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# Economic Recovery Review Council

## South Coast Regionally Significant Industrial Area: Staff Analysis

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### I. Executive Summary

#### *Conclusion of Staff Analysis: Staffs' Recommendation to the ERRC*

**OBDD:** OBDD supports this nomination for RSIA designation, and recognize that all sites have development challenges that will require interagency coordination and resources. As these sites are currently most of the industrial sites in this important coastal region, their development will be the best opportunity for new traded sector employment.

**DLCD:** DLCD supports this nomination. DLCD recommends that the ERRC evaluate the program and revise policies as needed.

**ODOT:** No comment

**DEQ:** Supports this nomination for RSIA status.

Due to prior industrial use, several of these properties may have existing contamination that has yet to be fully investigated. DEQ is not aware that comprehensive assessments of potential contamination have been performed. DEQ recommends early assessment so that cleanup activities can be handled in advance or integrated into redevelopment activities. Completing a comprehensive Phase I environmental assessment, and entering the Voluntary Cleanup Program at DEQ, offers a better chance of completing whatever work may be required before timelines are constrained by development needs.

Early consultation is encouraged. In the event site certification is sought, DEQ cannot commit that environmental clearance could be issued within the 180 days as specified for site certification. Further, if contamination is found during preparation for construction, hazardous and solid waste laws will apply to those activities. Delays could be caused if unknown contamination is discovered at a later time.

**DSL:** No comment for Sites 1, 3, 4, 5, 6. Site 2 is dominated by vast areas of wetlands and other waters (approx. 200 acres) and additionally contains portions of four compensatory wetland mitigation sites. State and federal permitting requirements for substantial development within wetlands and waterways on Site 2 would be extensive both in time and effort. The compensatory mitigation obligations would be equally expansive. It is recommended that the



ERRC consider Site 2, in particular, relative to their adopted policy to designate a variety of RSIA's determined to have the most potential for rapid job creation [emphasis added] across the state.

RST: While few of the proposed sites are a perfect fit with the ERRC's adopted policy goals, they do match well the Statutory Requirements: the sites can support significant industrial employment growth. They are, in fact, critical to the long-term potential for industrial development and re-development in and around the Port of Coos Bay, the only likely driver of large scale industrial development on the south coast. While each face some level of development constraint, that is a reality for much of the vacant industrial land in Oregon—and this is especially true on the coast. The RST recommends approval of the application for all six nominated sites. If the Council believes that any number of the sites do not meet the requirements or policies for RSIA approval, then the RST respectfully requests that the Council consider approval for the sub-set of proposed sites that the Council does find appropriate for approval.

## II. Site Description/Summary:

OBDD: As the Charleston site is small, it will be limited in attracting new industrial uses for the site, but its location could be attractive to emerging marine technology companies.

DLCD: No comment

ODOT: No comment

DEQ: All information is current as of March 1, 2016

**Site #1, SOMAR Industrial Site** is within the City of Coos Bay service area. Sewage services would be provided by Coos Bay Treatment Plant #1. Recommend that applicant confirms whether a connection exists. While CB Plant #1 is aging and in need of upgrades, there are no capacity issues. The City of Coos Bay does not have an industrial pretreatment program. So, wastewaters from categorical and/or significant industrial users would not be allowed without first establishing a formal industrial pre-treatment program.

**Site #2, Henderson Site** The North Spit does not have sewer service; an on-site system would be required for domestic waste. Domestic (human sewage) or industrial waste would be managed under a WPCF permit, and avoid intruding on existing wetland mitigation sites.

**Site #3, North Bay Marine Industrial Park** The North Spit does not have sewer service; an on-site system would be required for domestic waste. Domestic (human sewage) or industrial waste could be managed under a WPCF permit.



