

TOPIC	<p style="text-align: center;">PORT OF KLICKITAT BOARD OF COMMISSIONERS MEETING MINUTES February 21, 2006 REGULAR SESSION</p> <p style="text-align: center;">DISCUSSION/ASSESSMENT/FINDINGS</p>	ACTION/FOLLOW UP
<u>ATTENDANCE:</u>	<p>Commissioners/Staff Present: Port Commissioners (PCs) Norm Deo & Rodger Ford; Executive Director (Exec.D) Dianne Sherwood and Administrative Assistant/Auditor (AAA) Vickie Drew. PC/Staff Absent: PC Wayne Vinyard & Port Counsel Teunis J. Wyers Guests Present: Matt Riley (Rapid Readymix), Tony & Jim Riley (Riley Bros. Concrete), Wayne Wooster (KC Econ. Dev.), Brad Roberts (White Salmon), Lee Ast (Bingen), Jeff Brooks, Tom Wooding, Peter Wooding & Melinda Flores (GVA Kidder Mathews) & Tim Hearn (Bingen City Council).</p>	
<u>• PUBLIC COMMENT</u>	<p>Chair Deo opened the public meeting at 4:59. There was no public comment.</p>	
<u>GUEST: Lee Ast - Marketing</u>	<p>Lee Ast introduced Peter Wooding and wife Melinda Flores and Jeff Brooks of GVA Kidder Mathews (GVAKM) and Tom Wooding of Gorge Painting in White Salmon. These folks are his marketing network for seeing deals that could potentially come to the gorge from the Seattle and Portland-Vancouver markets. Jeff discussed his expertise in marketing. Peter Wooding stated that GVAKM is the largest commercial real estate company in the Puget Sound area. He gave each PC a company packet. Lee asked what the port's mission is; to create jobs? to create an income stream? PC Ford explained the port's mission is to create family wage jobs. PC Deo stated that the lack of infrastructure is a problem and encouraging public/private development may be the answer. Exec.D Sherwood explained that the need for an income stream to keep things moving is one of the reasons for not selling port property. Jeff asked about the design of the marina project and if a study had been done to show that if it was built, people would come. Exec.D Sherwood explained that the port would not be moving forward with that developer at this time and that to her knowledge a study had not been done. Jeff suggested finding a developer to re-examine the marina development as it may bring others here to provide a revenue stream for further development. Jeff stated that the lots at BPT were the perfect sizes for small to medium sized businesses, probably privately held, creating a more diverse work force providing better stability. A pre-paid lease with a very long term which would allow for financing to build a facility while maintaining ownership of the land. Exec.D Sherwood explained that WA law only allows up to a 50 year lease with a 30 year renewal. PC Deo explained that there are different strategies for BPT vs. DIP. The PC are more apt to sell property at DIP. A sell/lease inventory of the property needs to be done, but PC Deo stated that if the project was right and provided a real boost to the community, they would consider selling the property. PC Deo was encouraged to hear at the last meeting that leasing is more popular since tenants can write off 100% of the lease costs as expenses.</p>	
<u>Marketing, cont.</u>	<p>The Dalles' NW Aluminum property is for sale and is now a competitor with DIP for business to site or purchase property. PC Ford stated that selling property requires a public process and sealed bids or 2 MAI appraisals, vs. in Oregon where they can set a sale price and sell. Exec. D Sherwood added that the property can't be sold to speculators; it must be put to use. Additional constraints are that not all parcels are served by infrastructure, the port owns it's own roads and utility systems and has few shovel ready sites at either location. Lee asked about the costs to get the DIP property with basalt rock shovel ready. Exec.D Sherwood stated that the Kennedy-Jenks grading and infrastructure plan estimated \$3-4MM to develop the approximately 32 acres of the core of the park. Wayne Wooster asked if the cost and availability of land up north (Seattle area) has made the cost of development here more attractive. Peter explained that it's harder to find larger sites</p>	

and costs have gone up. Lee asked what the requirements are for leasing. Infrastructure improvements can be a tenant improvement and considered in the cost of leasing the property. Lee will put together a proposal for the PC to consider.

