

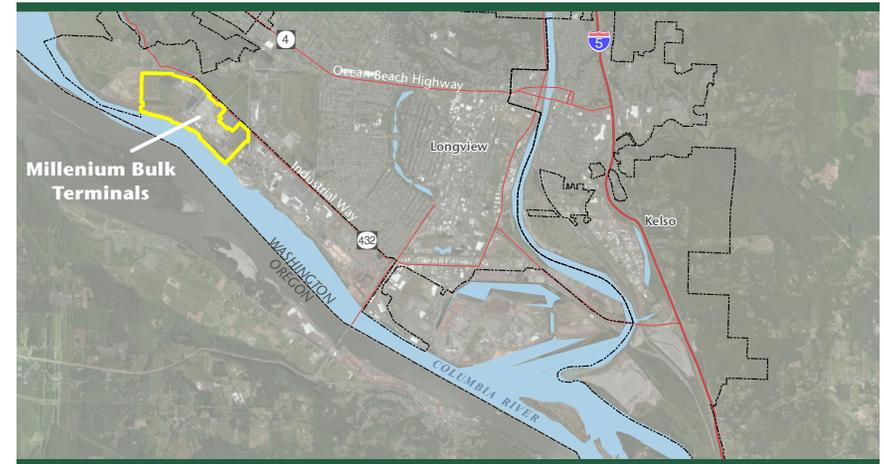
ECONOMIC & FISCAL IMPACT ASSESSMENT OF MILLENNIUM BULK TERMINALS

Millennium Bulk Terminals Longview, LLC (Millennium) plans to reinvest in an underutilized industrial facility in Cowlitz County to:

- Conduct environmental remediation on the site
- Upgrade the existing import/export bulk facility
- Construct a coal receiving, storage, and shipping terminal

The current 416-acre site includes two former aluminum producing plants, a carbon plant and carbon transfer area, amongst other industrial uses.

The centerpiece of the project and focus of this analysis is the construction of a new coal export terminal, which will encompass more than 100 acres of the site. Millennium will be investing an estimated \$600 million in this multi-year construction project which will result in a state-of-the-art facility to support the increasing global demand for coal. The facility would be expected to begin operations in 2015 and full site capacity of 44 million metric tonnes of coal will be in place by 2018.



ABOUT COWLITZ COUNTY

- Cowlitz County has a population of 102,410
- The largest employment sector in the county is manufacturing, which employs about 20% of the total workforce; construction comprises 8% of total county employment
- In 2010, the county had an unemployment rate of 11.1% and a median household income of \$41,000
- County general tax revenues have been hard hit by the recession. Adjusted for inflation, revenues have declined both in total and on a per capita basis since 2006
- About 52% of workers living in the county are employed within the county; the County has a net job outflow of more than 8,000 jobs

Economic Development Opportunities

The Cowlitz-Wahkiakum Council of Governments is leading a separate Environmental Impact Statement (EIS) effort involving a large infrastructure project that would increase capacity and improve crossings along the Columbia River.

- The project would include up to \$200 million in public and private infrastructure improvement investments
- A large, long-term tenant such as Millennium would help secure public and private investment (beyond Millennium's investments in the site) for these necessary improvements, which have regional significance and benefit
- Improvements to the freight transportation network along the Columbia River will increase the value and attractiveness of other industrial properties

PREPARED BY:

The Coal Export Terminal will result in economic and fiscal benefits to the local area and to Washington. For a number of years now, Cowlitz County has been an economically challenged area that has typically lagged behind state averages for growth. The Coal Export Terminal project represents an opportunity to locate a significant new industrial project on underutilized industrial land. State and local benefits will include new and significant jobs, wages, output, and tax revenue. It is also expected that the majority of the positions would be filled from the local labor pool.

ECONOMIC IMPACTS OF COAL EXPORT TERMINAL

- Construction activity is estimated to support **1,350 temporary direct jobs, \$70 million in direct wages, and \$232 million in direct output**
 - The indirect and induced impacts in the local, regional, and state economies resulting from construction of the export facility are estimated to be an additional 1,300 additional jobs, \$65.0 million in wages, and \$203 million in output
- At buildout, ongoing site operations are expected to produce **135 direct jobs, \$16 million in direct wages, and \$49 million in direct output** per year
 - The subsequent secondary (indirect and induced) impacts in the local, regional, and state resulting from the operation of the export facility are about 165 additional jobs, \$9 million in wages, and \$21 million in output

Economic Impacts of the Coal Export Terminal

	Construction	Operations (Stage 1)	Operations (Buildout)
Jobs Total	2,650	230	300
Direct	1,350	112	135
Indirect & Induced	1,300	118	165
Wages Total	\$135.0 M	\$20.0 M	\$25.0 M
Direct	\$ 70.0 M	\$ 13.0 M	\$ 16.0 M
Indirect & Induced	\$ 65.0 M	\$ 7.0 M	\$ 9.0 M
Output Total	\$435.0 M	\$40.0 M	\$70.0 M
Direct	\$ 232.0 M	\$ 21.0 M	\$ 49.0 M
Indirect & Induced	\$ 203.0 M	\$ 19.0 M	\$ 21.0 M

Note: Indirect and induced impacts reflect the multiplier effects resulting from respending of direct wages and business spending

DIRECT FISCAL IMPACTS OF COAL EXPORT TERMINAL

- The coal export facility is estimated to generate **\$146 million (2012 dollars) in tax revenues over 30-year period**
 - Approximately 26% of this is revenue to the County; 54% to the State; and 20% to special purpose districts
- Ongoing site operations are estimated to annually generate **\$2.2 million in state tax revenues, \$1.7 million in county tax revenues, and \$1.5 million to special purpose districts**
- Construction will generate **\$37.2 million state tax revenues and \$5.9 million in county tax revenues**
 - The majority of revenues from construction are sales tax related. A smaller portion is related to the state business & occupation tax (B&O)

Direct Fiscal Impacts of the Coal Export Terminal

Fiscal Impacts	30-Year PV (2012)	Annual Average (2012)	One-time Construction (2012)
County	\$ 38.24 M	\$ 1.65 M	\$ 5.87 M
Property Tax	\$ 29.47 M	\$ 1.5 M	-
Construction Sales Tax	\$ 5.87 M	-	\$ 5.87 M
Ongoing Sales Tax	\$ 2.9 M	\$ 0.15 M	-
State	\$ 78.99 M	\$ 2.18 M	\$ 37.21 M
Property Tax	\$ 18.05 M	\$ 0.92 M	-
Construction Sales Tax	\$ 34.7 M	-	\$ 34.7 M
Ongoing Sales Tax	\$ 17.12 M	\$ 0.91 M	-
Construction B&O Tax	\$ 2.51 M	-	\$ 2.51 M
Ongoing B&O Tax	\$ 4.59 M	\$ 0.24 M	-
Utility Taxes	\$ 2.01 M	\$ 0.11 M	-
Special Purpose Districts	\$ 28.54 M	\$ 1.45 M	-
Property Tax	\$ 28.54 M	\$ 1.45 M	-
Total	\$ 145.77 M	\$ 5.28 M	\$ 43.09 M

Note: Fiscal analysis only considers taxes from direct impacts and are presented in 2012 dollars.