**Site #4, Charleston Boatyard** is within the Charleston Sanitary District. Recommend that the applicant confirm a connection exists and whether for domestic waste or other wastes (stormwater under certain circumstances). Wastewater would be transmitted to Coos Bay Treatment Plant #2 by CSD. CB #2 is aging and in need of upgrades. The City has submitted plans to replace CB #2 and hopes to begin construction in summer of 2016. The City of Coos Bay does not have an industrial pretreatment program. So, wastewaters from categorical and/or significant industrial users would not be allowed without first establishing a formal industrial pre-treatment program.

**Site #5, North Bank** is west of the City of Coquille. It is unlikely the site is within the City's service area, but may be worth asking. If it is, a pipeline connection would need to be established. The wastewater would be treated by Coquille's treatment plant. The plant is relatively new and has no capacity issues. The City of Coquille does not have an industrial pre-treatment program. So, wastewaters from categorical and/or significant industrial users would not be allowed without first establishing a formal industrial pre-treatment program. If not within Coquille's service area, an on-site WPCF system could be evaluated to handle domestic and/or industrial waste.

**Site #6, Bolin Island** sewage would be transmitted to the City of Reedsport's wastewater treatment plant via the Gardiner Sanitary District's sewer. The City's treatment plant is relatively new and has no capacity issues. The GSD pipe has just been replaced and the pump station will soon be upgraded. The City of Reedsport does not have an industrial pre-treatment program. So, wastewaters from categorical and/or significant industrial users would not be allowed without first establishing a formal industrial pre-treatment program.

DSL: The following information is accurate as of February 2016.

**Site 1: SOMAR Industrial Site**

Removal-Fill: There are no wetland determinations or delineations on file for this proposed RSIA site. The site includes a portion of Coos Bay/River, a designated Essential Salmonid Habitat waterway. Any amount of alteration on the bed or banks below Highest Measured Tide elevation requires removal-fill authorization from DSL. The National Wetlands Inventory identifies all undeveloped portions of this site as wetland (approx. 35 acres) and includes an unnamed perennial waterway.

There are no active/valid removal-fill permits within the proposed RSIA site.

Proprietary: The state's ownership in this area is below the ordinary low tide elevation. The Site 1 boundary appears to include state-owned lands below ordinary low tide.



Within the boundary of this site, the state has two unresolved property ownership issues. In 1988, Crescent City Marine Ways and Drydock Co., Inc. applied to DSL to fill and purchase about 0.40 acres of state-owned submerged lands for bulkhead development. The Land Board approved the sale at its July 29, 1988 meeting. At that time, state-owned material was also identified on the site (under an existing building on the site). DSL has no evidence that final transaction for the state-owned filled lands and state-owned material took place. DSL seeks cooperative resolution of the matter with the owner.

Currently, DSL has a waterway lease with Sause Bros. for marine industrial/marine services at this site.

**Site 2: Henderson Site**

Removal-Fill: The proposed RSIA site is dominated by non-tidal wetlands and open water as evidenced by several delineations for various portions of the proposed RSIA site. Depending on the exact location of the proposed RSIA boundary, the site may also include tidal wetlands and waters.

A 2008 wetland delineation (WD2008-0593) included most, but not all of the proposed RSIA site south of Transpacific Parkway. The delineation identified a total of 170.8 acres of wetlands and waters within the delineation study area. The delineation is expired.

A 2013 wetland delineation (WD13-0188) includes, but is not limited to, the portion of the proposed RSIA site north of Transpacific Parkway. The delineation identified a total of 79.96 acres of wetlands and waters with the delineation study area. Approximately 30 acres of wetland and waters fall within the portion of Site 2 located north of Transpacific Parkway. The delineation remains valid until October 2018.

A 2013 wetland delineation (WD13-0116) covers a portion of the proposed RSIA site south of Transpacific Parkway. The delineation identified a total of 72.79 acres of non-tidal wetlands and an indeterminate amount of tidal wetlands and waters within the delineation study area. The delineation remains valid until November 2018.

There are portions of four compensatory wetland mitigation sites on the westernmost side of the proposed RSIA site associated with removal-fill permits 3616-FP, 4003-FP and 7068-FP. Designated mitigation areas enjoy additional protections under the Removal-Fill Law.



