



CASE STUDY: APPLICATION OF THE REMI TRANSIGHT MODEL

**TO PORT AND LNG INVESTMENTS
IN COOS BAY OREGON**

*5th OREGON SYMPOSIUM ON INTEGRATED LAND USE
AND TRANSPORTATION MODELS*

**Alec Miller
Senior Economist**

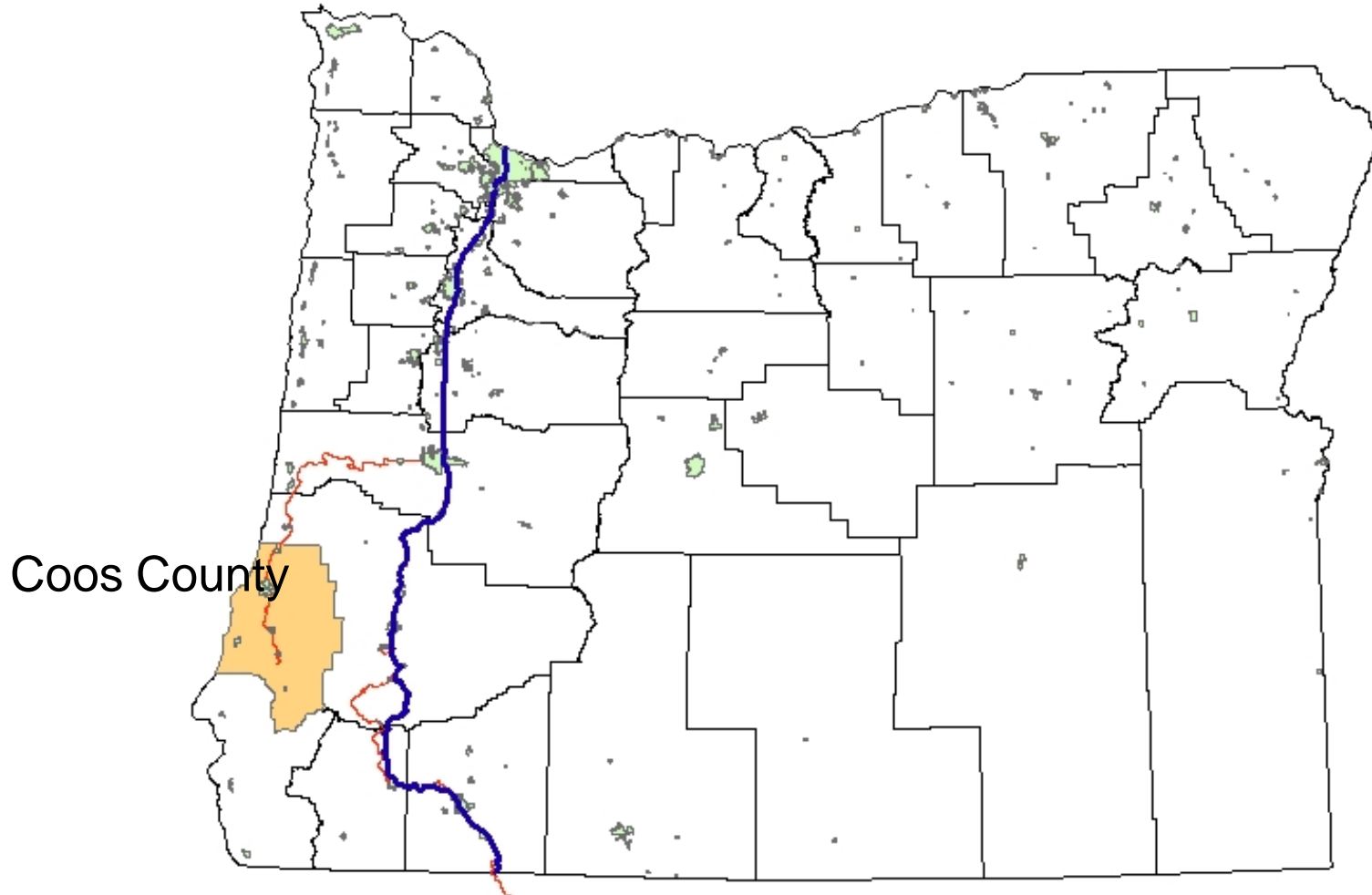
BACKGROUND

- SOUTHWEST OREGON
ECONOMIC EXPANSION AND
TRANSPORTATION TEAM
 - MEMBERSHIP
 - OBJECTIVES
 - RETURN ON INVESTMENT
 - INVESTIGATING PUBLIC-PRIVATE INTERACTION
 - PROJECT PRIORITIZATION
 - ANALYSIS CONSTRAINTS
 - LIMITED PRODUCT TIMEFRAME
 - MULTIPLE PROJECT TYPES
 - RURAL OREGON

INVESTMENT SCENARIOS

- PORT AND RAIL IMPROVEMENTS TO SUPPORT CONTAINER FACILITY-\$670 MILLION
- LIQUIFIED NATURAL GAS (LNG) TERMINAL- \$500 MILLION
- NATURAL GAS PIPELINE TO WESTERN US TRANSMISSION SYSTEM - \$755 MILLION

COOS COUNTY CASE STUDY: PORT AND LNG TERMINAL INVESTMENTS



COOS COUNTY IMPACTS FROM PORT AND LNG INVESTMENTS

Project	Investment		Annual State Tax Revenue	Increase in Jobs	Increase in Population
	Public	Private			
Jordan Cove LNG		\$ 500	\$ 5	224	102
Pacific Gas Connector Pipeline		\$ 755	\$ 5	772	508
Port of Coos Bay/Oregon Gateway	345	325	60	5,239	7,410
Total	\$ 345	\$ 1,580	\$ 70	6,234	8,020

