Merchandise Stores	4533	\$379,248	\$131,652	\$247,596	-55.3	6
Other Miscellaneous Store Retailers	4539	\$1,680,040	\$581,650	\$1,098,390	48.6	3
Nonstore Retailers	454	\$695,646	\$0	\$695,646	100.0	0
Electronic Shopping & Mail-Order Houses	4541	\$439,780	\$0	\$439,780	100.0	0
Vending Machine Operators	4542	\$36,367	\$0	\$36,367	100.0	0
Direct Selling Establishments	4543	\$219,500	\$0	\$219,500	100.0	0
Food Services & Drinking Places	722	\$4,207,201	\$7,854,573	-\$3,647,372	-30.2	23
Special Food Services	7223	\$90,753	\$0	\$90,753	100.0	0
Drinking Places - Alcoholic Beverages	7224	\$1,893	\$278,760	-\$276,867	-11.5	1
Restaurants/Other Eating Places	7225	\$3,924,556	\$7,575,813	-\$3,651,257	-31.7	22


Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement. <http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

Source: Esri and Info group. Esri 2019 Updated Demographics. Esri 2017 Retail MarketPlace. Copyright 2019 Esri. Copyright 2017 Info group, Inc. All rights reserved.


RETAIL DEMAND EXPENDITURE PROFILE – 2017 (15 Minute Drive)



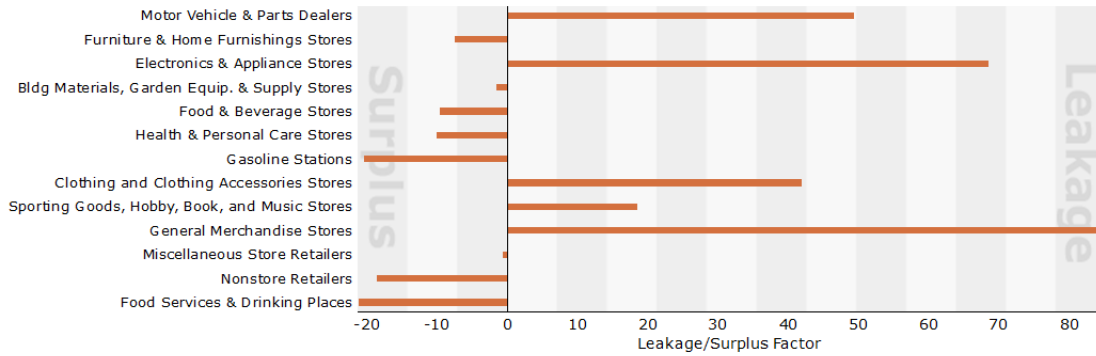
RETAIL DEMAND EXPENDITURE PROFILE – 2017 (30 Minute Drive)

492018 Esri							Page 2 of 6
		<h2>Retail MarketPlace Profile</h2>					
402 S 7th St, Garibaldi, Oregon, 97118 Drive Time: 30 minute radius							Prepared by Esri Latitude: 45.554556 Longitude: -123.914444
Summary Demographics							
2018 Population							7,344
2018 Households							7,373
2018 Median Disposable Income							\$37,951
2018 Per Capita Income							\$27,368
2017 Industry Summary							
	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses	
Total Retail Trade and Food & Drink	44-45,722	\$18,76,403	\$5,434,283	\$3,282,208	9.7	204	
Total Retail Trade	44-45	\$17,673,331	\$30,699,823	\$4,973,508	8.8	88	
Total Food & Drink	722	\$16,043,072	\$24,734,461	-\$8,691,389	-213	66	
2017 Industry Group							
	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses	
Motor Vehicle & Parts Dealers	441	\$39,561,937	\$13,407,816	\$26,154,121	49.4	9	
Auto mobile Dealers	4411	\$314,12,538	\$8,477,640	\$22,934,898	57.5	2	
Other Motor Vehicle Dealers	442	\$4,631,884	\$0	\$4,631,884	100.0	0	
Auto Parts, Accessories & Tire Stores	4413	\$3,518,215	\$4,930,176	-\$1,411,961	-6.7	7	
Furniture & Home Furnishings Stores	442	\$4,933,810	\$5,737,811	-\$803,371	-7.5	7	
Furniture Stores	4421	\$2,916,336	\$5,026,558	-\$2,110,222	-26.6	2	
Home Furnishings Stores	4422	\$2,017,474	\$71,623	\$1,945,851	47.9	5	
Electronics & Appliance Stores	443	\$5,098,116	\$951,192	\$4,146,924	68.6	2	
Bldg Materials, Garden Equip. & Supply Stores	444	\$12,852,960	\$13,263,557	-\$410,597	-16	18	
Bldg Material & Supplies Dealers	4441	\$1,841,111	\$2,742,812	-\$901,701	-8.1	10	
Lawn & Garden Equip. & Supply Stores	4442	\$2,011,849	\$520,745	\$1,491,104	58.9	3	
Food & Beverage Stores	445	\$28,298,486	\$34,341,267	-\$6,042,781	-9.6	30	
Grocery Stores	4451	\$25,025,649	\$29,716,035	-\$4,689,386	-8.6	11	
Specialty Food Stores	4452	\$1,861,788	\$4,295,240	-\$2,433,452	-39.5	14	
Beer, Wine & Liquor Stores	4453	\$141,049	\$330,993	\$189,944	62.0	1	
Health & Personal Care Stores	446,4461	\$11,032,918	\$13,550,950	-\$2,518,032	-10.2	11	
Gasoline Stations	447,4471	\$10,467,236	\$27,970,410	-\$17,503,174	-20.5	8	
Clothing & Clothing Accessories Stores	448	\$7,348,788	\$3,005,085	\$4,343,703	42.0	9	
Clothing Stores	4481	\$4,718,194	\$1,739,256	\$2,978,938	46.1	6	
Shoe Stores	4482	\$1,370,111	\$0	\$1,370,111	100.0	0	
Jewelry, Luggage & Leather Goods Stores	4483	\$1,259,484	\$1,265,830	-\$6,346	-0.3	3	
Sporting Goods, Hobby, Book & Music Stores	451	\$5,533,795	\$3,794,209	\$1,739,586	8.6	11	
Sporting Goods/Hobby/Musical Instr Stores	4511	\$4,966,188	\$2,958,699	\$1,997,489	25.3	7	
Book, Periodical & Music Stores	4512	\$567,597	\$835,510	-\$267,913	-8.1	3	
General Merchandise Stores	452	\$28,441,086	\$2,342,444	\$26,098,642	84.8	3	
Department Stores Excluding Leased Depts.	4521	\$20,192,789	\$1,928,698	\$18,264,091	82.6	2	
Other General Merchandise Stores	4529	\$8,248,298	\$413,746	\$7,834,552	90.4	1	
Miscellaneous Store Retailers	453	\$8,662,232	\$8,778,786	-\$116,554	-0.7	35	
Florists	4531	\$118,222	\$375,952	-\$257,730	-35.7	2	
Office Supplies, Stationery & Gift Stores	4532	\$1,469,408	\$1,353,658	\$115,750	4.1	6	
Used Merchandise Stores	4533	\$1,484,440	\$4,303,513	-\$2,819,073	-48.7	15	
Other Miscellaneous Store Retailers	4539	\$5,530,162	\$2,745,663	\$2,784,499	33.6	12	
Nonstore Retailers	454	\$2,441,938	\$3,556,926	-\$1,114,988	-18.6	1	
Electronic Shopping & Mail-Order Houses	4541	\$1,647,395	\$0	\$1,647,395	100.0	0	
Vending Machine Operators	4542	\$180,708	\$0	\$180,708	100.0	0	
Direct Selling Establishments	4543	\$663,835	\$3,511,100	-\$2,847,265	-68.2	1	
Food Services & Drinking Places	722	\$16,043,072	\$24,734,461	-\$8,691,389	-213	66	
Special Food Services	7223	\$336,048	\$0	\$336,048	100.0	0	
Drinking Places - Alcoholic Beverages	7224	\$765,119	\$477,780	\$287,339	23.1	2	
Restaurants/Other Eating Places	7225	\$14,941,845	\$24,256,681	-\$9,314,836	-23.8	63	
<p>Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from -100 (total leakage) to 100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement. http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf</p>							
<p>Source: Esri and Info group. Esri 2018 Updated Demographics. Esri 2017 Retail MarketPlace. Copyright 2018 Esri. Copyright 2017 Info group, Inc. All rights reserved.</p>							

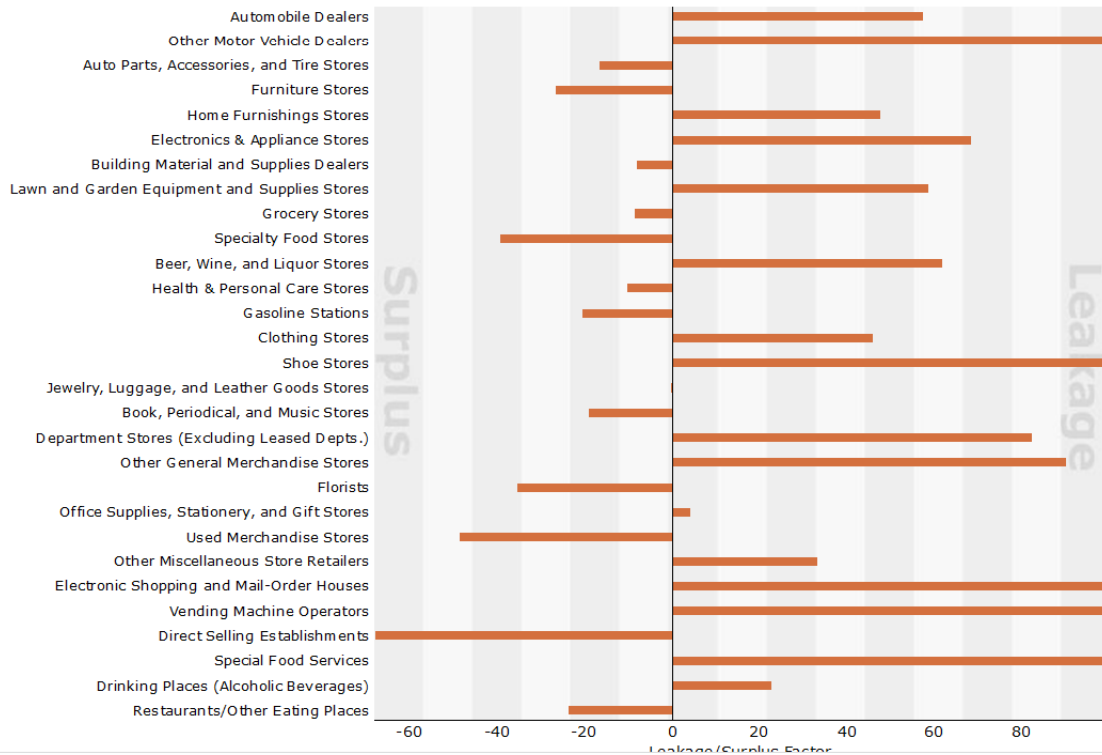
RETAIL DEMAND EXPENDITURE PROFILE – 2017 (30 Minute Drive)

		Retail MarketPlace Profile	
402 S 7th St, Garibaldi, Oregon, 97118 Drive Time: 30 minute radius		Prepared by Esri Latitude: 45.55456 Longitude: -123.91444	


2017 Leakage/Surplus Factor by Industry Subsector



2017 Leakage/Surplus Factor by Industry Group



RETAIL DEMAND EXPENDITURE PROFILE – 2017 (45 Minute Drive)



Page 4 of 6

Retail MarketPlace Profile

402 S 7th St, Garibaldi, Oregon, 97118
 Drive Time: 45 minute radius

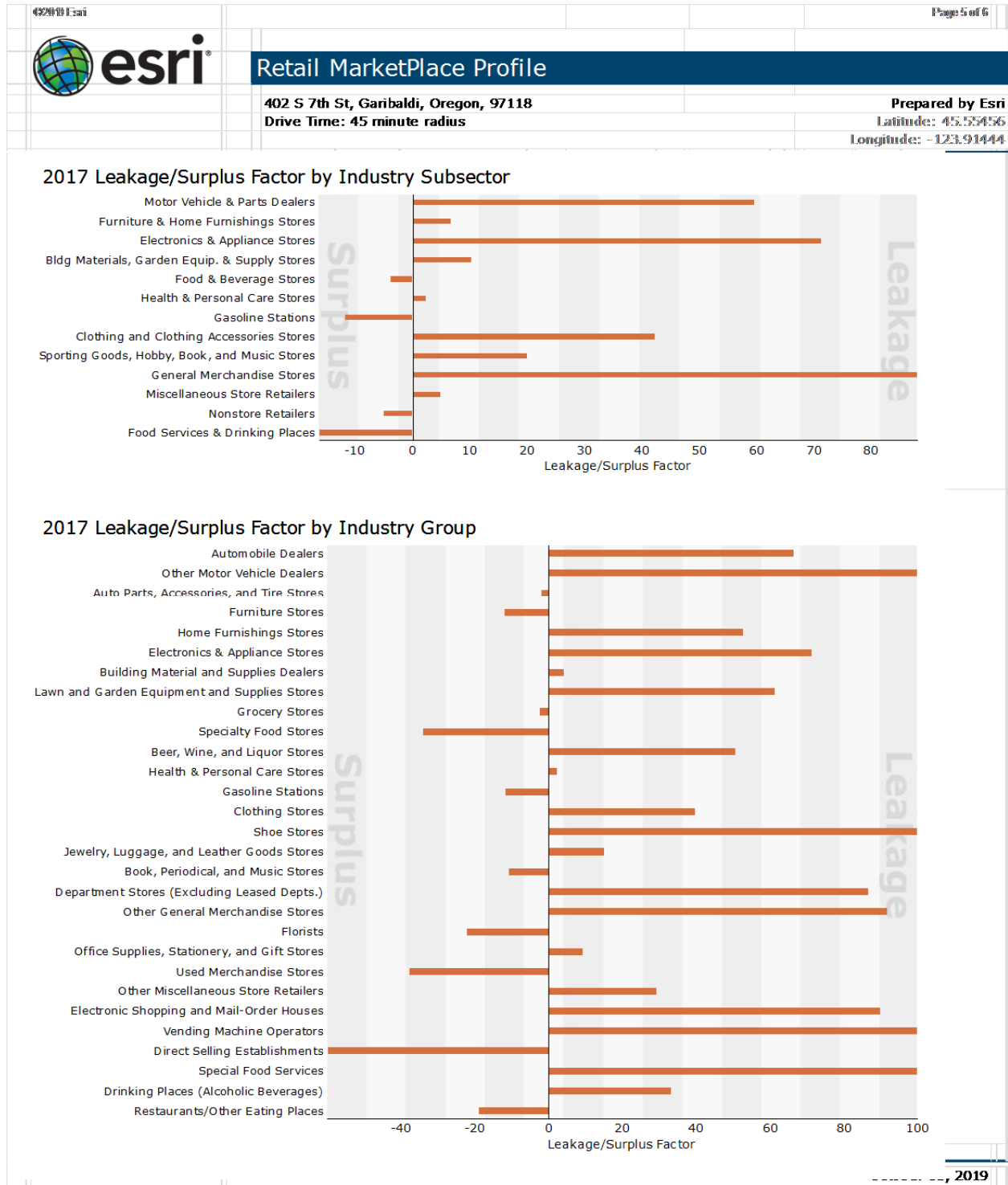
Prepared by Esri
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 Longitude: -123.91444

Summary Demographics						
2019 Population						21940
2019 Households						9,517
2019 Median Disposable Income						\$39,320
2019 Per Capita Income						\$28,651
2017 Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$254,096,898	\$176,782,334	\$77,314,564	17.9	249
Total Retail Trade	44-45	\$232,360,332	\$146,569,275	\$85,791,057	22.6	168
Total Food & Drink	722	\$21,736,566	\$30,219,059	-\$8,476,493	-16.3	81
2017 Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$53,129,421	\$13,433,842	\$39,695,579	59.6	9
Auto mobile Dealers	4411	\$42,153,707	\$8,483,903	\$33,669,804	66.5	2
Other Motor Vehicle Dealers	442	\$6,223,904	\$0	\$6,223,904	100.0	0
Auto Parts, Accessories & Tire Stores	4413	\$4,751,810	\$4,949,939	-\$198,129	-2.0	7
Furniture & Home Furnishings Stores	442	\$6,730,797	\$5,880,243	\$850,554	6.7	8
Furniture Stores	4421	\$3,962,602	\$5,026,558	-\$1,063,956	-11.8	2
Home Furnishings Stores	4422	\$2,768,195	\$853,685	\$1,914,510	52.9	6
Electronics & Appliance Stores	443	\$6,929,195	\$1,166,930	\$5,772,223	71.4	3
Bldg Materials, Garden Equip. & Supply Stores	444	\$17,425,906	\$11,163,789	\$6,262,117	10.3	16
Bldg Material & Supplies Dealers	4441	\$14,726,886	\$3,516,093	\$11,210,793	4.3	12
Lawn & Garden Equip. & Supply Stores	4442	\$2,699,021	\$647,696	\$2,051,325	61.3	4
Food & Beverage Stores	445	\$37,936,658	\$40,955,545	-\$3,018,887	-3.8	37
Grocery Stores	4451	\$33,528,106	\$35,250,307	-\$1,722,199	-2.5	10
Specialty Food Stores	4452	\$2,492,839	\$5,077,889	-\$2,585,050	-34.1	17
Beer, Wine & Liquor Stores	4453	\$1916,222	\$627,349	\$1,288,273	50.7	1
Health & Personal Care Stores	446,4461	\$14,938,002	\$14,212,275	\$726,727	2.5	12
Gasoline Stations	447,4471	\$24,658,003	\$31,188,567	-\$6,530,564	-11.7	10
Clothing & Clothing Accessories Stores	448	\$9,960,579	\$4,040,748	\$5,919,831	42.3	12
Clothing Stores	4481	\$6,379,740	\$2,757,929	\$3,621,811	39.6	9
Shoe Stores	4482	\$1,841,606	\$0	\$1,841,606	100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	\$1,739,233	\$1,282,820	\$456,413	15.1	3
Sporting Goods, Hobby, Book & Music Stores	451	\$7,469,465	\$4,968,891	\$2,500,574	20.1	14
Sporting Goods/Hobby/Musical Instr Stores	4511	\$6,703,731	\$4,017,203	\$2,686,528	25.1	10
Book, Periodical & Music Stores	4512	\$765,734	\$951,688	-\$185,954	-10.8	4
General Merchandise Stores	452	\$38,284,440	\$2,423,194	\$35,861,246	181.1	3
Department Stores Excluding Leased Depts.	4521	\$27,236,267	\$1,954,419	\$25,281,854	86.6	2
Other General Merchandise Stores	4529	\$11,048,173	\$468,781	\$10,579,392	91.9	1
Miscellaneous Store Retailers	453	\$11,621,432	\$1,057,721	\$10,579,392	5.0	42
Florists	4531	\$243,507	\$382,779	-\$139,272	-22.2	2
Office Supplies, Stationery & Gift Stores	4532	\$1,998,412	\$1,654,750	\$343,662	9.4	8
Used Merchandise Stores	4533	\$2,015,763	\$4,456,333	-\$2,440,570	-37.7	16
Other Miscellaneous Store Retailers	4539	\$7,363,750	\$4,023,859	\$3,339,891	29.3	16
Nonstore Retailers	454	\$3,276,475	\$3,620,530	-\$352,055	-5.1	2
Electronic Shopping & Mail-Order Houses	4541	\$2,221,927	\$117,430	\$2,104,497	90.0	1
Vending Machine Operators	4542	\$14,941	\$0	\$14,941	100.0	0
Direct Selling Establishments	4543	\$879,607	\$3,511,100	-\$2,631,493	-59.9	1
Food Services & Drinking Places	722	\$21,736,566	\$30,219,059	-\$8,476,493	-16.3	81
Special Food Services	7223	\$449,526	\$0	\$449,526	100.0	0
Drinking Places - Alcoholic Beverages	7224	\$10,366,678	\$5,912,295	\$4,454,383	33.3	3
Restaurants/Other Eating Places	7225	\$20,250,363	\$29,693,763	-\$9,443,400	-18.9	78

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where consumers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement. <http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

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RETAIL DEMAND EXPENDITURE PROFILE – 2017 (45 Minute Drive)

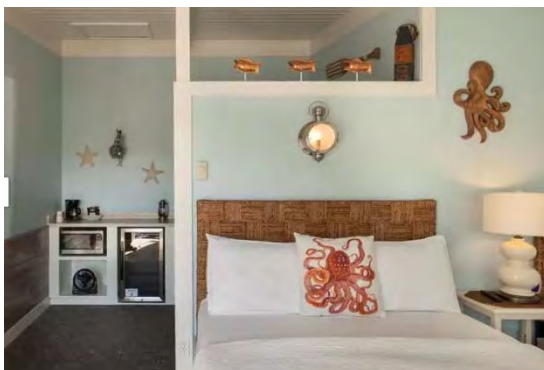


Lodging Market comparable (limited examples)

The broader Tillamook County Hotel/Motel market provides an array of overnight housing options. While largely full on Class B-C lower quality product, a limited scan of the inventory and offerings provide insights into the market potential.

Garibaldi Examples:

Within the Garibaldi sub-market, two hotel/motel offerings represent examples of both the average/above average within the market. The Garibaldi Inn & Suites would be representative of the overall market average, in terms of condition, quality, etc. The Harbor View Inn is representative of a below average building being converted into a more “boutique” market offering, with updated interior amenities and design aesthetic.



Pacific City Examples:

Within the Pacific City sub-market, two Hotel offerings provide examples of premium above average hotel accommodations within the market. Given the exiting and recently building inventory, the Pacific City sub-market is becoming the premium sub-market for hotel accommodations. Recently constructed projects have taken advantage of the seaside setting and nearby amenities such as the Pelican Pub & Brewery, to create a boutique and high-end hotel destination. Further, a new entrant to the market is taking advantage of the emerging “glamping” overnight market. The Hart's Camp Airstream Hotel & RV Park has taken the traditional *RV Park* and upgraded the sites to include permanent “airstream” trailer/campers with private side yards-outdoor living spaces and as a result of this trend, are able to extract premium overnight rates in result.

These market examples are reflective of a combination of factors (seaside location, community amenities, boutique and emerging overnight travel trends and preferences).



Port Businesses

Source: Port of Garibaldi website (October 2019)

Restaurants

[Fish Peddler](#)

5150 Hayes Oyster Dr.
Bay City, OR 97107
503-377-2323

[Fisherman's Korner](#)

306 Mooring Basin Dr.
Garibaldi, OR 97118
503-322-2033

[Portside Bistro](#)

307 Mooring Basin Drive
Garibaldi, OR 97118
971-265-1567

Charters

[Garibaldi Charters](#)

507 Garibaldi Ave.
Garibaldi, OR 97118
503-322-0007 or 800-900-HOOK

[Garibaldi Marina](#)

302 Mooring Basin Rd.
Garibaldi, OR 97118
503-322-3312

Fuel & Bait Services

[Siggi G Ocean Charters](#)

611 Commercial Ave.
Garibaldi, OR 97118
503-322-3285

[Kerri Lin Charters](#)

611 Commercial Ave.
Garibaldi, OR 97118
503-355-2439

[Meanwhile Charters, LLC](#)

Capt. Randy Kane
Cell 503-410-0289
Email: meanwhilecharters@gmail.com

Marine Services

[Big Tuna Marine](#)

209 S. 6th St.
Garibaldi, OR 97118
503-349-4892

[Greg's Marine Service](#)

409 E. Garibaldi Ave.
Garibaldi, OR 97118
(503) 322-3643

Pacific Rim Boat Wash

601 S. American Ave.
Garibaldi, OR 97118
503-812-9485

[Tillamook Bay Seafoods](#)

600 Commercial Ave
Garibaldi, Oregon 97118
503-812-4230

Ice Services

Seafood Buying/Processing

[Fishpeople Seafood/Garibaldi landings](#)

500 S. Biak Ave
Garibaldi, OR 97118
503-360-7899

Fuel, Bait & Ice services

[Pacific Oyster Company](#)

5150 Oyster Drive
Bay City, OR 97107
503-377-2323

[The Garibaldi Cannery](#)

606 Commercial Ave.
Garibaldi, OR 97118
503-322-3344

The Spot

304 Mooring Basin Rd.
Garibaldi, OR 97118
503-322-0080

Lodging

[Harborview Inn & RV](#)

302 S. 7th St.
Garibaldi, OR 97118
503-322-3251

Port of Garibaldi RV Park
606 Biak Ave.
Garibaldi, OR 97118
503-322-3292

Lumbermill

[Northwest Hardwoods](#)
202 S. 7th St.
Garibaldi, OR 97118
503-322-3367

Local Agencies

[USCG Station Tillamook Bay](#)
One Coast Guard Way
Garibaldi, OR 97118
503-322-3531

Tillamook County Hospital – Ambulance Quarters
306 S. 7th St.
Garibaldi, OR 97118
503-842-4444

[Tillamook Estuaries Partnership](#)
613 Commercial Ave.
Garibaldi, OR 97118
503-322-2222

Building Type Definitions

Class A Buildings

Class A space comprises the newest and most state-of-the-art office buildings in the area. For example, these buildings usually have high-quality construction, great location, top-notch management and lots of visual appeal, a high [parking ratio](#), state of the art HVAC systems, the latest in security and communications systems, and best-in-class amenities (such as cafes, beautiful lobbies, valet service, etc.). Class A buildings often offer rents significantly above the area's market average.

