

# PROGRESS 2015



**PAGE 2:**  
Housing starts rebound



**PAGE 4:**  
Hill Meat Co. a Pendleton staple



**PAGE 6:**  
Districts place focus on STEM programs



**PAGE 4:**  
Shearer's makes big strides in 2014

## BOARDMAN

# Port of Morrow a recession-buster

Expansion continues in eastern Oregon

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The Port of Morrow continues to cement its status as the economic engine of eastern Oregon after another strong year of growth in 2014.

Two companies completed multi-million dollar expansions of their facilities, while port officials oversaw a number of infrastructure projects designed to make the East Beach Industrial Park even more attractive for new development.

Despite an economic recession that spiked Oregon's unemployment to near-record highs, the port actually saw 88 percent growth between 2008-2013. By mid-2013, port-related businesses boasted nearly 4,000 direct jobs and \$1.6 billion in annual output.

Those figures were bolstered further in 2014, as Lamb Weston cut the ribbon on a \$200 million expansion of its frozen potato plant and Tillamook Cheese finished a \$90 million expansion of its cheese-making facility to process whey and lactose powder.

Together, they added about 140 new jobs tied directly to the region's agricultural base. The port now accounts for 59 percent of all direct employment in Morrow County, according to a 2013 economic report.

Gary Neal, general manager at the Port of Morrow, said their success attracting business is the result



The Port of Morrow saw new investments in 2014 with the \$200 million expansion of the Lamb Weston frozen potato facility.

E.J. HARRIS PHOTO

of forward-thinking steps that have added up over time. Companies looking to build in rural areas like Boardman have a few specific needs in order to thrive in the marketplace, he said: shovel-ready land, reliable transportation, water and electricity, all of which the port has readily available.

"This is where the infrastructure comes together where we can create these jobs," Neal said.

Lamb Weston's project increased its capacity to produce an additional 300 million pounds of french fries per year, while Tillamook now has the ability to make lactose powder and dried whey protein on site — instead of sending the leftover milk to another

location. Mark Wustenberg, Tillamook's vice president of quality and operations, said they had no reservations about making the investment locally, in part because of their good working relationship with the port.

"Working with them through (the project) was a great process," Wustenberg said. "They were very accommodating."

In order to keep businesses happy, Neal said the port is constantly making improvements at its industrial park. That includes \$15-\$16 million worth of capital projects during the last fiscal year, such as road upgrades and a new cold storage building for frozen vegetables.



Tillamook Cheese finished a \$90 million expansion of its cheese-processing facility at the Port of Morrow this last year.

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Crews recently finished paving five miles of road on Lewis & Clark Drive, connecting east to Highway 730 and providing an ad-

ditional point of entry into the port. Neal said this will relieve congestion of trucks heading in and out from the interstate.

Additional roads were also paved off of Lewis & Clark Drive east of Columbia Avenue, opening about 1,000 acres of land for development.

In November, the Oregon Department of Transportation approved a \$6 million matching grant to help build a 100,000-square-foot cold storage building, which will be linked to the industrial park by a 2,500-foot rail spur.

The warehouse is expected to handle 150-200 million pounds of frozen foods in its first year alone, as processors continue to grow.

"It's going to be a catalyst for a bunch of opportunities," Neal said. "We're very excited about that."

Looking ahead to 2015, Neal said the port is once again in position for a big year. Kodiak Carbonic, a company based in Amarillo, Texas, is building a \$7 million plant to liquefy carbon dioxide generated at another port business, Pacific Ethanol.

Kodiak will purchase 200 tons of carbon dioxide per day from Pacific Ethanol. Liquid carbon dioxide can be used to make dry ice.

"It's a good use of a by-product coming out of the ethanol process, and it's good for the environment," Neal said.

A Minnesota-based company, Novus Energy, also hopes to have the funding in place to break ground on a proposed anaerobic digestion plant that would take food scraps and manure to make natural gas.

One high-profile energy project, however, remains in limbo. Coal exporter Ambre Energy had intended to ship coal from Wyoming and Montana to Asia through a rail-to-barge terminal at the port, though the Oregon Department of State Lands denied a permit needed to build in the Columbia River.

Both the port and Ambre filed appeals, which will be heard by an administrative law judge in December. Neal said the agency's decision has resulted in an unfortunate delay, wrapped up in emotion and politics.

"For us, it's important to continue to have terminal operations available to move commodities," Neal said. "We don't get caught up in what that commodity may or may not be."

Taking a moment to reflect on 2014, Neal said it was another productive year that sets the stage for 2015 and beyond.

"We have a lot more work ahead to accomplish our mission and our goals," he said.

## Port of Morrow, by the numbers

The Port of Morrow, located in Boardman, is Oregon's second-largest port behind the Port of Portland. It is run by a staff of about 50 employees and governed by a five-member port commission.

There are 57 port-related businesses with a total employment of 6,850 — not including the recent expansions at Lamb Weston and Tillamook Cheese. That breaks down to 3,965 direct jobs, 1,965 indirect jobs and 960 additional jobs within the supply chain.

Other figures from the port's 2013 Economic Impact Analysis:

- \$1.6 billion in annual economic output
- \$266 million in labor income
- \$48 million in state and local tax revenue
- 6,611 construction jobs expected over next five years
- Return on investment shows one local job is created or retained for every \$15 in local tax revenue collected by the port