

# OREGON BUSINESS

CELEBRATING 25 YEARS STATEWIDE

JUNE 2006

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### DISPATCHES

**STANFIELD** — A biorefinery scheduled to begin production in early 2008 would employ between 90 and 100 workers and produce 120 million gallons per year of ethanol and 96 million gallons per year of biodiesel. **Inland Pacific Energy Center LLC** plans to break ground by the end of 2006 with a \$140 million capital investment in the plant near Hermiston, which will convert corn from the Midwest and canola from Canada into usable biofuel. "We're hoping that Columbia Basin farmers will eventually contribute crops," says project manager Bob Doughty, who intends to sell the byproducts as high-protein rations for livestock.

**PRINEVILLE** — Officials for the Crooked River Round-up signed up **Brooks Resources Corporation's** IronHorse community as a three-year title sponsor for its pari-mutuel horse races. This year's 61<sup>st</sup> event to be held July 5-8 allows live wagering. In the next 20 years, IronHorse, a mixed-use development, will eventually include nearly 2,900 homes, apartments and townhome units, 311 acres of parks and open space, and room for an elementary school and small commercial space.

**BEND** — The Kresge Foundation offered the Cascade Healthcare Community, the nonprofit parent of **St. Charles Medical Center**, a \$600,000 challenge grant if the medical center raises \$10 million by Dec. 31. The three-year campaign, part of a \$128 million investment in facilities, technology and equipment, has raised nearly \$8 million so far. Imminent completion of an emergency room expansion in Bend and expansion of the Redmond hospital this October will help address the area's booming population. In two years, the Bend facilities will also include a 30-bed rehabilitation unit to serve stroke, brain injury and major trauma patients.

**MOUNT BACHELOR** — Guests will  
*continued on p.15*

### TRANSPORTATION

## Building bridges for Oregon businesses



ION MEYERS

**Bridge repair around the state, like this project in Eugene, needs to strike a delicate balance between stimulating economic development and not interfering with transportation activity.**

**EUGENE** — Back in 2003 when the Oregon Department of Transportation's State Bridge Delivery Program first took shape, state leaders hailed it as Oregon's biggest public works project in half a century. The \$1.3 billion program would, over the next eight to 10 years, not only repair and replace hundreds of aging bridges, but also provide jobs, improve traffic flow and enrich Oregon businesses.

"Economic development was on the top of people's minds from the very beginning," says Mark Ford, economic development director for Oregon Bridge Delivery Partners, the firm hired in 2004 to oversee the program. "The Legislature said, 'When you apply this \$1.3 billion to repairing and replacing bridges, you need to stimulate the Oregon economy, create jobs and don't interfere with truck mobility.'"

Three years, 36 completed bridges and more than \$200 million later, the State Bridge Delivery Program indeed appears to be making inroads in shoring up Oregon's bridges and supporting businesses around the state.

Take for example Staton Companies, a Eugene-based demolition firm. Before the program, the company averaged about 15 bridge

demolitions a year. With Oregon spans designed to last 50 years or more, bridge demolition was just "not something that happened very often," says Ron Richie, Staton's general manager.

But the bridge program, part of the third Oregon Transportation Investment Act, has driven new work to the firm. Staton has added four full-time employees, purchased

two \$300,000 excavators from Oregon dealerships and has contracts to dismantle sections of 28 bridges. Richie says since the program was implemented, Staton has seen revenues rise by 25% and has worked on as many as 40 or more bridges a year.

"There's been that much work," he says. "It's improved the ability to move materials and people, and it's created a nice boost to the heavy highway economy. It's a huge deal."

And not just for Staton, but also for some 150 companies either based in Oregon or with satellite offices here. Among them: Wildish Standard Paving Company, a Eugene-based contractor that has done about \$35 million worth of work under OBDP on at least two major bridge "bundles"; and Brothers Concrete Cutting, an Albany firm that's invested in personnel and



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equipment to accommodate the steady work it found through the bridge program.

"One of the main goals of the program has always been to try and create jobs within the state and get as much of the work to Oregon firms as possible," says Jim Hagar, economic development manager for OBDP. Current estimates, he adds, show that about 93% of the people working on the program are from Oregon.

An annual economic report put out by ODOT in January estimates that the bridge program has sustained more than 1,600 jobs and generated tax revenues of nearly \$8 million on an annual basis. In addition, nearly 97% of the \$28.8 million OBDP spent on goods and services in 2005 was spent with Oregon firms.

But the road has not been entirely smooth for the bridge program. In 2004, Oregon State University released a study showing that many of the state's bridges weren't as decrepit as initially believed. Projects had to be re-evaluated, schedules were pushed back and more than 70 bridges

were reclassified as needing no work.

And the 1,600 jobs sustained by the program is a far cry from the 5,000 initially touted.

OBDP's Ford, however, says that early enthusiasm for the bridge program may have skewed employment projections; the 5,000-job figure actually pertains to an annual average sustained by the entire \$3 billion OTIA III program over its 10-year lifespan. Even so, he adds, the bridge program alone is still expected to peak at more than 5,000 direct, indirect and induced jobs by 2009.

He and Hagar also point to companies such as Athalye Consulting Engineers as a sign of the bridge program's economic success. A design firm from California, Athalye opened an office in Salem last year and hired several new employees for the work it did — and hopes to continue doing — on several bridge bundles.

"We wanted to participate in what

we believed to be an aggressive bridge program," says Ashok Athalye, owner and president. "The big thing now is to keep that momentum going. That is what I'm really hoping will happen."

**"Economic development was on the top of people's minds from the very beginning."**

—Mark Ford, economic development director, Oregon Bridge Delivery Partners

If everything stays on track, that shouldn't be an issue. With initial projects along Highways 97 and 20 wrapping up, a main focus now is on Interstate 5 from Wilsonville to Roseburg, with a heavy concentration around Eugene, Creswell and Cottage Grove. Major work is also scheduled for Interstate 84.

According to OBDP, 41 bridges are currently in construction, and 48 are to start this year. In 2007, 101 bridges will start construction, 53 are scheduled for 2008 and 14 more will start in 2009.

—Jon Bell