



Photos by Donna Laester

Port building lease helpful in starting Gen-X biodiesel plant

In what was a vacant grain storage building in the Port of Walla Walla's Burbank Industrial Park, a start-up biodiesel plant is producing products that will contribute to a reduced demand for foreign oil and result in cleaner air.

Gen-X Energy Group – founded by a half-dozen entrepreneurs with science and business backgrounds – transitioned from “garage shop experiment” to volume processing with support from the Port.

“We received a cost-effective lease on this site,” said Ramon Benavides, Gen-X secretary-treasurer and finance officer. “Our agreement allows us to be competitive with other plants in the Pacific Northwest.”

It's good for the Port, too, according to Commissioner Mike Fredrickson. “The multiple-year agreement gives Gen-X an affordable start-up facility and generates income from what was an unused building.”

In a market that is described by Gen-X officials as needing “millions and millions of gallons,” the local plant is licensed to produce five-million gallons annually, but has the capacity to process up to 40-million gallons.

Right now, thanks in part to legislation that requires greater biodiesel use in Oregon and California, Benavides says Gen-X's permitted production for 2008 is “sold out.”

“We're growing exponentially,” says Benavides. “Our staff will double – from 10 to 20 employees – by the end of 2007.”

“We expect to make those hires from the Burbank community,” he emphasizes. “Our business philosophy is based on doing all we can locally – creating employment opportunities for people who live here, supporting area farmers who raise source crops, maintaining our headquarters in Burbank.”



PHOTOS: Above left - Gen-X production center in Port of Walla Walla's Burbank Industrial Park. Above center - Processing facility for biodiesel. Below right - Ramon Benavides examines sample showing clarity of Gen-X biodiesel.

“Gen-X already has been recognized by our industry for its technology, product quality and production capabilities...we will be a national powerhouse.”

Ramon Benavides
Gen-X Energy Group
Secretary-Treasurer

Carbon sequestration test planned in Walla Walla County

Success could attract clean energy investment at Port's Wallula Gap Business Park

Some time next year (2008), scientists will inject approximately 5,000 tons of liquid CO₂ deep into the ground in western Walla Walla County as part of a pilot project that could change the way the world manages energy plants.

Dr. Peter McGrail and other researchers from Pacific Northwest National Laboratory who are conducting the "carbon sequestration" experiment predict that after time the material will mineralize and remain safely more than 3,500 feet under the surface.

The test at the Wallula Gap Business Park, owned by the Port of Walla Walla, is a continuation of studies that McGrail has been involved in for the past decade. "This will allow us to address questions about the process that can't be answered in the lab," he explains.

McGrail emphasizes that chances of the carbon dioxide having any impact on existing resources are "virtually nil."

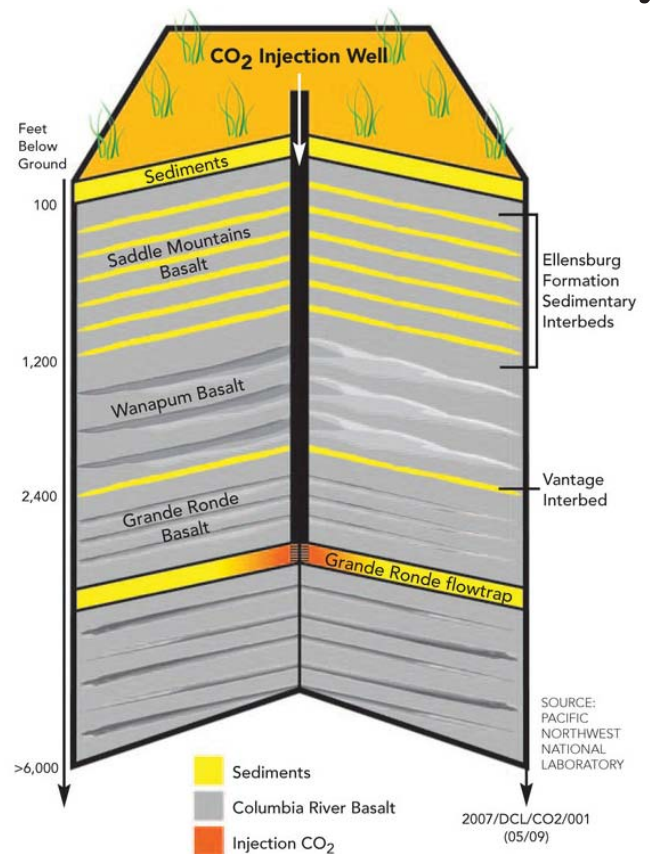
Once the injection is complete, he said the project will be carefully monitored to protect elements underground, including potable water, and above-ground populated areas such as the nearby Boise paper plant.

