



Board of Commissioners

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June 26, 2018

COMMISSIONERS

Arne Mortensen
District 1

Dennis P. Weber
District 2

Joe Gardner
District 3

The Honorable Elaine L. Chao
Secretary U.S. Department of Transportation
1200 New Jersey Avenue S.E.
Washington, DC 20590

CLERK OF THE BOARD

Tiffany Ostreim

Dear Secretary Chao:

I am writing in support of an application submitted by the Port of Kalama to the U.S. Department of Transportation's Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grant program for the Kalama Marine Export Facility.

The Port of Kalama is requesting a BUILD grant to construct an export dock at its North Port Marine Industrial Site. The new dock will support a private investment of \$1.8 billion dollars to develop a methanol plant by Northwest Innovation Works. The methanol will be exported over the new dock to Asia, where it will be used to produce olefins, a building block of plastic.

The new methanol plant and the Port's dock project will generate many new, family-wage jobs in Cowlitz County, which is a rural, economically distressed area. On average, 547 people per month will be employed during construction, with 1,000 employees at the peak of construction. Once operational, the plant is expected to create 192 direct family-wage jobs (in the plant), 258 indirect jobs (suppliers, external maintenance), and 218 induced jobs (restaurants, services, government). The plant's tax contribution will also significantly increase revenues for local services, including education, law enforcement, and fire.

I encourage you to give careful and thorough consideration to the Port of Kalama's BUILD grant application and am pleased to lend our support to this project.

Sincerely,
**Board of County Commissioners
of Cowlitz County, Washington**

absent

Joe Gardner, Chairman

Dennis P. Weber

Dennis P. Weber, Commissioner

Arne Mortensen

Arne Mortensen, Commissioner

KALAMA MARINE EXPORT FACILITY

AT A GLANCE

Methanol

- Converted from fossil fuel, in this case, natural gas
- Component of thousands of everyday products
- Biodegradable
- Non-carcinogen
- Toxic if ingested

Investment

NWIW	\$1.8 billion plant
Port of Kalama	\$30 million for dock, roads, & well

BUILD Grant (\$ millions)

Grant Request	\$11.5
Local Match	\$11.5
Total Project Cost	\$23.0

Employment

Construction Jobs	
Peak	1,000
Average	547
Ongoing (Plant Jobs)	192

Impact on Tax Base

Cowlitz County	+17%
Kalama Schools	+152%
Kalama Fire	+149%

Construction Schedule

Start	2019
Length	32 months

Websites

- portofkalama.com
- nwinnovationworks.com
- kalamamfgfacilitysepa.com
- kalamapipeline.com

Contact

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 Port of Kalama
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Northwest Innovation Works (NWIW) is proposing to construct a methanol plant at a site on the Columbia River owned by the Port of Kalama. NWIW anticipates spending \$1.8 billion to construct the plant. The methanol will be shipped to Asia, where it will be used to produce olefins, a building block of plastic.

The Port and NWIW executed a lease agreement for the plant site in April 2014. The project is currently in the permitting phase, expected to be complete in 2019.

BUILD Grant

The Port of Kalama is applying for a \$11.5 million BUILD Transportation Discretionary Grant from USDOT. Applications are due July 18, 2018. The grant will fund the construction of a dock to serve the new methanol plant. The grant will also pay for new roads to the plant, adjacent businesses, and a recreational area. The total project cost is \$23.0 million. The Port will provide \$11.5 million in matching funds.

Project Impact

The NWIW project will expand job opportunities in Cowlitz County, an economically distressed area. On average, 547 people per month will be employed during construction, with 1,000 employees at the peak of construction. Once operational, the plant is expected to create 192 direct family-wage jobs (in the plant), 258 indirect jobs (suppliers, external maintenance), and 218 induced jobs (restaurants, services, government). The plant's tax contribution will also significantly increase revenues for local services, including education, law enforcement, and fire.

At full production, the plant will export 3.6 million tons of methanol, valued at \$1.6 billion at today's prices, from the United States.

