

Two proposed construction projects in Oregon shelved

Two large private construction projects supported by building trades unions have been shelved.

Earlier this month, NorthernStar Natural Gas Inc., halted development of a \$650 million liquefied natural gas facility at Bradwood Landing near Astoria and filed for Chapter 7 bankruptcy.

Last week, the Portland Development Commission (PDC) voted to renew its office lease in Old Town, scuttling a proposal by TMT Development Co. to move to the yet-to-be-built Park Avenue West Tower downtown.

NorthernStar's proposal to turn an abandoned lumber mill on the Columbia River into a natural gas plant would have created 450 construction jobs over three years. It would have been union-built under a project labor agreement with the Columbia Pacific Building and Construction Trades Council.

"There's a lot of spin about why NorthernStar bowed out of the Bradwood Landing project, but one thing is clear: Foot-dragging on the part of state regulators didn't help," said Tom Ivancic, executive director of Energy Action Northwest, a labor-management coalition promoting reliable energy. "Their cunning game of 'bring me a rock, no a different rock,' played for six long years, finally wore down Bradwood's investors."

Initial development work on Bradwood Landing began nearly six years ago. Since that time, the company has spent nearly \$100 million.

"While we're disappointed, we are truly grateful for the tremendous support the project received from citizens in Clatsop County and Oregon's business and labor communities," said NorthernStar President Paul Soanes. "Bradwood Landing is a great example of a project that business and labor came together to support."

Tom Chamberlain, president of the

Oregon AFL-CIO, said the decision to suspend the project will hurt all Oregonians. "From the start this was a project mired in conflict and rhetoric, and it's disappointing that the opponents took such a short-sighted view, and refused to consider the benefits this project would bring to Oregon, including providing an efficient bridge fuel, creating much-needed jobs, and increasing competition to drive down natural gas prices for Oregon's consumers," Chamberlain said.

Had PDC, Portland's urban renewal agency, voted to relocate, it would have kick-started construction on the 33-story Park Avenue West Tower. TMT halted work a year ago after the Great Recession dried up construction loans. The stoppage pushed hundreds of union construction workers onto the unemployment line and left a large hole in the ground in the heart of downtown.

TMT needed PDC to commit to a long-term lease for three floors in order to qualify for a construction loan.

At a PDC meeting May 12, TMT President Vanessa Sturgeon (granddaughter of owner Tom Moyer) said their project would put about 300 construction workers back to work by June 30.

Richard Sells, superintendent for Hoffman Construction, told commis-

sioners that resurrecting Park Avenue West might even encourage other projects to move forward.

"If this project goes, I would venture to say that other projects would have the courage to go also," he said.

PDC Executive Director Bruce Warner said problems with the Park Avenue West Tower location arose when TMT wouldn't reveal who was securing its construction loan and was unwilling to put in writing a start-date for construction once PDC signed a lease. Additional questions were raised as to whether or not two other tenants — Portland law firm Stoel Rives and Niketown — had actually committed to long-term leases at the building.

In a press release, Warner said Old Town won out because the space didn't have to be financed and constructed and there were no worries about unanticipated costs and who would pay for them. "This was a very difficult decision," he said. "I feel we got a very good deal for Portland's taxpayers."

The final vote to renew the Old Town lease was 3-1.

John Mohlis, a PDC commissioner who is head of the Columbia Pacific Building and Construction Trades Council, had to recuse himself from the debate after PDC attorneys determined he had a conflict of interest.