Class B Buildings

Often slightly older (usually between 10-20 years old), Class B office buildings have fair to good visual appeal, are somewhat well located, have a fair amount of on-site parking, functional HVAC systems, and decent quality management. Many Class B buildings are four stories or less, but they can vary greatly in size. Class B buildings occupy the medium price range for the area.

Class C Buildings

Class C buildings are often much older (often 20+ years), need substantial renovation or improvements, may have little to no parking, don't usually have elevators or central A/C, and are often located farther from desirable areas. Class C buildings are more likely to be occupied by small, family-run businesses, or newer companies that cannot afford higher-quality space. Class C buildings occupy the lowest price point in the area, they typically offer below-market rents.

Tourism Data



Oregon Tourism Commission
 dba Travel Oregon
 530 Center St. NE, Suite 200
 Salem, Oregon 97301
 503-967-1560

OREGON LODGING STATISTICS August 2019 (YTD)												
Region	Occupancy (%)		Room Rate (\$)		RevPAR (\$)		Room Supply		Room Demand		Room Revenue (\$)	
	Month	% Chg	Month	% Chg	Month	% Chg	Month	% Chg	Month	% Chg	Month	% Chg
United States	67.6	0.1	131.95	1.1	89.24	1.2	1,286,147,333	2.0	869,913,391	2.1	114,781,733,235	3.2
Pacific	75.2	(0.3)	173.80	1.7	130.68	1.4	186,790,181	1.5	140,442,719	1.2	24,409,196,811	3.0
Statewide	67.8	0.2	126.26	0.3	85.56	0.5	16,454,116	2.6	11,150,137	2.8	1,407,763,541	3.1
Eastern	59.1	2.4	86.37	0.2	51.09	2.6	1,145,238	0.1	677,404	2.6	58,509,081	2.8
Central	67.1	3.6	149.39	4.7	100.21	8.4	1,446,633	4.7	970,430	8.4	144,970,271	13.5
Southern	62.6	(2.1)	97.59	(0.3)	61.12	(2.3)	2,068,537	3.1	1,295,636	1.0	126,439,001	0.7
Willamette Valley	65.0	0.7	109.14	(0.5)	70.97	0.2	2,592,048	0.4	1,685,386	1.1	183,947,350	0.6
Mt Hood/Gorge	68.7	1.8	115.61	0.7	79.45	2.5	537,273	0.1	369,214	2.0	42,685,578	2.7
Portland Metro	75.2	(0.7)	141.51	(0.8)	106.40	(1.5)	6,027,886	5.0	4,532,038	4.2	641,339,476	3.4
Coast	61.7	(0.3)	128.75	(0.2)	79.47	(0.5)	2,669,655	0.2	1,647,865	(0.1)	212,156,797	(0.4)

Source: STR

OREGON LODGING STATISTICS August 2019 (Month)												
Region	Occupancy (%)		Room Rate (\$)		RevPAR (\$)		Room Supply		Room Demand		Room Revenue (\$)	
	Month	% Chg	Month	% Chg	Month	% Chg	Month	% Chg	Month	% Chg	Month	% Chg
United States	71.4	(0.0)	132.47	0.9	94.55	0.9	166,065,016	2.0	118,527,303	2.0	15,700,826,082	2.9
Pacific	80.9	(0.1)	183.04	1.4	147.99	1.3	24,031,014	1.6	19,429,729	1.5	3,556,347,583	2.9
Statewide	80.8	0.2	144.60	(0.3)	116.83	(0.2)	2,106,388	2.1	1,701,817	2.2	246,079,276	1.9
Eastern	73.0	2.4	94.40	(0.4)	68.93	1.9	146,599	0.5	107,045	2.9	10,105,123	2.4
Central	84.1	4.0	183.53	2.2	154.33	6.3	186,341	4.3	156,691	8.5	28,757,994	10.9
Southern	75.8	0.2	107.62	(2.7)	81.56	(2.5)	266,786	3.2	202,177	3.4	21,758,058	0.6
Willamette Valley	74.1	(2.2)	117.77	1.3	87.23	(1.0)	329,127	(0.5)	243,782	(2.7)	28,709,819	(1.4)
Mt Hood/Gorge	82.6	2.0	139.45	0.8	115.13	2.8	68,541	0.1	56,591	2.1	7,891,415	2.9
Portland Metro	85.7	(0.4)	157.27	(1.9)	134.84	(2.3)	773,140	4.2	662,833	3.8	104,247,011	1.8
Coast	81.3	(0.2)	162.46	0.1	132.05	(0.1)	340,566	0.0	276,804	(0.2)	44,970,067	(0.1)

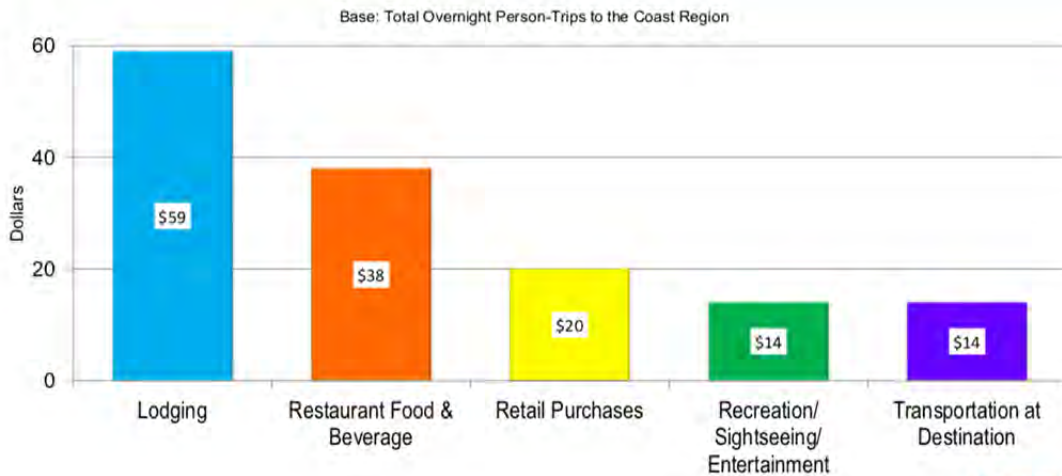
Source: STR



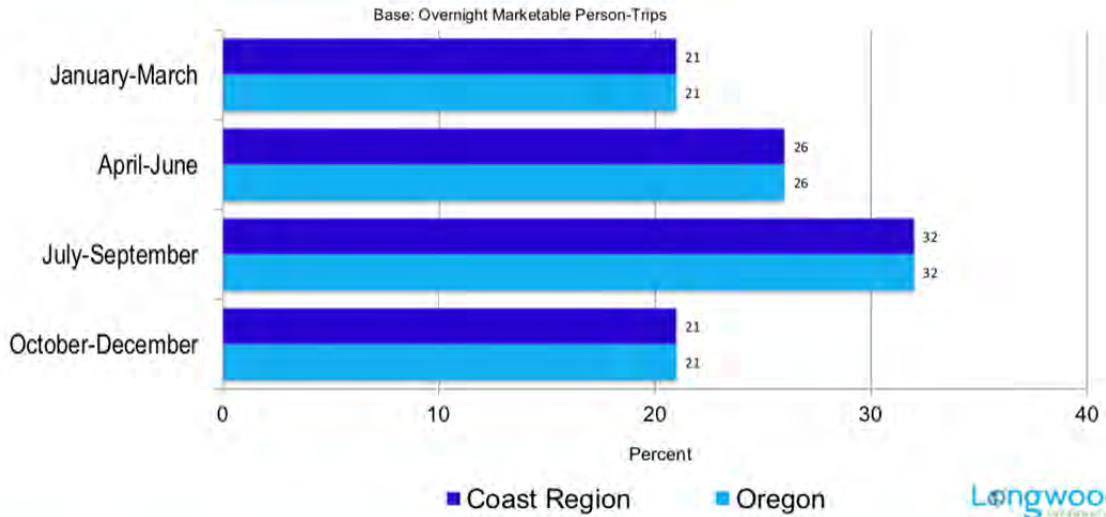
Oregon 2017 Regional Visitor Report The Coast



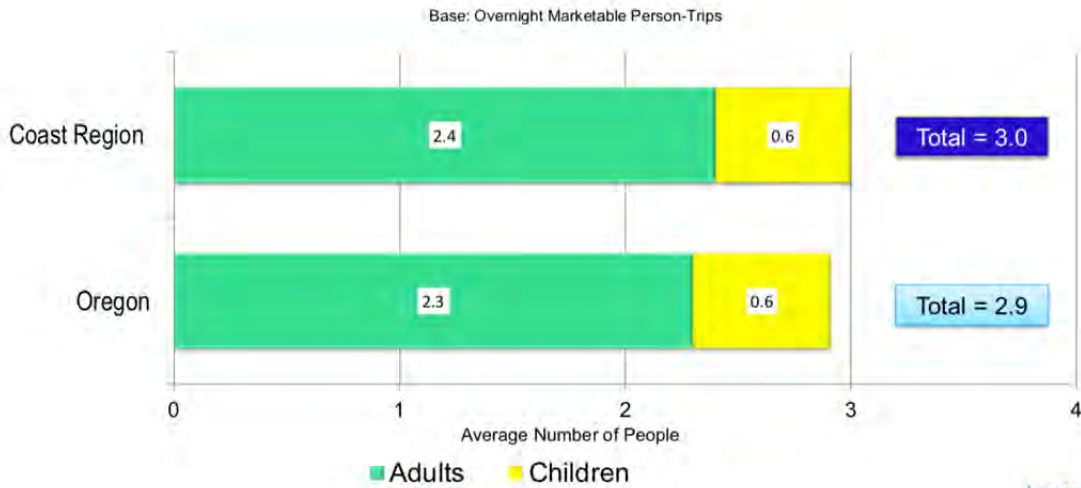
Average Per Person Expenditures on Overnight Trips — By Sector



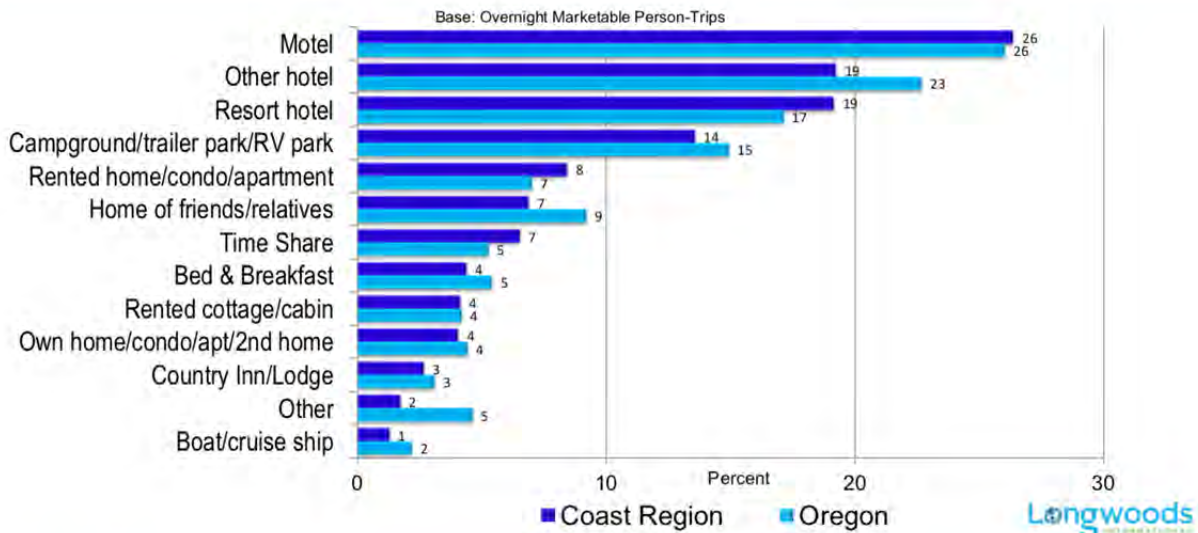
Season of Trip



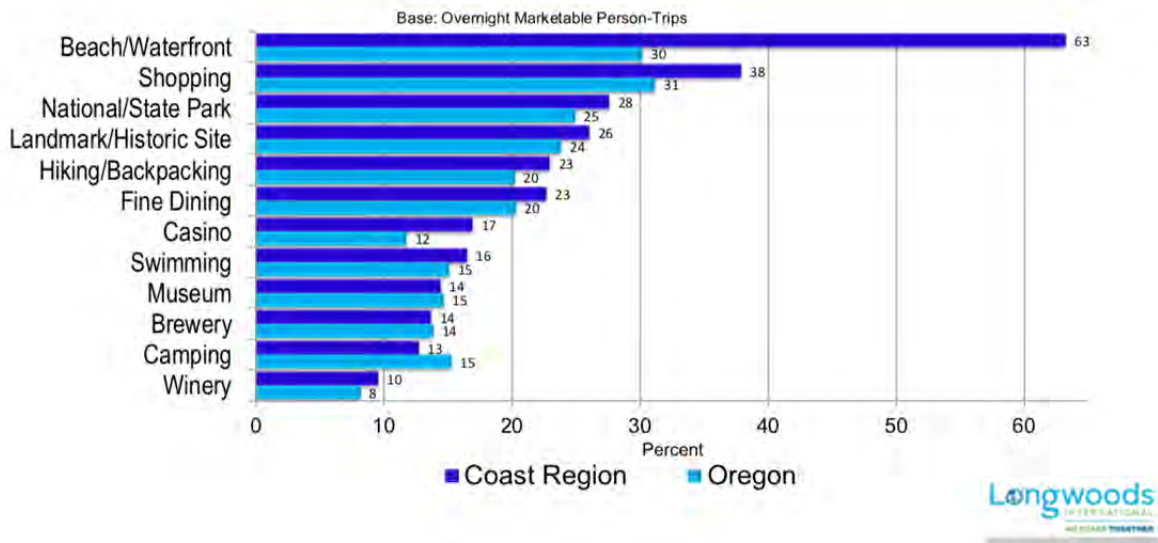
Size of Travel Party



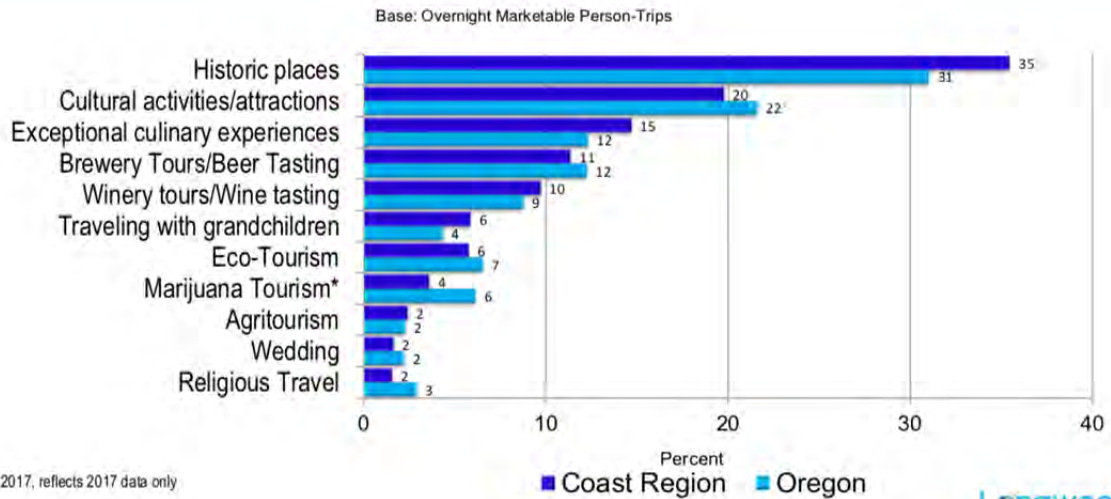
Accommodations



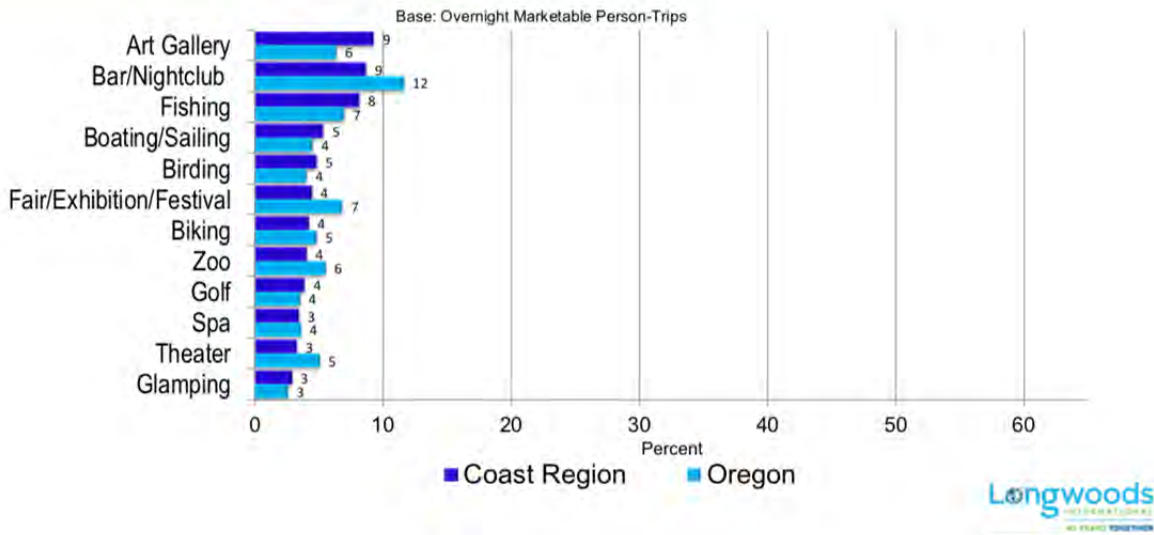
Activities and Experiences



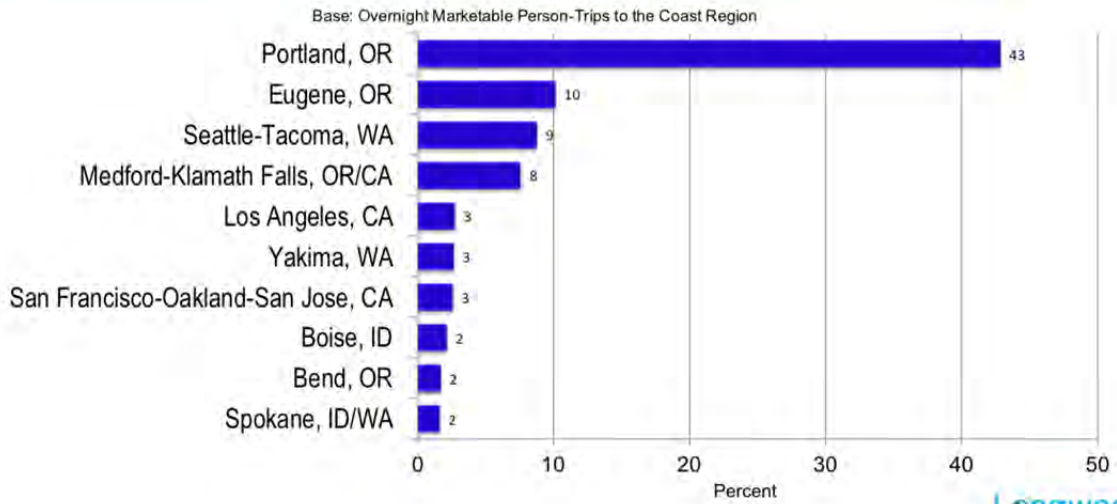
Activities of Special Interest



Activities and Experiences (Cont'd)



DMA Origin Of Trip



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Site Assessment

TASK 3: Site Conditions / Readiness Assessment

Site Assessment: Summary Observation

In total, the subject site is suitable for an array of development uses. There are no apparent conditions or conflicts that would prohibit site development nor that would make it financially infeasible to develop the site. Current temporary uses of the site (commercial fishing supplies, overflow marina parking), and adjacent Coast Guard uses, may pose a constraint to full site development.

Key Findings

Site:

- The subject site is roughly 1 acre in size, located at the southern terminus of the Port of Garibaldi.
- The site is a sub-portion of a larger legal parcel of 4.99 (+/-) acres in size (Map Tax lot 1N1021AC14104; Tax Account 9074)
- The site is solely owned by the Port of Garibaldi, which is a special purpose district government agency of the State of Oregon.
- The Port of Garibaldi has exclusive authority to enter into agreements with separate public and private entities with the purpose to: sell, lease, encumber, or otherwise commit the property for any purpose authorized by law, and specifically for the purpose of site development.

Current Use:

- The site is current bare / raw land with no permanent or temporary structures (above or below ground) present on the site.
- The site is used for overflow parking and periodic temporary use for fishing equipment and materials.
- Property records indicate that site is free of easements or encumbrances.
- The site has functional access to in-water pier located at SW corner of the site.
- The site is adjacent to a US Coast Guard helipad, which occupies property at the SW corner of the site and that property, is encumbered by a long-term with the United States Coast Guard (Homeland Security).
- Abutting the western edge of the site are US Coast Guard ambulance and maintenance buildings, which occupy property encumbered by a long-term with the United States Coast Guard (Homeland Security).
- Abutting the eastern property edge is the Port of Garibaldi corporate offices.
- Abutting the southern property edge is the Tillamook Bay.

Regulations:

- Zoning and allowed and conditional land use options vary across the site. A portion of the site is zoned Waterfront Dependent (WD) and a portion of the site is zoned Waterfront Mixed-use (WM).

- Use types in WD zone should be oriented for water dependent industries; and, use types in WM zone can be a mix of uses including more traditional office, retail and lodging. Conditional use allowances are provided for within each zoning type.
- Rationalization of site's split zoning (WD/WM) may require a zone-map amendment.
- Building height maximum: 30 feet
- Setbacks: varies 10-15 feet (dependent upon adjacent use and underlying zone)
- Parking: varies 1-2 spaces per 1,000 gross-floor-area (dependent upon use type)
- Public street access is provided by S. 7th Street
- On and off-site infrastructure upgrades (access, street frontage, off site mitigations) may be required, dependent upon use type and corresponding development permit impact assessments.

Utilities:

- The site can be served by all city and franchise utility providers (with limited service extensions).
 - Sanitary Sewer: stubbed nearly adjacent to the site, from S . 7th Street (near NE corner of site).
 - Water: water line present within S. 7th Street, approximately 100 feet from site.
 - Stormwater: city codes dictate that stormwater facilities will be built on site at time of development. Facilities will be designed for stormwater capture for on-site pre-treatment prior to discharge to Bay.
 - Franchise utilities (electricity, telephone, cable): all customary private franchise utility providers have service within proximate to site.
 - Gas services are provided by contract Propane vendors.

Planning Context:

- The Port of Garibaldi has undertaken extensive infrastructure and land use planning studies and are current in their required plan documents. Notable Plan documents include:
 - Port of Garibaldi Strategic Business and Capital Facilities Plan (2017). This Plan provides the most current and comprehensive documentation of capital facility improvement plans and planning estimates.
 - Port of Garibaldi Vision Plan (2014). This Plan provides a contextual vision and strategy, including proposed on-site design standards for future site development and improvement. The Plan also includes concepts for future use strategies at the Port's sites.
- The Port conducts ongoing concept / sketch planning with a local architect for proposed and hypothetical capital improvements and development concepts. Several concepts contemplate a Brewery at the subject site.
- The City of Garibaldi has adopted regulatory Plans which provide the land use vision and identify capital improvement needs for the City, including Port properties. Those Plans include:
 - City of Garibaldi Comprehensive Plan (2014)
 - City of Garibaldi Transportation System Plan (2017)

- Special Transportation Area Final Report (2015)
- City of Garibaldi Urban Renewal Plan (2004)

Unique Site Characteristics:

- Coast Guard Helipad and leased spaces. Proximity and use of the Coast Guard helipad and other facilities may limit site use options, or the relationship may need to be modified/clarified.
- Functional Pier. Proximity and access to the in-water pier (and dolphins) and shipping channel presents a unique site use options and may preclude others.
- Overflow demand. Use of the site for recurring overflow parking and temporary fish equipment storage presents a challenge and demonstrates a basic need at the Port site.

Site & Infrastructure Funding Profile:

- City and Port funding tools may be available and could be deployed to help support on and off-site infrastructure and site development costs.
- The site is located within the City's Urban Renewal District, and several infrastructure improvements that would be supportive of site development are identified in the Plan.
- Private financing in the form of Local / Reimbursement Service Districts, Development Agreements, and special assessments may be a funding option.
- State and federal grant and loan programs are available and could be pursued to fund site development costs including infrastructure and buildings.
- The site is located within a federal designated Enterprise Zone. Site investment and funding opportunities may be available to the Port, dependent upon current federal regulations.

XV. Scope of Site Conditions / Readiness Assessment

The primary purpose of this assessment is to understand site context, conditions and the regulatory environment.

The primary tasks involved in assessing the proposed site conditions are as follows:

- Prepare an assessment of the subject site.
- Evaluate applicable land development codes.
- Assess existing on and off-site infrastructure.
- Assess site development risks and conditions.
- Identify unique site conditions which may affect site development options.
- Identify promising infrastructure and site development funding options and programs.

Research for this study was completed in October 2019, and the analysis of findings reflect market conditions as of that period. In all cases, attempts have been made to verify the data used in this analysis. Supplemental data on which these findings are found in both the body of the report and the appendices.