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There are no active/valid removal-fill permits within the proposed RSIA site.

Proprietary: The state's ownership in this area is below the ordinary low tide elevation. The Site 2 boundary appears to be above the ordinary low tide elevation. There is state-owned material on the site (southwest corner) from Army Corps of Engineers (Corps) dredging activities. It is unknown at this time how much state-owned material may be there. State-owned material put to beneficial use may be subject to royalty payments to DSL.

**Site 3: North Bay Marine Industrial Park Site**

Removal-Fill: There are no wetland determinations or delineations on file for this proposed RSIA site.

There is one active/valid removal-fill permit within the proposed RSIA site: Port of Coos Bay for maintenance dredging at the T-dock facility.

There are two compensatory wetland mitigation sites within the proposed RSIA site (within tax lot 10000) including a 0.15 wetland creation area associated with removal-fill permit 37712-RF and a 1.42 acre wetland creation area associated with removal-fill permit 36414-RF. Designated mitigation areas enjoy additional protections under the Removal-Fill Law.

National Wetland Inventory mapping identifies potential wetland areas (approx. 15 acres) within unfilled portions of this site as well as tidal waters of Coos Bay.

Proprietary: The state's ownership in this area is below the ordinary low tide elevation. The Site 3 boundary appears to include state-owned lands below ordinary low tide.

There is state-owned material on the site (filled areas on the north and eastern portions of the site) from Army Corps of Engineers (Corps) dredging activities. It is unknown at this time how much state-owned material may be there. State-owned material put to beneficial use may be subject to royalty payments to DSL. DSL has no evidence that transaction for state-owned material under the D.B. Western facility (on tax lot 105Z1) has taken place. DSL seeks cooperative resolution of this matter with the owner.

Currently DSL has several easements and waterway leases on this site including: City of Coos Bay easement for sanitary sewer line; Coos Bay-North Bend Water Board easement for 24" water line; D.B. Western waterway lease for marine industrial/marine services; Port of Coos Bay sand and gravel license for dredging at the T-dock.



**Site 4: Charleston Boatyard Industrial Site**

Removal-Fill: There are no wetland delineations or determinations on file for this proposed site.

There are two valid/active removal-fill authorizations within the proposed RSIA site: Port of Coos Bay (5854-RP) for maintenance dredging activity and a general authorization for sediment sampling.

The National Wetland Inventory identifies all unfilled/undeveloped areas of this site as wetland or tidal waters (approx. 18 acres).

Proprietary: The state’s ownership in this area is below the ordinary low tide elevation. The Site 4 boundary appears to include state-owned lands below ordinary low tide.

DSL currently has a waterway lease with the Port of Coos Bay for a commercial marina at this site. There is also a waterway easement with the Coos Bay-North Bend Water Board for a 12” waterline.

**Site 5: North Bank Site**

Removal-Fill: There are no wetland determinations or delineations on file for this proposed RSIA site. The National Wetlands Inventory identifies slightly over one-half (about 18 acres) of this site as wetland (predominantly forested wetland). There are no active/valid removal-fill permits within the proposed RSIA site.

Proprietary: There are no DSL ownership interests within the proposed site boundary.

**Site 6: Bolon Island Industrial Site**

Removal-Fill: A 2007 wetland delineation (WD2007-0710) covered all but the southernmost portion of the proposed RSIA site. The delineation identified 5.95 acres of wetlands and the adjacent waters of the Umpqua River estuary. The delineation expired in October 2013.

There are no active/valid removal-fill permits within the proposed RSIA site.

Proprietary: The state’s ownership in this area is below the ordinary low tide elevation. The Site 6 boundary appears to be above the ordinary low tide elevation.

Currently, DSL has a public facility license issued to Douglas County for the boat ramp on state land located at the north end of Site 6.