IBEW well connected

An open house May 15 commemorating the commission of IBEW Local 48's solar array attracted several dignitaries to the union hall in Northeast Portland, including U. S. Sen. Ron Wyden (above). The 360 solar arrays were installed by members of Local 48 and used as a training project. Oregon Iron Works fabricated the steel beams, and apprentices from Iron Workers Local 29 set them in place. Campbell Crane and Star Rentals donated equipment. "I guarantee, you won't find a better built array ... anywhere," said Local 48 Business Manager Cliff Davis. The 78-kilowatt array will provide 40 percent of the building's electrical usage for the next 30 years and will be a teaching exhibit for individuals and businesses interested in installing clean energy products. Joining Wyden at the dedication were Congressman David Wu, former Gov. John Kitzhaber, and many other politicians. Davis said the NECA-IBEW Electrical Training Center has trained over 1,000 apprentices and journeymen in solar technology. Construction of the solar array cost \$630,387. The local received \$378,639 from Veber Solar 1, and will receive \$142,300 from the Oregon Energy Trust. The lifespan of the solar array is 30 years. Upon paying off the project in six years, it will pay for 40 percent of the facility's power bill for the next 24 years. The project added approximately \$900,000 to the value of the union hall.

...Private casino has union support

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initiative authorizes 25 percent of adjusted gross gaming revenues — estimated at more than \$186 million a year — be dedicated to K-12 education and other public services.

Studer told the Labor Press that by statute, half of the 25 percent would go to schools and 30 percent would be shared by every county in the state, with allotment based on population. The Oregon Lottery Commission would regulate all distributions.

Oregon requires 110,358 valid signatures for a constitutional amendment and 82,769 valid signatures for a change in state law. The initiatives must be turned in by July 2 in order to appear on the Nov. 2 ballot.

With its endorsement, affiliates of the Building Trades Council pledged to help collect signatures.

The Good for Oregon Committee has contracted with Democracy Resources of Portland for signature gathering. About 100 people, some of them laid-off construction workers, have been hired to collect signatures throughout the state.

"Our biggest hurdle is getting the signatures in time," Studer said. "The more hands we have on deck, the better off we'll be."

This is Rossman's and Studer's third attempt at building the entertainment complex. They first showcased the project — a "world-class entertainment center" that would, in phases, include a

luxury hotel, fine restaurants, a spa, shopping, a movie cinema, live theater venues for local, national and international stars, a bowling alley, and water park — at a press conference at the Kennel Club in April 2006 with public officials and union leaders.

But their initiatives to allow for construction never got to the signature-gathering phase due to delays getting ballot titles approved by the secretary of state, then by a challenge before the Oregon Supreme Court.

The ballot titles were certified and cleared by the courts, but in 2008 they couldn't find enough backers to run a signature-gathering campaign.

This month they came forward with two initiatives and a half-dozen financial backers who are ready to move the project forward.

"This partnership group is committed to the building and operating of the Resort Casino and Entertainment Center the Oregon way — constructed by union craftspeople using local suppliers, and incorporating state-of-the-art green building techniques," Rossman said.

John Mohlis, executive secretary-treasurer of the Columbia Pacific Building and Construction Trades Council, said the announcement couldn't come at a better time. "Job creation is one of the most important issues facing Oregon right now," he said. "We have anywhere from 25 to 50 percent unemployment in the trades and no real big

projects on the horizon."

The project is expected to create hundreds of direct construction jobs, generating a \$286 million annual payroll. The facility itself is expected to provide 3,000 permanent jobs, and an additional 2,300 indirect jobs.

"These will all be local, family-wage jobs," Mohlis said.

If successful at the polls, construction most likely wouldn't begin until the third or fourth quarter of 2011.

The partnership group behind the casino and entertainment center are:

- Oregon Gaming & Entertainment Co., principals Studer & Rossman: an Oregon-based investment company;
- MGP Racing LLC, principal Arthur McFadden: owner of Multnomah Greyhound Park;
- Navegante Group: A Las Vegas-based hospitality company specializing in casino development, consulting and management;
- Clairvest: A Canada-based investor in North American gaming-development companies; and,
- Innovation Capital: A Los Angeles-based gaming, leisure and hospitality investment banking firm.

Studer emphasized that the partnership group is not requesting "a dime of taxpayer subsidy or special treatment" to build and operate the facility, and it will pay its full share of taxes — in addition to the 25 percent for schools and other services.