Once the experiment is completed, McGrail says the site will be restored to pre-test conditions.

"If the test proves that carbon dioxide sequestration is a viable process the implications are worldwide," explains Port of Walla Walla Commissioner Fred Bennett.

While some will argue that the process is a long shot when it comes to cleaning up coal-fired power plants and stabilizing greenhouse gases, McGrail maintains the Wallula tests could shape the future of carbon dioxide sequestration.

"If it's going to work, it's going to work here," he said. "That's the bottom line."



This conceptualization illustrates elements involved in the Wallula field test. A proposed plant to convert coal into synthetic gas would mitigate its greenhouse gas emissions by capturing carbon dioxide given off during the conversion process, liquefying it, then pumping it underground, where it would react with the bedrock to create calcium carbonate.

Railex success leads to plans for a second weekly train

Since its first train left Walla Walla County in mid-2006, Railex's weekly non-stop service between Burbank and Rotterdam, N.Y. has been a shipping success.

In little more than a year, the innovative company has grown its original 55-car trains weekly to as many as 65 and 70 during peak weeks.

"We were 85-percent full this past year," says Jim Kleist, Railex general manager for Washington. "If we continue growing the way we want to, we'll be sending a second train by the first of 2008."

Already, Railex has created full- and part-time employment for more than 70 people and added job opportunities are

expected as the company expands its service.

Kleist said the variety of commodities loaded

at Burbank has expanded from potatoes, onions and apples to include oranges, pears, wine, a variety of vegetables and nursery stock.

As many as 200 trucks from Washington, Oregon, Idaho, California and Canada visit the Railex complex each week to transfer their loads to the gigantic temperature-controlled warehouse where the products await their five-day trip in refrigerated rail cars.

While original plans suggested that the "return trains" would be empty, Kleist says an increasing number of the cars are coming back to Burbank filled with items destined for West Coast markets. Fruit juices, beer, frozen foods and import products are among them.

Looking to a future that could see three or

four Railex trains out of Burbank each week, Kleist explains that growth will depend on the firm's readiness to meet the demands of the market.

"We've already overcome a huge learning curve," Kleist explains. "Compared to a year ago, we understand a lot more about what's being shipped and designing loads to increase capacity and efficiency."

The \$58-million Railex project, funded by a private-public partnership that included the Port of Walla Walla, was in 2006 selected by Washington Governor Chris Gregoire for the Governor's Award for Best Practices in Economic Development.



Railex Washington Manager Jim Kleist says Railex's biggest "surprise" has been shipments of fresh nursery stock from Oregon's Willamette Valley to New York. This pallet of fresh Holiday greens is ready to go. Photo by Donna Lasater



Railex Burbank shipping center.

Port implements strategic land purchase, buys Boise Fibre Farm



Aerial view of the 1,900 acre Boise Fibre Farm recently purchased by the Port of Walla Walla.

In a decision that Commission President Paul Schneidmiller says will create “a strategic advantage in attracting new industries,” the Port of Walla Walla has purchased the Boise Fibre Farm at Wallula.

“There are very few tracts of industrially zoned property like this in Washington State,” Schneidmiller explained. “Having the site properly zoned and ready for development gives the Port a valuable asset when it comes to recruiting new industries.”

The purchase price for what has been Boise’s “tree farm” was \$4 million.

Port officials said most of the property is already designated for industrial development purposes consistent with Walla Walla County’s comprehensive plan.

Chuck Wierman, manager of the Boise Fibre Farm, explains that his company’s decision to sell the property followed a supply assessment.

“We concluded that the Wallula Fibre Farm no longer represents a long term strategic source of fibre for Boise,” Wierman said.

“While we believe fibre farms will continue to be a supplier for the Wallula mill, Boise has sufficient access to other resources, including the 4,400 acre Ice Harbor Farm.”

Dick Larman, business development manager for the Washington State Department of Community Trade & Economic Development, applauded the Port’s decision.