XVI. Community Context

REGION

The subject site is located in the City of Garibaldi, Tillamook County Oregon. It is strategically located at the south frontage of the Port of Garibaldi's marina district, abutting the Tillamook Estuary. Garibaldi is a small rural community served by US 101, located between the cities of Tillamook and Pacific City. Garibaldi is roughly 80 miles from the Portland/Vancouver metropolitan area. Interstate 5. Garibaldi is near abundant recreation, coastal communities, and is the closest public marina to the Portland metro which provides recreational and commercial boat launches to the Pacific Ocean.

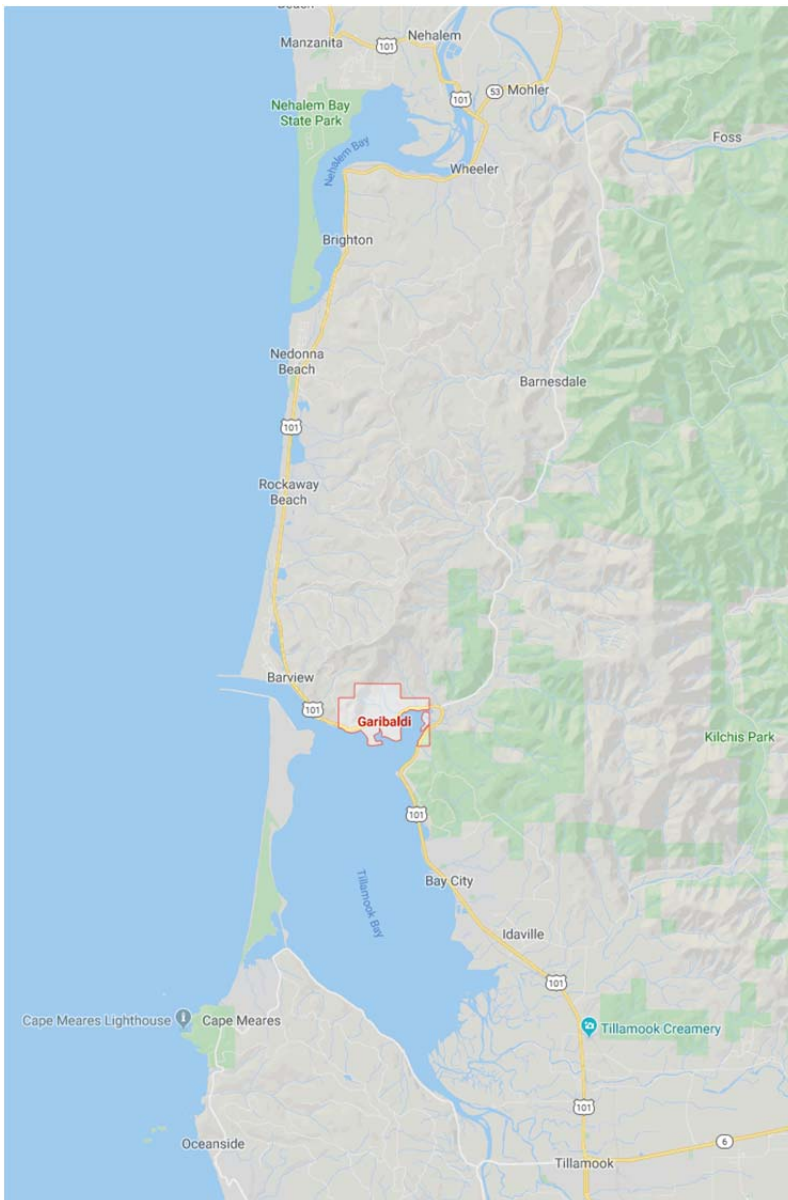


Figure 1. Regional Context

UGB Population (estimated 2019)

- Garibaldi: **800**
- Tillamook: **5,600**
- Manzanita/Nehalem/Wheeler: **2,600**
- Tillamook County: **26,600**

Proximity to Adjacent Markets (from Garibaldi):

- Tillamook: **10 +/- Miles**
- Manzanita: **17 +/- Miles**
- Forest Grove: **60 +/- Miles**
- Portland: **82 +/- Miles**

Figure 2: Garibaldi City Limits

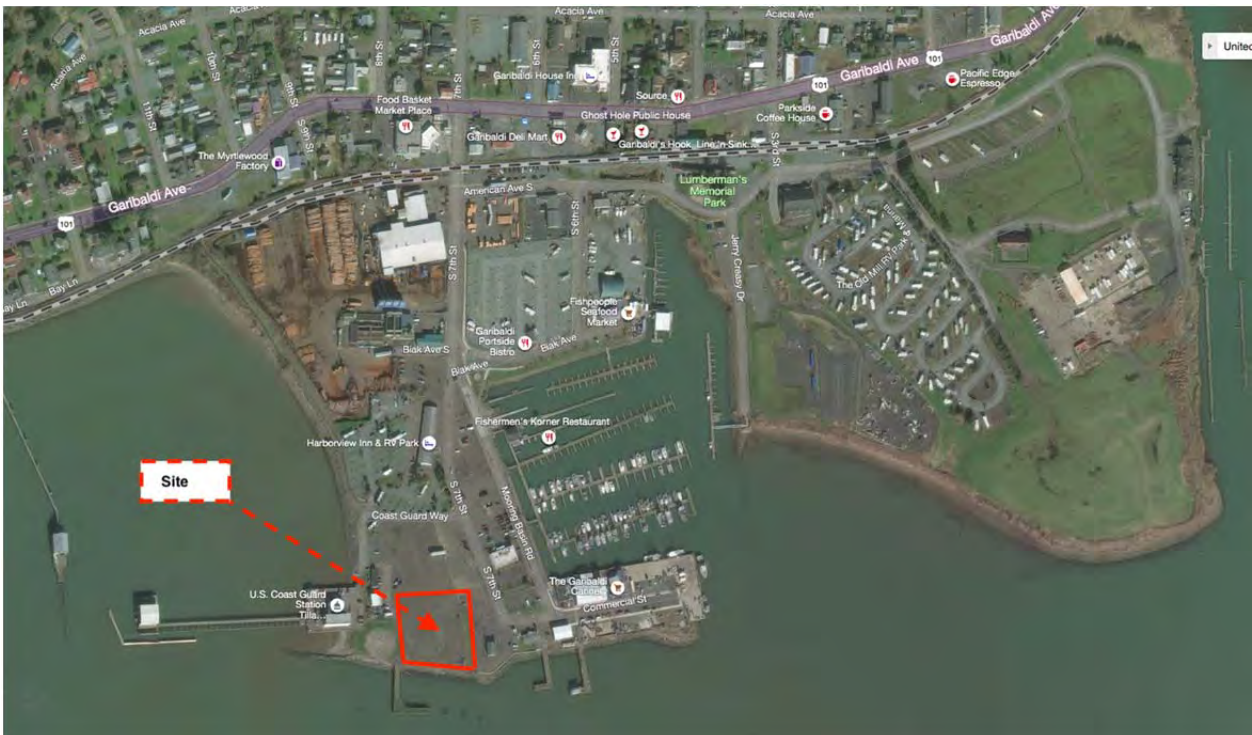
Garibaldi is a small community by population and employment. The community character is patterned as a coastal fishing/marine community in character and civic vision. Downtown's Main Street (US 101) is the commercial and circulation hub of the community and also serves as the through route for regional and bi-state travel. It is a limited service community, and where traditional commercial services don't exist, nearby cities of Tillamook and Rockaway Beach provide relief.



Area

The subject sites are located in at the south edge of the Port of Garibaldi marina. The site is abutting the Tillamook Bay. The site is roughly 0.5 miles south of the intersection of S. 7th Street / US 101. US 101 daily traffic volumes at US 101 / S. 7th Street are 8,000. The site is served by the Port's primary interior north/south circulation corridor S. 7th Street.

Figure 3: Site – Area Relationships



XVII. Site Context

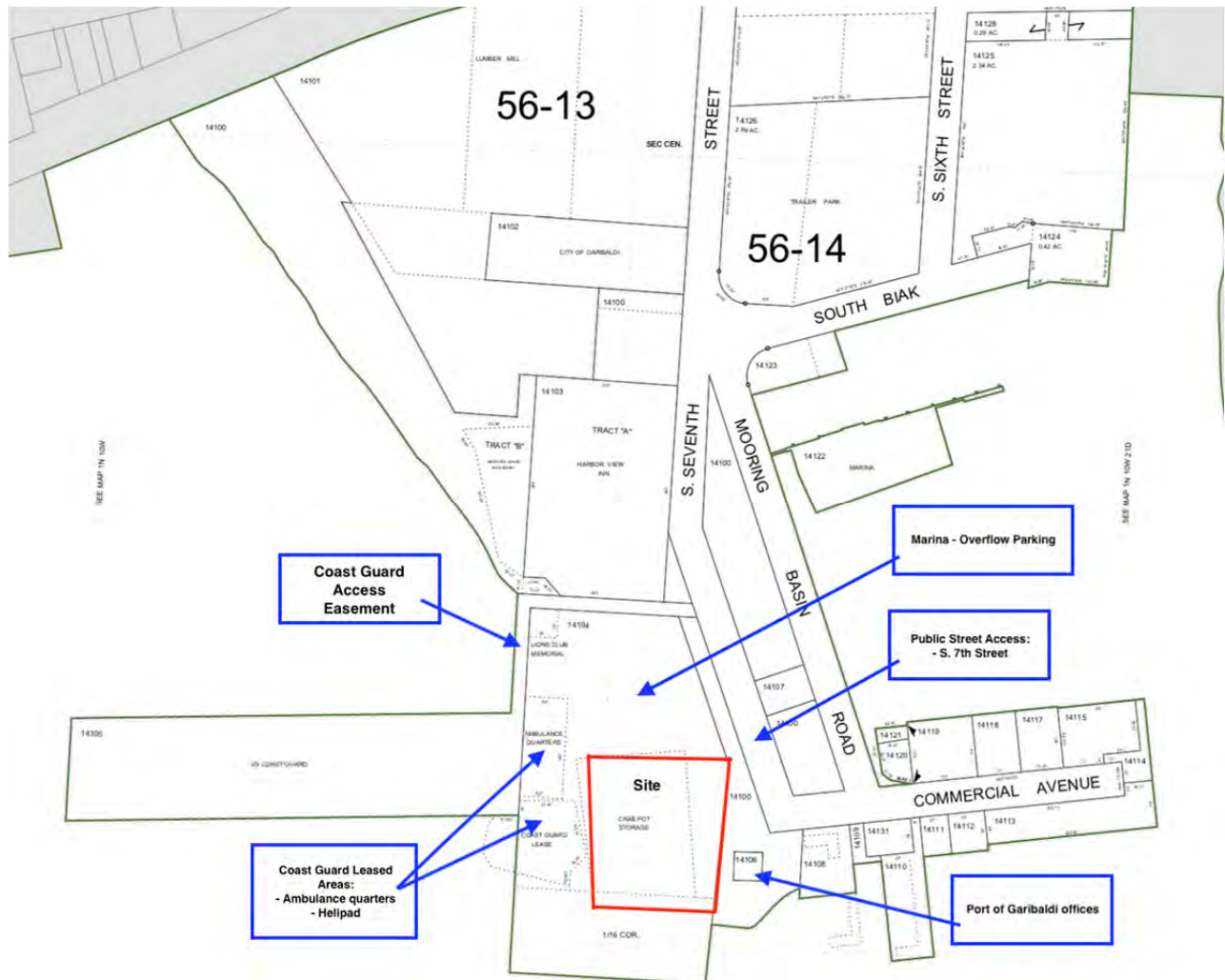
GENERAL SITE DEFINITION

The subject site is a sub-portion of a larger legal parcel of 4.99 (+/-) acres in size (Map Tax lot 1N1021AC14104; Tax Account 9074)

The specific site is roughly 1 acre in size, located at the southern terminus of the Port of Garibaldi. The site is abutting key features including:

- The site is current bare / raw land with no permanent or temporary structures (above or below ground) present on the site.
- This site is used for overflow parking and periodic temporary use for fishing equipment and materials.
- Property records indicate that site is free of easements or encumbrances.

Figure 4: Site – Context (Source: Tillamook County)



GENERAL SITE CHARACTERISTICS

The lot is flat with no unusual topographic features.

South Frontage: the Tillamook Bay, and a functional shipping pier/dock facility with ramp access at the south-west corner of the site. The south frontage abuts an armored rip-rap water edge which slopes downward from the site to the water edge.

West Frontage: US Coast Guard station facility which includes an office / maintenance outbuilding and a helicopter helipad. The helipad perimeter is fenced, and access to the other buildings is accessed either by a private paved driveway or from S. 7th Street.

East Frontage: Port of Garibaldi corporate offices. The Port facilities are surrounded by a paved drive and parking areas. The Port office site approximately in the center of the site. A small linear grass strip runs along the property line between the subject parcels.

North Frontage: Overflow surface parking lot for marine and other commercial activities. The parking lot is unpaved and is no distinguishing features separate the north abutting lot from the subject site. S. 7th Street is unpaved abutting and separate the subject parcels.

Figure 5: Site – Key Relationships to other Uses



Figure 6: Site - Looking South



Figure 7: Site - Looking North

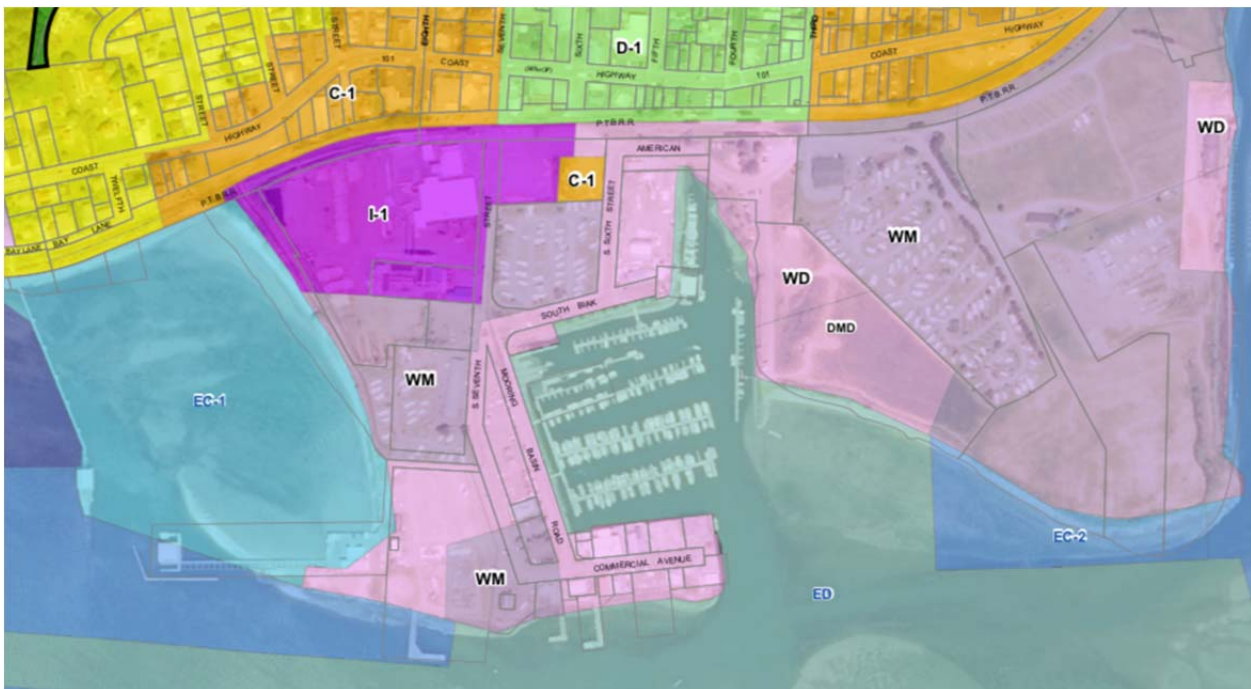


XVIII. Land Use and Building Regulations

Summary: The subject site is located within two zoning districts: **Water-Dependent Development Zone (WD)** (Zoning Code Chapter 18.35); and, **Waterfront Mixed-Use Zone (WM)** (Zoning Code Chapter 18.40).

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

Figure 8. Garibaldi Zoning Districts Map (Source: City of Garibaldi)



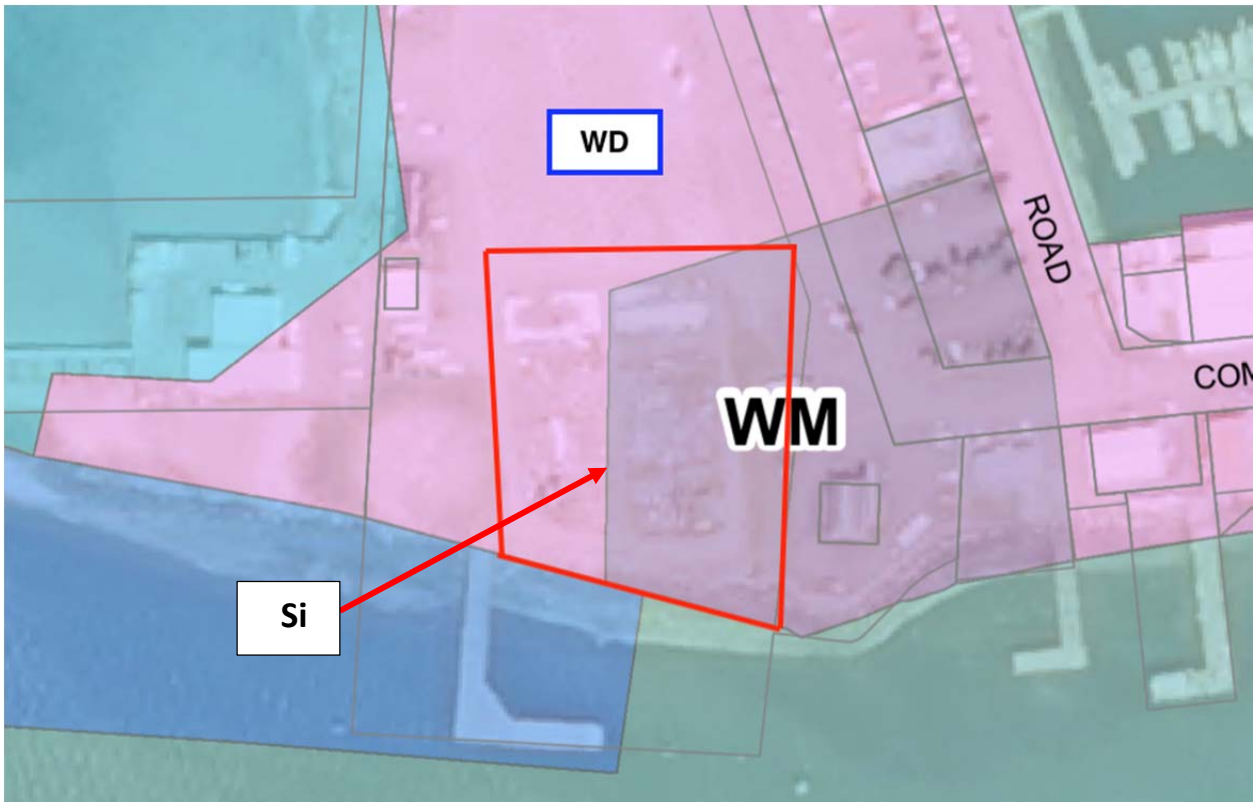
Zoning Key:

- WD** – Water Dependent Development Zone (Chapter 18.35)
- WM** – Waterfront Mixed-Use Zone (Chapter 18.40)
- EC-1** – Estuary Conservation 1 Zone (Chapter 18.65)
- EC-2** – Estuary Conservation 2 Zone (Chapter 18.70)
- E-D** – Estuary Development Zone (Chapter 18.75)
- I-1** – General Industrial Zone (Chapter 18.30)
- C-1** – Commercial Zone (Chapter 18.25)
- D-1** – Downtown Zone (Chapter 18.27)

DMD – Dredge Material Disposal Site Protection Overlay Zone (Chapter 18.45)

Subject Site Zoning Map (close-up)

Figure 9: Site – Parcel Zoning. (Source: City of



WD – Water Dependent Development Zone (Chapter 18.35)

WM – Waterfront Mixed-Use Zone (Chapter 18.40)

EC-2 – Estuary Conservation 2 Zone (Chapter 18.70)

E-D – Estuary Development Zone (Chapter 18.75)

KEY ZONING CODE PROVISIONS

Use Table (Zoning Code Chapter 18)

- Zone Priority:
 - o WD Zone: the WD zone is intended to provide an area for uses that are water dependent or related. Which means, that is the primary function of this zone. Uses which are not dependent or related to the water but are ancillary to that use (i.e. retail fish sales associated with seafood processing) may be allowed in this zone.
 - o WM Zone: the WM is intended allow a variety of mixed uses in a waterfront setting. , when they are compatible and do not interfere with adjacent water dependent uses in the WD zone.

- Conditional Uses:
 - o Both the WD and WM zones allow for conditional uses which expand the use table to include nearly all uses which would be feasible and appropriate at the Port’s facility. The only use which would be prohibited in any circumstance would be stand-alone single-family residential housing.

Unique criteria:

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

Table 1: Parcel Zoning Comparison (Source: City of Garibaldi)

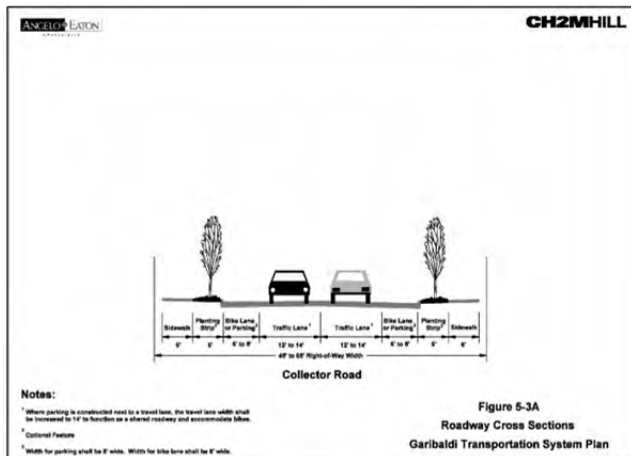
Use Type (general category)	WD	WM
Industrial	YES (water dependent) Conditional Use (warehousing, storage, other)	Yes (water related)
Commercial	YES (marinas, support facilities, other water dependent)	Yes (water related)
Office	No (for stand-alone commercial offices)	YES
Retail	Conditional Use (must be related to allowed commercial use, or support to fishing)	Yes

Retail Food / Restaurant	Conditional Use (must have view of water, and, must be attached to water-related or dependent use	Yes
Light Manufacturing – Food & Beverage	No	Conditional Use
Hotel / Motel	No	Conditional Use
Multi-Family Housing	No	Conditional Use
Single-Family Housing	No	Yes (as part of mixed-use project or planned-unit-development)
Recreation	YES (low intensity, viewpoints, fishing)	YES
Public Park – Open Space	YES (low intensity or water dependent, parks)	YES
Parking Lot		YES (associated with marine) Conditional Use (non marine associated)
Outside Storage	Conditional Use (for marine equipment or waterborne commerce)	

Public Street Cross Section

The Port and City of Garibaldi have prepared a capital improvement plan for S. 7th Street as it runs approximate to the eastern edge of the subject site. Upon site development the Port and City will collaborate on the required street / frontage improvements that will become a condition of site development.

Figure 10: Potential Street Cross Section (Source: City of



- It is assumed that a street improvement will be required to run westerly from S. 7th Street across the frontage of the subject site and segregating the site from the remainder unpaved parking lot to the north. A proposed street improvement cross-section is illustrated.

- Access revisions and clarification of easement rights to the US Coast Guard leased property may need to occur.

Parking requirements (Zoning Code Chapter 18.125)

Table 2: Parking Code (Source: City of Garibaldi)

Use Type (general category)	Parking Ratio
Industrial	1 space per 1,000 SF Floor Area
Commercial	
Office	2 spaces per 1,000 SF Floor Area
Retail	2 spaces per 1,000 SF Floor Area
Retail Food / Restaurant	8 spaces per 1,000 SF Floor Area
Light Manufacturing – Food & Beverage	1 space per 1,000 SF Floor Area
Hotel / Motel	0.75 space per rentable room
Multi-Family Housing	1 space per studio/1 bdrm 1.5 spaces per 2 bdrm 3 spaces per 3 bdrm
Single-Family Housing	2 spaces
Recreation	Per Conditional Use review
Public Park – Open Space	Per Conditional Use review
Outside Storage	

Unique Parking provisions:

- On street parking can satisfy the parking requirements of Zoning Code, provided they are located on a public street and block face abutting the subject parcel. (See Zoning Code Chapter 18.125.050)
- Shared Parking is allowed, where use needs do not overlap. A written agreement must accompany a shared parking arrangement. (See Zoning Code Chapter 18.125.060)
- Offsite parking is allowed for all use categories (except single family residential). Vehicle parking spaces provided off-site must be located within 500 feet of the use it serves. Use rights must be established by a written agreement. (See Zoning Code Chapter 18.125.070)
- The City of Garibaldi has adopted bicycle parking standards which apply to all use categories. Bicycle parking standards are divided into short and long-term space requirements. (See Zoning Code Chapter 18.125.110)

Required Application Type and Review Procedures:

- Garibaldi Land Use Permit Application
 - o *Potential Condition Use Permit (subject to use proposal)*
- Garibaldi Building Permit Application *(Administered by Tillamook County)*

- Street Improvement permit
- Water and Sewer service connection permits
- Land Use District Map and Text Amendment (Chapter 18.200) (*may be required to clarify underlying zoning boundaries in relation to subject site*)

Port of Garibaldi Vision Plan (2014): Design Standards

- The Port of Garibaldi Vision Plan provides for Design Standards for site development. While not approved and required, a question remains whether these Design Standards, in part or in whole, should be applied to the subject site development.

