

CLOSURE: List mostly includes rural markets

Continued from 1A

identifying relocation opportunities within the Company for esteemed leaders.”

In 2015, J.C. Penney signed a 15-year lease extension on the building it occupies in downtown Pendleton and did some remodeling. In February, however, the corporation announced that it was compiling a closure list of stores that were not as suitable for accommodating the company’s “growth

initiatives” in beauty products, home goods and special sizes. The final list mostly includes smaller rural markets, which in Oregon includes Pendleton, La Grande, The Dalles and Astoria.

Calls to the Pendleton store by the media are being directed to the company’s corporate public relations headquarters, which responded with an emailed statement that said the decision to impact associates and

customers was difficult, but the closures were made “after careful analysis of store performance, local demographics, ability to deliver on the Company’s growth strategies and proficiency to execute a seamless omnichannel experience through online order fulfillment, same-day pick up, exchanges and returns.”

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DATA: Each new center provides roughly 40 jobs

Continued from 1A

takes a lot of water and electricity to keep those servers running without overheating, which is why Umatilla and Morrow counties are such appealing locations.

Each new center provides roughly 40 jobs with an average salary of \$68,000 per year. According to Jim Footh, real estate development manager for Vadata, the company needs to build multiple data center campuses to provide backup in case one of the buildings goes down.

“We cannot create that redundancy and risk aversion by developing a single, super-size data center campus,” Footh wrote in a letter to the Umatilla County Planning Department. “Rather, to achieve redundancy and risk aversion, our campuses must be located a few miles apart.”

The Westland site is favorable because it is close to existing high-voltage power lines that serve the Hermiston Generating Plant, Footh said. Vadata has also signed a letter of intent to use the city of Hermiston’s regional water system. The data centers will require 400 gallons per minute of water to keep the servers cool.

Byron Smith, Hermiston city manager, said Vadata will be required to pay for improvements on the system to accommodate the increased capacity. Smith said the city is also discussing an extension of the Hermiston Enterprise Zone to give Vadata a break on its property taxes.

“We’re still working out the details,” Smith said. “We anticipate that will come very soon.”

In addition to the proposed Westland campus, Vadata is in the process of building its fourth data center at the McNary Industrial Park east of Umatilla, and has developed two sites within the Port of Morrow’s

“This ends up being hundreds of millions of dollars in investment.”

— **Carla McLane**, Morrow County planning director

East Beach Industrial Park near Boardman.

Carla McLane, Morrow County planning director, said Vadata has eight data centers either in operation or under construction between the two sites. The company is considering a third Boardman location, McLane added, though nothing has been filed yet.

The projects have proved to be a huge boost to the county’s tax base, McLane said.

“This ends up being hundreds of millions of dollars in investment,” she said.

Construction of new data centers is happening so fast at the Port of Morrow that general manager Gary Neal said he’s had trouble keeping up. While the centers don’t hire a ton of people, Neal said they have helped to diversify the local job market.

With the expansion of the industry has come the need for a specially trained workforce, which is why Blue Mountain Community College now offers a course in how to become a data center technician. The program, which is wrapping up its second full year, will soon be taught at the new BMCC Workforce Training Center in Boardman after the facility opens later this summer.

Instructor Pete Hernberg said that among his most recent class of students, only one hasn’t yet found a job in the field.

“There’s been rapid growth in data centers, and that has been driven by growth in cloud technology,” said Hernberg, referring to the number of traditional businesses that now use cloud-based technology.

All that growth means dollars and investment in

smaller communities like Umatilla, which has seen benefits from the McNary data center campus. City manager Russ Pelleberg said construction brings 200-300 people into town, filling up local restaurants and motels.

The creation of new permanent jobs also means the city is drawing interest from housing developers, one of whom Pelleberg said is ready to move on a project building 28 new homes.

“The more of these data centers that are built, the more people they employ and the more it puts into our economy,” Pelleberg said. “I’m excited to see them stay in the region here.”

As for additional infrastructure, Pelleberg said the city is working on a \$3 million project that will take non-contact cooling water from the data centers and route it to the West Extension Irrigation District, giving farmers more water for crops. That project is expected to break ground later this year.