RST: No comment

### III. Statutory Requirements:

**(2) “Regionally significant industrial area” means an area planned and zoned for industrial use that:**

*(a) Contains vacant sites, including brownfields, that are suitable for the location of new industrial uses or the expansion of existing industrial uses and that collectively can provide significant additional employment in the region;*

OBDD: The nomination includes diverse and distributed industrial sites within the region. The nominated sites provide a range of redevelopment and new development opportunities for the region, although constraints and development times may be significant.

DLCD: All of the sites in the South Coast RSIA application are part of acknowledged comprehensive plans and are appropriately zoned for industrial uses. That being said, there are a few special considerations associated with these properties, which are mostly situated along coastal water bodies.

The developable portions of site numbers 1 through 4, on Coos Bay are largely zoned for water-dependent industrial use, which does limit the types of uses along the shore. Often that is not a problem, because that is the nature of the industries that would typically want to locate there. However, it does limit the range of activities that can be authorized. In addition, zoning overlays associated with natural hazards and habitat areas in coastal shore lands also effectively restrict the portion of the properties that can be cost-effectively developed for industrial uses.

Site number 5 is split-zoned, with a majority of the 30 acres being zoned for farm use. Site 5 is most readily available for industries that process agricultural products. Site number 6 on Bolon Island in Douglas County is subject to a shore land set-back along the riverfront.

The Henderson site is due some consideration. The Henderson Marsh site is a very large property and there are areas that are more or less ready for development. The marsh is usually included in the listed acreage of the site. The site is appropriately zoned for industrial use, with the caveat that there are areas of the property where development is restricted or would be more costly. If a company was willing to clear the regulatory hurdles, the high cost of filling a portion of the wetland and the associated mitigation would be cost prohibitive for many industrial uses.

ODOT: No comment

**DEQ: All information is current as of March 1, 2016**



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**Site #1, SOMAR Industrial Site.** Cleanup status: The portion of this site currently occupied by Sause Brothers' operations is listed as site #1908 in the DEQ ECSI database. This is one of several sites in the Coos Bay area that received deferral from federal Superfund listing in 2000. Deferral is predicated on adequate cleanup and oversight from the State of Oregon DEQ. DEQ staff is reviewing the closure report submitted by Sause Brothers. Additional information must be included in the closure report. Sause has been responsive. A summer 2016 public comment period is anticipated. EPA must approve the closure report.

Industrial Stormwater Permit: The current operations are using the DEQ 1200-Z Industrial Stormwater General Permit, File #107302. Required stormwater monitoring in 2015 triggered a mandatory Tier II pollution (for copper) reduction plan. An acceptable plan has been submitted; implementation deadline is June 30, 2017. No site inspection has been conducted by DEQ Water Quality staff. During the tour hosted by Sause for South Coast Development Council and the Regional Solutions team on February 17, 2016, a newly built stormwater management system was observed. No commitments toward its compliance status or function are implied by this observation.

**Site #2, Henderson Site.** This site is adjacent to lands that have seen considerable industrial use in the past. To the east, the property is currently acquiring permits for the Jordan Cove Energy Project. Roseburg Forest Products-North Bend Chip facility further to the east has active stormwater permits and two closed ECSI files #4703 and #4384. Due to the extensive history of industrial use in the immediate vicinity, site screening for environmental contamination is recommended when land development is planned.

**Site #3, North Bay Marine Industrial Park.** Portions of this property on the North Spit are in active industrial use and listed as ECSI file #4973. Thorough environmental screening is recommended early in the process of creating development plans.

**Site #4, Charleston Boatyard.** This site remains in current industrial use.

Cleanup status: A LUST underground storage tank NFA (no further action) was issued in 1998. The site has an active cleanup project, ECSI#1905, and is one of several Coos Bay Superfund deferral sites. A closure report, based in recent sampling and analytical work, is being prepared. A public comment period and a meeting are planned for later this spring. EPA must approve the closure plan.