“The Port of Walla Walla is well managed and very strategic in preparing and positioning Walla Walla County and Southeastern Washington for significant economic development projects,” Larman said. “We look forward to continuing our work with them on attracting investments to Washington State.”

The Port has successfully recruited large industries to sites in western Walla Walla County, including Boise’s Pulp & Paper Mill, Tyson Fresh Meats and the Railex distribution center.

Port presentations for organizations

Port of Walla Walla officials are available to make personal, on-site presentations to area service clubs, schools and other interested organizations.

To make arrangements, call the Port offices with information about your group, its meeting date and time and any additional details that will help with scheduling.

The phone number is 509-525-3100 or e-mail jk@portwallawalla.com

Long awaited Burbank water system ready to go, \$3.5 million project to be completed by mid-2008

The Port of Walla Walla’s long sought after goal of developing a public water system to serve its Burbank Business Park will soon be realized.

Port Commissioners plan to award a \$3.5 million construction contract before year end, 2007. The selected firm is to begin work in January, 2008 and finish by June.

In addition to providing potable water for the Port’s business park, the water system will be extended to serve the Columbia School District elementary, middle and high school buildings in Burbank.

The Port successfully obtained financial assistance for the project with a \$1.6 million appropriation from Washington State and a \$721,000 grant from the U.S. Environmental Protection Agency.

Port officials praised Washington State Senator Mike Hewitt and Representatives Bill Grant and Maureen Walsh – all of Walla Walla County – for their support in obtaining state funding.

U.S. Senator Patty Murray, of Washington State, also received Port appreciation for her work in getting the federal EPA grant.



Frenchtown to Walla Walla section next for U.S. Highway 12 four-laning project

This Washington Department of Transportation illustration shows the planned route for Phase Six of the U.S. Highway 12 four-laning project.

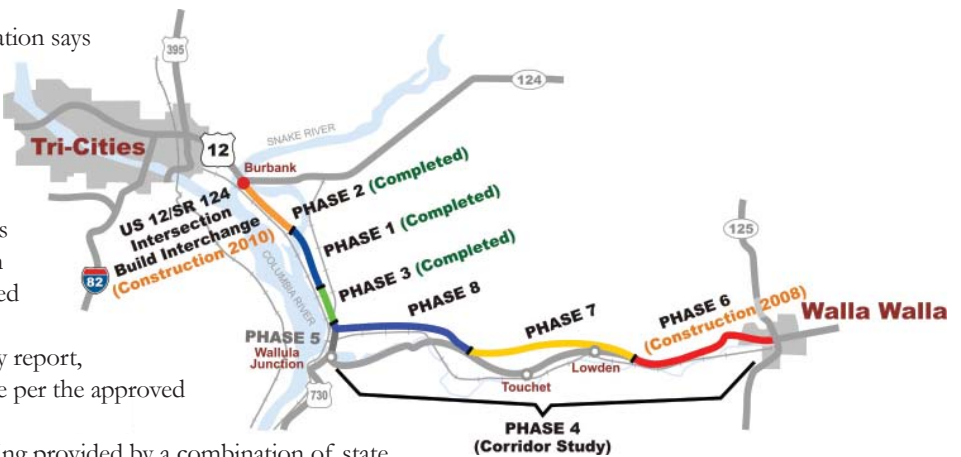
Construction to begin in spring 2008, completion scheduled for October 2009

The Washington State Department of Transportation says construction on U.S. Highway 12 four-laning will continue next spring on Phase Six. The approximately eight-mile project will four-lane the highway from McDonald Road near Lowden to its intersection with Pine Street in Walla Walla.

The advertisement for bids is expected during this winter (2008), with construction scheduled to begin in the spring. The new four-lane section is scheduled for completion by October 2009.

According to the WSDOT's most recent quarterly report, the project is "on schedule, on budget and on scope per the approved 2007-2009 transportation budget."

Funding for the \$66.4-million improvement is being provided by a combination of state and federal gas tax revenues.



