



October 25, 2010, Rob Sabo, Northern Nevada Business Weekly

Railport boosting jobs, employer base in Elko County \$21.5 million in payroll, facilities construction

The Northeastern Nevada Regional Railport in Elko has been in operation for just over six months, but it's already had a \$21.5 million impact on the economy of Elko County, says Pam Borda, executive director of the Elko County Economic Diversification Authority.

Much of the economic impact comes from companies that constructed new facilities at the railport, including Pacific Steel and Recycling, Liebherr Mining, SAS Global and railport operator Savage Services. Construction of those companies' buildings totaled \$17.4 million, with nearly \$14.6 million in direct spending and an additional \$2.8 million in indirect spending.

The remaining \$4.1 million from the \$21.5 million total comes from companies' operating expenses and payrolls.

Borda says the economic impact of the railport, which was summarized in a recent fiscal impact analysis produced by the University of Nevada, Reno, Center for Regional Studies for ECEDA, does not include revenues from moving and staging piping to be used in the billion-dollar Ruby Pipeline natural gas project because the many miles of piping that were stored at the site are simply moving through the facility.

"We really were very conservative with this report and only included things that were a given at the time when we started the report," Borda says. "Obviously Ruby has a really huge economic impact on our community, but we did not include it because it is temporary in nature."

Several other companies have acquired parcels at the Northeastern Nevada Regional Railport and intend to construct new facilities, Borda says. One company, local contractor Ormaza Construction, intends to subdivide its parcel for several new businesses.

The first phase of the railport comprises about 100 acres, and there are an additional 250 acres at the site that could be developed in the future. The new business at the railport account for 60 new permanent full-time positions and another nine full-time jobs from companies that work with businesses at the railport, Borda says.

"That is a huge increase for us," she says.

The new businesses have contributed to a 30.8 percent increase in manufacturing companies located in Elko County, and a 15 percent jump in companies working in trade, transportation and utilities from



2002 to 2009, the railport economic analysis says.

Employment and wages have seen significant increases as well. In 2002 there were 153 people employed in manufacturing and 3,180 in trade, transportation and utilities, and in 2009 manufacturing has seen a 46 percent rise in employment and trades, transportation and utilities an almost 19 percent jump.

Wages paid out for both categories in 2002 totaled \$96.6 million but rose to \$152.8 million in 2009 . More importantly, Borda says, the railport has brought in companies that still will be standing when mining eventually cools in northeastern Nevada.

“Diversification for us is absolutely critical,” she says. “We definitely need to expand our employer base beyond the mining industry, and the railport will go a long ways toward helping us to do that. It allows us to focus on things like transportation, warehousing, distribution and manufacturing.”

Total tax revenue provided by the railport is projected to be \$1.2 million from fiscal year 2007-2008 through fiscal year 2011-2012. Borda says that as the railport continues to grow, its financial impacts could dwarf current figures.

“I think we could easily double the numbers that we are seeing today,” she says. “We have so much more that is already underway for development and there is potential for additional development. We are really just getting going with the whole railport itself.

“It is growing tremendously since the day it opened, and we have gone from a few hundred cars in the first month to several hundred per month, and that is only going to grow.”

The railport also serves as a great marketing tool for businesses that aren’t located at the railport but could eventually use its services, Borda adds.

“The fact that they can use it is a huge plus,” she says.