Industrial Stormwater Permit: The current operations are using the DEQ 1200-Z Industrial Stormwater General Permit, #70579. The permit has seen enforcement activity recently. Required stormwater monitoring triggered a mandatory Tier II pollution (for copper and zinc) reduction plan. An acceptable plan has been submitted. Implementation deadline is June 30, 2017. No site inspection has been conducted by DEQ Water Quality staff. Technical assistance has been provided by email and by phone.



**Site #5, North Bank.** Local knowledge (“the chrome plant”) and the building standing on the property suggest the storage of hazardous substances at this site at some time in the past. DEQ is not aware of any comprehensive assessments in the area to determine whether there have been unmitigated releases or hazardous substances at the site. DEQ searched its Environmental Cleanup Site Information (ECSI) and the leaking underground storage tanks (LUST) cleanup site databases and found no listings for this site or sites nearby. Environmental Phase I and II evaluations would provide insight into whether conditions at the site will require cleanup, oversight, or management plans during development.

**Site #6, Bolon Island.** The island has been in industrial use, including ship building and maintenance for many years. DEQ records include a Solid Waste Letter of Authorization for a project to dispose of contaminated sandblast grit on the American Bridge site west of the Highway 101 bridge (SWLA #1535) and two ECSI sites, #544 and #5361. #544 was a truck spill for which DEQ notes the need for more complete cleanup documentation. #5361 applies to the Umpqua River Drydock to the south of tax lot 1200 identified as the industrial site proposed for this listing as Regionally Significant. It is recommended that further environmental investigation be conducted in conjunction with development plans to assure that soil management or construction safety requirements are identified as part of the process.

DSL: No Comment

RST: Owners of Site #1 are actively considering expansion activity. Sites #2, 3, and 4 are owned by International Port of Coos Bay, which is actively pursuing development activity. Sites #5 and #6 are privately owned and owned by Douglas County, respectively, and both are being marketed through Oregon Prospector and by economic development partners.

**Statutory Requirements (continued):**

***(III. (2)) (b) Has site characteristics that give the area significant competitive advantages that are difficult or impossible to replicate in the region;***

OBDD: These sites are a good representation of the industrially zoned land within this defined region. Within the nomination area, nearly fifty percent of the vacant industrial sites in the region are smaller than 15 acres, and the Port of Coos Bay owns approximately an additional 900 acres of redevelopment industrial property. The nominated sites are distributed fairly throughout the region and would benefit multiple communities.

DLCD: Sites designated for water dependent industrial development are a valuable part of the industrial land inventory in Oregon, depending on the quality and maintenance of the port. Port activities are particularly important to the Coos Bay region.



ODOT: No comment

DEQ: No comment

DSL: No comment

RST: The simple reality is that large-footprint, industrially-zoned lands with some significant infrastructure development are a very rare commodity on the south coast. The establishment of other competitor sites in the foreseeable future would be very difficult and is highly unlikely.

**Statutory Requirements (continued):**

***(III. (2)) (c) Has superior access to transportation and freight infrastructure, including, but not limited to, rail, port, airport, multimodal freight or transshipment facilities, and other major transportation facilities or routes; and***

OBDD: Good transportation infrastructure is critical to industrial development on the Oregon Coast. The designation could help communities prioritize transportation investments in the region.

DLCD: No comment

ODOT: SOMAR Site

Access to the SOMAR site is through a local road that connects to the Coos River Highway. The Coos River Highway then connect to US 101 near Bunker Hill. From US 101 to the site, industrial traffic including trucks would need to maneuver through one 90 degree intersection as well as several other tighter curved areas along Coos River Highway. If industrial development increased the volume of trucks there could be some safety issues at the access to Coos River Highway and between the site and US 101. Traffic analysis should be performed prior to development to assure safety is not compromised.

The site could be accessed by walking or biking, although sidewalks and bike lanes are not present the full length between US 101 and the site. Improving walking and biking in the area could provide workers travel options to the site.

North Bay Marine Industrial Park Site

This site is located north of the city limits of North Bend. The site is accessed from the Trans Pacific Parkway that connects to US 101. The connection at US



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101 is a 'T' intersection that is not signalized and located in a 55 mph section of US 101. If truck traffic increased significantly at this intersection there could be safety concerns with high speed traffic and slow moving and turning trucks. Traffic analysis should be performed prior to development to assure safety is not compromised.

The site is not located closely with residential areas and is not served by walking and biking facilities which limits travel options for workers.

#### Henderson Industrial Site

This site is located closely with the North Bay Marine Industrial Park site and has the same highway access and issues as the North Bay Marine Industrial Park site.

#### Charleston Boatyard Industrial Site

This site is accessed by a local road called Troller Road. Troller Road connects to the Cape Arago Highway, OR 540. OR 540 travels through the City of Coos Bay and connects to US 101. The majority of the site is currently developed, however, if the site redeveloped to a use that increased truck traffic, there could be some safety concerns at the intersection of Troller Road and OR 540.

The site can be accessed by walking or biking providing travel options for workers. However, sidewalks and bike lanes are not fully present in the area.

#### North Bank Industrial Site

This site is located outside the City of Coquille. Access to the site is from North Bank Road which then connects to OR 42. The intersection of North Bank Road with OR 42 is an unsignalized 'T' intersection located in a 55 mph section of OR 42. There could be some safety concerns at this location if truck traffic substantially increased. While this section of OR 42 is multi-lane and includes left turn lanes, traffic analysis should be performed prior to development to assure safety is not compromised.

The site is located outside the city limits of Coquille with no significant nearby residential areas. Walking and biking infrastructure is limited to roadway shoulders typical of most rural areas. Shouldered areas do provide reasonable walking and biking opportunities for workers, however, proximity to the work force likely will limit travel options to primarily auto.

#### Bolon Island Industrial Site

This site is located just north of the City of Reedsport. Access to the site is from Lower Smith River Road which connects to US 101. The Lower Smith River



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Road intersection with US 101 is a 4-legged unsignalized intersection with left turn lanes on US 101 and located in a 55 mph area of US 101. As this site is relatively small – approximately 15 acres as buildable, the amount of truck traffic to the site could be limited. However, given the traffic volumes on US 101 in this area and the speed, traffic analysis should be performed prior to development to assure safety is not compromised.

The site is located close to the City of Reedsport and provides reasonable opportunities for walking and biking to the site as travel options.

### **General Highway Transportation**

All six sites are located in close proximity to US 101. US 101 is a lifeline route for Oregon coastal communities. It is also a major recreational route for the state of Oregon. In this area, the potential industrial sites have access to I-5 through either OR 38 or OR 42 depending upon location and directional travel on I-5. However, each site is at least 70 miles or longer from I-5, which is the closest major highway freight corridor and connects to other key state, interstate, and global markets. This distance is not ideal for some potential industrial sectors and could limit the types of potential development.

### **Marine Transportation**

While there may be some issues and concerns about the highway system and accessibility to these sites, there is a strong connection with the Port of Coos Bay. All six sites are located in close proximity of the Port of Coos Bay and therefore have great access to a deep see shipping port. Access to deep water marine transportation is a very positive transportation asset for these sites.

### **Air Transportation**

All six sites are located near the North Bend Regional Airport. The North Bend Regional Airport is a Category 1 airport for Oregon offering some commercial and freight air services. Close proximity to a category 1 airport is another positive transportation asset for these sites.

### **Rail Transportation**

All six sites have some level of proximity if not direct access to the rail system. Each site is addressed below.

SOMAR Industrial Site: The site information describes this site as 2 miles from the rail line serving this region. While distance is a barrier unto



itself, major challenges to accessing this parcel, should someone want rail service on-site, arise due to significant intervening urban development and the need to cross Isthmus Slough. A roadway does cross this slough but the bridge appears to be a drawspan of some type, indicating that the slough is considered a navigable waterway. If this is the case, any rail bridge likely would have to be a movable span too, escalating its cost. The bottom line is direct rail service to this site is not economically feasible. But the upside is this site seems very suitable for marine transportation.

