

Agenda for Tuesday, July 16, 2002
Klickitat County Port District
2nd Regular Monthly Meeting
July 16, 2002 - 4:30 P.M. - PORT OFFICE

AGENDA

PUBLIC COMMENT - Limited to 10 minutes total; (5 minutes per person)

COUNSEL'S REPORT

ADMINISTRATIVE MATTERS

Consent Agenda:
Minutes - July 2, 2002
Vouchers

EXECUTIVE DIRECTOR'S REPORT

BINGEN POINT:

DALLESPORT INDUSTRIAL PARK:

WORKSHOP

Gorge Harbor Marina Project
Preliminary Revised Budget; Adopt 8/6/02
Bingen Point CC&Rs

MISCELLANEOUS

PUBLIC COMMENT - Limited to 20 minutes total; (5 minutes per person)

ADJOURNMENT

PORT OF KLICKITAT BOARD OF COMMISSIONERS MEETING MINUTES July 16, 2002 REGULAR SESSION		
<u>TOPIC</u>	DISCUSSION/ASSESSMENT/FINDINGS	ACTION/FOLLOW UP
<u>ATTENDANCE:</u>	Commissioners/Staff Present: Port Commissioners (PCs) Norm Deo, Rodger Ford and S. Wayne Vinyard, Executive Director (Exec.D) Dianne Sherwood and Admin. Asst./Auditor (AAA) Vickie Drew PC/Staff Absent: Port Counsel (Counsel) Teunis J. Wyers Guests Present: Byron Hanke (Port Consultant), Steve Tessmer (Gorge Assoc.), Mike Smith (Dallesport)	
<u>PUBLIC COMMENT</u>	Chair Vinyard opened the public meeting at 4:38. There was no public comment.	
<u>COUNSEL'S REPORT</u>	Counsel's presence was not requested. Exec.D Sherwood reported that she and Counsel are working on a renewal lease for Weyerhaeuser. The inter-local agreement between the Port and KC should be ready for the next PC meeting.	
<u>ADMINISTRATIVE MATTERS</u> <u>! Consent Agenda</u>	Items approved: <ul style="list-style-type: none"> • Minutes of July 2, 2002 • Vouchers #17540-17542; \$3,552.31 • Vouchers #17543-17563; \$21,539.45 • Check #170; \$347.45 • Check #171; \$14,587.13 Questions were answered regarding the payment to Riley's for the cost of re-washing some material when the water tank at DIP was drained for inspection.	<i>PC Ford moved to approve the Consent Agenda as presented; seconded by PC Deo -- motion carried.</i>
<u>! EXECUTIVE DIRECTOR'S REPORT</u> <u>*BINGEN POINT*</u> <u>! KC Inter-local Agreement</u>	Exec.D Sherwood reported that work continues on the Inter-local agreement between KC and the Port for \$500,000 toward Building 1D. The percentage of KC's interest has been discussed with Jeff Neve (Foster, Pepper & Sheffelman), as well as the buy back terms and yearly cost.	
<u>! CERB Loan Presentation</u>	Exec.D Sherwood will be in Seattle on Thursday to present the CERB application for a loan of \$650,000 for Building 1D. The request is for a loan for 20 years, at 1% interest, with principal and interest deferred for five years at 0%. Dana Peck (KC Res. Dev.) and Steve Sliwa (Insitu) will also be attending.	

<p><u>! DSP Architecture</u></p>	<p>Exec.D Sherwood and Bob Westermann met with Randy Salisbury of DSP Architecture. She reported that it was recommended that a \$6,000 contract be issued for scoping and determining exactly what the building is going to look like. This would enable DSP to give the Port a better price on the final engineering contract for design of the building. Exec.D Sherwood and Mr. Salisbury will meet with the prospective tenant (I.C.E.) to determine what their needs are in the building. Mr. Salisbury recommended that the Port contract directly with Bell Design for the civil and survey work. Discussion followed regarding the project. PC consensus to move forward with a partial contract.</p>	
<p><u>! Hwy 14/B.Pt. Fill Project</u></p>	<p>Exec.D Sherwood reported that a personal services contract for oversight of the fill has been delivered to Bell Design for signature, not to exceed \$5,000.</p>	
<p><u>*DALLESPORT INDUSTRIAL PARK*</u> <u>! Piper Transport</u></p>	<p>Exec.D Sherwood reported that the month to month agreement has been given to Piper Transport. She is awaiting return of the signed documents and a check for the security deposit.</p>	
<p><u>! Water System Plan</u></p>	<p>Exec.D Sherwood reported that she and PC Deo are still reviewing the water system plan. A meeting will be arranged with John Buzzone of Kennedy/Jenks to discuss the plan.</p>	