**Bros. Operating
ment**

Jim Riley stated that he would like to reach a new arrangement, sooner rather than later, regarding the Riley Bros. current operator's agreement which expires next year. Exec.D Sherwood gave the PC a brief report on the discussion she had with Jim and Tony Riley on Jan. 30. Jim stated he would guarantee to double the amount of material mined, pay overage starting at \$1.00 per ton and relinquish the exclusivity clause. He said he was purchasing a new crusher which will enable the increased production. PC Deo would like to see the property broken up into smaller sections and have several types of mining occurring simultaneously. He would like to see the rock get mined and get the money now; not drag it out over many years. The PC would prefer to discuss the issue further with all commissioners present.

SEL'S REPORT

Counsel's presence not requested.

**STRATIVE
RS
ent Agenda**

- Items approved: · Minutes of February 7, 2006
- Vouchers #20332-20335; \$4,395.56
- Vouchers #20336-20354; \$61,809.43

*Motion Ford/Deo to approve the
Consent Agenda as presented.
Motion carried.*

**TIVE
OR'S REPORT**

**n Point*
IE Update:**

Exec.D Sherwood reported that the site pre-load was completed today. The 60 day wait period officially starts now. De-watering was the key to moving the project forward. Exec.D Sherwood displayed the floor plan as it currently stands, and it should be finalized soon. Utilities will be brought in along the existing utility corridor west of Bldg 1C and the bio-swale. Bill Hamm, KC PUD, spoke with Exec.D Sherwood regarding their need to establish an easement with the port.
Tim Hearn (Bingen City Councilor) asked if there was any limitation on the amount of water that the City of Bingen would supply to the port property. Exec.D Sherwood stated that she was not aware of any restriction right now, although there used to be a 1,000 gallon a day restriction prior to the Multi-jurisdictional Water System Agreement. The port has agreed that we would not lease or sell to a high water user.

**port Industrial
DIP)
ufacturing Co.
tation**

Exec.D Sherwood stated that AAA Drew, Kathy Norton and Wayne Wooster did an excellent job of arranging the dinner event for the glass project group on Feb. 16. The group met at the port office on Feb. 17 and then went on to DIP for a tour of the site. Bill Spear called today; the family was favorably impressed with the site and selection is now down to two sites; DIP and Kalama. Commitment from the railroad for DIP service is needed in writing. The family will be back on Mar. 6. There may be an opportunity for funding assistance from WA state for this project. Discussion followed regarding rail spur and mainline access. Wayne Wooster suggested a letter be written to the railroad from KC and the port regarding rail availability.

**c Hearing Mar. 7,
s Property @ DIP**

Exec.D Sherwood stated the hearing for surplus of Parcel #34 is set for March 7; the next PC meeting.

**Meeting
POK**

PC Ford asked if there had been any word from the Port of The Dalles (POTD) regarding possible dates for a joint meeting. Exec.D stated that she left a message for Andrea regarding the suggested dates of 3/16 or 3/17.

**LLANEOUS
nittee Updates**

AIRPORT: PC Deo reported that he attended an airport meeting on Feb 17.
MCEDD: PC Ford reported that he attended a MCEDD meeting at the Insitu Bldg on Feb. 15. He was surprised to see how Insitu has filled up the space. A representative from Green Tag (windpower) was there.
KC EDA: PC Vinyard absent.

C COMMENT

There was no public comment.

ADJOURNMENT		<i>Chair Deo adjourned the public meeting at 7:01.</i>
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Approved on: _____
submitted _____
(Date)

Assistant

Dianne Sherwood, Executive Director

Respectfully

Vickie L. Drew, Administrative

Norm Deo, Chairman