



Hailey Hoffman/The Astorian

A worker aboard the African Raven directs a crane as it lifts timber from the shore and places it on the ship.

## Slowdown: 'We don't have enough people to fill all three suites'

Continued from Page A1

"We're just consolidating, because we don't have enough people to fill all three suites," said Chad Niedermeyer, the Astoria Forest Products yard manager.

During the trade war, the Chinese have imposed tariffs on hemlock, the most common species exported from Astoria, along with Douglas fir and spruce. The tariffs have made buyers hesitant and mostly dried up timber exports, which account for between one-fifth and one-quarter of the Port's operational revenue.

Astoria Forest Products has drastically cut back its workforce, and local long-shore union leadership has reported hav-

ing to travel farther away to find work. The Port has cut its staff by about four positions through attrition to help save money.

By the end of November, the Port will also move out of its newer offices on Pier 1 to the older Gateway Building, where the agency moved from several years ago.

"When revenues decrease, you have to find ways to cut our costs," said Will Isom, the Port's interim executive director and finance manager. "That's part of the reason we're moving back to the Gateway. Sometimes it's coming up with a string of small things to move the organization forward."

When the Port advertised its offices on Pier 1 for rent, it only took a couple of

days to find a local company, Watershed Wellness, to lease the space, Isom said. He doesn't expect the 1,500 square feet Astoria Forest Products is vacating to stay empty for long.

Niedermeyer and Isom are hopeful the trade war is ratcheting down after the most recent negotiations in Washington, D.C., during which the two sides struck a partial deal. The Trump administration agreed to halt a new round of tariffs scheduled for December, and the Chinese agreed to buy between \$40 billion and \$50 billion in U.S. agricultural products. But the purchase does not include timber.

Astoria Forest Products reached a deal with Southport Lumber Co. to load barges

at the Port with logs from a state timber sale in Washington for shipment to a mill near Coos Bay. But the agreement represents a fraction of the revenue from shipments to China. Southport's contract with Washington state wrapped up earlier this month, Niedermeyer said, but he expects the relationship to continue if there is more work.

Astoria Forest Products was formed in 2014 under Murphy Overseas USA, a company owned by the family of Dennis Murphy, a former shareholder in Eugene-based timber giant Murphy Co. The family had been looking to sell the company since before the trade war, but could not immediately be reached for comment.

## Vacation rental firm could be state's largest new company

By MIKE ROGOWAY  
The Oregonian

Oregon hasn't produced a really big company in more than two decades.

There have been many contenders during that time, among them tech aspirants Jive Software, Integra Telecom, Puppet, Pixelworks and Viewpoint Construction Software.

All ran into stumbling blocks along the way, or sold before they had a chance to grow genuinely large. That's left the state with a dwindling number of aging, Oregon-based companies as corporations die off, sell or move out of state.

Portland vacation rental management company Vacasa will now have the opportunity to break Oregon's losing streak. The company said Tuesday it has raised a whopping \$319 million in new funding, with investors valuing Vacasa at more than \$1 billion.

Tuesday's huge investment underscores the enormous potential major investors see in the Portland company — and the intense pressure Vacasa will face to deliver on that promise.

Founded in 2009, Vacasa provides cleaning and maintenance services to owners' vacation properties and lists their properties online. It uses technology to dynamically adjust rental pricing online based on market demand, aiming to get the most for the property owners — while taking a cut for itself.

Vacasa has been growing rapidly, fueled by more than \$200 million in prior investment and this year's \$162 million acquisition of Wyndham Destinations' own vacation rental business.

Privately held Vacasa doesn't disclose detailed financial results but says it now manages 23,000 vacation homes and has grown revenue sevenfold in the past four years. The company said it expects more than \$1 billion in gross bookings and more than \$500 million in revenue by July.

"The opportunity that lies ahead of us is enormous, both on the property management and real estate side of the business," Eric Breon, Vacasa's founder and CEO, said in a written statement.

Formerly an Oregon business analyst, Breon says he started Vacasa because he had difficulty locating a rental management company for a vacation cabin his wife's family owned on the Washing-

*'THE OPPORTUNITY THAT LIES AHEAD OF US IS ENORMOUS, BOTH ON THE PROPERTY MANAGEMENT AND REAL ESTATE SIDE OF THE BUSINESS.'*

Eric Breon | Vacasa's founder and CEO

ton Coast. Breon, 41, thought a new company could do better by adopting technology to track maintenance and cleaning and using algorithms to adapt prices to market demand.

The company now employs 5,000 altogether, including 379 at its corporate headquarters in the Pearl District. Most of its staff works in the field, maintaining, cleaning and managing properties from Long Island to Lincoln City.

Silver Lake managing director Joerg Adams said in a written statement Tuesday that his firm believes Vacasa "has the potential to become a global brand."

With Tuesday's funding Vacasa said it will focus on continued expansion, not just in big U.S. vacation markets but in Canada, Mexico and the Caribbean. Vacasa said it will also try to expand its new real estate business, which provides market and financial data to property buyers and sellers.

Tuesday's investment was led by Silicon Valley private equity firm Silver Lake, known for participating in leveraged buy-outs such as the \$24 billion deal that took Dell private five years ago. Vacasa did not disclose what level of debt accompanied Tuesday's deal.

Vacasa is now among the best-funded young companies in Oregon history. The company has made it clear it plans an initial public offering of Vacasa stock, though the company has given no indication of its timetable.

No Oregon company has held a significant IPO since 2004, when Cascade Microtech and McCormick & Schmick's each went public. Both companies struggled in the public markets, though, and sold to larger companies.

Oregon's recent business history is filled with such cautionary tales. Consider Integra Telecom, which took on \$1.3 billion in debt in hopes of capitalizing on the rapidly growing market for internet services. Integra floundered when its growth

evaporated in a competitive market, then wilted under massive debt.

Others, like Portland tech upstart Jive Software, were undone by investors' demands for outsized growth.

Positioned between the roaring entrepreneurial communities in San Francisco and Seattle, and stifled by the absence of large research universities and local investment pools, Oregon has rarely been a destination for the most ambitious entrepreneurs.

Recent startups have tended to focus on less competitive, niche markets and are easily rolled into larger organizations with

broader portfolios.

The absence of locally based companies hasn't crippled Oregon's economy, which is enjoying one of its longest expansions on record and exceptional growth in personal income. During that period, though, the state has become increasingly reliant on out-of-state employers who use Oregon as a low-cost outpost.

That's been a persistent worry to economists, who warn outposts usually perform the ancillary corporate functions that are most likely to be cut to save costs or respond to a market or economic downturn. Just Monday, onetime Portland startup Sightbox notified Oregon officials it will lay off 50 employees — two years after its sale to Johnson & Johnson.

Tuesday's funding makes Vacasa the state's best chance to develop a new, homegrown company to help anchor Oregon's economy and to nurture a new generation of employees and executives to lead future businesses.

Seaside American Legion Post 99 • 100<sup>th</sup> Birthday of the American Legion  
Semi formal Celebration

**November 10th**  
No host Cocktail hour 5:30

**Dinner served 6:00pm**  
\$30.00 per ticket  
Prime Rib or Salmon

All Dinner Guests MUST RSVP before November 2<sup>nd</sup> so do it now!  
503-738-5111 • 1315 Broadway Seaside Oregon  
Public event Proceeds go toward helping our Veterans