The U.S. Highway 12 Coalition, an alliance of public and private organizations, has successfully lobbied Congress and the Washington State legislature for funding for U.S. Highway 12 four-laning. To learn more about the Coalition's efforts visit its Web site at www.ushighway12.com





Celebration of Progress
 Four-Laning U.S. Highway 12 Phase III
 October 18, 2007
 Wallula, Washington



A host of dignitaries, including members of the Washington State legislature, representatives from the Washington Department of Transportation (WSDOT), and officials from the U.S. Highway 12 Coalition, Tri-Cities, Walla Walla County, the City of Walla Walla and Port of Walla Walla gathered in October, 2007 for the official opening of Phase Three of U.S. Highway 12 four-laning. The \$17-million dollar project involved completion of three plus miles between Dodd Road and the Boise paper mill – in the so-called Attilia vicinity. In addition to saluting the opening of the newest four-lane section, officials noted the completion now of three phases that add-up to continuous four-laning from near Wallula to the Tri-Cities. Photo by Tim Hall



Private developer, independent winemaker team up with Port for long-term investments at airport

PHOTOS: Above - Allen Litzenberger's new complex takes shape on airport's A Street. Right - Doug Simmons's new personally designed Elegaté winery on C Street. Photos by Donna Lasater

Contractor builds four-unit complex for multiple uses by a variety of tenants

"This is the place to be," says Allen Litzenberger, owner of 4-Point Construction and developer of privately-owned buildings on Port of Walla Walla property.

Litzenberger has been "watching and waiting" for the right time to begin building in the Walla Walla Regional Airport Industrial Park.

"The time is now," he explains.

"I've been watching the airport park development for several years," Litzenberger said. "We've been waiting until the Port's inventory of vacant buildings on the site had pretty much diminished," Litzenberger says. "Now, that's what has happened."

No stranger to private ownerships on leased lands, Litzenberger has built on publicly-owned properties throughout the Northwest.

His Walla Walla Regional Airport site is about an acre on A Street between Boeing and Cessna Avenues. Litzenberger's "development" includes four buildings, each with 6,000 square feet.

Two completed structures are already "rented out." Tenants – all new to the airport neighborhood – include Hidden Valley Bakery, Cindy Mettler's Bakery Shoppe, Patrick M. Paul and JLC winery tasting rooms, and the winery and tasting room of Patit Creek Cellars.

With the exception of the Bakery Shoppe, all enjoy "store front exposure" on A Street.

Litzenberger says yet-to-be-completed structures on the west side of the site will mostly be for storage use, however end spaces will offer customer access options off Boeing and Cessna avenues.

According to Litzenberger, Port of Walla Walla Executive Jim Kuntz and his staff were "helpful" in negotiating a long-term lease that made the A Street project feasible. The 50-year deal is subject to periodic five-year reviews of terms and offers guaranteed renewals.

"It's the right thing to do," says Litzenberger, a long-time Walla Walla resident. "I like it here."



Elegaté joins increasing community of wineries at WW Regional Airport

When Doug Simmons began making plans for his own winery, one thing he already knew was he wanted to be where others are.

That led him to the Port of Walla Walla's Airport Industrial Park.

Already "home" to as many as 18 wineries, Simmons figured his own airport site would allow him to take advantage of existing tasting room traffic. "Once I got comfortable with the idea of being the owner of my building on publicly-owned leased land, the Port of Walla Walla staff was easy to work with," Simmons said.

He ended up with a 50-year lease for a little more than a half-acre of land at 839 C Street. It was perfect. Public access was easy, utilities were already in place and there are lots of wineries across the way and down the road.

With the location decided, Simmons began designing what was going to be Elegaté Winery.

"My goal is to make great wine," says Simmons, a retired

DeSales school teacher and graduate of the Walla Walla Community College Enology and Viticulture Program. "I wanted a new building with modern innovations that would contribute to the success of the overall operation."

While the handsome structure has a stucco exterior, owner-designed production rooms feature inside walls of metal siding, with sloping floors and special "kusel drains" that allow a total water wash-down for easy cleaning. And there's ample room for as many as 140 aging barrels and up to 1,000 cases of wine.

Even though staging and storage rooms are mostly practical, Simmons allowed for some special touches in the Elegaté tasting room with its stone serving counter and imported Italian tile floor.

The end result is Simmons' "dream come true," thanks in part to his rewarding relationship with the Port of Walla Walla.



Doug Simmons in his new barrel room

You are invited

Public welcomed to Port's Economic Development Advisory Committee meetings

Did you ever want to know what strategies the Port uses to create and retain family wage jobs?