Outstanding Permit Questions:

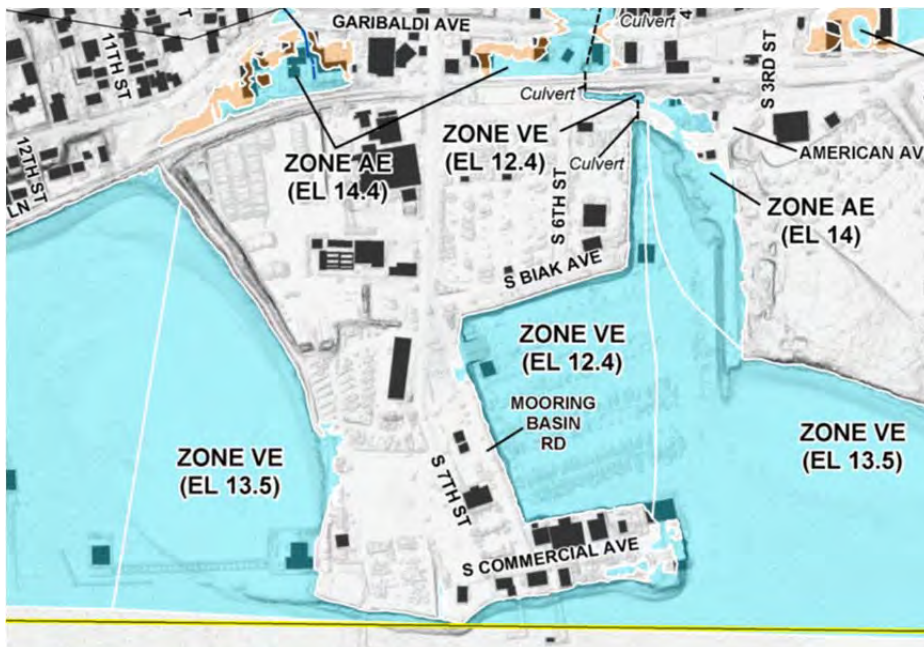
- On and off-site improvement requirements. What will be the level of on and off-site improvement requirements (ex. street improvements from S. 7th Street to the site, and, off-site street upgrades) will depend upon the magnitude and measured impacts of site development. If the site remains unchanged, then no further site improvement will be required. If the site is improved to a significantly higher use activity, then on and off-site improvements may be triggered to address site generated traffic and related use impacts.
- Access ingress/egress easements to the Coast Guard lease property may need to be clarified and or rationalized with a probable street / frontage improvement extension across the north frontage of the site and which would about the leased property boundary.
- Helipad clear zone restrictions could affect site development by imposing more restrictive building setback and building height constraints. Early consultations with the US Coast Guard and the Federal Aviation Administration regarding any specific design criteria (or limitations) for site development in regard to the helipad.

ENVIRONMENTAL CONDITIONS

Flood Damage Prevention (City Code Chapter 16.05):

- The City of Garibaldi has adopted a code regulating the building construction techniques for structures located within the known flood prone areas within the city limits. Garibaldi utilizes the Federal Emergency Management Agency – National Flood Insurance Program – Flood Insurance Rate Map (FIRM) map system and designations.
- The subject site is *adjacent* to a designated Coastal high hazard area (V zone) and would be regulated by City Code 16.05.180. However, the subject site is not within a designated V zone according to the current FIRM mapping (September 2018).

Figure 10: FIRM Map: 41057C0391F - Version 2.3.2.1 (September 28, 2018) (Source: Tillamook County)



Tsunami Inundation Zones

The subject site is located within a Tsunami inundation zone. The subject site is within the **M** scenario category.

The Oregon Department of Geology and Mineral Industries (DOGAMI) has been identifying and mapping the tsunami inundation hazard along the Oregon coast since 1994. In Oregon, DOGAMI manages the National Tsunami Hazard Mitigation Program, which has been administered by the National Oceanic and Atmospheric Administration (NOAA) since 1995. DOGAMI's work is designed to help cities, counties, and other sites in coastal areas reduce the potential for disastrous tsunami-related consequences by understanding and mitigating this geologic hazard.

TIM series inundation maps incorporate all the best tsunami science that is available today. The TIM series depicts the projected tsunami inundation zone from five different magnitude Cascadia Subduction Zone seismic events. These events are categorized as small, medium, large, extra-large, and extra extra-large (S, M, L, XL, XXL) tsunami inundation events. These different modeled events reflect the full range of earthquake and tsunami events experienced in the past and what will be encountered in the future.

Figure 11: Cascadia Subduction Zone – Tsunami Inundation Map (State of Oregon, 2012) (Source: Tillamook County)



Key:

Purple – M scenario

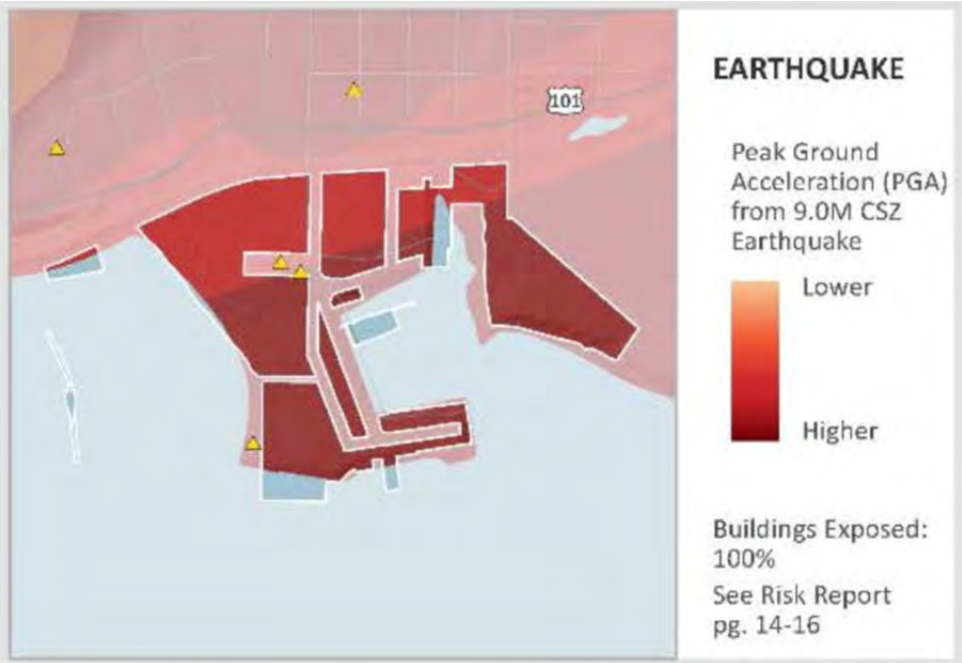
Yellow – L scenario

Site Geotechnical Conditions

The subject site is likely comprised of compacted non-organic fill material. Further site investigations will be needed to determine soil stability and building foundation and structural loading design criteria.

The site is designated in a HIGH peak ground acceleration simulation model, meaning that the site may be at risk for ground disturbance and or liquefaction upon a given seismic event.

Figure 12: Tillamook County Multi-Jurisdictional Natural Hazards Mitigation Plan (2017) (Source: Tillamook County)



Wetlands

The site is devoid of delineated wetlands and does not appear to be at risk for any formation of man-made wetlands due to site conditions.

Figure 13: Tillamook County Multi-Jurisdictional Natural Hazards Mitigation Plan (2017) (Source: Tillamook County)



XIX. Unique Site Conditions

The following site conditions are unique and influence the use potential of the subject site:

- US Coast Guard helipad and adjacent lease area/facilities
- Seasonal / Peak Overflow Use
- Functional Pier

US COAST GUARD HELIPAD

Located directly west and adjacent to the subject site is a US Coast Guard helipad. This facility is used for regular Coast Guard operations on a periodic basis. However, the facility is not a base of operations, nor a permanent flight center.

Design considerations: Future use of the subject site may be restricted in part due to “clear zone” requirements associated with helipad operations. The clear zone includes both horizontal and vertical limitations, where permanent building structures (setback and building height) and point obstructions (ex. light poles) would be prohibited in order to support safe helipad operations.

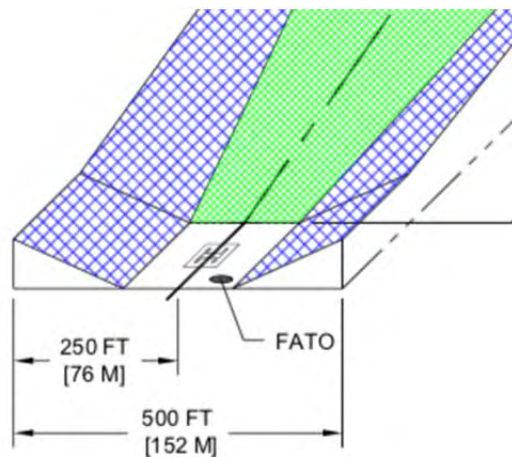
Recognizing that the US Coast Guard operations base is a priority use within the Port and serving the broader maritime and general community, the helipad provides an important public service and will need to remain operationally viable.

Design Criteria: The Federal Aviation Administration (FAA) publishes Heliport Design guidance. The US Coast Guard may also publish additional helipad design criteria for its facilities. Current FAA helipad design criteria establish criteria that provide up to a 250-foot clear zone and transitional vertical area measured from the center of the helipad. If applied at the existing US Coast Guard helipad, the clear zone may encroach into a significant portion of the site. That may reduce or limit both the proximity and height of fixed structures upon the subject site.

Figure 14: Potential Helipad Approach/Departure and Transition Surface (est. 250 feet)



Figure 15: FAA VFR Heliport Approach/Departure and Transitional Surfaces



OVERFLOW PARKING AND STORAGE

The subject site is utilized regularly for seasonal outside storage of fishing equipment and also for parking overflow during peak recreational fishing season.

Regular use of this facility is due in part to the following factors:

Outside Storage of Fishing equipment. The site is used for temporary outside storage of fishing (crab pots and other supplies) during peak season. The fishing fleets' area able to utilize the roll on/off pier to quickly and efficiently load the equipment from the storage area. During these periods, the site is equipped with temporary fencing for security purposes.

Figure 16: Temporary Commercial Use – Crab-pot and Fishing Equipment Staging



Overflow parking for vehicles and boat trailers. During peak recreational boating season, there is high demand for use of the Port's launch facilities and also temporary (daytime) parking of vehicles and trailers.

Event Parking. During Port and community sponsored events at the Port's properties, the subject site acts as temporary overflow parking serving visitors.

Figure 17: Temporary Overflow Parking Demand for Day-use Marina Operations. (source: Port of Garibaldi)



FUNCTIONAL PIER

The Pier located directly south of the subject site is the only commercially accessible pier located adjacent to the primary shipping channel and is the deepest harbor pier located at the Port.

The pier is utilized by the commercial fleets for conveying materials and supplies to/from the subject site are stored or moved. The pier is capable of handling commercial regular vehicles and large diameter wheel commercial forklift. The gangway is level and meets the landside at a flat grade.

In addition to the physical pier, three wooden moorage dolphins are in-water next to the pier. These moorage dolphins extend the pier's boat handling capacity (both in terms of number and size of boats). The pier is also located within the dredged shipping channel, which increases the ship handling size at the Port, providing both existing and future opportunities for marine commercial and shipping activity. The known channel depth at the pier is roughly 12-18 feet.

Pier condition. The pier is in function and operable condition. Built or upon major rehabilitation in the 1980s, the wooden piles are generally considered to be structurally sound and the pier decking is generally considered to be in function condition. The in-water dolphins adjacent to the Pier are also deemed structurally sound and in function condition.

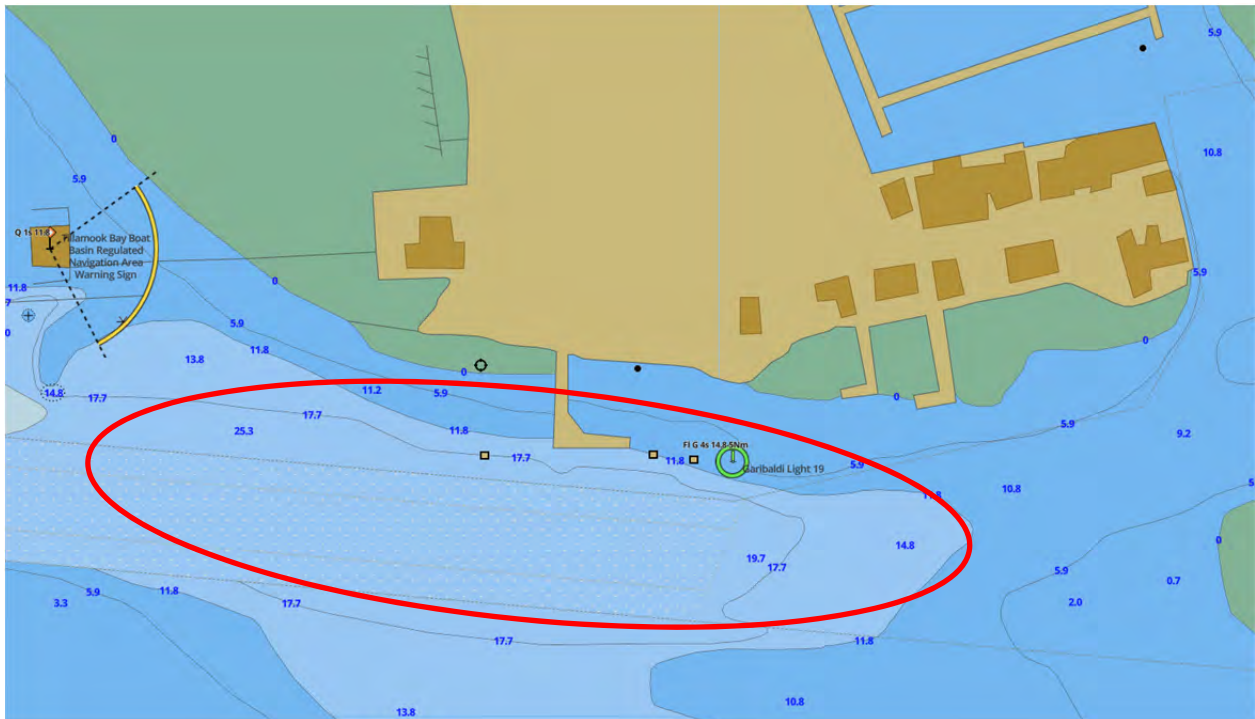
Figure 18: Pier Conditions



Figure 19: Pier and Moorage Dolphins



Figure 20: Pier and Proximity to Dredged Channel. (Source: Tillamook County)



XX. Infrastructure

Transportation

The subject site lies roughly 0.5 miles south of US 101/S. 7th Street in the central Port. The site abuts S. 7th Street, which is a designed arterial roadway and is owned both by the City of Garibaldi and the Port of Garibaldi.

- Street Classifications: S. 7th Street - arterial
- On Street Parking: None
- Sidewalks: None
- Bike Lanes: None

Key Finding. No full standard frontage improvements exist at or near the site. Street improvements will likely be required upon development.

Water

Water services to the subject will be provided by the City of Garibaldi water utility. Service connection fees and system development charges will be required upon development.

Water services and connection points are located within 100 feet of the site.

Key Finding. Water service is available, and No site development constraints are apparent.

Sanitary Sewer

Sanitary Sewer to the subject site will be provided by the City of Garibaldi sewer utility. Service connection fees and system development charges will be required upon development.

Sewer services and connection points are located at a sewer line stub which is nearly adjacent to the NE corner of the site.

Key Finding. Sanitary Sewer service is available, and No site development constraints are apparent.

Storm Water

Surface water management is typically provided on site using drywells and localized infiltration systems. Plans and policies are in place to administer development of the subject site. System upgrades will be a cost of site development.

Key Finding. On-site storage detention will be required for all site generated storm water. The detention will be designed for infiltration and or pre-treatment prior to discharge into the Tillamook Bay will be required. No site development constraints are apparent.

Franchise Utilities

Franchise utilities are provided by private franchise utilities. Services are available on or in proximity to the site as follows:

- Electricity: On-site (Tillamook PUD)
- Telephone:
- Cable/Fiber:
- Natural gas: NONE
- telecommunications)

No immediate Utility or Infrastructure site development constraints are apparent.

Figure 21: Site and Public Utility Connections / Proximity. (Source: City of Garibaldi)



XXI. Community Planning Context

Port of Garibaldi

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

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

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

Specific Findings:

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

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

-H. Marketing Plan. Goal 1. Strategy 4. Develop new "attractors" for visitors (plazas/restaurant/pub).

Port of Garibaldi Vision Plan (2014)

The Port's Vision Plan articulates a vision for the Port as a lively working waterfront with new marine facilities, supporting businesses, and activities for families – all focused on the charm and bustle of this traditional fishing port.

The Plan articulates some community sentiment including:

- What uses would you like to see, and what does not fit in? A need for new restaurants, activities and services.
- Are there issues with parking and security? Most stakeholders agreed there is a lack of parking during the peak season (August-October).
- What building heights are appropriate on the waterfront? Most stakeholders felt two-story buildings would fit on the waterfront.
- Do you see conflicts among users, and are buffers appropriate? Stakeholders wanted attention paid to visual conflicts of various uses (crab pots, garbage trucks, etc.) when considering tourism and growth.

The Vision Plan proposed a land use strategy for the Port, and it was represented in a Vision Plan and accompanying concept details.

The subject site is located within the West Bay Front area of the Plan and specifically located within the designated Wester Waterfront Mixed-Use zone (zone G). The Plan proposed a mixed-use development strategy including a new hotel, commercial office uses, and new brew pub or restaurant/bar uses. The Harborview Trail would connect into this district.

The Vision Plan and conceptual sketches of this plan district are noted in Figures 22 and 23.

Figure 22: Port of Garibaldi Vision Plan (2014). (Source: Port of Garibaldi)



Figure 23: Port of Garibaldi Vision Plan (2014) (Source: Port of Garibaldi)



OVERALL VISIONING DESIGN CONCEPTS

PORT OF GARIBALDI GARIBALDI, OREGON SEDER ARCHITECTURE + URBAN DESIGN LLC JUNE 2017

The subject site was designated as a Mixed-use / Hotel site.

Current Planning:

The Port of Garibaldi is actively evaluating concepts for site development in implementation of its Capital Facilities and Vision Plan. The Port works with contracted site designers and the City of Garibaldi Public Works department in preparation of concepts and conceptual engineering of various proposals. Concepts recently evaluated include the following. (note, these are Concepts not approved Plans for formal proposals).

Figure 24: Concept - Bayfront Trail. (2018) (Source: Port of Garibaldi)



BAYFRONT TRAIL

AS A PART OF THE TILLAMOOK BAY HERITAGE TRAIL SYSTEM UNDER DEVELOPMENT
PORT OF GARIBALDI, OREGON SEDER ARCHITECTURE + URBAN DESIGN LLC

JANUARY 2018

Figure 25: Concept - Fisherman's Memorial Park. (2017) (Source: Port of Garibaldi)



Figure 26: - Concept Port of Garibaldi Brewery. (2016) (Source: Port of Garibaldi)



Figure 27: Concept - Plaza and Events Space. (2017) (Source: Port of Garibaldi)



Capital Improvement Planning.

The Port of Garibaldi maintains a Capital Facilities Plan for each of its major assets. The Strategic Business & Capital Facilities Plan (2017) reflects the most current documentation of the Port’s intended capital upgrade program. Many of the capital upgrades will benefit the subject site development. A short list of the planned capital and priority improvements which benefit the Port (lead by others) is listed in Table 3.

Table 3: Port of Garibaldi Capital Facilities Plan (Strategic Business & CFP 2017) (Source: Port of Garibaldi)

Project Title	Funding Source	Lead Agency	Estimated Amount	Year Planned
Phase III Intermodal Connectivity	Build FY 2018	POG	\$7,000,000	2018
Boat Trailer Parking Lot Upgrade	OSMB	POG	\$150,000	2019
Boat Ramp ADA Gangway	OSMB	POG	\$75,000	2019
7 th St & 3 rd St railroad crossing pedestrian safety upgrades	Oregon Coast Scenic Railroad	Oregon Coast Scenic Railroad	\$50,000	2019
Federal Channel Dredging	USACE	USACE	\$990,000	2020
US Highway 101 Resurface, Intermodal Connectivity, and ADA accessibility upgrades	Oregon DOT	Oregon DOT	\$7,000,000	2020
South Jetty Repair	USACE	USACE	\$50,000,000	2020
Total			\$65,265,000	

Notable among the planned capital improvements are those proposed as part of the Port’s USDOT FY 2018 BUILD Grant application. A summary of the BUILD Grant proposed capital improvements are:

Capital Project Descriptions & Estimates provided by the City of Garibaldi Public Works (September 2017).

Table 4: City of Garibaldi Capital Cost Estimates (Build Grant Application 2018) (Source: Port of Garibaldi)

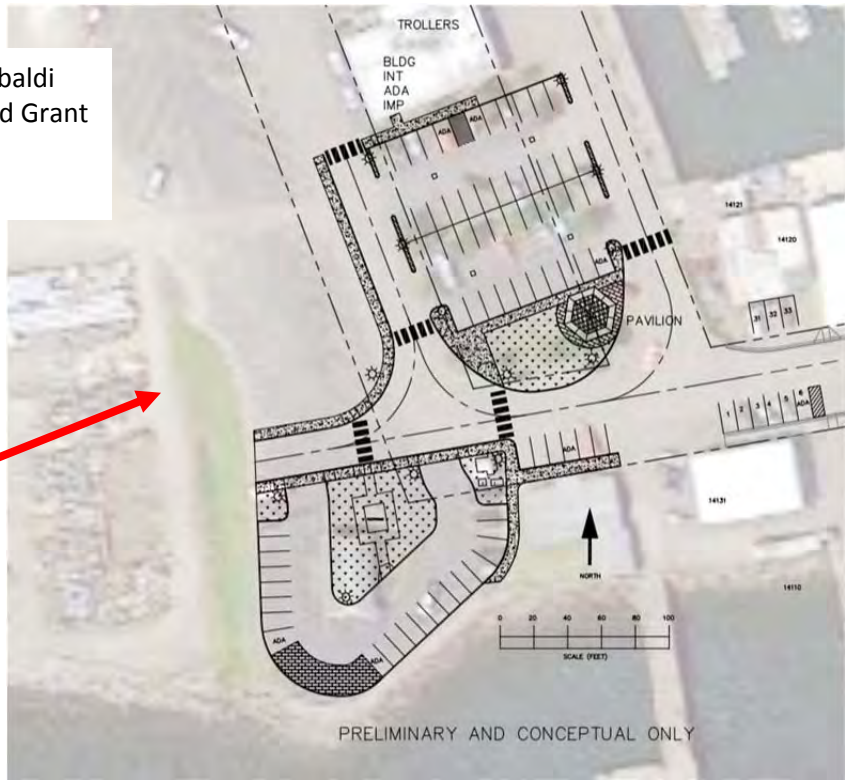
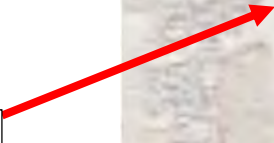
Project Name / Scope	Cost Estimate (rounded)
Mooring Basin Drive Pedestrian/Seawall/ADA/Parking Improvements	\$3,049,000
S. 7 th Street Pedestrian Improvements	\$48,000
American Ave Pedestrian/ADA/Connectivity Improvements	\$210,000
Underground and Redundant Utility Improvements	\$793,000
Trollers Parking Lot/ADA/Restroom/Pavilion/Multi-modal access improvements	\$1,293,000

Contingencies and Soft Costs & Contingencies	\$1,582,000
Estimated Cost	\$6,900,000



Figure 28- 29: Port of Garibaldi
Capital Facilities Plan (Build Grant
Application 2018)
(Source: Port of Garibaldi)

Subject Site



PRELIMINARY AND CONCEPTUAL ONLY

City of Garibaldi

The City of Garibaldi adopted the community's Comprehensive Plan in 2014. The Plan sets forth a vision for community development and growth, including priorities and visions for the Port of Garibaldi. As evaluated in the Plan's buildable land evaluation, the City has more commercial and industrial land supply than what is projected as needed. The City established mixed-use zoning for portions of the Port site, in order to create a broader flexibility of future use potentials, which is reflective of the community's strategy to encourage smaller scale commercial activity and increase tourism related commerce. Garibaldi's economic development strategy is described as creating a market strategy as being the "last authentic fishing village" on the Oregon Coast.

Transportation System Plan (2017)

The City of Garibaldi has recently adopted a Transportation System Plan (TSP) to fulfill planning requirements. The TSP lists several projects that would affect the Port of Garibaldi.

Priority projects identified in the TSP include:

- US 101 through downtown. Proposed streetscape and ADA, multi-modal street improvement (see Special Area Study for concept).
- US 101/7th Street: intersection improvements, including possible future installation of traffic signal
- US 101/3rd St: intersection improvements, and ADA access/street improvement on S. 3rd Street. Potential route transfer of S 3rd Street from Port to City ownership.
- -Parking improvement at the Port site, including upgrading current unpaved lots to paved conditions, and study of overflow parking lots utilizing the ODFW site with improved connections to the planned Bayshore Trail improvements.
- -Trail system improvements, including the Salmon Berry Trail, Bayshore Trail, etc.

