

Ways & Means Sub Committee on Capital Construction.

May 29, 2015

HB 5030

Mr. Co-Chairs, Members of the Sub-Committee:

I am writing in support of increased funding to the *ConnectOregon* program. Continued State wide economic growth is dependent on addressing infrastructure deficiencies that often times are beyond the means of private business and local jurisdictions. Efficient, safe movement of raw materials and finished goods is vital to a vibrant manufacturing economy. A vibrant manufacturing economy creates jobs that typically provide better pay and benefits than service sector jobs. *ConnectOregon* has become an important economic development tool for the State of Oregon. Strong rail and or marine infrastructure are critical to any state's manufacturing base. Rail and marine infrastructure in Oregon is more important than most states given the longer distances to major US markets and Asian market opportunities. Increasingly competitive national and global economies scream out for continual infrastructure investment.

My company, Tarr Terminals, Inc. is a *ConnectOregon* IV grant recipient. The grant allowed the company to complete an \$8.5 million new plant development project. The new plant enables the company to annually eliminate a minimum of 1000 hazardous material truck shipments from crowded Portland area roads such as Interstate-5 and Martin Luther King Blvd. Reduction of truck shipments coupled with a new state of the art facility provide significant enhancement to environmental and safety safeguards of the community. The new facility also provides economic benefit to the State of Oregon. The new facility positions Tarr to remain a contributing partner in the Oregon economy for another 50 years. The company will continue to evolve with the Oregon economy. Production will be relocated from Tarr's Phoenix, Arizona facility to the new Portland facility. This creates local jobs, eliminates additional hazardous material shipments on Oregon highways and provides greater support to local manufacturers such as the semi-conductor industry.

I commend ODOT for its administration of *ConnectOregon*. Committees charged with vetting applications during the selection process address safety, environmental and economic considerations in a well informed manner. Each committee is comprised of knowledgeable and experienced members. They are good stewards for the State of Oregon.

Sincerely,

Skip Tarr

President

Tarr, LLC & Tarr Terminals, Inc.

Tarr Terminals Inc & Tarr, LLC Facts:

- 1) Privately owned Oregon company since 1958
- 2) 40 Portland based employees; operations, administration & sales
- 3) Average compensation (wages & benefits) \$70,000
- 4) Nature of business: commodity chemical solvents value added and distribution services
- 5) Industries served: semi-conductor, food, medical/lab supply, foundry, coatings, agriculture and general manufacturing
- 6) Receives approximately 100 rail cars per year, from Gulf of Mexico refineries, equivalent to 2,800,000 gallons.
- 7) Rail capability precludes truck delivery which would equate to approximately 450 trucks annually enhancing safety, traffic mitigation and cost efficiency
- 8) Tarr Terminal Inter-modal facility completed August 2014; rebuilt rail spur, contained rail off-load, 34 tank farm (540,000 gallons total capacity), contained truck loading, production building
- 9) Total investment \$9.0 M beginning with 2006 purchase of property
- 10) *ConnectOregon* IV investment \$1.04 M enabled completion of final development phase which was \$6.0 M of the \$9.0 total investment.
- 11) Benefits to State of Oregon; reduced truck shipments of hazardous materials, job retention and ability to continue job growth, environmental and safety enhancements.

ConnectOregon IV gave Tarr, a third generation private and local owned Oregon business, the ability to complete its new facility project. The \$1.04 M received in the form of a grant was key to moving forward with the final phase of the project. Additional debt was not an option. Had it not been for the *ConnectOregon* IV grant the final phase of the Tarr multi-modal project would not have been undertaken.

It's obvious the value *ConnectOregon* brought to Tarr Terminals Inc. I truly believe the State of Oregon in terms of the environment and the economy has and will for many years to come benefit from the investment it made.

Prepared by Skip Tarr, President and Owner of Tarr Terminals, Inc and Tarr, LLC