Every other month (six times a year), the Port's Economic Development Advisory Committee meets to discuss strategies for growing Walla Walla County's economy.

These meetings are open to the public and have been well attended with some 50 active members of the advisory group.

If you would like to attend, please contact the Port by calling 509-525-3100 or e-mail pg@portwallawalla.com.

Internet marketing...

Internet-based marketing is the primary means the Port of Walla Walla relies on for marketing its properties today.

Site selectors rely almost exclusively on Internet searches to conduct initial surveys of available properties.

The Port belongs to several Web-based marketing programs that help expose Port-owned properties to businesses looking to locate in the Pacific Northwest. The Port also lists privately-owned industrial and commercial properties in Walla Walla County as part of its Internet marketing. If you have a property you would like listed please e-mail Paul Gerola at pg@portwallawalla.com.



The recently completed Center for Water & Environmental Studies at Walla Walla Community College is one of several projects funded in part by economic development sales tax revenues managed by the Port of Walla Walla and Walla Walla County.

Port & Walla Walla County manage economic development sales tax funds

The Port of Walla Walla, in concert with Walla Walla County, manages an economic development sales tax account dedicated to financing economic development projects that facilitate the creation and retention of jobs in Walla Walla County.

Over the past several years, Port and County Commissions have allocated funding to the following projects:

- WWCC – Center for Water & Environmental Studies \$50,000 grant.
- City of Walla Walla – Isaacs Avenue Improvements \$200,000 grant.
- WWCC – Health Science Building \$100,000 grant.
- Port of Walla Walla – Railex \$400,000 grant.
- City of College Place – Whitman Drive Extension \$200,000 grant.
- City of Waitsburg – Downtown Revitalization \$100,000 grant.

To learn more about the Economic Development Sales Tax Program contact Paul Gerola at 509-525-3100 or e-mail: pg@portwallawalla.com.

Free tours of Port facilities offered

Twice a year, Port of Walla Walla officials host on-site tours of Port-owned properties and companies it assists.

The free, all-day events are scheduled well in advance so planning to participate is easy.

For information, call the Port at 525-3100 or e-mail: bh@portwallawalla.com



PHOTOS: Above right - visitors get "on board" for their recent tour of Port of Walla Walla facilities, which included a visit to Trio Vintners, one of three companies leasing Port-owned buildings in the Airport Industrial Park for start-up wineries. At lower right, wine maker Denise Slattery, explains winery processes. Photos by Donna Lasater

Getting to know your Port



Port of Walla Walla Commissioners, pictured with the Washington Public Ports Association's Port of the Year award, include Vice President Fred Bennett, President Paul Schneidmiller and Secretary Mike Fredrickson. The award, presented annually by the WPPA, saluted the Port of Walla Walla for its "remarkable leadership in enhancing the economic vitality of Southeastern Washington." Among projects cited were the Raillex distribution center, winery incubator buildings and support of U.S. Highway 12 four-laning from Walla Walla to Tri-Cities. Photo by Donna Lasater

Port Responsibilities

Public port districts are authorized by state law to undertake many activities to enhance the economic welfare of local communities. These regulations authorize the Port of Walla Walla to:

- Develop waterfronts, airports and other facilities for handling cargo and passengers.
- Provide capital improvements needed for industrial and manufacturing facilities within the Port District.
- Improve Port District lands so they can be sold or leased for industrial and commercial use.
- Acquire, construct, install, improve and operate sewer and water utilities to serve its own properties and that of other property owners.
- Execute business recruitment strategies.
- Levy taxes and sell bonds to develop properties and manufacturing facilities.

Port Leadership

The Port of Walla Walla has three elected commissioners who represent you...the shareholders. The commissioners are Paul Schneidmiller, president, Fred Bennett, vice president, and Mike Fredrickson, secretary.

While all commissioners are elected on a county-wide basis, each must live in a specific commissioner district within Walla Walla County. The districts are the same as the Walla Walla county commissioner districts.

Schneidmiller, president of World Wide Travel Service, Inc., represents District 1, which encompasses more than half the City of Walla Walla and the Steline area.

Fredrickson, managing member of Associated Appraisers of Walla Walla LLC, represents District 2, which includes the eastern third of the City of Walla Walla, Dixie, Waitsburg and Prescott.