Special Transportation Area Workshop (2007)

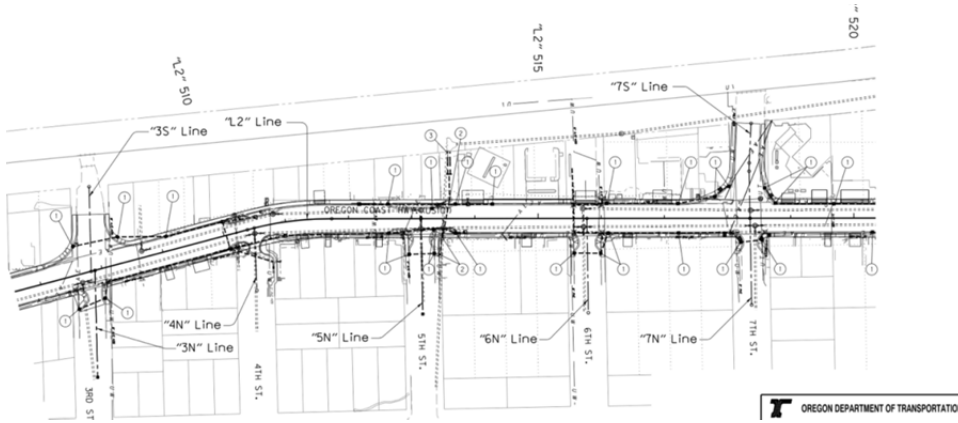
The City of Garibaldi and partners convened an evaluation of streetscape and multi-modal improvements along US 101 as part of Oregon Department of Transportation's (ODOT) Oregon Highway Plan framework for providing improved business access and multi-modal improvements on state highways that also act as downtown Main Street. US 101 within Garibaldi from Driftwood to 11th/12th Streets. As proposed, the STA concept would improve ADA, on street parking, bicycle and pedestrian, and access management through downtown Garibaldi.



Figure 30: City of Garibaldi Special Transportation Area – US 101 (Source: City of Garibaldi)

ODOT has produced a proposal for ADA and pedestrian access improvements, but no schedule for implementation has been set.

Figure 31: City of Garibaldi Special Transportation Area – US 101 (Source: City of Garibaldi)



A representation of the streetscape improvements contemplated within the Special Transportation Area are represented in figure X

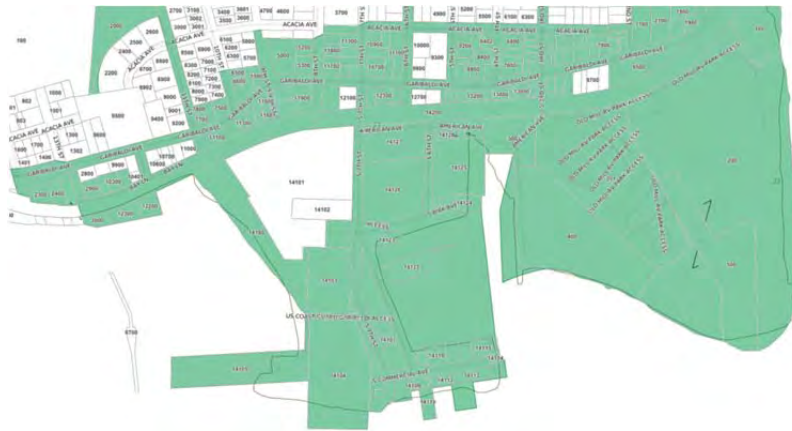
Figure 32: City of Garibaldi Special Transportation Area – US 101 (Source: City of Garibaldi)



City of Garibaldi Urban Renewal Plan (2006)

The City of Garibaldi adopted an Urban Renewal Plan and corresponding capital improvement program in 2006. The subject site is within the City's Urban Renewal Plan limits. As such, designated infrastructure improvements at the Port site are eligible for Urban Renewal program funding. Specific capital improvements listed in the Urban Renewal Plan and potentially incorporated into site develop include: street improvements on S. 7th Street from US 101 into Port; various utility upgrades, streetlights, and pedestrian sidewalk improvements.

Figure 33: City of Garibaldi Urban Renewal Plan – Limits (2006) (Source: Tillamook County)



Enterprise Zone Designation

The Port of Garibaldi harbor lies within one of Tillamook County's enterprise zones. Enterprise Zone properties provide access to financial incentives for new, expanding and relocating businesses.

Enterprise Zone incentives:

- Total exemption from property taxes normally assessed on new facilities and equipment (land and some personal property included) for three (3) years.
- Exemption may be extended to five (5) years, depending on wages paid.
- Available for new and expanding non-retail businesses.
- Also available for hotel, motel and resort businesses.

Enterprise Zone requirements:

- Minimum investment of \$50,000.
- Creation of permanent full-time jobs.

XXII. SITE & INFRASTRUCTURE FUNDING PROFILE

Existing Funding sources

The primary funding sources used for road, water, wastewater, storm sewer and parks capital projects within the City of Garibaldi includes System Development Charges (SDCs), Garibaldi Urban Renewal Area (GURA) funds, and rate revenues. In addition to one-time SDC revenues (or credits if the developer completes eligible infrastructure construction projects), the City will receive utility rate revenues that would be used to fund sewer system requirements.

The Port of Garibaldi General Fund and future income streams from various sources including land/building lease revenues may also be used to leverage grants and loans for infrastructure projects.

Potential Funding Sources

In addition to the existing funding sources, there are several potential funding sources that will be evaluated once infrastructure construction costs are more fully understood. The potential funding sources that are to be considered would include:

Urban Renewal Tax Increment Funds: which would be generated by the net increase in future property taxes within the defined urban renewal district. Based on prior City of Garibaldi Urban Renewal Area budget documents, the current fund balance in the GURA was estimated at \$68,000 (FYE 2018). The projected tax increment revenues over the remaining life of the district has been estimated by the City to be \$900,000. With approximately \$155,000 in future project commitments, there could be as much of \$745,000 in future uncommitted funds that could be utilized for loans or GURA capital projects with approval from the GURA authority.

Table 5: City of Garibaldi Urban Renewal Area – Estimated Funding Capacity. (Source: City of Garibaldi)

City of Garibaldi Urban Renewal Area	
\$ 68,000	fund balance est. as of FYE 2018
\$ 900,000	projected tax increment revenues by end of remaining life of the district
\$ 155,000	projected commitment for match for STIP projects
\$ 745,000	uncommitted revenues for remaining life of the district

Source: City budget documents.

Supplemental SDC revenues: not likely to generate significant revenues based on the size of the subject parcel.

Supplemental Lease revenues: revenue generation potential is unknown at this time.

Local Improvement District or Reimbursement District: LIDs or reimbursement districts can be used to generate revenue amounts similar to the methods shown above, and must be used for very specific capital improvements, such as new roads or water and sewer lines.

Preliminary Evaluation

An evaluation of funding options was conducted to ascertain the relative merits of the potential funding measures identified above. The primary evaluation criteria used for this study are described below.

Capital Funding Amount Raised

Each funding technique has the potential of increasing revenue to the City or Port that can be used to fund or finance construction of public facilities. In some cases, such as with the use of impact fees Urban Renewal Districts and Local Improvement Districts, the funds generated can only be used for eligible capital projects. In other cases, such as with special assessments and leases, the funds can be used for operations or capital improvements. A score of 1 (low) to 5 (high) was assigned to each funding technique based on the anticipated level of funds it would generate.

Ease of Implementation

Ease of Implementation refers to the process and administrative cost required to implement the funding technique identified. Some funding sources, such as utility rates and impact fees do not require public votes to enact and therefore are relatively easier to implement than funding sources that require a public vote or legal formation steps (such as a new limited G.O Bond or LIDs). A score of 1 (low) to 5 (high) was assigned to each funding scenario, based on the relative ease of implementation to enact the relevant funding options.

Administration Costs

The cost to the City or Port of implementing and administering a new funding technique is an important consideration, which can result in short-term and long-term cost considerations. In general, augmenting an existing funding technique, such as a utility surcharge increase, is typically less costly than creating and maintaining a new funding technique. A score of 1 (low) to 5 (high) was assigned based on the anticipated level of administrative costs and staff time that would be required.

Funding Restrictions

The restrictions associated with any funding technique is another important criterion. While each type of revenue technique being discussed will have some level of restriction, the ability to allocate revenues to capital needs can provide the City and Port with flexibility to address important needs as they arise. Funding sources, such as SDCs and Reimbursement Districts, do not generate revenue in a predictable manner and have major restrictions on how those funds can be used. A score of 1 (low) to 5 (high) was assigned to each funding technique based on how reliable (predictable) revenue should be in the future.

Public Equity

Equity is defined herein as the equitable distribution between the cost to rate/fee payers and where the funds are to be spent. A score was assigned to each funding scenario ranging from low cost/risk (1) to high cost/risk (5).

Preliminary Recommendations

A total score was computed for each funding technique based on the number of “\$’s” assigned to each criteria. The total score was then used to rank each funding scenario. Based on the results shown in Table 6, the funding techniques with the highest scores are recommended for additional consideration:

- Urban Renewal District funds
- Development Agreements (special assessments and lease revenues)
- System Development Charge funds (for eligible project share only)

These and other types of local funding sources can be considered once infrastructure costs are documented. A preliminary evaluation of potential revenue sources reveals that the top 3 could be pursued to leverage private investment.

Table 6: Potential Site and Infrastructure Development – Funding Options

Garibaldi Street and Infrastructure Local Funding Techniques

Funding Technique	Facilities Targeted	Evaluation Considerations								
		Area of Benefit	Approval Body	Capital Funding Raised	Ease of Implementation	Admin. Costs	Flex Funding	Funding Restrictions	Citywide Equity	Relative Score
Urban Renewal District (URD)	Transportation, Parks, Sewer, Water, Stormwater (eligible projects only)	GURA	GURA	\$\$\$	\$\$\$\$\$	\$\$	\$\$\$	\$\$	\$\$\$	18
System Development Charge (SDCs)	Transportation, Parks, Sewer, Water, Stormwater (eligible projects only)	Citywide	City Council	\$\$	\$\$\$\$\$	\$\$	\$\$	\$\$	\$\$\$\$\$	17
Developer Agreements (Special Assessment)	Street, Sewer, Water, Stormwater	Project Specific	City Council & Developer	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$\$\$\$	15
Local Improvement District	Street, Sewer, Water, Stormwater	Special Dist.	Property Owners & City	\$\$	\$	\$	\$	\$\$	\$\$\$\$\$	13
Prop. Tax Levy for Capital	Street, Sewer, Water, Stormwater	Citywide	City Voters	\$	\$	\$\$\$\$\$	\$	\$	\$\$\$\$\$	13
Utility Fee Surcharge	Sewer, Water	Special Dist.	City Council	\$	\$\$	\$\$\$	\$	\$	\$\$\$\$\$	13
Reimbursement Districts or Late Comers Charge	Street, Sewer, Water, Stormwater	Special Dist.	City Council	\$	\$\$	\$	\$	\$	\$\$\$\$\$	11

Legend:

+ least positive

+++++ most positive

XXIII. Site Factors & SWOT Analysis

The initial assessment of site conditions finds that the property is ready for development and no insurmountable constraints are apparent. Considering all the site factors and observations development in this assessment, the following Site Factors summary and SWOT observations are proposed to further guide the refinement of site development priorities in subsequent steps. These observations are a starting point for Port dialogue and not comprehensive.

Site Factors

Criteria	Assessment	Comments
Site Location	Neutral/Positive	<p>The subject site is a unique location, the southern edge of the Port of Garibaldi. The site is abutting the Tillamook Bay and has access to a functional pier which is located within the dredge channel.</p> <p>-Adjacent uses include Port of Garibaldi offices, Coast Guard facilities, and an unpaved overflow parking lot.</p> <p>- Clarification of the design criteria and restrictions regarding the US Coast Guard helipad should be explored as early in the site development process.</p> <p>The Port of Garibaldi uses the site for temporary commercial fishing fleet equipment storage and also overflow parking for marina operations.</p> <p>- Evaluation of alternative sites for the Port's current temporary uses should be completed early on in site development studies to ensure those uses are not negatively displaced if the site is developed.</p>
Regulatory Environment	Positive	<p>The Port of Garibaldi and the City of Garibaldi have completed extensive community planning and no apparent regulatory restrictions are in place.</p> <p>-Zoning on the site is split between WD and WM. The City may require a zone change to clarify the applicable zoning upon site development.</p>
Public Infrastructure <i>(anticipated)</i>	Positive	<p>-Public infrastructure is near the site and available for service connections.</p> <p>-No service capacity limitations are apparent.</p> <p>Specific infrastructure risks include:</p>

		<ul style="list-style-type: none"> - Roadways: Plans for capital improvements to S. 7th Street are in motion. No funding has been secured. - Water: available and stubbed within 100-feet east of the site. - Sewer: available and stubbed to the northeast corner of the site. - Stormwater: City code allows detention on site and discharge to the Tillamook Bay after pre-treatment. - Other: All franchise utilities, including fiber optic communications are available within near proximity of the site. No service restrictions are known.
<p>Site Funding Options <i>(anticipated)</i></p>	<p>TBD</p>	<ul style="list-style-type: none"> -Infrastructure and site development financing capacity of the Port of Garibaldi is unknown. -The site is within the City of Garibaldi Urban Renewal Plan, and the Plan appears to have available capacity to support new infrastructure projects. Further review and consultation are needed. -The site is located within a designated Enterprise Zone, and incentives may be available. -State and Federal agencies could be funding partners to various site investments. Additional consultation on opportunities is warranted.
<p>Site Development Costs <i>(anticipated)</i></p>	<p>TBD</p>	<p>On site development costs are an area of great cost risk due to key factors unique to this site and broader region. They include:</p> <ul style="list-style-type: none"> - Earthwork and site preparation: costs associated with site grading, utility construction and pad development are unknown at this time. Early site geotechnical study should be completed to minimize this risk. - Construction labor: Key shortages in available skilled labor runs across most development activities (earthwork, traditional building construction and related specialty trades). Forecasts indicate that the Pacific Northwest market will also be facing labor shortages, which will contribute to an acute condition in Tillamook County. That will drive development costs upwards and affect timing of when projects can be bid and worked. <p>The combined risks will create pressures on</p>

		costs and financial returns. If project elements cannot be built cost effectively, it will put pressure on the rents to support new construction.
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PRELIMINARY ANALYSIS of Site: Strengths / Weaknesses / Opportunities / Threats (SWOT)

Preliminary SWOT Analysis	
<p style="text-align: center;">Strengths</p> <p>Port has sole ownership and control of site</p> <p>Waterfront - Water view</p> <p>Flexible City entitlement processes</p> <p>Public and private Utility services and extensions are available and proximate to the site</p> <p>Costs of Development (public and private) should be lower than urban markets</p> <p>High profile location on Bay</p>	<p style="text-align: center;">Weaknesses</p> <p>Current peak overflow uses (i.e. crab-pot storage and overflow day-use boat trailer parking) have no apparent alternatives sites nearby. As such, displacement from the subject site could create use challenges for Port’s core business functions (fishing industry).</p> <p>Site is small (1 +/-) acre, and total building SQFT potential is limited, which could reduce the financial feasibility and potential fiscal returns to Port</p> <p>Visibility from US 101</p>
<p style="text-align: center;">Opportunities</p> <p>Port has the ability to reconfigure site to meet development needs</p> <p>Should the site use support and sustain the fishing economy and micro industry associated with the Port</p> <p>Should the site use promote awareness of and education/research space for the Tillamook Bay Estuary</p> <p>Should the site use preserve use of Pier and in-water dolphins, for commercial fishing industry activity?</p>	<p style="text-align: center;">Threats</p> <p>What are the Site Geotechnical Conditions (fill for foundations)? Will soil conditions need to be improved?</p> <p>What is the impact of the Coast Guard Helipad clear zone requirement of the FAA and general nuisance impacts?</p> <p>Will further commitment of land to non-industrial site use could create short and long-term conflicts with the commercial fishing industry at the Port site?</p> <p>What is return on investment: fiscal returns versus, other economic use (opportunity costs)</p>

XXIV. Next Steps

The Port of Garibaldi will compare the site findings to the market conditions study report and commence the evaluation of site development concepts and priorities. The Port may choose to pursue the following steps:

- Choose a preferred/desired use concept and tenant mix.
- Initiate conceptual project planning, site and building design, and site engineering investigations.
- Meet with City officials to further investigate specific site design opportunities and code requirements.

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Feasibility & Development Analysis

Task 4: Market Feasibility and Highest / Best-use Analysis

Task 5: Development Program Recommendations

Feasibility Analysis: Summary Observation

Based on current market conditions and forecast growth within the Tillamook region marketplace, there is ample justification for the Port of Garibaldi to pursue site development after several factors are addressed.

Considering the many factors, limitations and risks involved in site development, the most beneficial development strategies are to either:

- Do nothing and the leave the site vacant until an alternative site can be identified for the current overflow parking / temporary storage uses of the site;

or,

- Relocate / reduce the footprint of the overflow/temporary uses and then pursue a hybrid site development approach where the Port pursues a multi-tenant development. This concept may include a relocated Port administrative center, and the bulk of the building space would be marketed for lease to a commercial tenant, which can help support the overall site development concept.

There are many reasons that doing nothing and leaving the site vacant for the current overflow/temporary uses is a viable immediate/short-term option for the Port. This is in part because displacing those uses, without a functional alternative, may compromise important business functions of the Port (i.e. the marina and commercial fishing fleet/operations).

However, if the Port can either relocate those uses or design a site and building development concept that leaves sufficient room to accommodate (all or a reasonable portion of) the overflow/temporary uses, then pursuing the multi-tenant Port center development concept will produce the highest Port and community value.

Achieving a balance of implementing the Port's Vision Plan and community economic development goals, without compromising the existing functions of the Port harbor and viability of existing commercial enterprises, should be a priority of the Port. Site development may be achieved by careful site design and tenant selection which advances a long-term, Port industry centric approach, as a primary goal.

Key Findings

What is legally permissible on the site:

- The City of Garibaldi's zoning codes are very flexible and permit (outright) or conditionally permit nearly all development use categories the Port can conceivably pursue.

- The Port's absolute ownership of the land, which has no apparent covenant or use restrictions, provides the Port maximum ability to pursue site development in any manner which is consistent with its statutory obligations and which complies with applicable development codes and regulations.

What is physically possible on the site:

- The subject site is constrained by few limitations. The known factors which could influence the final site design and building placement include:
 - o City site development regulations (ex. setbacks, building height, parking, stormwater requirements).
 - o US Coast Guard helipad buffers and design criteria
 - o Easements and circulation requirements to the US Coast Guard leasehold areas west of and abutting the site.
 - o Geotechnical soil conditions and corresponding structural building requirements (or limitations)

What is financially feasible:

- Financial feasibility varies from zero to net-positive revenue to the Port.
 - o The magnitude of the net-positive revenue achieved by the Port through site development will require additional analysis.

What is a maximally productive use of the site:

- Maximum productivity of the site is not solely financial, but also factors in, the Port's Vision, the Port's core business needs and functions, and community value.
 - o When considering all factors, the Port's priorities lead towards: doing no harm to existing businesses and uses of the site, and, if the core functions of the Port are

-

XXVI. Scope of Feasibility Analysis

The primary purpose of this feasibility analysis is to support internal planning and evaluation of site development options and opportunities.

The analysis builds upon independent research to understand the various growth factors within the Tillamook County market region over the next decade (plus). The analysis identified various future prospects for market rate (or with limited public subsidy) development at the subject site.

The primary tasks involved in assessing the feasibility and highest and best use analysis included the following research efforts:

- Analyze the highest and best use and attributes of several development concepts.
- Provide strategic observations and findings

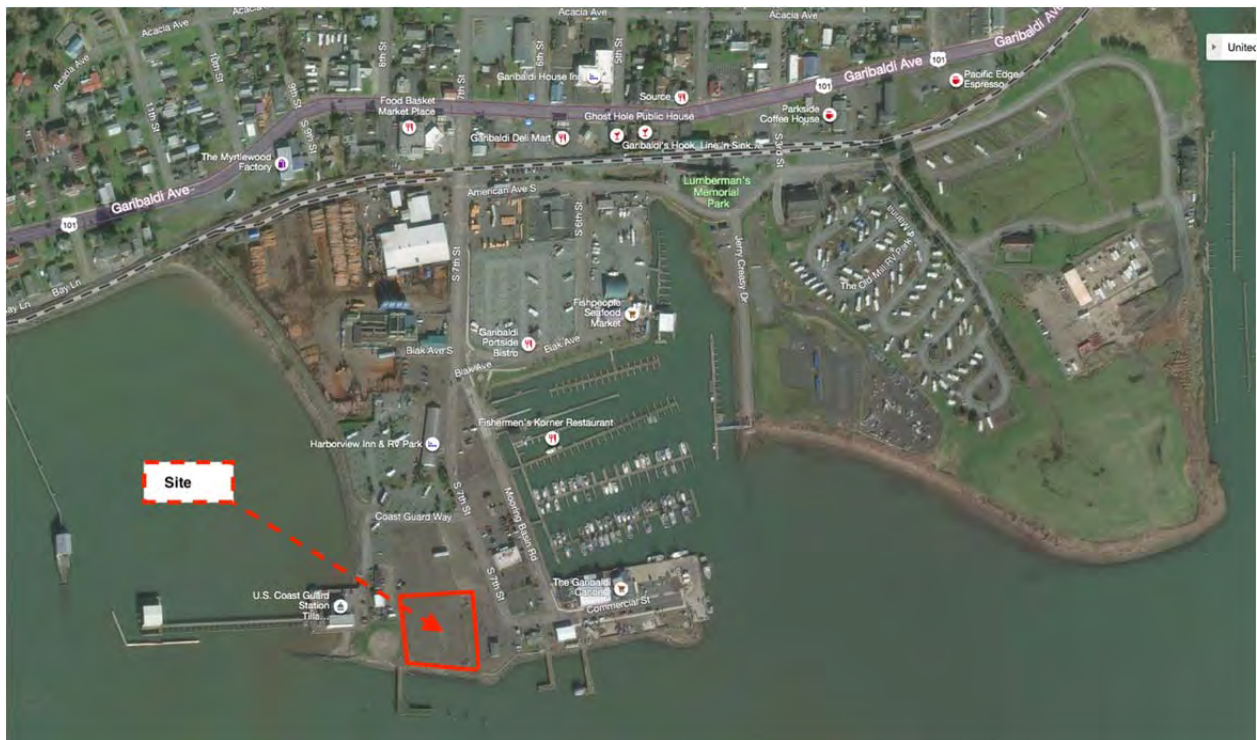
Research for this study was completed in November 2019, and the analysis of findings reflect conditions as of that period. In all cases, attempts have been made to verify the data used in this analysis. Supplemental data on which these findings are found in both the body of the report and the appendices.

XXVII. Site Context

Area

The subject sites are located in at the south edge of the Port of Garibaldi marina. The site is abutting the Tillamook Estuary. The site is roughly 0.5 miles south of the intersection of S. 7th Street / US 101. The site is served, and nearly abutting the Port's primary interior north/south circulation corridor S. 7th Street.

Figure 1. Garibaldi Downtown and Site Proximity



General Site Characteristics

The subject sites comprise roughly 1 (+/-) acre upon 1 legal lot, abutting S. 7th Street, which loops the site and. Abutting the site are: existing buildings to the east (Port of Garibaldi offices) and to the west (US Coast Guard helipad and station offices); the Tillamook Estuary (to the south) and gravel overflow parking lot to the north.

The lot is flat with no unusual topographic features.

Figure 2. Site



XXVIII. Highest and Best Use Analysis

Highest and best use analysis is intended to identify the most profitable competitive use to which the subject side can be put. The highest and best use is shaped by the competitive forces of the market where the property is located. However, the highest and best use is not exclusively related to financial return. Other criteria, such as owner objectives should be a factor of consideration.

Fundamentals of Highest and Best Use

Highest and Best Use can be defined generally as: the reasonable probable and legal use of vacant land that is physically possible, appropriately supported, and financially feasible which results in highest value.

Important questions to consider include:

- Should the land be developed or left vacant?
- If left vacant, when would future development be appropriate and financially feasible?
- If developed, what kind of improvement (type of building, and tenants) should be built?

Highest and best use analysis builds on the conclusions of the market conditions analysis. The analysis of land focuses on alternative uses and examines those uses to four key criteria. The four key tests, which are evaluated in order, include:

1. Is it Legally permissible?

- a. Factors include: current zoning, ownerships, property title restrictions, other regulations affecting site development.

2. Is it Physically possible?

- a. Factors include: physical characteristics, natural risks, infrastructure systems, site location and size.

3. Is it Financially feasible?

- a. Factors include: development costs, financing, net operating income, return to shareholders.

4. Is it Maximally productive?

- a. Factors include: yields the highest value (financial or community), and/or meets other economic objectives.

The ideal improvement should meet the following criteria:

- Takes maximum advantage of the site's potential market demand, or results in the highest economic outcome for other related objectives.
- Conforms to current market expectations (quality) and the character of the market area.
- Contains the most suitable priced features and amenities.

