

Horizon Air introduces new plane to Walla Walla, Port teams with Valley businesses to help build passenger counts



“Fly Walla Walla First” promotion encourages local travelers to utilize Q400 service for convenient, comfortable travel between Walla Walla and Seattle

Which comes first...the plane or the passengers?

Port of Walla Walla officials and business partners in the Valley are hoping they'll come together to build a base for improved air service between the Walla Walla Regional Airport and Seattle.

A renewed emphasis on the value of Horizon Air's local service started on October 27, 2008 with the Monday morning arrival of the airline's new Q400 passenger plane.

More than 100 people representing local businesses and community support groups were on hand to greet the sleek new aircraft that is now the “standard” for Horizon's service in Walla Walla.

The Q400 turboprop replaced the Q200 with a plane that offers more seating capacity, 76 versus 37; faster speeds, 414 mph versus 334; and while consuming 30 percent less fuel than similar-sized jet craft.

It's the increased passenger capacity that has captured the focus of the Walla Walla Valley Chamber of Commerce's Air Travel Coalition, which includes participation from and support by the Port of Walla Walla.

While use of the larger plane will have no affect on Walla Walla's current three-a-day flight schedule, the added passenger capacity does create a need to “fill more seats.”

Chamber CEO Dave Warkentin reminded the welcoming audience that the airline needs at least 125 daily boardings to maintain its present schedule. That's an increase of about 50 percent, he said.

Kip Kelly, chair for the Air Travel Coalition and senior vice president of business development for Coffey Communications, said the group initiated a Fly Walla Walla First promotion and is working with Horizon to encourage and ensure its future here.

(more airport on page 2)



Photos by Donna Lasater

WWV Chamber of Commerce Air Travel Coalition members welcome arrival of Horizon Air's Q400. Pictured left to right – **Doug Bayne** (Banner Bank), **Michael Davidson** (Tourism Walla Walla), **Dave Warkentin** (Walla Walla Valley Chamber of Commerce), **Kip Kelly** (Coffey Communications), **Dan Russo** (Horizon Air), **Elizabeth Martin-Calder** (WW Valley Wine Alliance), **Tim Larkin** (Tumac Outdoor Equipment), **Paul Schneidmiller** (Port of Walla Walla & World Wide Travel) and not pictured, **John Boutsikaris** (Key Technology)



PHOTO: Horizon Air's Q400 turbojet makes its first Walla Walla Regional Airport landing. Right: Visitors to the Fly Walla Walla First Web site are welcomed...and introduced to Horizon Air's local schedule and services.

“Walla Walla is doing all the right things to make air travel here successful.”

Dan Russo - Horizon Air Vice President Marketing & Communications

Horizon Air's vice president of marketing and communications, Dan Russo, has given the local *Fly Walla Walla First* promotion high marks for its newspaper, radio and internet advertising. "It's the right thing," he said.

Here for the initial arrival of Horizon's Q400, