

Agenda for Tuesday, August 20, 2002
Klickitat County Port District
2nd Regular Monthly Meeting
WORKSHOP
August 20, 2002 - 4:30 P.M. - PORT OFFICE

AGENDA

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

ADMINISTRATIVE MATTERS

Consent Agenda:

August 6, 2002 Minutes

Vouchers

PC Retreat - Skamania Lodge, Sept. 26

Reschedule October Meeting Dates

Surplus Port Truck

EXECUTIVE DIRECTOR'S REPORT

BINGEN POINT:

SR-35 Columbia River Crossing Update

Building 1D

DALLESPOrt INDUSTRIAL PARK:

Pacific Rock Memorandum of Lease & Estoppel Cert.

PORT OF KLICKITAT / PORT OF THE DALLES JOINT COMMISSION MEETING

1. Introductions
2. Review of Ports
 - Port of Klickitat - Dianne Sherwood, Executive Director
 - Port of The Dalles - Scott Hege, Director
3. Issues for Discussion
 - Philosophy of Development; Selling vs. Leasing Land
 - Land Price

- Collaboration (Marketing/Advocacy/Development)
 - Airport Discussion
 - Other Issues of Interest/Concern
4. Future Meetings?

MISCELLANEOUS

WPPA Commissioner's Seminar, 9/16 & 17, Semiahmoo Resort

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

ADJOURNMENT

PORT OF KLICKITAT BOARD OF COMMISSIONERS MEETING MINUTES August 20, 2002 WORKSHOP		
<u>TOPIC</u>	DISCUSSION/ASSESSMENT/FINDINGS	ACTION/FOLLOW UP
<u>ATTENDANCE:</u>	Commissioners/Staff Present: Port Commissioners (PCs) Rodger Ford and S. Wayne Vinyard, Executive Director (Exec.D) Dianne Sherwood and Administrative Assistant (AA) Vickie Drew. PC/Staff Absent: PC Norm Deo & Port Counsel (Counsel) Teunis J. Wyers Guests Present: Mike Smith (Dallesport), Ron Rider (California), Scott Hege (Dir. Port of The Dalles), Port of The Dalles Commissioners Scott Mengis, President, Steve Kramer, Vice President, Ken Farner, Treasurer, Mike Courtney, Secretary and Michael Maier, Asst. Secretary/Treasurer.	
<u>PUBLIC COMMENT</u>	Chair Vinyard opened the public meeting at 4:38. There was no public comment.	
<u>ADMINISTRATIVE MATTERS</u> <u>! Consent Agenda</u>	Items approved: <ul style="list-style-type: none"> • Minutes of August 6, 2002 • Vouchers #17614-17616; \$3,552.06 • Vouchers #17617-17625; \$10,120.33 	<i>PC Ford moved to approve the Consent Agenda as presented; seconded by PC Vinyard -- motion carried.</i>
<u>! PC Retreat - Skamania Lodge, Sept. 26</u>	Exec.D Sherwood discussed the plans for the PC retreat. It will be held on Thursday, Sept. 26 from 10:00 a.m. to 2:00 p.m. Byron Hanke will facilitate the meeting and George Fox will attend to discuss financial issues.	
<u>! Reschedule October Meeting Dates</u>	Exec.D Sherwood discussed a request to consider changing the October meeting dates from the 1st and the 15th to the 8th and the 22nd. PC Ford will be unavailable on the 1st. PC Vinyard reported that he would be available for the 1st only. Exec.D Sherwood will check with PC Deo for his availability before a decision is made.	
<u>! Surplus Port Truck</u>	Exec.D Sherwood reported that the new maintenance truck is up and running and that now may be a good time to surplus the old truck in anticipation of future sale.	<i>PC Ford moved to surplus the old maintenance truck; seconded by PC Vinyard – motion carried.</i>
<u>! Port Report - 8/20/02</u>	At PC Vinyard's request, Exec.D Sherwood prepared a list of the Port's recent projects. She went through the list discussing the status of the various projects. In discussion of surplus Parcel #13, Exec.D Sherwood reported that Gorge Delights will now be siting their operation in North Bonneville at the Port of Skamania's recently vacated 15,000 square-foot building.	

<p><u>! EXECUTIVE DIRECTOR'S REPORT</u> <u>*BINGEN POINT*</u> <u>! SR-35 Columbia River Crossing Update</u></p>	<p>Exec.D Sherwood attended a gorge-wide conference and had a chance to speak with Oregon's U.S. Representative Earl Blumenauer regarding the bridge feasibility study. A project update brochure was included in the packet.</p>	
<p><u>! Building 1D</u></p>	<p>Exec.D Sherwood reported that she has been working with Randy Salisbury (DSP) and is very impressed so far with the firm. She has received cost estimates as to the size of building the Port could afford to build depending on the cost per square foot. She illustrated the proposed location on Parcel #14 which will avoid the 200 ft. shoreline setback. Exec.D Sherwood will be meeting with Randy (DSP) and Steve Maier (I.C.E.) to go over some design elevations and plans to see if they will work for I.C.E. Next week they will be meeting with KC Building and Planning Depts.</p>	
<p><u>! Gorge Delights Update</u></p>	<p>Previously discussed.</p>	
<p><u>*DALLESFORT INDUSTRIAL PARK*</u> <u>! Pacific Rock Memorandum of Lease & Estoppel Certificate</u></p>	<p>Exec.D Sherwood discussed the memorandum of lease and estoppel certificate that were sent for signature by Pacific Rock Products (Pac Rock). Pac Rock's parent company, Kiewit Materials, is in the process of being purchased by Rinker Materials. The memorandum is an acknowledgment of the existence of a lease and any options or rights of first refusal. The estoppel certificate states that the Port has no knowledge of any default by Pac Rock. These documents will allow Rinker to acquire title insurance on their behalf for the leases. Counsel has reviewed and approved signature of the documents.</p>	
<p><u>MISCELLANEOUS</u> <u>! KC Labor Market Summary</u></p>	<p>The summary was included in the PC packet. Manufacturing jobs have decreased 27.3%. It is felt that the Port has to build a new building to keep the tenants it currently has and to encourage them to grow.</p>	
<p><u>! WPPA Commissioner's Seminar, 9/16 & 17, Semiahmoo Resort</u></p>	<p>PC Ford received an information packet regarding the Commissioner's Seminar from WPPA just yesterday. He would like to attend if his schedule allows.</p>	
<p><u>! Committee Updates</u></p>	<p><u>AIRPORT:</u> PC Deo absent. <u>MCEDD:</u> PC Ford reported that his meeting was canceled and he won't have another until September. <u>BRIDGE/HWY 35:</u> PC Ford reported that he has not been advised if a meeting date has been set for the September meeting, at which time a decision will be made whether or not the project will go forward to Tier 3. <u>KC PEDDA:</u> PC Vinyard's next meeting will be September 25. A break was called pending the arrival of the Port of The Dalles Commissioners.</p>	

**PORT OF KLICKITAT /
PORT OF THE DALLES
JOINT COMMISSION
MEETING**

Introductions were made around the room. Guests from the Port of The Dalles (POTD) were Scott Hege, Director and Commissioners Scott Mengis, President, Steve Kramer, Vice President, Ken Farner, Treasurer, Mike Courtney, Secretary and Michael Maier, Asst. Secretary/Treasurer. Exec.D Sherwood illustrated the Port's property on the aerial maps of Dallesport and discussed the Port's various tenants and the Waste Water Treatment Facility. POTD PC Maier asked if there was a reason the Port leased rather than sold property. Exec.D Sherwood responded that in the past, the Port had to sell some property just to cover operating expenses, but that current policy has been to lease property rather than to sell. Scott explained to his PC that the POK has a much more cumbersome process to sell property than does the POTD; the property has to be surplusd and then two appraisals must be obtained or it has to be put out to public bid. Exec.D Sherwood stated that the policy of most of the Washington ports is to lease property rather than sell.

Exec.D Sherwood discussed the Port's Bingen Point property illustrated by the Master Plan photo. She discussed the Gorge Harbor Marina project, the Bingen Lake Wetland, the Fill Project, the Port's tenants and the proposed new Building 1D. PC Vinyard stated that one of the issues in selling property is the Port's responsibility for installation and ongoing maintenance of the infrastructure for the parcels with no income stream to support it. Another is the public's concern with the Port selling property. The POTD is within the city limits and so turns their infrastructure over to the City of The Dalles who maintains it.

