



MALHEUR COUNTY

COUNTY COURT

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May 8, 2025

Oregon Joint Ways and Means Subcommittee
Oregon State Legislature
900 Court Street NE Salem, OR 97301

Dear Co-Chairs and Members of the Joint Ways and Means Subcommittee:

In 2023, the state legislature appropriated \$5 million for the Treasure Valley Reload Center (TVRC) to help cover escalating costs associated with completing the rail infrastructure and constructing a transload building. Originally, the project was envisioned as a specialized onion transloading facility, capitalizing on extensive rail connections to enhance agricultural shipping efficiency.

However, as inflation and supply chain pressures drove costs higher, the Oregon Department of Transportation (ODOT) directed project leaders to reassess and update the business model. This reassessment emphasized fiscal responsibility and better alignment with long-term regional economic development goals.

By late 2024, the project underwent a strategic pivot. While it still fulfills the original goal of efficiently transporting the region's onions, the updated vision now includes a broader opportunity: leveraging the state's initial investment to catalyze private development across a 200+ acre industrial park adjacent to the reload center.

A key component of this new direction involves a pending sale of the project to a national rail logistics firm. This company brings proven expertise and resources to fully develop the site, including construction of the necessary building improvements—relieving the public sector of that cost. Their plans are not only feasible but also significantly enhance the long-term economic outlook of the site.

As a result of this public-private transition, \$3.4 million of the original \$5 million appropriation is no longer needed for building construction. Rather than letting those funds go unused, we are requesting a reauthorization to redirect the balance toward completing critical infrastructure—such as utilities, access roads, and site readiness—that will ensure the project's success.

Discussions with ODOT and Business Oregon have resulted in support for Business Oregon to take over administration of the reauthorized funds, given the agency's experience in managing infrastructure investments and the fact that the rail component is already fully funded and on track for completion by the end of June.

We ask for your support in reauthorizing the remaining funds to align with the updated project vision and deliver lasting economic benefit to the region.

Sincerely,

Malheur County Commissioner Jim Mendiola