

Port of Tillamook Bay Railroad

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UPDATE!

From Robert H. (Bob) Van Borssum, Port Director
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Latest News – As of Feb. 29, 2008

AUDIT

Work on the Port of Tillamook Bay Railroad performance and financial audit, which is being performed by ODOT audit staff, is continuing.

LEGISLATIVE HEARINGS

The Port Director and the port consultant have attended railroad hearings held by both the House and Senate Transportation committees in Salem discussing development of a state rail policy and the distressed status of shortline railroads throughout the state.

ECONOMIC IMPACT STUDY MEET

On Feb. 25, the Port of Tillamook Bay invited approximately 25 local stakeholders to a meeting to gather information about the economic impact of the railroad on Tillamook County. The session was led by OSU economist Bruce Sorte, who will produce a report on his findings. Participating in the meeting were representatives of local industries, regional offices of key state agencies and local economic development representatives. Sorte will be gathering additional detail for his report, which is expected to be complete by mid- to late March.

FEMA WORK RESUMES

According to Port Director Robert H. (Bob) Van Borssum, a team from the Federal Emergency Management Agency has begun inspecting the damaged rails and bridges throughout the Port of Tillamook Bay rail system in order to further document the extent of damages caused by the December 2007 storm. Until recently, progress had been slow due to cold weather and snow accumulations in the higher elevations. The onset of warmer weather has allowed this process to resume.

RFP PREPARATION

Port staff members are in the process of preparing a "Request for Proposal" for a combined engineering and environmental consultant. The Board of the Port of Tillamook Bay plans to charge this consultant with the following tasks:

- Examining damaged rails, railbed and bridges;
- Reviewing existing damage reports;
- Providing all environmental permitting and oversight services;
- Identifying all opportunities to mitigate against potential

A periodic publication of Port of Tillamook Bay Railroad reporting ongoing activities in the wake of the storm of December 2007, which damaged and shut down the railroad.

damage from future storm events, and

- Providing a detailed estimate of costs to make necessary repairs and upgrades.

It is estimated that the Request for Proposals will be approved by the Port of Tillamook Bay Board within the next few weeks with proposals to be received in early April, 2008.

COMMUNITY SUPPORT

The Port of Tillamook Bay has been receiving letters of support, resolutions and words of encouragement from the community, as well as civic and governmental bodies. So far, letters and resolutions supporting the restoration of the Port of Tillamook Bay Railroad have been received from:

- City Council of the City of Tillamook
- City Council of the City of Bay City
- City Council of the City of Wheeler
- City Council of the City of Nehalem
- The City of Manzanita
- Economic Development Council of Tillamook County
- Board of Directors of the Tillamook County Transportation District
- Board of Directors of the Tillamook Area Chamber of Commerce
- Board of Directors of Pacific City-Nestucca Valley Chamber of Commerce

A little background

In response to questions from several recipients of our newsletter inquiring about Tillamook County and the role the railroad plays in the local economy, we have put together the following primer about our beautiful coastal county.

Tillamook County

Tillamook County's 1,125 square miles include nine rivers, four bays and 75 miles of coastline.

More than 90 percent of the land in the county is public lands controlled by the State of Oregon, the U.S. Bureau of Land Management, the U.S. Forest Service, Tillamook County and private timber companies.

Fishing was once a major industry in the county, but today the local economy is dominated by agriculture, timber harvesting and tourism.

Forest Products

The Tillamook State Forest is a key element of the county's economy. The 364,000-acre forest was replanted after disastrous fires in the 1930s, 1940s and 1950s wiped it out. Those trees have now begun to come of age, helping to drive a growth in the local timber harvesting and processing economy and support local education through timber revenue.

In 2005, 210 million board feet of timber were harvested in Tillamook County on all lands public and private, up 25 percent from the 167 million board feet harvested in 2004. The 2005 harvest included 108 million board feet from Tillamook State Forest – up from 76 million in 2004.

Total market value of the forest stand is estimated at \$3.8 billion. Logging and wood products manufacturing employ 8.5 percent of the workforce and provide about 13 percent of the wages earned in the county.

Not only is the forest a source of jobs, revenue from timber harvesting helps support local school districts and county operations. In fiscal year 2005-06, the harvest generated \$17.3 million to county taxing districts, the largest amount ever recorded.

Five of the county's largest employers are directly tied to the forest. And jobs tied to the forest are generally family-wage jobs.

The county's three sawmills (which are among those leading employers) shipped their processed lumber out of the county via Port of Tillamook Bay Railroad prior to the 2007 storm.

Agriculture

Also of major importance to the county's economy is the dairy industry. In 2002, farmland covered 28 percent of the county's non-forested land. Of the 333 farms in the county, 146 were devoted to dairy.

According to Oregon State University, the value of the county's raw agricultural products was \$99 million in 2004.

All of Tillamook County's dairies are members of the Tillamook County Creamery Association, a processing and marketing cooperative that makes and sells Tillamook Cheese and ice cream.

Tillamook Cheese is the No. 2 cheese brand in the United States, second only to Kraft. TCCA's Tillamook plant is devoted to aging and packaging cheese and to making ice cream. In 2004, the cooperative sold 106 million pounds of cheese with a total value of \$309 million dollars.

During the past two years, dairy farmers have been squeezed by rising feed and fuel prices. One of the area's two grain suppliers – CHS – obtained its grain shipments via Port of Tillamook Bay Railroad prior to the December storm.



Port of Tillamook Bay

As the largest fully-serviced industrial park on the Oregon coast, Port of Tillamook Bay encompasses 1,600 acres of land zoned for airport and industrial use on the site of the former Tillamook U.S. Naval Air Station, home of one of the blimp squadrons that patrolled the Pacific Coast during World War II.

The industrial park generates approximately \$2 million a year in revenue for the district. The port manages warehouse, manufacturing and office space.

Until the railway storm damage of December 2007, the Port of Tillamook Bay Railroad operated 18 engines. It was able to make direct connections with the Portland and Western Railroad and cars could be delivered to the Union Pacific and Burlington Northern Santa Fe railroads for shipment across the state or across the country.

The railroad serves the coastal communities of Garibaldi, Rockaway Beach and Wheeler before heading inland for a climb across the Coast Range along the Salmonberry River canyon and into the Portland area. This scenic route was also used for seasonal excursions by Oregon Coast Explorer Scenic Railroad Tours.

It was the Salmonberry Canyon railbed that was damaged in the storm.

Prior to the damage, the railroad was planning a \$5 million trestle, bridge and tunnel upgrade project to improve the infrastructure built between 1911 and 1953.

Note from the Port Director

On behalf of our Board of Commissioners and myself, we wish to express our sincere appreciation to all our rail service customers, current and former employees, elected officials and community members who continue to provide the Port of Tillamook Bay Railroad with their valuable time and information whenever requested during the data gathering process our railroad is actively pursuing to expedite our recovery.

– Robert H. (Bob) Van Borssum

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