Scott Hege gave a brief history of the POTD. The POTD was formed in 1933 and consisted of 730 square miles. In 1962, the PC bought 200 additional acres. In 1985, the community passed a \$4.5MM bond issue to develop 139 acres of that property. Scott stated that the POTD lives by their mission statement which states "The Port of The Dalles is dedicated to supporting the creation, retention, expansion and recruitment of businesses and jobs that will enhance the economy of the district". Many times when making a decision they ask themselves "how does this support our mission". Operation consists of land development/sale of land and a Marina. Exec.D Sherwood asked Scott to explain why marina's don't make money. Scott stated that it has been difficult to charge a high enough rate to cover expenses, as for a number of years, 40-60% of the Port commission had boats in the Marina. The Marina more than breaks even now, but it takes between 30-40% of staff time to deal with Marina issues. The Marina is also not included in their mission statement's goals.

Scott presented some fact sheet handouts outlining the POTD activities. Their main operation runs on approximately \$700,000 a year, of which \$170,000 comes from property taxes. He brought a detailed map on which he illustrated the POTD property. Scott's words of wisdom: Patience - everything takes longer than you think; Transportation - access is critical-their recent Exit 82 interchange was a major boon; Focus - may be the most important thing. Focus on achieving something; don't be drawn into spreading resources in too many directions. The POTD has never built a single building on their property, but does loan money to an investor who builds the buildings. They negotiate a loan rate that works for the prospective tenant and the PC. They always tag with the state or a bank so that they are

	<p>Exec.D Sherwood applauded the POTD for raising their land prices to \$60,000 per acre. Lower prices in the area hurt others who have to get appraisals before property can be sold. In setting prices, the POTD tries to recoup their costs of the property. Exec.D Sherwood asked what the long term plan was if the POTD sells all of it's property. Scott responded that there are two main goals; one is to get jobs and the second is to get investment into the tax base. As they develop, their next commission may decide they don't want to sell anymore and only lease land. He cited the Port of Portland as an example of that strategy. POTD PC Maier stated that DIP development facilitates some of the POTD mission statement and feels that is in their best interest to help the POK in any ways that are easy and cheap. The people that work at DIP are (at the least) going to spend their money in The Dalles. The POTD gives leads that don't work for them to other locations in the region. Both Directors agreed that there is very good communication between the Gorge area Ports.</p> <p>PC Vinyard asked where the POTD cash flows come from. Scott responded that their cash comes from property taxes, land sales, rents, leases and grants. They sell land on contracts at 5-9% interest generating approximately \$200,000 per year. Discussion followed regarding target jobs per acre. PC Vinyard asked where the POTD gets the financing to install infrastructure prior to selling the property. Scott responded that their last infrastructure project cost \$1.3MM and approximately half was grants and the rest was loans and some Port cash. POTD infrastructure is turned over to the City after completion. Scott believes that unless you have the resources to build the buildings on the land you own and lease them out, it's a lot easier to sell the land and let the business finance the improvements. The building goes up, the jobs come and the tax base is there. It would be best for POK to find a way out of owning the roads and infrastructure, possibly through annexation to the City of Bingen. Annexation issues were briefly discussed.</p> <p>Exec.D Sherwood asked what collaborative opportunities the POTD sees with the POK. POTD PC Maier stated that, in his opinion, POTD is as motivated to encourage people to build at DIP as they are on their own property. Scott feels that the golf course at Dallesport will help market the Port's property at DIP.</p> <p>The POTD is not really involved in the airport since it is outside their focus. There is supposed to be a 50/50 relationship in the airport between the City of The Dalles and KC.</p> <p>The Class 1 Air Shed issue is seen as the biggest threat to industrial development. PC Vinyard stated that one of the main drivers for him as a new PC (8 years ago) was employment. He comes from the forest industry and saw many crushed by the high unemployment that occurred in the industry. Now with the aluminum plants shut down and the recent chip mill fire the situation is even worse.</p> <p>FUTURE MEETINGS?: PC Vinyard suggested that the next meeting should begin with a tour of the Waste Water Treatment Facility at DIP and then a tour of the POTD and include dinner in the evening. Exec.D Sherwood and Director Hege will arrange a date for the next meeting.</p>	
<p>PUBLIC COMMENT</p>	<p>There was no public comment.</p>	

<u>ADJOURNMENT</u>		<i>PC Ford moved to adjourn at 7:53; seconded by PC Vinyard - motion carried.</i>
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Approved on: _____
submitted _____
(Date)

Respectfully

Vickie L. Drew, Administrative Assistant

Dianne Sherwood, Executive Director

S. Wayne Vinyard, Chairman