The projects will cause more than 6,000 new jobs- a 22% increase

8,418 new in-migrants will require 3,826 new homes - a 12% increase

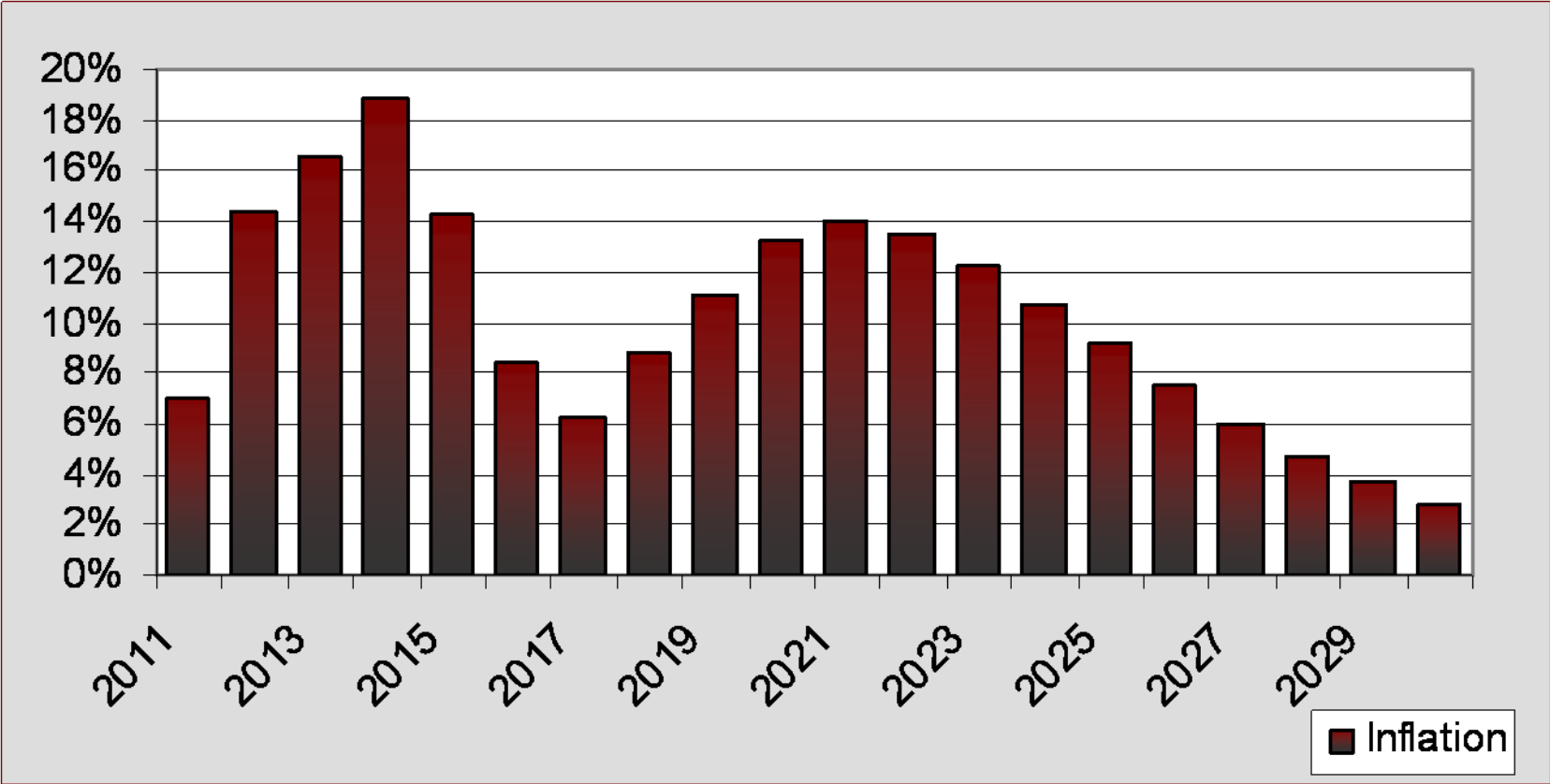
FORECASTING FUTURE POLICY ISSUES

Project	Change in Per Capita Income by 2025	Cumulative Inflation by 2025
Jordan Cove LNG	\$ (68)	0%
Williams Inter-Connector Pipeline	\$ (8)	18%
Port of Coos Bay/Oregon Gateway	\$ (797)	178%
Total	\$ (873)	196%

Causes of Inflation: Inelastic Housing Supply, Limited Labor Supply

1. In-migration increases demand for housing
2. Increased demand for labor means increased wages
3. Transportation cost may rise with increasing traffic
4. Commuting from a large population center is not possible

LOCALIZED PROJECT INDUCED INFLATION



Local Inflation Caused by Large Projects Can be Avoided

Local and State Policy and Regulatory Changes

3,826 Homes may require 1,000 acres of residential land

Public Investments in Supporting Infrastructure

Schools for 2,481 children

Roads for 5,891 adults

Policy Analysis is a Moving Target

Rural Oregon Does Not Match all of the Assumptions of the Model

Every Policy Change and Every Budget Cycle Alters Economic
Landscape

<http://www.oregon.gov/ODOT/HWY/REGION3/docs/FinalReport.pdf>