

# PORT: Connect Oregon grants used to build docks, rails, facilities

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Neal, referring to the TIGER (Transportation Investment Generating Economic Recovery) grant.

In the past few years, Davis said, the port has received several state grants. They include five Connect Oregon grants, ranging from \$1.1 million to \$8 million, to fund everything from barge dock and rail improvements to building some new facilities. She said the port also received a \$1 million ODOT grant, used to fund road improvements for business expansions, as well as a public works grant and loan. The grant was for \$500,000, and the loan for \$2.2 million, with funds used to make improvements to fresh water and wastewater facilities in the East Beach industrial park.

Neal said one of the challenges the port has faced is the competitive field for recurring grants.

"Competition for these resources tends to be pretty aggressive," he said. "The port's been pretty successful, but we have a proven track record of getting results."

The port has plans to expand its footprint as well, Neal said.

"We're planning for an additional industrial park," he said. "I think in five to seven years, we'll have most of our property developed."

Neal said the exact location of the industrial park hasn't yet been decided, but it will likely be either the southwest corner of the Army Depot, or at the Patterson Ferry Interchange. The port has also broken ground on a 115-acre site for a new data center.

"It's planning," he said. "Putting investments in today for things you need five to 10 years out."

The port has several existing industries — among them food processing, warehousing and distribution, ethanol production and data centers. Neal said the port will look for a variety of tenants as it grows.

But he said there are a couple of consistent projects the port will work on. One



The Port of Morrow has been making upgrades to its infrastructure to keep up with demands for tenants, both current and future, at the port in Boardman. Internet Parkway cuts through a largely undeveloped section of the port's lands and is lined with street lights and power lines.

Staff photo by E.J. Harris



ABOVE: Whey sits in stacks at the Port of Morrow's dry goods warehouse waiting to be exported overseas.

RIGHT: With water being a vital resource for food processing and data centers, the Port of Morrow has made investments in expanding their water infrastructure.

Staff photos by E.J. Harris



is a wastewater pipe that is transporting water from various industries at the port to Madison Farms, about 15 miles south. That project, Neal said, cost about \$20 million and is almost finished.

"We supply water to all our industries," Neal said. "We also take the processed water and do land applica-

tion." They are also building a storage pond at the farm, which will be able to hold 350 million gallons of water.

Neal said the port has done this with several farms over the years.

"Water rights are difficult to come by," he said. "When you're trying to find water to grow crops, you aren't

going to get water rights out of the Columbia River. So additional water sources like this are good."

The port is also working to expand its rail services.

"We were awarded a \$6.5 million grant in the transportation budget passed last legislative session," he said. "We're adding another 24,000 feet of track."

He said while the barges and river transport systems serve many bulk producers and the natural resource economies between the ports of Morrow and Portland, railways are useful because they provide a distribution center throughout the country.

"We always try to make sure we have good roads, good rails," he said. "A lot of

time, our shippers are using two of those options, even three."

Neal also credited some of the port's growth to their use of enterprise zones.

"We've been able to increase the average family wage in Morrow County," he said. Neal said that due to port jobs, Morrow County now has one of the highest average household incomes in the state.

"If you negotiate a longer enterprise zone agreement, you have to pay a little higher average family wage," he said.

The port continues to look at regulatory challenges, Neal said.

"The regulatory process is not necessarily what's in writing, but people's interpretation," he said. "You submit a request for a permit and follow the directions, you should be able to get a permit. But that's not necessarily what happens — it's political."

He recalled some of the backlash the port received when the coal terminal was being discussed.

"Things are getting more political," he said. "Unfortunately, I think the dynamics are getting more complicated."

The port employs mostly commuters.

While the port and its tenants employ more than 8,000 people directly and indirectly, Boardman's population growth has been slower, hovering around 3,000.

While Neal said the proximity to Interstate 84 makes commuting the preferable option for some, the city and port are working on making Boardman more livable, trying to expand housing and other services.

"With the rec center and the Early Learning Center, there are a lot of things offered that weren't here before," Davis said, noting two facilities on port property.

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## BUDGET: New revenue sources will kick in beginning in 2019

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departments. He called the approach "right-sizing." Reorganization has streamlined management, he stated, and the quality of county employees matters more than quantity.

Pahl said the county anticipates a 4 percent increase in revenue this year, which is "more aggressive" than recent years but achievable. Even so, it would mean the county keeps pace with increases in employee, service and equipment costs.

"If our tax revenue goes up 4 percent," Murdock added, "that doesn't mean we should have a feeding frenzy."

The only exceptions to new staff could come in community justice, human services, developmental disabilities, public works and some parts of public health, all of which rely on grants or other outside funding. That would depend on how much they receive, of course, and Pahl said he would not allow grant programs to creep into the general fund for money.

The county is working on building a cash reserve of \$5 million. Pahl said there's about \$4.5 million in that fund now. The county relies on the reserve to keep programs solvent during economic downturns or when state and federal agencies are slow on making payments.

The county plans to keep up its preventative maintenance program. Pahl said that should come to about \$200,000, and wind farm revenue is the likely source for the money.

Pahl also said he needs an answer on whether the county would continue giving \$400,000 a year to the Oregon State University Extension Service if voters approve a taxing district to fund the service. Murdock said he would have that discussion with the extension service.

The county could save \$100,000 if it stops funding the Oregon Water Resources Department. The county struck a deal last year to have the state department absorb county employees, and the county would provide the funds to ensure a water-master in the Milton-Freewater area.