Bennett, a retired Walla Walla College professor of engineering, represents District 3, including College Place, Touchet, Lowden, Burbank, Eureka, Clyde and the western part of the county.

Each commissioner serves a six-year term. Terms are staggered so that one position is up for election every two years.

Commissioners decide each year who will hold the offices of president, vice president and secretary.

Port of Walla Walla Commissioners, and those at other Ports with similar business volume, are entitled to \$90 per day compensation for each day or portion of a day spent attending meetings or performing other services on behalf of the Port District.

The law prohibits commissioners from receiving more than \$8,640 per year in such compensation. In addition, Port Commissioners receive a salary of up to \$750 per month.

Port Finances

Ports may levy, without a public vote, a property tax of no more than 45-cents per \$1,000 of assessed property valuation for general Port purposes. When an industrial development district is formed under state law, commissioners may levy an additional 45-cents per \$1,000 of assessed value for a period of no longer than 12 years.

The Port of Walla Walla currently levies only the first tax for general port purposes. Including revenue from the Walla Walla Regional Airport, the Port District receives only 10 percent of its revenues from property taxes.

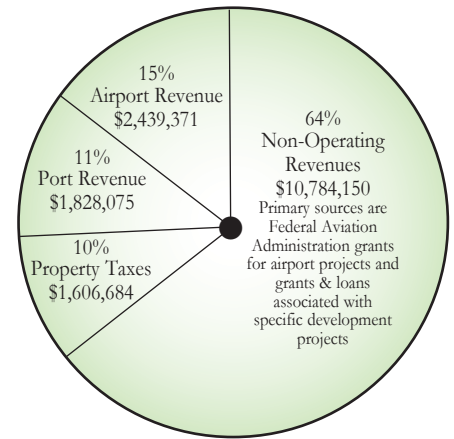
Washington State law provides for Port Commissioners to designate administrative powers and duties to the managing official of the Port District. This is done with a Port Commission resolution establishing guidelines and procedures for the managing official to follow.

In that manner, the Executive Director and his or her staff can perform their duties in a timely and efficient manner. Still, as policy makers, Port commissioners remain responsible for district operations.

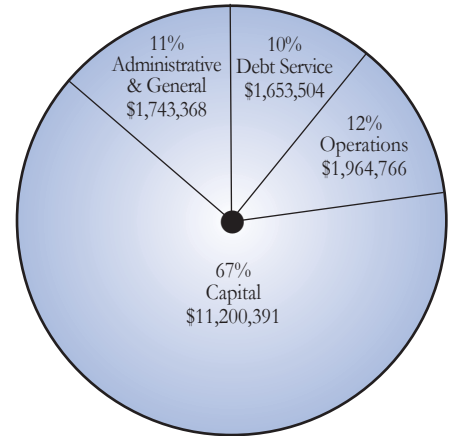
Regular Port of Walla Walla Commission meetings are at 1:00 p.m. on the second Thursday and 6:00 p.m. on the fourth Thursday of each month at the Port office.



Port of Walla Walla Budget 2007 Projected Revenues • \$16,658,280



2007 Projected Expenses • \$16,562,029



The Port has established reserve funds for the Port and Airport. The Port utilizes these reserves to assist with financing capital improvements.

Port of Walla Walla Staff

Jim Kuntz	Executive Director
Paul Gerola	Economic Development Director
Ron Johnson	Assistant Airport Manager
	Operations
Jennifer Skoglund	Assistant Airport Manager
	Administrative Services
Jackie Hardesty	Auditor/Treasurer
Becky Hulse	Executive Assistant
June Meiners	Receptionist
Ken Clayton	ARFF/Security Captain
Brent Partlow	ARFF/Security
Jake Riggs	ARFF/Security
Gary Stewart	Maintenance
Elias Alonso	Maintenance
Darren Brinson	Maintenance
Louis Gagnon	Maintenance
Terry Dickerson	Summer Crew
Alim Meza	Summer Crew
Dale Peterson	Summer Crew
Marcello Sotelo	Summer Crew

Walla Walla Area Small Business Center

Rich Monacelli Director
Phone: 509-527-4681

Port of Walla Walla Watch

Carl Tyler Design / Editor

Port of Walla Walla

310 A Street • Walla Walla Regional Airport
Walla Walla, Washington 99362-2269
Phone: 509-525-3100 Fax: 509-525-3101
www.portwallawalla.com