North Bay Marine Industrial Park Site: This site is said to have “rail access (3.5 miles),” which could be wrongly interpreted as meaning that the nearest rail was 3.5 miles away. In reality, the North Spit industrial lead built to serve Southport Lumber (discussed below for the Henderson Site) ends a few hundred feet north of the north end of this 225-acre parcel. There is no evident reason why this lead track could not be extended as far as needed into this parcel to provide direct rail service to any new industries locating there. Moreover, there does not appear to be any notable terrain problems that could impede track construction. The entire parcel could be accessed by numerous rail spurs if there was sufficient demand for rail service. And there is minimal built-up environment to restrict track alignments.

Henderson Industrial Site: This site is crossed by a railroad lead track connected to the mainline of Coos Bay Rail Link. The lead track, nearly 4 miles long, was constructed around 10 years ago by the Oregon International Port of Coos Bay to bring rail service onto the North Spit of Coos Bay harbor. At the end of this lead track, spur tracks diverge to serve Southport Lumber Co., which receives regular rail service. Additional spur tracks diverging from this lead could be built as needed to serve new businesses locating on the Henderson site.

Charleston Boatyard Industrial Site: Because this site is located in Charleston it is a long way from the rail line serving the Coos Bay region. Direct rail service simply would not be possible. I note the site description mentions access to Highway 101 but it is not close either. However, the site is immediately adjacent to the Cape Arago Highway which connects with 101 in North Bend.

North Bank Industrial Site: Located northwest of Coquille, this 34.6-acre site is bordered on one side by the rail line serving Roseburg Forest Products’ mill at Cedar Point, a short distance further down the line. Rail



service could be easily provided here. In fact, the site literature mentions a previous spur once entered the property and it's highly likely that the subgrade for this track still exists and could potentially be reused, saving site construction costs.

Bolon Island Industrial Site: This parcel, some 32.4 acres, is bifurcated by a rail line actively used by Coos Bay Rail Link to reach the old town site of Gardiner where CBR performs locomotive maintenance. It's likely that rail service could be provided to just about any location on this site. To my knowledge this line of railroad belongs to the Longview Portland & Northern Railway Co., which is a wholly-owned subsidiary of International Paper Co. that used to operate a paper mill at Gardiner. In more recent times American Bridge Co. occupied an industrial complex just to the west of the Bolon Island site and CBR's predecessor leased the LP&N track to provide service. After the demise of American Bridge there was no reason for trains to operate on the island. However, after the Port of Coos Bay acquired the Eugene-Coos Bay line and hired CBR to operate it, CBR made arrangements to use LP&N's track and the existing enginehouse at Gardiner to maintain CBR locomotives.

DEQ: No comment

DSL: No comment

RST: All of the proposed sites benefit from access to the Port of Coos Bay and/or associated marine and rail infrastructure, including Coos Bay Rail Link.

**Statutory Requirements (continued):**

*(III. (2)) (d) Is located in close proximity to major labor markets.*

OBDD: No comment

DLCD: No comment

ODOT: No comment

DEQ: No Comment

DSL: No comment

RST: Sites are within ½ hour drive of Coos Bay/North Bend, the primary population center on the south coast.



**IV. ERRC Adopted Policy:**

**A. *The ERRC intends to designate a variety of RSIA's determined to have the most potential for rapid job creation across the state.***

**OBDD:** There have been two additional coastal RSIA's designated by the council, Warrenton/Astoria, and Lincoln County. Although they are common in their coast location, they are different in their key attributes and future industrial opportunities. Most notable for the South Coast nomination under consideration is the strong emphasis on water dependent uses.

**DLCD:** Water dependent sites typically have a variety of regulatory and site preparation issues to overcome. It is unlikely that these sites could be certified as ready within 180 days. As DLCD understands this ERRC policy, the intent is to focus investment on sites with potential, not screen sites for immediate readiness.