Site Development Screening

The following concepts represent four viable site development concepts for analysis as part of the highest and best use analysis. (Note: * intent is ancillary to and supports primary use)

Table 1. Site Development Screening

Use (Tenant) Type	Test 1: Legally Permissible	Test 2: Physically Possible	Consider Further	Observations
Commercial (office, flex light industrial)	Yes	Yes	YES	Consider traditional offices and commercial activity in a flex building. Could have research, lab and meeting spaces. Limited size building with multi-tenant configuration.
Industrial (flex, light industrial, manufacturing)	Yes	Yes	YES	Consider flex-industrial space for demised in multiple configurations (for more than 1 tenant. Design building in relation to Pier and design so that pier use is a component of site/tenant use plans
Mixed-use (commercial, housing)	Yes <i>(Conditional Use)</i>	Limited scale only	NO	<u>Housing</u> is deemed incompatible with existing Port harbor amenities and commercial tenant mix.
Retail	Yes	Yes	OPTION*	Depends upon retail type. If supportive of Port business, then could be appropriate.
Restaurant	Yes	Yes	NO	Depends on tenant. Need to consider type. Could be built as ancillary support to commercial primary tenant (ex. pub/brewery).
Lodging	Yes <i>(conditional use)</i>	Limited Scale	NO	Hotel is deemed incompatible with existing harbor uses and commercial tenant mix.
Meeting Facilities	Yes	Yes	OPTION*	To be considered only as ancillary space to a primary

				use. Need to evaluate overall community demand and programming opportunities.
Leave Vacant	Yes	Yes	YES	Retain site for current uses.

Site Development Concepts

The following concepts represent four viable site development concepts for analysis as part of the highest and best use analysis.

Table 2. Site Development Concepts

Concept	Attributes
Spec Development	<ul style="list-style-type: none"> - Construct a shell building of roughly 7,500-10,000 SQFT - Pre-lease 50% of building prior to commencing construction - Long-term lease with specific performance objectives and tenant criteria (ex. tenant support commercial fishing industry in some manner)
PORT Center	<ul style="list-style-type: none"> - Partner with another tenant (private or public) - Relocate Port of Garibaldi offices - Evaluate Incorporating community meeting room facilities - Prioritize tenant / businesses associated with commercial fishing industry
Ground Lease (Private Owner Spec)	<ul style="list-style-type: none"> - Advertise the site as available for long-term ground lease, subject to tenant criteria (ex. tenant is specific type; building size and type meet size and style criteria, etc.)
Leave Vacant	<ul style="list-style-type: none"> - Leave vacant to support current temporary and spill-over use.

Each of these Site Development Concepts are described and evaluated in detail in the following analysis.

Analysis: SPEC Development

GENERAL STRATEGY

- The Port of Garibaldi could pursue a speculative development project on a portion of the subject site. The building would be built as a shell structure and configured in a manner to accommodate 1-3 tenants. The Port pre-leases at a minimum 50% of the building prior to commencing construction. The Port may pursue value added lease terms, where the subject tenant(s) can be required to provide additional services to the Port (and other Port tenants) in consideration for beneficial lease terms.

SITE / BUILDING CHARACTERISTICS

- Building size: 7,500 – 10,000 SQFT.
- Building located on east half of subject site, to avoid US Coast Guard helipad, Pier access, and to leave the west portion of the lot vacant for overflow/peak parking and temporary commercial fishing equipment storage demand.

MARKET DEMAND

- Confirmed in market study. Sufficient future market demand will exist for 10,000 SQFT.
- Based upon recurring tenant inquiries to Port of Garibaldi staff, there is reason to believe that sufficient demand is within the marketplace to lease a shell space, to 1 or multiple tenants.

GROSS FINANCIAL PERFORMANCE

- An 7,500-10,000 SQFT office building, constructed within a market average range \$115 - \$150 SQFT, may result in a Real Market Value (RMV) of between \$860,000 - \$1,500,000.
- Lease rates set between 5% - 8% of RMV could likely be achieved within the current market (when considering comparable market lease rates; for example, the Port of Tillamook Bay advertised lease rates of .56 cents SQSFT). (Note: it is assumed that all Port lease structures would be full Triple-Net, NNN, leases).
- Lease rates ranges (see Appendix for more detail):
 - o 5% of RMV: \$5.75 SQFT/YR (NNN), or, \$0.48 SQFT/Month (NNN)
 - o 8% of RMV: \$8.63 SQFT/YR (NNN), or, \$0.72 SQFT/Month (NNN)
 - o 5% of RMV: \$11.50 SQFT/YR (NNN), or, \$0.96 SQFT/Month (NNN)
- Additional analysis is needed to determine whether a starting lease set at 5% RMV would provide positive net revenue to the Port, considering the Port's potential building construction financing/long-term debt costs.
 - o It is assumed the Port would utilize low-cost long-term financing through available public agency loan programs, and that a portion of the on and off-site infrastructure costs could be borne by state/federal grant or other public sector construction financing programs (ex. Urban Renewal, LID)

PRODUCTIVITY OBSERVATIONS

Positive:

- This development strategy would likely yield net positive cash flow to the Port (above and beyond debt service requirements).
- This development strategy would likely result in net positive job growth.

Negative:

- Development of the subject site may preclude the Port from relocating its primary administrative offices (to the subject site) and may delay construction of proposed viewpoint envisioned the Port Vision Plan.

Analysis: PORT Center

GENERAL STRATEGY

- The Port of Garibaldi pursues a joint development within another tenant (public/private or non-profit). In this scenario the Port will relocate its existing Administrative offices and partner with another tenant to occupy a portion of the building at market rents. In addition to Port offices, the building may include public meeting / conference room facilities which can be rented by both public and private sector entities. The meeting/conference facility could also function as a facility adjunct to the Event Site facility for special event programming. The tenant selection may focus on entities which support the commercial fishing industry or Tillamook Bay Estuary.

SITE / BUILDING CHARACTERISTICS

- Building size: 7,500 – 10,000 SQFT. Multi-tenant space allocation could be distributed as follows: *(Note: all SQFT allocations among the different uses are approximate for discussion purposes only)*
 - o 5,000 Gross Floor Area. Commercial Tenant. Available for private/public party commercial tenant lease at market rates.
 - o 2,500 Gross Floor Area. Port Tenant. Relocate the Port administrative offices.
 - o 2,500 Gross Floor Area *(Optional)* Community Meeting Room. Construct a Community Meeting Rm that would be available for Port Commission meetings, be available for Port programming and special events as a year-round supplement to the Event Site, and the space would be available for private party rental for conferences and events.
- Building design could also consider placing a patio (or other suitable surface) outside of the meeting room on the south side of the building, where the amenity value (views of the Tillamook Bay, access to east/west pedestrian access way between viewpoint and Pier) is maximized. This outdoor area should have direct access to the Meeting Room and can serve as an extension of that space for special events or programmed separately. It is assumed in both cases that the Meeting Room and ancillary outdoor space is available for rent for special events or other private party programs.
- Building located on east half of subject site, to avoid US Coast Guard helipad, Pier access, and to leave the west portion of the lot vacant for overflow/peak parking and temporary commercial fishing equipment storage demand.
- Port establishes easement and setback requirements to ensure public and commercial access to the waterfront and Pier at SW corner of site.

MARKET DEMAND

- Confirmed in market study. Sufficient future market demand will exist for 10,000 SQFT.

- Based upon recurring tenant inquiries to Port of Garibaldi staff, there is reason to believe that sufficient demand is within the marketplace to lease a shell space, to 1 or multiple tenants.
- The Port administrative offices are undersized.
- Public sector partners have expressed interest in partnering with the Port on a joint development venture.
- Regional tourism staff indicate a lack of regional community room / conference room facilities, supporting groups in size from 50-100 persons. A commercial / prep kitchen is a facility need in order to support catering.
- Year-one financial performance at the Port's Event Site, suggests there is market demand for special event rental locations. Supply of a permanent indoor facility with view and room amenities may open an additional market opportunity which can grow with proper marketing over time.

GROSS FINANCIAL PERFORMANCE

- The lease income from the tenant and meeting space rental may not be sufficient to cover debt service requirements of the constructing financing, but would help offset some of the costs.
- Additional analysis of low-cost loan (ex. Oregon's Port Revolving Loan Fund) and state / federal grant funding options may help defer or eliminate capital costs, thereby reducing the gap between the tenant leases and the construction cost debt service requirements.

PRODUCTIVITY OBSERVATIONS

Positive:

- The development strategy may fit well with the vision of the Port, and allow for relocating its primary administrative offices (to the subject site) and allow for construction of proposed viewpoint envisioned the Port Vision Plan.
- In this scenario, the Port will expand public access to the site by promoting tenants who could have a broad purpose and attraction. Tenant selection could also attempt to include educational and tourist functions, which may increase different types of visitor groups to the Port site (above and beyond a more traditional commercial business).

Negative:

- This development strategy may not yield net positive cash flow to the Port (above and beyond debt service requirements). Thus, financing this project may be more difficult.
- Net new job growth at the Port site is unclear. However, if a new tenant is identified, then net-new job growth may result, versus re-leasing to existing Port tenants.

Analysis: Ground Lease (Private Owner Spec)

GENERAL STRATEGY

- The Port of Garibaldi pursues a public solicitation for private development of the subject site. The solicitation terms include the Port offering a long-term ground lease, and the tenant would incur all site and building development costs. The Port may stipulate other required Port tenant or site amenities subject to terms mutually negotiated as part of the lease agreement. The Port would preserve a portion of the west half of the subject site to serve as overflow parking and uses which are periodically needed at the site (peak parking, commercial fishing equipment storage, Pier and public access. This development strategy provides the least financial risk to the Port, and the Port has significant control of site development through the lease agreement.

SITE / BUILDING CHARACTERISTICS

- TBD by tenant. Assumed to be roughly Building size: 7,500 – 10,000 SQFT.
- Building located on east half of subject site.
- Setbacks from south frontage to provide for public access way between the future viewpoint and the Pier.

MARKET DEMAND

- Confirmed in market study. Sufficient future market demand will exist for 10,000 SQFT.
- Based upon recurring tenant inquiries to Port of Garibaldi staff, there is reason to believe that sufficient demand is within the marketplace to lease a shell space, to 1 or multiple tenants.

GROSS FINANCIAL PERFORMANCE

- The Port will receive net positive lease income from long-term ground lease.
- Additional analysis is needed to determine the amount of ground lease income, which would need to be determined in regards to the RMV based on the County Assessor or updated separate independent appraisal process.

PRODUCTIVITY OBSERVATIONS

Positive:

- This development strategy will yield net positive cash flow to the Port from the long-term ground lease.
- This strategy creates the least financial risk to the Port.
- This development strategy would likely result in net positive job growth to the Port site from new tenancy.

Negative:

- Development of the subject site may preclude the Port from relocating its primary administrative offices (to the subject site) and may delay construction of proposed viewpoint envisioned the Port Vision Plan.

Analysis: Leave Vacant

GENERAL STRATEGY

- The Port of Garibaldi leaves the site in as-is condition (vacant) for the foreseeable future. This scenario allows the Port to continue to utilize the site for overflow/peak parking and temporary commercial fishing equipment storage demand. This strategy also allows the Port to develop a more cohesive long-term use plan for the upgrade of the Pier, and avoids immediate conflicts with the US Coast Guard regarding the helipad use and other leased buildings on the west frontage of the site. In this scenario, the Port prioritizes the overall commercial needs and function of the Port harbor and existing tenants (industries) over site development in the immediate term.

-

SITE / BUILDING CHARACTERISTICS

- Leave site vacant.
- Initiate master-planning for the southern frontage and improvement of the Pier facility. The objective of the master planning will be to identify the functional needs and use opportunities/requirements of the Pier and grant funding options for improvement.

MARKET DEMAND

- Confirmed: current overflow/peak use of the site for general parking, marine launch parking, and peak storage of commercial fishing equipment.

GROSS FINANCIAL PERFORMANCE

- No change.

PRODUCTIVITY OBSERVATIONS

Positive:

- This development strategy avoids creating conflicts and hampering existing uses on the site.
- Allows for longer-term planning and funding for the waterfront site, and future Pier use.

Negative:

- There is an opportunity cost loss of potential net revenue to the Port.
- Leaving the site vacant may preclude the Port from relocating its primary administrative offices (to the subject site) and may delay construction of proposed viewpoint envisioned the Port Vision Plan.
- No net positive job growth to the Port site from new tenancy.

XXIX. Highest / Best Use Reconciliation

The Port of Garibaldi has several options for site development. Determining Highest / Best Use is both a quantitative and qualitative pursuit. The Port of Garibaldi has a public purpose of land development (and preservation) for the promotion of economic development and job creation within the Port district. Given these broad

The highest and best use of a property as improved may be a: continuation of the exiting use (vacant) or improvement / conversion to a different use, or some combination of these alternatives.

The following is a reconciliation of the highest / best use options for the subject site:

Table 3. Highest and Best Use Test Assessment

Development Concept	Test 1: Legally Permissible	Test 2: Physically Possible	Test 3: Financially Feasible	Test 4: Maximally Productive
Spec Development	Yes	Yes	+ / =	+ / =
Port Center	Yes	Yes	=	+ / =
Ground Lease (owner spec)	Yes	Yes	+	-
Leave Vacant	Yes	Yes	+	= / -

Additional Factors

In addition to the key test for highest and best use evaluation of the site, the Port of Garibaldi site is subject to additional factors including to promoting uses which enhance the Port’s commitment to the community. In other words, the highest and best use of the site is not solely based on the development option that creates the greatest financial value. Rather, the final determination of probably highest and best use must consider additional factors, including the following:

X1. Implements the Port's Vision Plan.

The Port's Vision Plan anticipates a long-term development strategy to enhance the visitor experience by improving gateways and key assets which serve the purpose of drawing additional visitors to the south-end of the Port site. The desire for increased visitation at the Port site, is augmented by the City and regional Tourism initiatives designed to promote regional assets including streetscape, regional trail and tourism amenities (ex. Salmonberry Trail, Oregon Coast Scenic Railroad).

Additionally, the Port has recently pursued federal funding for key improvements to the seawall and pedestrian circulation along Mooring Dr. and S. 7th Street. At the intersection of Mooring Basin Dr. and Commercial Ave, the Port's Vision is to construct a pavilion and to relocate the Port's administrative offices to improve that site with a signature viewpoint location. The concept Vision creates a southern public focused anchor to the site, which would tie the site together and create a signature viewpoint to Tillamook Bay. It is believed that this infrastructure improvement strategy will increase tourist activity at the Port site, which in turn will expand awareness and patronage of existing commercial enterprises at the Port.

Any planned use should preserve the Port's long-term business development and tourism options.

X2. Avoid Conflicts with the Port's Primary Commercial Activity / Function.

The Port site is predominantly used by commercial enterprises which rely the efficient functioning of the Port's commercial fishing harbor. The temporary use(s) found on the subject site (overflow parking, temporary storage) all support primary function(s) of the Port. The leased areas at the west frontage of the site, also relate to the primary function of the Port (and region in the case of the US Coast Guard).

Introducing any building or tenant which would create an outright conflict with, or become a conflict with the existing Port function(s), may be counterproductive. Potential conflicts include: building location and total parking demands; hours of Port commercial tenant operations and provision of quiet enjoyment for the tenant; potential smell-noise-other sources of potential nuisance conflict.

Any planned use should avoid creating actual or perceived conflicts or incompatibilities with the Port's primary functions, and tenant needs, which serve the mission of a working commercial fishing harbor.

X3. Supports Community Economic and Development Goals.

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

The Mission and Vision compel a careful balancing of commercial and recreational aspirations. Site development needs to also craft a careful blend of quantitative (financial and jobs) and qualitative (recreational and lifestyle) outcomes. Given the limited quantity of Port land, which is available for development, this scarcity creates additional pressure for the Port to get the balance right.

The highest and best use development strategy should attempt to optimize this careful balance of community access and benefit economic development value.

Reconciliation

The following analysis considers the “X” factors as an additional assessment tool in determining and highest and best use site development option. Upon qualitative evaluation of both the formal “Tests” and informal “X” factors, the MAG/FCS team offer the following reconciliation and opinions for further study.

Table 4. Highest and Best Use “X” Factor Assessment

Development Concept	Factor X1: Port Vision	Factor X2: Avoids Conflicts	Factor X3: Community Benefit	Consider Further
Spec Development	= / -	=	+ / =	Consider further only with pre-lease commitment. Consider combining with Port Center concept.
Port Center	+	=	+ / =	Consider combining with Spec Development concept. Consider with tenant partner pre-lease commitment.
Ground Lease (owner spec)	-	= / -	= / -	Do not consider further. May foreclose more beneficial long-term site development options.
Leave Vacant	-	+	=	Consider further for the short-term if needed to allow for additional planning and relocation of temp uses.

Key: Qualitative Assessment Indicators

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

Analyst Note: Any given scenario can potentially be made better or worse based on an array of site development, economic and financial variables. The analyst's opinions are made when comparing each alternative concept to another. The intent of the analysis was to generally attribute and differentiate broad potential outcomes, not forecast absolute outcomes.

XXX. Site Development Options

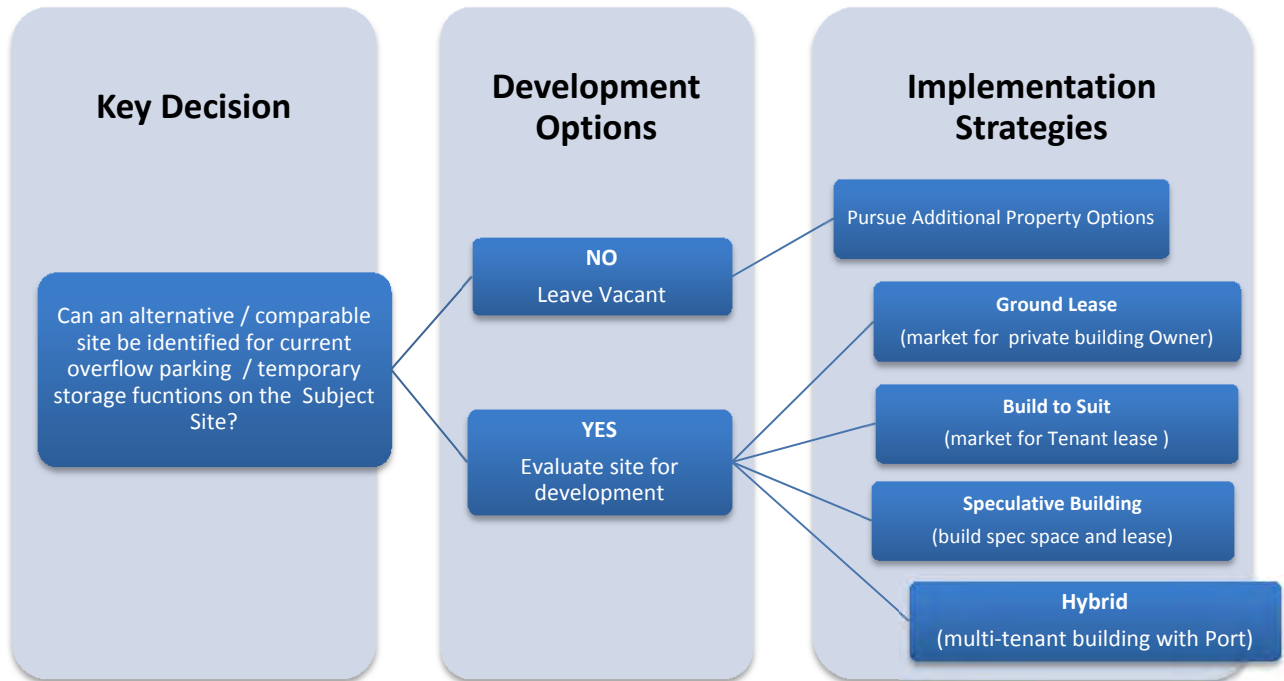
Given the market conditions, site characteristics and findings of the highest / best use tests, the MAG / FCS team offer the following opinions and observations for site development.

At this time, the two most viable highest and best-use development options are:

- 1) Leave Site Vacant
- 2) Develop a hybrid Port / Spec Lease Space building

Development of the subject site will be driven upon a host of factors, ranging from site location, site development costs, market demand, and consumer preferences. The following matrix provides a framework for decision making among the two viable development options.

Figure 3. Site Development Decision Path



The Port should carefully consider the potential impacts of any site development option that would create a conflict with the existing overflow / peak demands for the site. Those uses are core to the Port’s function as a commercial fishing harbor, and should be a priority for preservation. That may suggest that the Leave Site Vacant may be the default site development strategy for the immediate to short-term.

However, if the Port can either: identify an equivalent vacant lot where the existing overflow parking / peak storage uses – (or) - advance a strategy to preserve a meaningful portion of the lot as permanently set-aside as the overflow parking / peak storage uses, and develop

another portion of the lot for the economic benefit of the Port, then that would be the highest and best-use outcome.

With two viable options remaining on the table, and reasonable justification for either option, the following discussion provides summary observations for each separately.

HIGHEST AND BEST USE AS VACANT

Development Concept and Strategy

- Leave the site vacant for the short to medium term.
- Continue to utilize the site for overflow and peak demand uses including: overflow parking, and temporary commercial fishing equipment storage.
- Pursue improvement of the Pier, and evaluate joint commercial and recreational use options.
- Plan and implement pedestrian access improvements along south edge of property abutting the Tillamook Bay.
- Pursue / evaluate other sites for the temporary uses (overflow parking / temp. storage) which periodically use the subject site.

Key Factors and Observations

- There is an opportunity-cost loss, since the Port will forego positive net revenue options. Dependent upon the Port's existing financial position, this may be a negative outcome.
- The Leave Vacant option avoids creating conflicts with existing overflow and peak use demands. Those demands support the Port's primary commercial enterprises and should be supported to the extent feasible.
- At this time, there may be no obvious and comparable / feasible alternative option for the relocation of the temporary uses (overflow parking / temp. storage) in the immediate term. Without feasible alternative locations, the reduction in supply of land available for that purpose may create a negative impact to the Port and compromise the attractiveness or commercial competitiveness of those displaced functions.
- The Leave Vacant option does limit other Port Vision Plan outcomes, namely the redevelopment of the existing Port administrative offices site and may preclude the overall Port Vision of enhancing the transient visitor experience.
- The Leave Vacant option will allow the Port to pursue other land acquisition and development options for either the relocation of the temporary / peak uses of the site and the Port administrative office redevelopment (should the Port have success with recent grant proposals for the wharf and waterfront viewpoint infrastructure upgrade proposal - i.e. recent federal BUILD grant). This would allow for the redevelopment of the Port offices site consistent with the Port Vision Plan while also maintaining the core use functions that temporarily occupy the subject site.

HIGHEST AND BEST USE AS IMPROVED

Development Concept and Strategy

- Pursue a hybrid Port Center / Spec Development strategy on the easterly half of the subject site.
- Pre-lease the Spec Development space in order to: minimize risk of project lease-up; and, to provide tenant lease collateral as a funding commitment for a loan application. The Port should design the tenant lease structure to fully amortize their pro-rata share of the loan obligation at all times (based on SQFT).
- Evaluate incorporating a community meeting / conference room facility, which can also be programmed as an additional special event site in the Port's portfolio.
- A 7,500-10,000 SQFT building can fit onto the subject site and do-so in conformance with applicable site development and building codes.

Key Factors and Observations

- The hybrid development concept may yield the highest value to the Port and community by:
 - o Allowing for the redevelopment of the southern Port site consistent with the Vision Plan;
 - o Preserves the westerly portions of the site for: overflow-peak use demands which support other Port activities and businesses; reserves access to the Pier for existing the future use considerations; and, reduces building and use conflicts with the use of the US Coast Guard lease spaces and helipad.
- The Port's Vision Plan contemplates significant infrastructure upgrades to include multi-modal connections and gateways to promote overall visitor safety, activity and enjoyment of the fully array of Port amenities (commercial, recreational, educational). The Vision Plan contemplates relocation of the Port administrative offices and improvements of that site as a southern anchor to the overall Port development scheme.
- Advance a hybrid Government (Port) / Spec Development strategy may create an opportunity for the Port to leverage and pledge the private sector lease commitment as financial collateral to a public construction loan commitment. Further this strategy may create positive net revenue to the Port from the spec development lease, which will reduce the overall debt service requirement from site development. And by incorporating and development of the meeting / conference room space will provide additional (yet limited) additional lease revenue which can further support site development.
- With a Port led and anchored project, the Port will be further qualified for public grant programs which may provide additional offset or deferral of site development and infrastructure costs, thereby reducing the overall financial commitment of the Port.

- By pursuing a multi-tenant development strategy and pursuing a pre-lease commitment prior to commencing project construction, the Port will have more control over tenant selection and building design. These two factors will help the Port ensure tenant and contribution to the overall Port mission is optimized, while also allowing the Port to minimize exposure to tenant conflicts. This strategy will also enable either a public or private sector tenant, since tenant selection will be based on merits and financial capacity to perform, which could be either entity type.
- Additional study is needed to provide a more qualified opinion regarding the financial feasibility of this development concept. Factors that will influence this analysis include: building size; construction costs, tenant lease terms, construction and long-term loan rates, grant commitments, other extenuating factors.

XXXI. Development Considerations

The following analysis provides a review of relevant factors and conceptual design ideas which can be considered by Port officials in the forthcoming decision-making processes. A limited discussion is provided below for both viable development options.

1) LEAVE SITE VACANT

Implementing a Leave Vacant development option will require no additional development strategy, beyond advancing additional planning for rehabilitation and increase commercial and recreational use of the in-water Pier located at the SW corner of the site.

In any development scenario, preservation and rehabilitation of the Pier should be advanced as an opportunistic Port infrastructure and use strategy. In the meantime, the Port may continue to pursue / evaluate other sites for the temporary uses (overflow parking / temp. storage) which periodically use the subject site.

2) HYBRID Port / Spec Development

Implementing the HYBRID Port / Spec development option will require many additional considerations, from building location, building sizing and design, tenant leasing and selection, construction financing, construction contracting, commissioning and programming of potential rental spaces. The following provides a highlight of many of these factors in attempt to begin the Port dialogue. Additional detailed analysis and review of each of these and other parameters will be needed while advancing this development option.

