

Senator Johnson (Co-Chair)
Senator Steiner Hayward (Co-Chair)
Representative Rayfield (Co-Chair)

April 17, 2021

RE: Regional Infrastructure Fund

Dear Co-Chairs,

Thank you for providing the opportunity to give input for the state budget. Our organization, the Klamath County Economic Development Association (KCEDA) is writing this letter to express our support for the \$40M funding into the Regional Infrastructure Fund, requesting that a small portion of this funding be allocated towards a local effort involving infrastructure improvements to an existing rail line.

KCEDA is currently working with a client who is seeking to lengthen their rail track to handle more cars and provide more product to sell. This includes improving their current switch from a 90 lb to 110 lb rail specification. The modification of this switch will affect 4 projects we currently are working on. The estimated cost of the project is \$500,000, in which we have locally obtained \$150,000 in local funding thus far, leaving \$350,000 of remaining funds needed to proceed with the proposed improvements. The 4 impacted projects and their subsequent benefits on the Klamath County economy are briefly outlined below:

- **Project Locomotive** – the support of the improved infrastructure will create 4 new jobs in Klamath County with family wages. Anticipated sales increase with more products subsequently will continue the job growth associated with Project Locomotive.
- **Project Fluid** – the support of the improved infrastructure will create 7 – 10 new jobs in Klamath County at 100%+ Median Family Income. Additionally, this particular project potentially will remove 200 trucks per month from Highway 58 & Highway 97 as they convert the transportation of their product by rail versus over the road. This project will improve highway safety and the wear and tear on the highway. Also providing a platform to improve delivery of their products and growth their current business, subsequently increasing their job creation.
- **Project Waterfall** – this is a project we landed in October 2020, looking to utilize a trans-loading site for their product. Supporting the 50 new jobs created in Klamath County is key to the potential growth of Wilsonart within our community.
- **Project Rock** – as we start to see the ground-breaking date approaching for the Swan Lake Energy Storage Project, this particular project will provide 5+ new jobs, plus material utilized in the construction of this state-of-the-art long-duration energy storage project in Klamath County.

This rail switch infrastructure improvement is crucial for these four projects to become a reality. Your support on moving forward with matching funds for this rail switch upgrade is essential to continue to see growth within Klamath County. Rep. E. Werner Reschke of House District 56 has continued to be a strong proponent for this project, having demonstrated consistent support to our organization in the ongoing efforts to acquire necessary funding.

The Regional Infrastructure Fund is a critical source of funding to support rural priority projects such as this. It goes without saying that the economy is experiencing a major setback this past year. Klamath County is no exception; the region has suffered significant job losses because of the pandemic. KCEDA, in collaboration with Regional Solutions, seeks to provide a platform for state resources to forge partnerships across public, private, philanthropic, and higher education through cross-sector endeavors such as this.

We recognize that there are many initiatives in need of state funding. The Regional Infrastructure Fund is the best way to respond to the unique needs of communities across Oregon and ensure that we are contributing to the recovery of rural Oregon. Thank you for investing in the unique needs of each region within our state, as well your thorough consideration of this specific request.

Sincerely,



Randy Cox

CEO, KCEDA / Choose Klamath ~ *It's Just Better Here!*