<p><u>WORKSHOP</u> <u>! Gorge Harbor Marina</u> <u>Project</u></p>	<p>The Workshop began at 4:53. Exec.D Sherwood reported that she and Byron Hanke met with Steve Tessmer (Gorge Harbor Marina) before the meeting to discuss the agreement. Steve reported that the plan for the marina has been reconfigured so that in between each combination boat house would be a boat slip that will allow light down in between the boat houses. This configuration reduces the number of boat houses per unit. If the entire project is required to be built-out in this manner, in order to get the number of boat houses to make the project feasible, it may be necessary to construct some units on the north side of the marina as well. This would require the installation of a sewer system on that side of the marina. The first phase of the project will be monitored for two years to determine if there are any detrimental effects to fish from the development. If there are none, it may be possible to continue the project at the original density. Steve was comfortable going ahead with the first phase, as long as he knows they will be able to proceed with the project one way or the other to reach an economy of scale. PC Deo inquired what the impact will be based on; are there any historical records? Steve responded that there were no records and that it will be impossible to measure any impact. Exec.D Sherwood asked if Mr. Dugger (Dept. of Fish & Wildlife) gave any assurance that language would be included that would allow the project to proceed either way. Steve has not seen anything in writing, but stated that Mr. Dugger understands that it is a critical point and that the project isn't worth pursuing any further if that assurance is not there. PC Vinyard inquired if it would be helpful to have a joint meeting with Mr. Dugger. Steve responded that Mr. Dugger has been timely in responding to the issue, but that maybe at a later date that could happen. Discussion followed regarding ideas to make the space between the combination boat houses cost effective, including creating live-aboard slips. Many Ports have issues surrounding the allowance of live-aboards in their marinas, so live-aboard issues were discussed. PC Deo stated that his main concern was whether or not the Port and Gorge Harbor Marina could reach an</p>	
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<p><u>! City of The Dalles Golf Course Project</u></p>	<p>agreement that is equitable to both parties. Steve stated that significant progress has been made to address the inequities. The intent of the original agreement, and the concept of the project was that there wasn't enough in it to have the Port expect to make a big return, but the Port doesn't want to get stuck with a large expense or be exposed to a lot of liability. PC Deo felt it would be a lot simpler if the Port received a yearly rent. Steve stated that the Port will have to extend a sewer line or put in a parking lot, and it is important to determine the cost of those improvements and figure out how to make the Port's percentage of return from the project cover them. Exec.D Sherwood stated that what the Port receives should be comparable to what the Port would receive in rent from the property involved to avoid the issue of gifting of public property. Byron was concerned that the value of the land necessary for the project be recouped by the Port in some way. The Port should not put itself in the position of giving away some land that may have a higher and better value. Steve stated that the premise, from the beginning, was that the Port didn't have to make any money from the project, that the benefit to the community and the county was enough. Steve stated that the financial impacts to the Port have to be addressed, but that if the PC require a certain amount of rental income from the property, the project becomes riskier and may not be feasible. Steve has always maintained that if his investors had to buy or pay rent on the property, they would not have pursued the project. It was determined that it is very important to determine what the costs to the Port would be and a time line for those costs. PC Deo stressed that he felt the Port should have no costs related to this project if there will be no revenue for the Port. Byron stated that the logical point of view is that if this project were condos on land, Steve would have to acquire the property. In this case, it seems that the Port is making the water available for him to put the project in at hardly any cost. A project has to be built on something; land, water, whatever, and that something has value. The simplest thing would be to sell the uplands and the submerged land to Steve for some amount of money, Steve builds the project and all the costs and any profit is his. Steve stated that something like that could be worked out, as long as the terms of the sale were that payments were made at a time when the project generated revenue to cover them. Byron offered that one test he liked to use at meetings like this was to pose the question, "How would you feel if the decision was made to walk away from the project?" PC Deo responded that he wondered why Steve hadn't thrown in the towel a long time ago and still wonders if that wouldn't be in everybody's best interest. PC Ford would like to see the project continue with an acceptable agreement with the Port. PC Vinyard stated that his initial reaction was relief followed by disappointment. Byron suggested that Steve and Exec.D Sherwood determine what each party needs/wants. If the needs/wants blend, great; if not, the project goes away. Steve stated that he was amenable to a land sale contract with payments tied to timing of the revenue stream. Steve reported that he has received approval of the contract terms for the operating contract for the golf course from the City of The Dalles. John Fought (course designer) will be out next week to do the final lay out and they hope to start construction this winter and open in the spring. He outlined the project on the aerial map of the Dallesport peninsula.</p>	
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<p><u>WORKSHOP</u> <u>! Preliminary Revised Budget, Adopt 8/6/02</u></p>	<p>Exec.D Sherwood explained that the main reason for doing a revised budget for 2002 was because a lot of the capital improvements we are doing this year we thought would have been completed last year. We also didn't know about new grant monies that we will receive this year. Two revised budgets were prepared; one that included construction of Building 1D, and one that does not. Exec.D Sherwood went through the preliminary budget explaining the items that were changed. The public hearing to adopt the revised budget at the next PC meeting on August 6 will be advertised in the local papers next week. Exec.D Sherwood asked the PC to think about having another retreat this fall. She felt the retreat last year was very beneficial in determining what direction to take and which projects are most important. The PCs will check their schedules to determine a possible date for a PC retreat. Dates suggested were Sept. 26 or 27.</p>	
<p><u>WORKSHOP</u> <u>! Bingen Point CC&Rs</u></p>	<p>TABLED</p>	
<p><u>PUBLIC COMMENT</u></p>	<p>There was no public.</p>	
<p><u>ADJOURNMENT</u></p>		<p><i>PC Deo moved to adjourn at 6:45; seconded by PC Ford - motion carried.</i></p>

Approved on: _____
 submitted _____
 (Date)

Respectfully

Vickie L. Drew, Administrative Assistant

 Dianne Sherwood, Executive Director

S. Wayne Vinyard, Chairman