“We’ve worked hand in hand with the West Extension Irrigation District,” Pelleberg said. “It’s a total win-win for everybody.”

Before the Westland data centers can become a reality, the Umatilla County Board of Commissioners must approve rezoning the property from exclusive farm use to light industrial. The county planning commission will hold a public hearing at 6:30 p.m. Thursday, March 23 to discuss the request.

The meeting will begin at 6:30 p.m. at the Justice Center Media Room, 4700 NW Pioneer Place in Pendleton.

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FLIGHT: Pendleton is the only EAS community in Oregon

Continued from 1A

communities across the country that receive a EAS subsidy to provide flights to and from a “hub” airport in a larger city. The DOT is paying Boutique a \$2.3 million subsidy to operate flights between Pendleton and Portland through 2018.

Without the subsidy Chrisman said many small airports would lose their commercial air service because it would be prohibitively expensive otherwise, although he stopped short of predicting the same fate for Pendleton.

Chrisman said the subsidy has attracted calls for elimination in the past and has managed to withstand it.

“It’s a pretty frequent threat,” he said.

This is the second time in two years the city has had to defend its subsidy.

The DOT was intent on stripping Pendleton of its EAS status after it determined that provider SeaPort Airlines did not have enough boardings to justify its subsidy.

Pendleton switched providers and successfully requested a waiver from the DOT that allowed the city to keep its subsidy, but the airport still had a gap in service when SeaPort suddenly ceased operations and liquidated its assets.

For its part, Boutique also voiced support for keeping EAS in the budget.

“We offer 105 flights per day, which average 68 percent full,” Boutique CEO Shawn Simpson said in a statement. “We fly 3-4 round trips daily offering the residents an easy commute. Not only do we provide transportation for the EAS communities but also hundreds of jobs throughout the U.S. In 2016 Boutique Air flew around 115,000 passengers. We anticipate doubling passenger traffic in 2017.”

While Trump’s proposal



EO file photo

In this Jan. 8 file photo, a Boutique Air flight out of Portland taxis to a stop on the tarmac at the Eastern Oregon Regional Airport in Pendleton.

has already proven controversial — it includes slashing many domestic and foreign aid programs in favor of a \$54 billion increase in defense spending — it’s Congress that has the power to formulate and pass a budget.

Sens. Ron Wyden and Jeff Merkley, and Rep. Greg Walden, R-Hood River, all represent Pendleton, the only EAS community in Oregon.

“Greg has been a supporter of the Essential Air Service program in the past,” Walden spokesman Andrew Malcolm wrote in a brief email. “We are currently reviewing the President’s budget and its impacts on eastern Oregon communities.”

In a September letter to the DOT supporting Pendleton’s waiver, Walden, along with Wyden and Merkley, offered more full-throated support of the program.

“The EAS program supports (and) provides critical air service for businesses and residents throughout Pendleton and rural Eastern Oregon,” the trio wrote. “Maintaining safe, reliable and affordable air service is a linchpin for business development and expansion, helps remove barriers of access to urgent and specialized health care services, and serves thousands of passengers seeking connecting

flights through Portland International Airport (PDX). Driving to or from the PDX requires over a three hour drive and is simply not a reasonable alternative for most air travelers.”

Commercial flights wouldn’t be the only aspect of the Pendleton airport that could change if Congress chooses to closely follow Trump’s budget.

Trump’s office is also proposing transferring air traffic control from the Federal Aviation Administration to a “independent, non-governmental organization,” which would also apply to Pendleton’s control tower.

Chrisman said privatizing air control would have a similar effect to eliminating EAS — a private company would gravitate toward larger airports while towers at rural airports would close down.

Chrisman said he generally believes in principles like the free market and competition, but there are things that need help from the federal government.

“There’s a common amount of critical infrastructure in the United States that really requires (investment),” he said.

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Little Darlings!



This special section will be filled with photos of and messages for adorable little darlings from Umatilla County. Families will want to keep this special keepsake for their child and family for years to come.



Olivia,
I loved you from the very start.
You stole my breath, embraced my heart.
Our life together has just begun.
You're part of me, my little one.
Love, Mom

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