

# GREENBERRY INDUSTRIAL

## Testimony

### Testimony of Jason Pond, CEO, Greenberry Industrial

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#### Joint Committee on the I-5 Bridge Replacement Project Hearing on HB 2800

Greenberry Industrial is a metal fabricating company that was founded in 1974 in Corvallis. For the company's first three decades, it was tied to Oregon's pulp and paper industry. Sensing that its survival required the company to expand beyond the pulp and paper industry, Greenberry acquired access to a world-class facility in Vancouver.

What makes the facility world class? The Kaiser Shipyards were built in the 1940s by the military for the assembly-line construction of about 1,000 warships. It includes a 3,000-ton dock and a compacted gravel yard that can support the same weight. Access to this facility has allowed Greenberry to enter into the modular construction market. Whether it is ship loaders, oil spill containment ships, drilling rigs or wave energy devices – this facility enables Greenberry to construct very large and very heavy projects and ship them down the Columbia River on barges.

In addition to the dock, heavily-built yard and rail access, the other feature that makes Greenberry's business model work is that the current I-5 Bridge's height is at 178 feet. The vast majority of Greenberry's work for the last two years and its ongoing business plan is constructing projects that need the height clearance of the current bridge.

To understand the value of this facility one need only look at Greenberry's growth since acquiring access to the facility. Greenberry's revenue was \$33 million 2010 and it employed about 200 employees. In just two years time, the large height constrained work allowed the company to grow to \$180 million in revenue and over 500 employees. In 2010, Greenberry's Corvallis employees – about 50 – were struggling to fill 40-hour work weeks. In 2012, as a result of the Vancouver facility, Greenberry's Corvallis office employees 150 employees.

The company's business model is essentially a hub and spoke operation. Smaller pieces are manufactured in Corvallis and shipped to Vancouver for final construction. The company fully understands the need for a new bridge and the cost of congestion – it ships an enormous amount of material and supply over the bridge. However, the company needs to ship projects under the bridge in order to ship material over the bridge.

While supportive of a new I-5 bridge crossing, Greenberry has concerns about the current project and HB 2800 which would fund the project. The bill and project contemplates a 116-foot bridge – 35% less than the current height. Greenberry's tremendous growth would be eliminated by a 116-foot bridge. The increase in modular construction work in the coming decades is without question. The only question is whether the jobs to build those projects are in Oregon in Washington or whether they will be in Texas or Louisiana – which is where the nearest equally capable facility exists.

Greenberry appreciates the thoughtfulness of this bill, acknowledges the significant efforts to date and Oregon's leadership. The bill's conditions for funding make imminent sense and in particular the requirement that the Coast Guard approve the bridge permit before Oregon funds the project. Nonetheless, the company urges the Committee to consider two additional amendments.

First, the company urges the Committee to require an analysis of the cost and traffic impact of a lift span for the bridge. At 116 feet, the project team has rightly indicated that there would be few conflicts and thus also few needs for a bridge lift. Greenberry could agree to low traffic impact times to lift the bridge for its projects and only needs access to the lift once a year. And while the rhetoric to eliminate the "only stop light" on I-5 is powerful, the solution offered by a 116-foot bridge is to create the "only stop light" on the Columbia River from this national asset to the mouth of the river. Navigation should not be impeded on the River for the next 100 years just to avoid a few midnight bridge lifts.

Secondly, the Company is in mitigation discussions with Oregon and Washington and have entered into a non-disclosure agreement with the project. Even if a Coast Guard permit is issued, a public policy question still exists for the Legislature to consider. If public funds are going to be used to mitigate the cost to the businesses that need a higher bridge, shouldn't those funds be used to preserve jobs? Greenberry urges the Committee to amend HB 2800 to require that those mitigation funds be used only for replacement facilities and relocation costs and losses to the affected businesses as a result of relocating. Greenberry would much prefer to continue to employ its employees than to simply get a check from the project for lost future income and let workers go.

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