Building Location

- The buildable area should be located on the eastern half of the total site.
 - o This will preserve roughly ½ acre of the site for use as overflow and temporary peak period uses, and, preserve the commercial and public access and use potential of the Pier.

Figure 4. Site Space Allocation



Site Development Concept

Site development should incorporate the Port's Vision Plan concept for relocation of the Port's administrative offices and redevelopment of that site into a public parking and viewpoint location. By arranging the site development concept to abut the public streets, may allow the Port to utilize grant funds to construct site frontage for the new development along the site's eastern property line.

A site development concept is illustrated in Figure 5.

In this concept, the building footprint is maximized by providing parking adjacent to the building near the NE corner. This new parking lot is adjacent, but off-site, taking advantage of the Port's Vision concept for the redeveloped southern viewpoint/circulation scheme. Further, construction of the public parking at the viewpoint may also serve as both visitor and shared parking for a portion of the proposed new development. Arranging the building to provide a buffer from the Tillamook Bay frontage, creates a building amenity and improves east/west pedestrian circulation from the viewpoint terminus to the Pier. Lastly, by leaving the western half of the site vacant, it may accommodate some of the temporary/peak use demands and can be designated as shared parking for the site.

Figure 5. Site Development Concept



Development Program & Size

Primary tenants and uses:

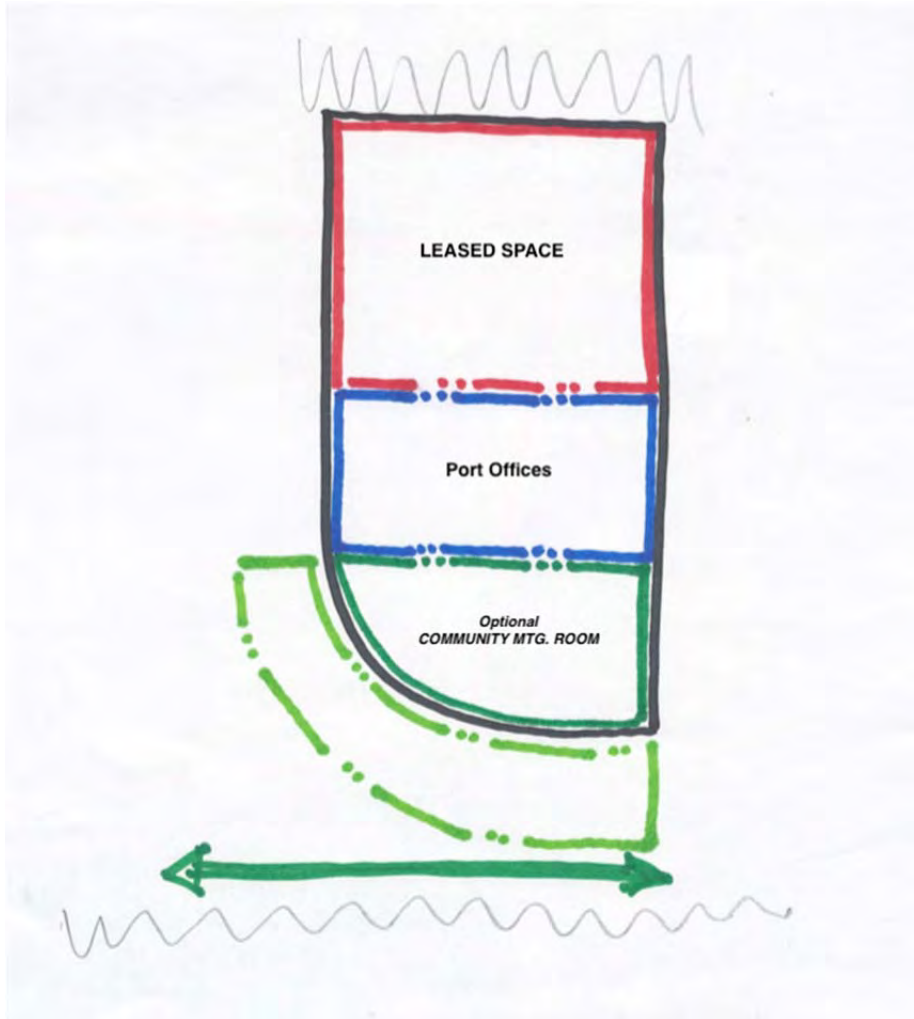
- Port of Garibaldi administrative offices
 - o Estimated gross leasable area of 2,500 SQFT (does not include Port Commission meeting room space)
- Future Tenant suite
 - o Estimated gross leasable area of 5,000 SQFT (includes restrooms. Does not include outside area, which could also be included in lease space)
- Community Meeting Room. (Optional Use)
 - o Estimates gross leasable area of 2,500 SQFT (includes catering kitchen space. Does not include restrooms or outside patio which functions as extra leasable area)

Building Size & Design Concept / Amenities

- 7,500 – 10,000 SQFT of gross leasable area divided into 2-3 use areas.
 - o Size depends upon final tenant needs and whether community room is added to development program

- Locating a Community Mtg. Room at the south end of the building provides the greatest amenity appeal. At this location, the room has south views into Tillamook Bay, and preserving east/west pedestrian access corridor from the viewpoint to the Pier. The design can consider incorporating an exterior patio abutting the meeting room; which can be leased as an extension to the meeting room, and can be programmed in the peak tourist season as another event facility, which provides another rental income option for the Port.
- Building size and format is flexible, ideally designed as shell building with limited interior partitioning and up to 20-foot ceiling heights, which allows for greater tenant leasing, use options and flexible interior design layouts. (See examples which follow)

Figure 6. Concept Building Space Allocation



A contemporary trend among many urban office / meeting space developers is to construct a flex / light industrial shell building type, with open floor plates and up to 20-foot interior ceiling heights. This allows tenants to finish those spaces in a more “office industrial” aesthetic (ex. exposed ceiling trusses, HVAC ductwork, minimal interior partitions). This construction method allows the developer to construct the building shell at low costs (compared to custom / purpose driven construction) and the building can be finished per the

specific tenants needs. These building types are often leased to different types of tenants and it is very common to mix tenant types (ex. office, light-industrial/manufacturing, restaurant). This strategy and potential aesthetic has become popular in recent years.

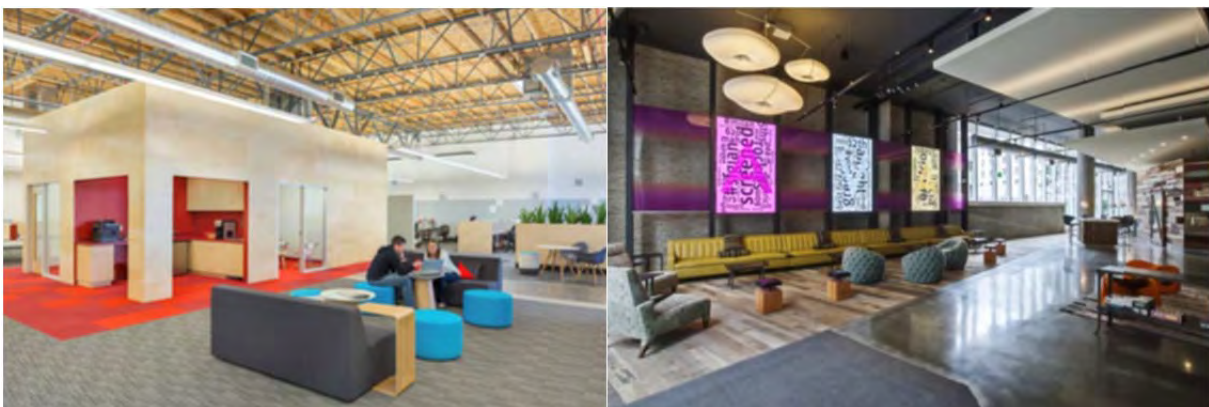
The pictures below show an example of a tilt-up concrete flex/industrial shell building type. Aesthetic details are add-ons to create more visual appeal for office/restaurant frontages, where more “traditional” flex industrial features (roll-up shipping/receiving docks, high interior ceilings) are left in the open interior spaces to accommodate light-industrial / manufacturing functions.

Figure 7. Flex Space Building – Architectural Examples



The pictures below show an example of interior finishes in a shell building space which are designed for an office use environment. Aesthetic enhancements are designed around the tenant’s budget and aesthetic needs. Final space build-out may include limited interior partitioning of the space for meeting rooms, polished concrete floors or carpeted areas, and specialty art or lighting fixtures to accentuate the interior.

Figure 8. Flex Space Building – Interior Finish Examples



Lot, Zoning and Building Factors

Any development at the subject site will be influenced by several non-Port managed factors. Key factors include the definition of the buildable lot, and the City's zoning and building requirements. A brief summary of each of these primary factors is addressed below.

Lot: Because the potential building site is a sub-set of the larger 4+ acre primary lot, the Port should have a significant degree of flexibility in establishing the buildable area. As proposed, the Port will retain ownership of the underlying land (in any configuration), and building improvements can be placed in an optimal configuration for access, parking, visibility and in order to retain functional utility of the remainder areas for temporary / peak demand uses.

The Port may need to establish easements across the remainder areas of the larger parcel to ensure functional ingress/egress for the parking and temporary storage areas. Additionally, the Port may need to establish a clear survey and legal description for inclusion into a commercial lease for areas which may become part of a future commercial lease agreement.

Zoning: The City of Garibaldi has very flexible zoning and site development codes, and the Port can pursue benefits such as limited setback requirements and shared parking arrangements to optimize the placement of the building and to limit the costs of new parking.

Key zoning provisions include.

- Lot Size. The minimum lot size shall be the area necessary to support the proposed use, including sufficient area for parking, loading, ingress and egress, and storage of materials.
- Density: No minimum or maximum density requirements, but density is subject to Lot Dimension standards
- Lot Coverage: No maximum. However, lots must accommodate all use elements (i.e. building, parking, landscaping, ingress/egress)
- Building Height Max: 30 feet.
- Building Setbacks: vary from 10-15 feet, dependent upon zone and proposed and adjacent use type(s)
- Parking ratio: 1 per 1,000 SQFT for industrial uses; and, 2 per 1,000 SQFT of building area for traditional office uses.
 - o Shared parking arrangements can be established to provide parking off-site and utilize existing parking.
- Buffers / Landscaping: Industrial uses shall establish a sight-obscuring fence or hedge around outdoor storage areas. Commercial uses none required.

Building: The City of Garibaldi's building design regulations provide a high degree of flexibility. Driving building design will be codes related to the structural conditions of the underlying soils, regulations related to tsunami/flood zones, and the Port's own vision of what design aesthetic it can both afford and what promotes the Port's Vision Plan guidelines (and/or what a build to suit tenant desires).

XXXII. Strategic Observations

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

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

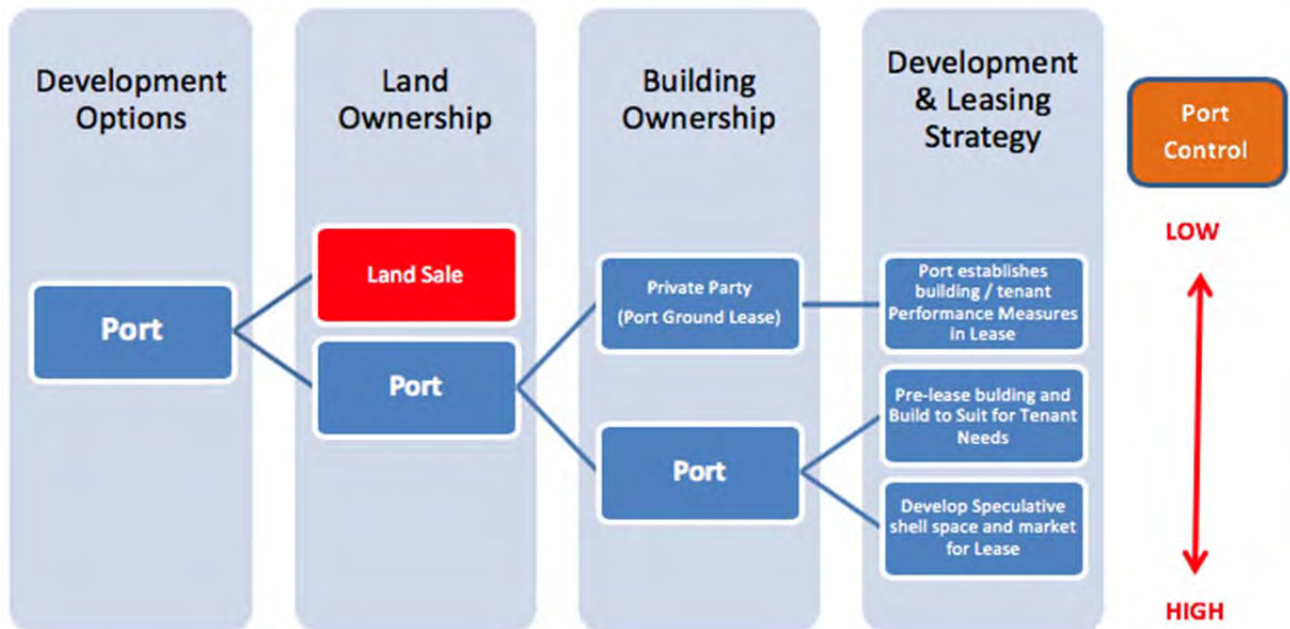
Development CONTROL

Control of site development, in terms of tenant selection and building/site design should be a priority of the Port. The amount of control the Port can vary from less to more control. The Port possesses four primary approaches to site development including: 1) land sale; 2) ground lease; 3) build-to-suit with lease; and, 4) speculative development (without/pre-lease). These options provide the Port with varying levels of involvement, control, risk and financial returns.

An optimal level of control is retained when the Port manages all phases of the development process (from leasing to building construction). That would typically be associated with the pre-lease / built-to-suit option. In that scenario, it is assumed the Port may also be able to extract the highest financial return, since the building would have been specifically designed to suit the primary tenant needs. The Port would possess the least control in a ground lease development strategy, because the building owner will control a certain degree of autonomy for final building design and tenant selection. In that development scenario, the financial returns to the Port may also be the lowest, given the Port's real estate leasing policy (based on No greater than 10% of the RMV of the underlying land). Speculative development provides the Port with the maximum degree of control over site development and building design, however, provides a high degree of financial risk should the property not lease-up quickly, or does not return enough lease revenue which could contribute to overall financial loss to the Port. Further, extended period of vacancies can lead to negative perceptions of the Port site and could affect re-lease negotiations among existing tenants.

Considering the different control and financial performance characteristics of each development management options provides a tool for the Port to evaluate its tolerance for risk and financial return. And in all cases, the Port can manage the overall outcome of development through prescriptive lease terms (either ground or building lease), since it is assumed the Port will retain ownership of the underlying land.

The following matrix reflects a summary of the development control options available to the Port.



Observation: the Port should retain land and building ownership and should pre-lease a portion (target 50%) of the building prior to commencing construction. In this scenario, the Port can negotiate final building design options and other building occupancy and sub-lease tenant parameters with the primary tenant.

Additional studies

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

Building Costs

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

By utilizing a pre-lease (or built to suit) development strategy, the Port can ensure that the building that is delivered is leasable from the start. And despite specific tenant requirements,

the Port should limit the amount of customization to ensure the greatest interior flexibility (i.e. shell space) so that as tenant turn-over occurs, the building can be reconfigured at minimal cost and which casts the widest net in terms of suitability for future tenants.

In addition to building costs, a major cost driver in the pacific northwest construction market is availability of labor. Construction costs on the pacific northwest are increasing and labor availability is a major cost factor. These issues are acute in the non-urban areas, and may be a major factor for the Port.

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

Soil Conditions

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

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

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

Tenant Selection and Leasing

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

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

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

Development Financing

The Port has access to state and federal grant and loan programs which can provide long-term low-cost financing for site development costs.

Business Oregon's Port Planning and Marketing grants may be available to help defray soft costs associated with site development planning, cost estimating, and marketing the site/building to prospective tenants.

The most beneficial long-term construction loan program the Port should pursue is the Business Oregon Port Revolving Loan Fund program. This program offers long-term (up to 25 year) loans to Port's for water-oriented facilities, industrial parks, and commercial/industrial development. The proposed development program will qualify for this loan program. Eligible project costs can include all costs associated with the proposed development option.

The loan terms of the Revolving Loan Fund are very beneficial. Program guidance provides long-term loans rates which are indexed to long-term (>20-year) U.S. Treasury Notes minus 1% point. At current Treasury rates of 2.15%, that would equate to an estimated loan rate of 1.15% under the loan program.

In addition to these programs, the Port should consult with the Regional Representative for the U.S. Department of Agriculture to determine if the proposed development is eligible for the Rural Development loans or grants. Grant funding is usually limited to \$250,000 or less for eligible projects.

The U.S. Department of Housing and Urban Development (HUD) also provides infrastructure loans and grants through its Community Development Block Grant program. However, these highly competitive funds are primarily focused on housing assistance and community facilities, and are more often allocated to counties rather than small cities. It is also doubtful that the city of Garibaldi would meet the very low-income thresholds.

State and federal infrastructure improvement grants can help offset the full or partial cost of site infrastructure and utility costs. The Port should continue to aggressively pursue these grant programs to eliminate as much of the site development infrastructure costs as possible.

Once the development site and program is confirmed, it is recommended that the Port pursue the following next steps to secure funds for planning, marketing and constructing a new Tillamook Bay waterfront marine building.

1. Pursue Business Oregon Planning and Marketing Grant funds to complete site planning, design and marketing activities (\$40,000-\$50,000).
 - a. Prepare site development concepts for community input and refinement.
 - b. Prepare site development and building design plans and construction cost estimates and project financial pro forma.
 - c. Coordinate with city, ODOT, Business Oregon and Tillamook County officials.

2. Identify and secure seed tenant letters of intent to lease space
3. Prepare final construction design plans and engineering plans for site infrastructure
4. Pursue and secure state and federal grant and loan commitments
5. Refine project financial pro forma and budget estimates/forecasts

XXXIII. Case Studies

The following case studies provide different examples of Port led development projects. The intent of the case studies is prompt further discussion and inquiry into the nature and type of development strategy the Port may wish to pursue.

Case Study 1

Project: Port of Kalama Administrative Offices / Interpretive Center

Owner: Port of Kalama, WA

Tenant: Port of Kalama

Case Study 2

Project: Port Townsend, Northwest Maritime Center

Owner: Northwest Maritime Center

Tenant: Multiple tenants, including owner and public library

Case Study 3

Project: Port of Kalama Hotel Development

Owner: Port of Kalama, WA

Tenant: McMennamin's Inc.

Project: Port of Kalama Administrative Offices / Interpretive Center

Owner: Port of Kalama, WA (*also primary tenant*)

GENERAL DESCRIPTION

The Port of Kalama built a new port administrative offices and historic museum building. At approximately 14,000 SQFT, the building has become a showcase for the Port. The Port offers access to public meeting spaces rental. The architectural style of the building is meant to resemble a historic waterfront warehouse from the 1800s. The museum/interpretive center is meant to interpret the history of the Kalama waterfront, and offers visitors display of models and replicas of Port, transportation and cultural interpretations. Port officials expect the new administrative / interpretive center facility to further develop Kalama as a destination for day-trippers and tourists.

BUILDING CHARACTERISTICS

Year opened: 2014

Size:

- Offices 9,000
- Museum/Interpretive Center: 4,500

Stories: 1

Cost: \$4,800,000 (estimated)

Parking: surface

AMENITIES/SERVICES

Port Administrative Offices

Port Board meeting room

Historic Museum

Public meeting room (available for rent / public use)

Waterfront site, recreational trail abutting site, adjacent to marina and hotel



Project: Northwest Maritime Center Campus, Port Townsend, WA

Owner: Northwest Maritime Center
(501(c)(3) Organization)



GENERAL DESCRIPTION

The Northwest Maritime Center built a new administrative office, event venue and classroom spaces on a former brownfield site on the Puget Sound in Port Townsend, Washington. At approximately 26,500 SQFT, the building has become a focal point for the community, serving as a gathering and event venue as well as a window to the storied maritime legacy of the city. The Northwest Maritime Center has also provided the public with a 4,900 SQFT pier which extends 215 feet into the Puget Sound, providing unparalleled marine wildlife viewing opportunities. The building is the first LEED gold certified structure on the Olympic peninsula with features such as a water source heat exchanger, taking advantage of natural daylight and ventilation and rooftop solar panels. Northwest Maritime Center administrative offices, six local non-profits and a coffee shop are also located in the building, which in total employ 60. (Photo credit: top: NWMC, Bottom-left: Miller Hull, Bottom-right: Jen Lee Light)

BUILDING CHARACTERISTICS

Year opened: 2009

Size:

- Offices 3,000 SF
- Retail 3,000 SF
- Library 500 SF
- Event Space 5,000 SF
- Boat storage 5,000 SF
- Boat shop 5,000 SF
- Classroom 5,000 SF

Stories: 2-3 (two buildings on site)

Cost: \$15,000,000 (estimated)

Parking: surface

AMENITIES/SERVICES

- H.W. McCurdy Library
- Boat Shop and Milling Room
- Catering Kitchen
- Pier Access
- Northwest Maritime Center Offices
- Retail/visitor center
- Office spaces for 6 non-profits
- Coffee shop
- Simulator suite for professional mariner training
- Classroom/community space



Project: Port of Kalama Hotel Development

Owner: Port of Kalama, WA

Tenant: McMennamin's Inc.

GENERAL DESCRIPTION

The Port of Kalama entered into a joint venture and long-term lease with McMennamin's Inc. hotel and restaurant corporation to develop a 40-room hotel and restaurant facility at the Port site. The building architectural style is modeled after early 1900s Hawaiian Inn style, which is also reflective of Kalama's cultural history. The Port's Agreement with McMennamin's corporation caused that the Port built the building shell improvements and McMennamin's agreed to pay for the interior building improvements and monthly lease payments as part of the development agreement. Combined with Port financing of the building improvements, The Port utilized public grants to provide some on-site development funding, constructed the public trail system along the waterfront. McMennamin's lease payment amount is designed to fully amortize and repay the Port's capital construction cost burden over a 14-year term.

BUILDING CHARACTERISTICS

Year opened: 2018

Size:

- 1.5 Acres (Site)
- 30,000 SQFT (building)

Stories: 3

Cost:

- Building Shell - \$8,600,000 (Port)
- Tenant Improvements - \$3,000,000

Monthly Rent: \$42,500 (mo.)