"That has not happened," Commissioner Larry Givens stressed, and if the state does not plan to keep its word the county has no reason to give the cash.

Some construction projects remain in the county's plans. The largest would modify the county jail at a cost of about \$1 million so it can handle more inmates. The sheriff's office has increased inmate capacity from about 160 to more than 200, but the intake area needs security and operations upgrades.

Another \$300,000 would continue improvements at the county courthouse, where contractors rebuilt sidewalks this winter. And the county fair also needs storage.

Murdock in his December budget message also mentioned the possibility of creating a taxing district to fund dispatch services, which primarily relies on the general fund and contracts with Pendleton, Hermiston and multiple other cities and districts. That notion, however, may be a year or more away, Murdock stated, and would require the approval of county voters. He contended the passage of a special district would benefit the county and local communities.

The commissioners and budget office meet again Jan. 31 to discuss the draft of the budget. Pahl said the county aims to have the budget in the final stages by March 21. The county's budget committee holds meetings April 18-20 to review the document. The final steps comes in June, when the board of commissioners hold public hearings and considers its adoption.

The county's budget picture gets a bit brighter starting in 2019, when major development yield benefits to coffers, including the expansion of Lamb Weston's french fry making operation in Hermiston and the Wheatridge Wind Energy Project. Murdock and Pahl said the developments deliver a small increase, maybe as much as 5 percent. Pahl said the county still would need to stay frugal.

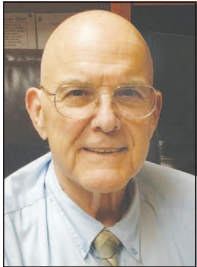
Contact Phil Wright at pwright@eastoregonian.com or 541-966-0833.



Givens



Murdock



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## ARENA: Could bring off-season events

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the Round-Up Foundation to lease property on the rodeo's sprawling campus, which recently expanded to both the south and west. She added that the college would be the sole owner and operator of the building.

Although the exact location is uncertain, Preus shared a rendering and floor plan of what the indoor arena could look like.

Current plans call for a two-story, 87,092-square-foot building with three classroom and lab space, a rodeo team room, bleacher seating for 1,035 people and a 37,500-square-foot arena.

Turner said the national championship-caliber rodeo team is in need of an arena following years without a permanent home.

"It puts us in the ranks of Alabama and Georgia and Clemson and Oklahoma [in terms of football]," he said. "And yet we have no place for our team to stable their horses or even practice on a day-to-day basis."

While BMCC will be free to schedule events for most of the year, Turner said the Round-Up would be given priority scheduling for two weeks during its annual rodeo. During those weeks, the Round-Up could use it for things like warm-up space and temporary offices.

In an interview before the meeting, Round-Up Publicity

Director Randy Thomas said discussions with the college haven't advanced beyond "generalities," and is waiting for more definitive plans from BMCC before proceeding.

Although the Round-Up Association recently acquired more property, Thomas said the exact location of the indoor arena is still being determined by a facilities committee.

Pendleton Convention Center Manager Pat Beard is a FARM II advocate, saying an indoor arena could bring events during the lean tourism months from November through March.

If the arena brought in 10 events during those months, Beard estimated it would bring in \$2 million in direct tourism spending and \$40,000 in direct revenue to the city through its two taxes on hotel rooms.

While most of that money would go to the convention center for maintenance and operations, about \$6,300 would go to the general fund, according to Beard's calculations. The general fund pays for services like police, fire, the public library and parks.

Councilor Paul Chalmers, the Umatilla County director of assessment and taxation, said the city would also lose some revenue because the arena would be exempt from property taxes.

After the state committed \$5 million, Umatilla County

and the Port of Umatilla each agreed to chip in \$150,000. Preus is asking the city to do the same.

To raise the rest of the money, Preus and Turner said BMCC would eventually have to mount a public fundraising campaign.

City Manager Robb Corbett said the city would have to use money set aside from the sale of the Keystone RV property, which has a current balance of \$400,000.

Councilor Neil Brown said the city would be investing in a project without a lot of direct return back to the city in the form of funding for essential services, like street repair. He said Pendleton was playing the role of party host that required them to get everything ready. Councilor Scott Fairley said he was uncomfortable spending that much money given the city's current budget.

Councilor Dale Primmer said these views were looking at the project the wrong way.

"We talk about what these investments cost us rather than what the value to the community is," he said. "They're not the same thing."

Primmer said it might hurt the community more to see projects go out of town rather than stay in Pendleton if the council passes on investing in them.

Corbett said BMCC's \$150,000 request could be considered at the next council meeting on Feb. 6.

## Top official resigns after false missile alert in Hawaii

HONOLULU (AP) — Hawaii's emergency management leader has resigned and a state employee who sent an alert falsely warning of an incoming ballistic missile has been fired, officials said Tuesday, after the mistake caused widespread panic earlier this month.

Hawaii Emergency Management Agency Administrator Vern Miyagi stepped down Tuesday, state Adjutant

General Maj. Gen. Joe Logan said. A second agency worker quit before disciplinary action was taken and another was being suspended without pay, Logan said in announcing results of an internal investigation.

The fallout came the same day the Federal Communications Commission revealed that the worker who pushed out the alert thought an actual attack was imminent.

It was the first indication the Jan. 13 alert was purposely sent, adding another level of confusion to the misstep that left residents and tourists believing their lives were about to end.

The state emergency agency worker believed the attack was real because of a mistake in how the drill was initiated during a shift change, the FCC said in a report.