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September 23, 2024

Grant County Community Leaders

Dear Community Leaders,

We are writing today to express our concerns regarding the imminent closure of Malheur Lumber and the subsequent economic impact on our community. As a vital component of our local economy, the Malheur Lumber closure presents a significant challenge with far-reaching implications impacting John Day, Canyon City, Mt. Vernon, Seneca and the rest of Grant County.

Malheur Lumber has been a cornerstone of our community for 41 years, providing employment and contributing to the economic stability of our region. Malheur Lumber has stated economic challenges, including housing availability, workforce availability, and geographic isolation as contributors to the closure. It should be noted that Malheur Lumber and other mills in the area are not in direct competition, and we believe that all contributors to the natural resources and forestry industries create a healthy region and the more sustainable jobs that can be supported, the better for our community.

The closure of this facility will have several substantial effects:

1. **Job Losses:** A recent analysis from the State of Oregon Employment Department reported that the mill supports 76 direct jobs and 106 indirect jobs. The estimated annual total economic impact of this closure would be over \$58 million in Grant County. In a county of just over 7,200 that is substantial as compared to a larger county in other areas of the state. We estimate those losses to contribute to roughly \$725,000 annual revenue loss for the school district which will have a direct impact on class size and program availability.
2. **Economic Multiplier Effects:** The mill supports a network of local businesses, including suppliers, service providers, and retail establishments. The expected decrease in revenue for these businesses is reflected in the total economic impact of \$58 million due to reduced demand from the mill and its employees. The economic multiplier effect means that the impact of these lost revenues can extend throughout the community and affect downtown businesses, the public sector, healthcare, schools, and other services that could lead to further job losses.
3. **Decrease in Local Tax Revenue:** The mill contributes significantly to local and regional tax revenues. Its closure will lead to a reduction in these funds, which are crucial for maintaining public services such as schools, healthcare, and infrastructure. The decreased revenue may necessitate budget cuts or increased taxes in other areas, placing additional strain on residents.
4. **Long-Term Economic Shifts:** The closure may prompt a re-evaluation of the local economy's structure. While efforts to attract new businesses or industries can mitigate some impacts, the transition period may be challenging. The community will need support to adapt and re-skill workers to new opportunities.

Our goal is to shed light on the overall impact and need for the community to come together to find a solution. As a community we have lost mills before and survived. This is different. Without action we could find a severe drop in population leading to long-term impacts on community partners and services.

The closure of Malheur Lumber represents a significant turning point for our community. We ask that you contact your local leadership, state and federal legislators and let it be heard that the closure is detrimental to the health and vitality of our community and our way of life. We are hopeful, with collective effort, our community can navigate this challenging period and emerge stronger.

Sincerely,

*Will Blood*

Will Blood, Board Chair  
Grant School District 3

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