Parking: surface

AMENITIES/SERVICES

40 hotel rooms, wrap-around porch design with waterfront views

On site brewery

2 restaurants (1 main floor and 1 top floor) and outdoor dining with waterfront views

Banquet / meeting spaces (available for rent)

Historic Museum

Public meeting room (available for rent)



XXXIV. Appendix

PRELIMINARY RENT ANALYSIS (Spec Development)

Building Cost and Lease Rate Analysis

Building Scenarios: 7,500 SQFT; and, 10,000 SQFT

Bldg SQFT

7,500

Building Cost Range /1

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

Construction Cost

LOW Cost / Total	\$	862,500
HIGH Cost / Total	\$	1,125,000

RMV / Lease Rate /2, 3	10%	8%	5%
Gross Rent: LOW Cost			
YR	\$ 86,250.00	\$ 64,687.50	\$ 43,125.00
MO	\$ 7,187.50	\$ 5,390.63	\$ 3,593.75
SQFT (YR)	\$ 11.50	\$ 8.63	\$ 5.75
SQFT (Mo.)	\$ 0.96	\$ 0.72	\$ 0.48
Gross Rent: HIGH Cost			
YR	\$ 112,500.00	\$ 84,375.00	\$ 56,250.00
MO	\$ 9,375.00	\$ 7,031.25	\$ 4,687.50
SQFT	\$ 15.00	\$ 11.25	\$ 7.50
SQFT (Mo.)	\$ 1.25	\$ 0.94	\$ 0.63

Bldg SQFT

10,000

Building Cost Range /1

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

Construction Cost

LOW Cost / Total	\$	1,150,000
HIGH Cost / Total	\$	1,500,000

RMV / Lease Rate /2, 3	10%	8%	5%
Gross Rent: LOW Cost			
YR	\$ 115,000.00	\$ 86,250.00	\$ 57,500.00
MO	\$ 9,583.33	\$ 7,187.50	\$ 4,791.67
SQFT (YR)	\$ 11.50	\$ 8.63	\$ 5.75
SQFT (Mo.)	\$ 0.96	\$ 0.72	\$ 0.48
Gross Rent: HIGH Cost			
YR	\$ 150,000.00	\$ 112,500.00	\$ 75,000.00
MO	\$ 12,500.00	\$ 9,375.00	\$ 6,250.00
SQFT	\$ 15.00	\$ 11.25	\$ 7.50
SQFT (Mo.)	\$ 1.25	\$ 0.94	\$ 0.63

Notes:

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

PORT COMMISSION WORKSESSION

Market Feasibility Study

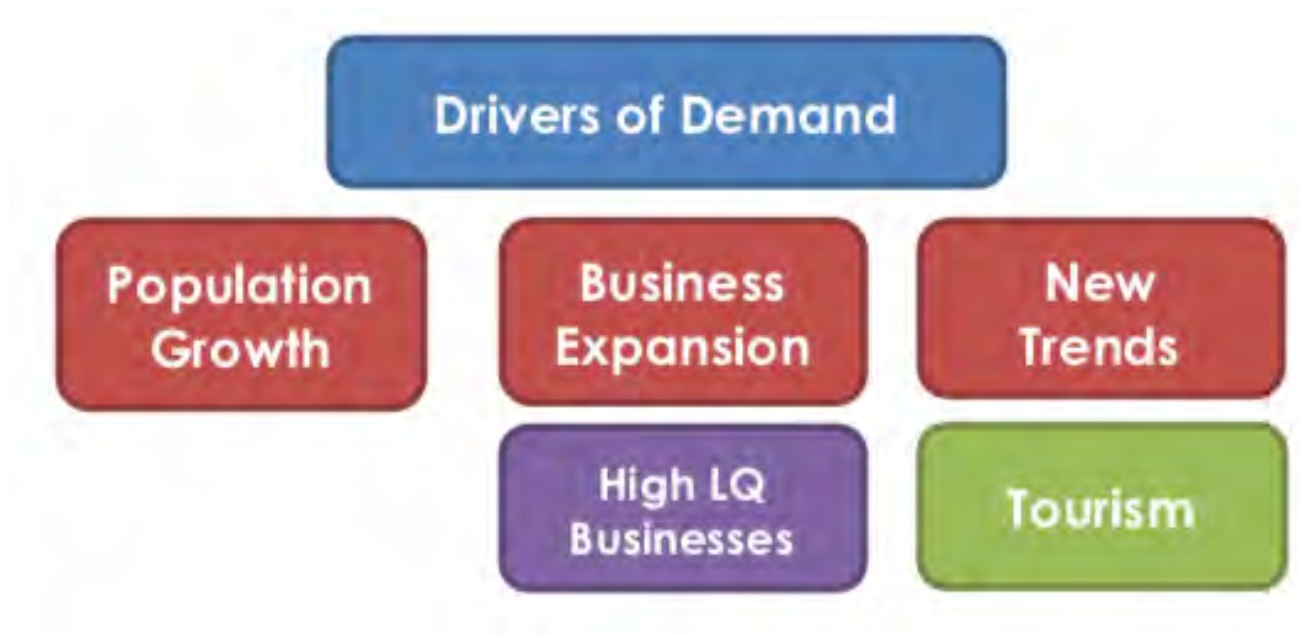
Commission Work Session

Port of Garibaldi
November 13, 2019

Agenda

- Highlights of Task 2 & 3 Reports:
 - Market Conditions
 - Site Assessment
- Preliminary SWOT Analysis/Questions
- Development Priority / Values Screening
- Next Steps

Community Growth



Community Growth

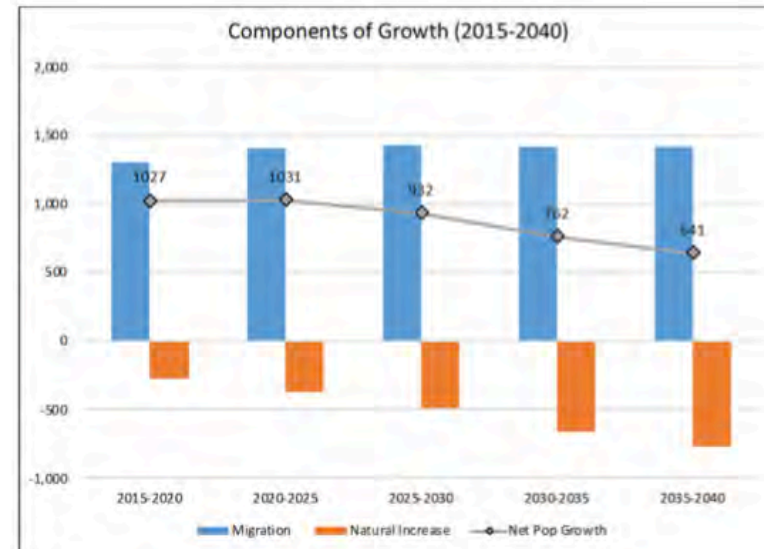
Table 1. Population Growth 2017-2040 (forecast)

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

Source: Population Research Center, Portland State University, July 1, 2017

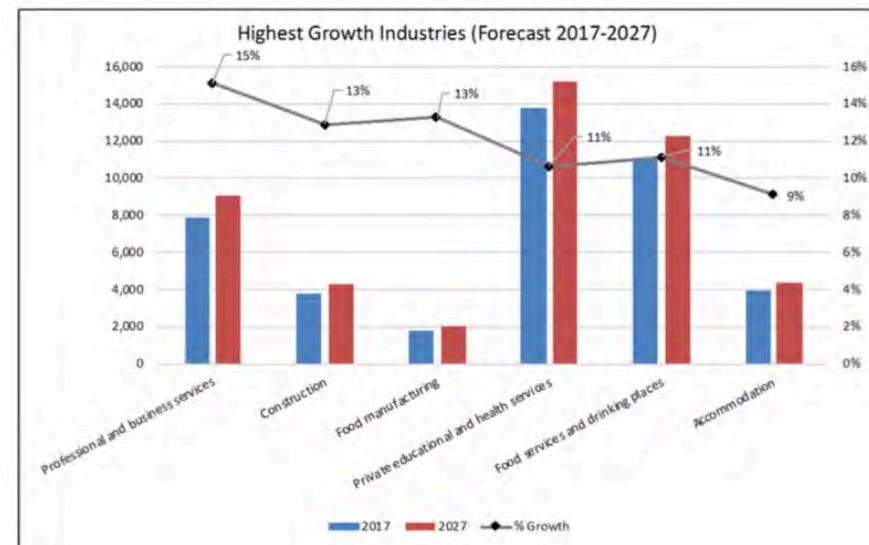
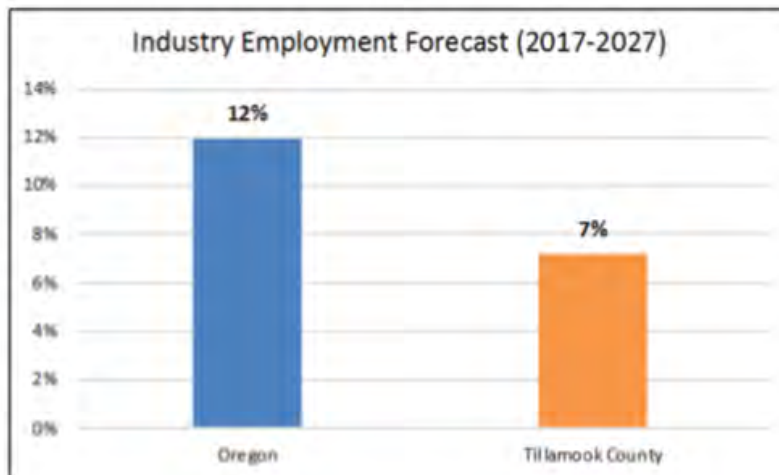
Final forecasts represent populations as of July 1 of each year

AAGR = Average Annual Growth Rate from period 2017-2040

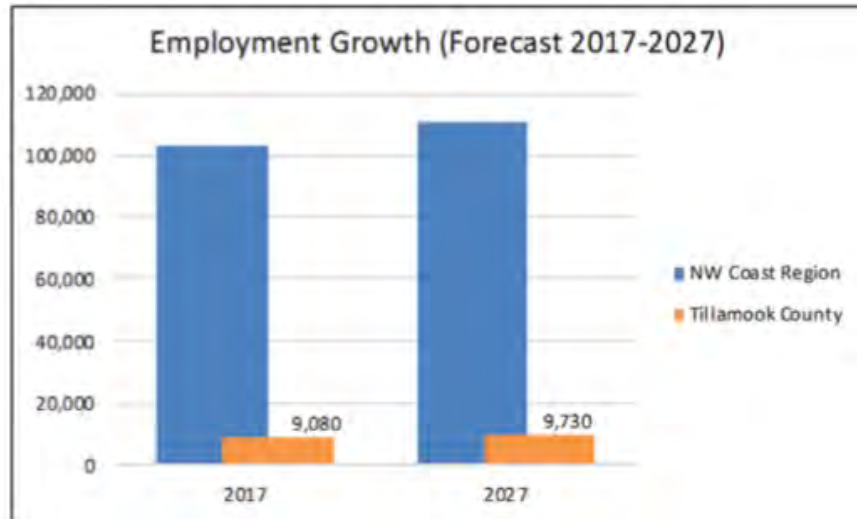


Source: Population Research Center, Portland State University, July 1, 2017

Community Growth



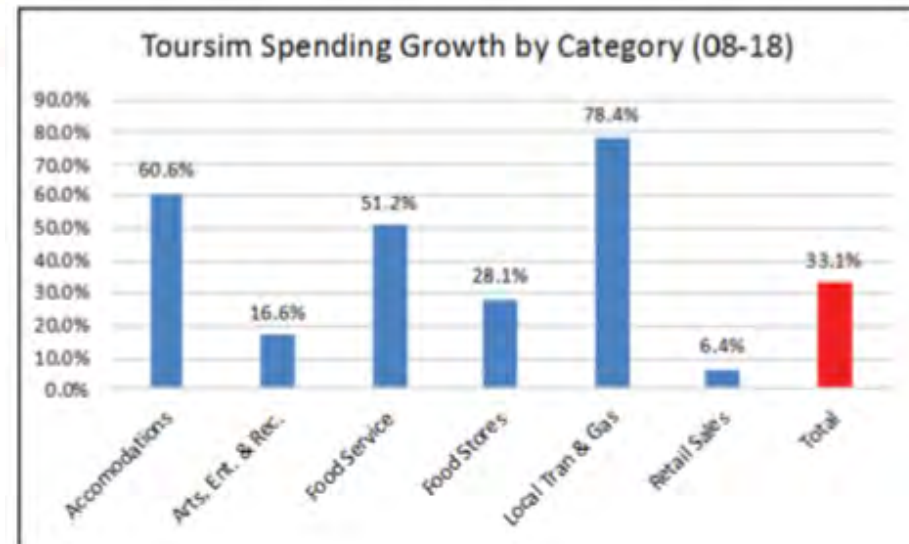
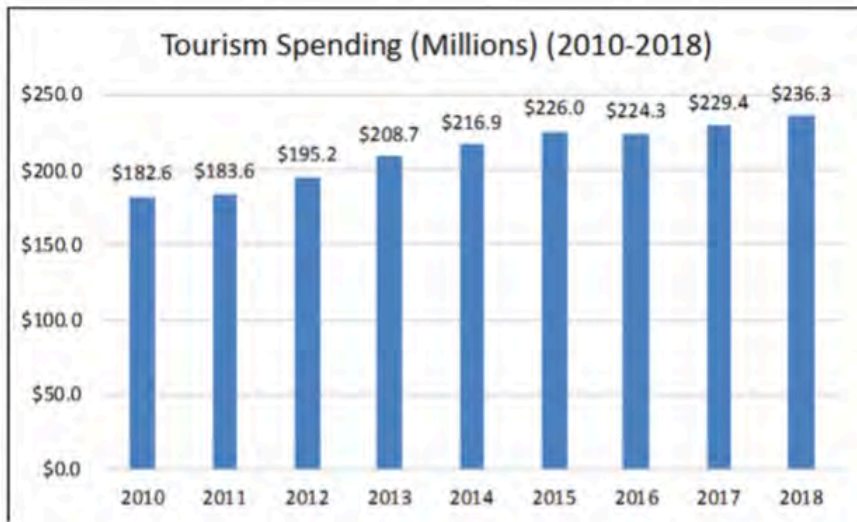
Community Growth



Total Employment	Tillamook (2017)	Tillamook (2027)	# of Jobs	Growth Rate
Total payroll employment	9,080	9,730	650	7.2%
Total private	7,110	7,695	585	8.2%
Natural resources and mining	570	599	29	5.0%
Mining and logging	220	218	(2)	-1.0%
Construction	350	395	45	12.9%
Manufacturing	1,430	1,494	64	4.5%
Durable goods	450	461	11	2.6%
Wood product manufacturing	370	354	(16)	-4.3%
Nondurable goods	980	1,049	69	7.1%
Food manufacturing	900	1,019	119	13.3%
Paper manufacturing				
Trade, transportation, and utilities	1,430	1,489	59	4.2%
Wholesale trade	1,070	1,081	11	1.0%
Retail trade				
Transportation, warehousing, and utilities				
Information	50	51	1	2.0%
Financial activities	310	325	15	4.9%
Professional and business services	450	518	68	15.1%
Professional and technical services				
Private educational and health services	1,050	1,162	112	10.6%
Hospitals				
Leisure and hospitality	1,440	1,590	150	10.4%
Accommodation and food services	1,390	1,537	147	10.6%
Accommodation	480	524	44	9.1%
Food services and drinking places	910	1,011	101	11.1%
Other services and private households	380	396	16	4.1%
Government	1,970	2,048	78	3.9%
Federal government	100	99	(1)	-0.8%
State government	390	417	27	6.9%
Local government	1,480	1,540	60	4.0%
Local education	680	706	26	3.8%
Self-employment	800	883	83	10.4%

Source: Oregon Employment Forecast for 2017; MAG/FCS for 2027

Community Growth



Community Growth

LQ Analysis, Potential target opportunities for Port of Garibaldi

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

- Professional Services
- Warehousing/Cold Storage
- "Makers" (small scale manuf.)
- Food / Beverage Processing
- Lodging
- Arts/Entertainment/Recreation
- Associations, Research & Development

Community Growth

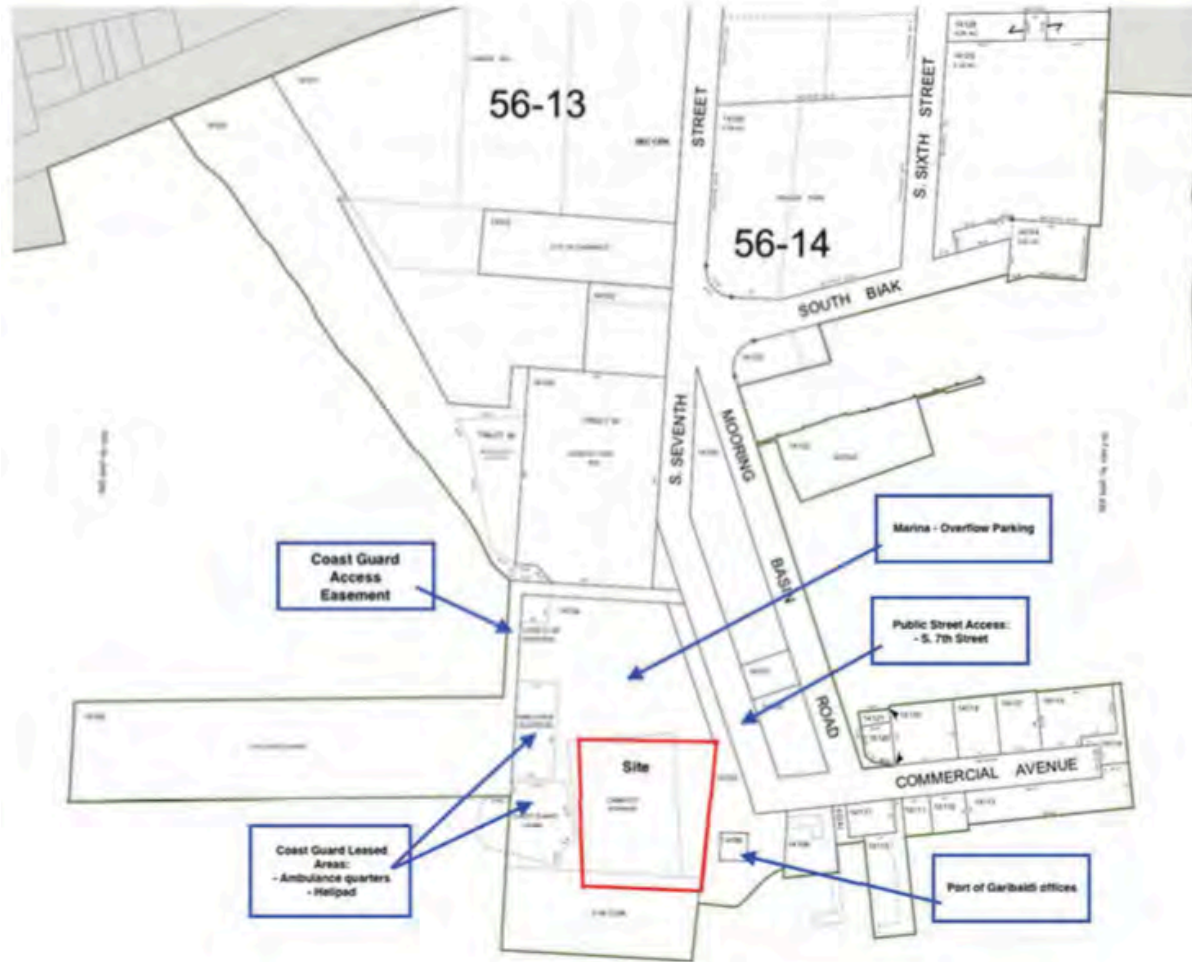
- Office/Industrial:
 - Up to 324K +/- space
- Lodging
 - Up to 360 +/- rooms

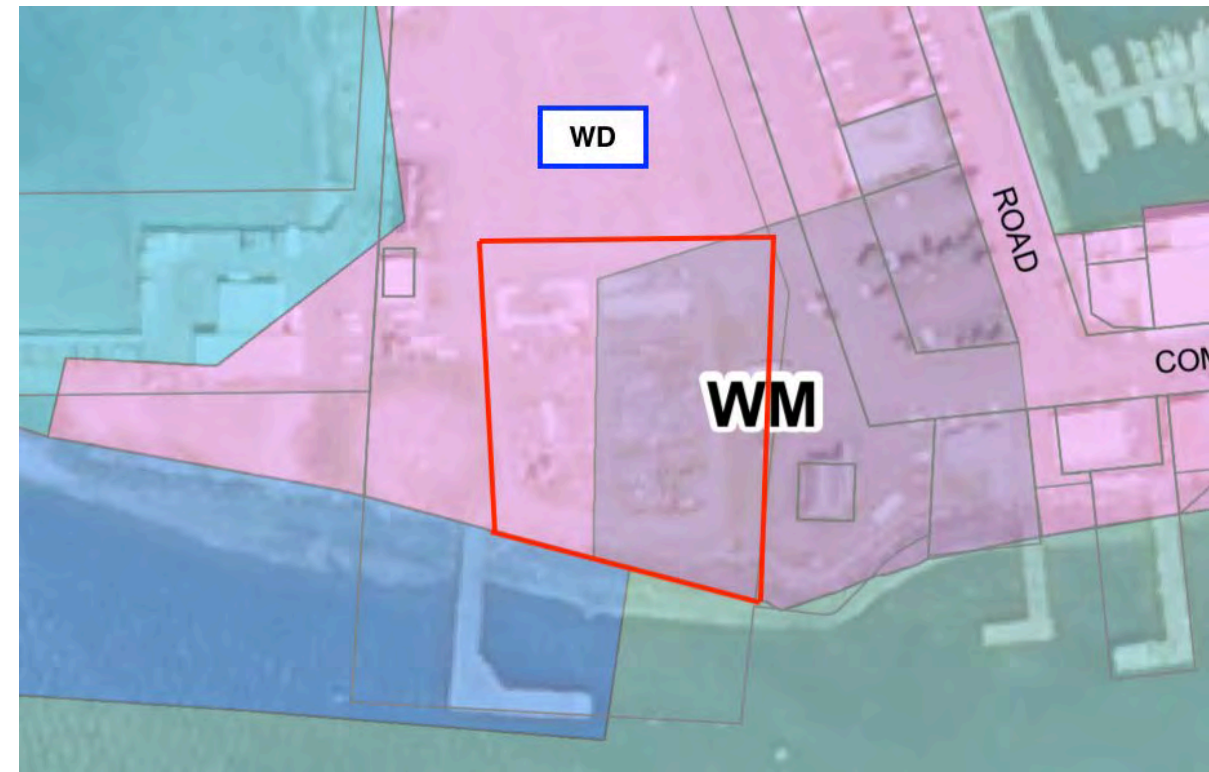
		2017-2027
TOTAL SQ. FT. DEMAND		
Tillamook County Market - Estimated Demand		324,729
- Flex / Light Industrial		194,837
- Office		129,891
Tillamook Region - Capture Rate Estimates		
LOW	80.0%	259,783
MEDIUM	100%	324,729
HIGH	120.0%	389,674

Existing Lodging Rooms	Net New Room-Night Demand	Total Supportable Rooms 2039*	Net New Supportable Rooms*	% Needing Meeting Facilities
450	88,864	812	362	35%

*Assuming 70% minimum required average annual occupancy

Site Assessment





SWOT

Preliminary SWOT Analysis

Strengths	Weaknesses
<p>Port has sole ownership and control of site</p> <p>Waterfront - Water view</p> <p>Flexible City entitlement processes</p> <p>Public and private Utility services and extensions are available and proximate to the site</p> <p>Costs of Development (public and private) should be lower than urban markets</p>	<p>Current peak overflow uses (i.e. crab-pot storage and overflow day-use boat trailer parking) have no apparent alternatives sites nearby. As such, displacement from the subject site could create use challenges for Port's core business functions (fishing industry).</p> <p>Site is small (1 +/-) acre, and total building SQFT potential is limited, which could reduce the financial feasibility for private development outcomes</p>
Opportunities	Threats
<p>Port has the ability to reconfigure site to meet development needs</p> <p>Should the site use support and sustain the fishing economy and micro industry associated with the Port</p> <p>Should the site use promote awareness of and education/research space for the Tillamook Bay Estuary</p> <p>Should the site use preserve use of Pier and in-water dolphins, for commercial fishing industry activity?</p>	<p>What are the Site Geotechnical Conditions (fill for foundations)? Will soil conditions need to be improved?</p> <p>What is the impact of the Coast Guard Helipad clear zone requirement of the FAA and general nuisance impacts?</p> <p>Will further commitment of land to non-industrial site use could create short and long-term conflicts with the commercial fishing industry at the Port site?</p>

Screening

SITE DEVELOPMENT SCREENING

The following concepts represent four viable site development concepts for analysis as part of the highest and best use analysis.

Use (Tenant) Type	Test 1: Legally Permissible	Test 2: Physically Possible	Consider Further	Observations
Commercial (office, flex light industrial)	Yes	Yes		Consider traditional offices and commercial activity in a flex building. Could have research, lab and meeting spaces. Limited size building with multi-tenant configuration.
Industrial (flex, light industrial, manufacturing)	Yes	Yes		Consider flex-industrial space so that it can be demised in multiple configurations (for more than 1 tenant. Consider use and building in relation to Pier and design so that pier use is a component of site/tenant use plans
Mixed-use (commercial, housing)	Yes (Conditional Use)	Limited scale only		Housing is deemed incompatible with existing Port harbor amenities and commercial tenant mix.
Retail	Yes (Conditional Use)	Yes		Depends upon retail type. If supportive of Port business, then could be appropriate.
Restaurant	Yes	Yes		Depends on scope. Need to consider type. Could be built as ancillary support to commercial primary tenant.
Lodging	Yes (conditional use)	Limited Scale		Hotel is deemed incompatible with existing harbor uses and commercial tenant mix.
Meeting Facilities	Yes	Yes		To be considered only as ancillary space to a primary use. Need to evaluate overall community demand and programming opportunities.
Leave Vacant	Yes	Yes		Retail site for current uses.

Highest & Best Use

Key Tests:

1. Legally Permissible
2. Physically Possible
3. Financially Feasible
4. Maximally Productive



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Web site: www.portofgaribaldi.org

**PORT OF GARIBALDI
MARKET FEASABILITY STUDY WORKSHOP
WEDNESDAY, NOVEMBER 13, 2019 5:30 P.M.
GARIBALDI CITY HALL: *COUNCIL CHAMBERS***

**REGULAR COMMISSION MEETING AGENDA
WEDNESDAY, NOVEMBER 13, 2019 7:00 P.M.
GARIBALDI CITY HALL: *COUNCIL CHAMBERS***

VAL FOLKEMA (#4), President; BOB BROWNING (#1), Vice President; JOHN LUQUETTE (#2), Secretary-Treasurer; KELLY BARNETT (#3); PAUL DANIELS (#5)

CALL TO ORDER/PLEDGE OF ALLEGIANCE

CHANGES TO THE AGENDA

PUBLIC COMMENT (**3 MINUTES PER ITEM**)

APPROVAL OF MINUTES, FINANCIAL REPORTS AND PAYMENT OF BILLS

- 1) Approve minutes of October 9 Regular and October 28 Special Commission Meetings.
- 2) Approve October financial reports and payment of bills.

CORRESPONDENCE/PRESENTATIONS

OLD BUSINESS

- 1) South Jetty (Update).
- 2) Hazard Mitigation Plan (Update).
- 3) 2019 Tillamook County Housing Summit (Update).

NEW BUSINESS

- 1) L-09A Garibaldi Portside.
- 2) F/V AMAK (Update).
- 3) Derelict and Abandoned Vessels (Discussion).
- 4) Rate Resolution (Review/Discussion).

STAFF REPORTS

- 1) Finance Manager, Jessi Coon.
- 2) Manager, Michael Saindon.

COMMISSIONER CONCERNS

FUTURE CONSIDERATIONS

ADJOURNMENT

NEXT REGULAR MEETING IS DECEMBER 11, 2019. REGULAR BOARD MEETINGS ARE HELD THE SECOND WEDNESDAY OF EACH MONTH AT 7:00 P.M. IN THE GARIBALDI CITY HALL COUNCIL CHAMBERS UNLESS OTHERWISE NOTICED. NOTICES ARE POSTED AT THE PORT OFFICE, POST OFFICE AND CITY HALL.

Market Advisory Group

Finance : Real Estate : Public Affairs