**ODOT:** No comment

**DEQ:** Five of the six sites have prior or existing contamination related to earlier industrial uses on or near the sites. As such, their continued industrial use is appropriate. There are no known reasons why redevelopment should not be pursued. Still, awareness of the need to manage prior cleanup actions as prescribed, and to evaluate and plan for the management of existing concerns, suggests that additional time and money will be required to address these concerns.

Also, many of DEQ's actions and DEQ permits have a federal nexus. The additional time necessary to complete federal permitting alongside state permitting should be kept in mind when creating timelines for project completion.

**DSL:** The Department notes that all six sites contain substantial areas of known or potential wetlands and other waters. Development in wetlands or other waters will require current, DSL-approved wetland delineations and state (Removal-Fill) and federal (CWA Section 404 and/or RHA Section 10) permits. The processes to obtain these approvals are defined in state and federal law. Site 2 (Henderson) is particularly notable in that it is dominated by vast areas of wetlands and other waters (approx. 200 acres) and additionally contains portions of four compensatory wetland mitigation sites. State and federal permitting requirements for substantial development within wetlands and waterways on this Site 2 would be extensive both in time and effort. The compensatory mitigation obligations would be equally expansive. DSL staff questions the potential for rapid job creation on Site 2 considering the lengthy timelines that may be involved with substantial development within the wetlands and waterways.



RST: These sites, collectively, do face barriers to redevelopment. However, almost by definition, sites that would benefit from RSIA designation do face barriers (otherwise, they would have already been developed or would be likely to be developed without an RSIA designation).

**ERRC Adopted Policy (continued)**

*(IV) B. For each nominated RSIA, ERRC will consider information regarding the purpose of the designation, whether one, two or all the following:*

*a. Preservation*

- i. Protection from land use conversion to other than industrial zone*
- ii. Assurance of compatible neighboring and uses*
- iii. Preservation of assets for best industrial use e.g. transportation access, utilities, site characteristics*

OBDD: The proposed sites have a history of industrial use, and would benefit from the designation to protect these uses.

DLCD: Water dependent sites have limitations on use for that purpose.

ODOT: No comment

DEQ: No comment

DSL: No comment

RST: The proposed sites all have a history of industrial use and/or have industrially-zoned “neighbors.” The long-term preservation of the industrial zoning on these sites is a value that would be realized by a designation.

**ERRC Adopted Policy (continued)**

*((IV) B.) b. Investment*

- i. Implementing a strategy of improvements for priority locations*
- ii. Targeting job growth in an area*

OBDD: To be completed

DLCD: No comment

ODOT: No comment



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DEQ: No Comment

DSL: No comment

RST: The South Coast remains economically depressed. The sites in this application are those that are most likely to support job growth in the area.

**ERRC Adopted Policy (continued)**

***((IV) B.) c. Marketing Advantage***

***i. Assuring attention for certified sites***

***ii. Complimenting cooperation and partnership of local and state government***

OBDD: There has been interest by the Port of Coos Bay for site certification, but no sites have been certified. This nomination would benefit the region by providing additional emphasis for certifying sites included in the nomination.

DLCD: No comment

ODOT: No comment

DEQ: No comment

DSL: No comment

RST: The RSIA application received support from both Coos and Douglas Counties and reflects cooperation between both regional economic development organizations (SCDC and The Partnership for Economic Development in Douglas County).

**V. Other Comments**

OBDD: None

DLCD: DLCD recognizes that some regions of the state are best suited for and intended to develop heavy industrial capacity including port operations. The land use program, and the coastal program in particular, have invested in extensive planning to balance competing interests. Sites designated for water dependent industry are a good example. These sites typically have restrictions on other uses which effectively leave the sites in their existing state absent nearly epic industrial development opportunities and costs.

ODOT: None



DEQ: None

DSL: None

RST: None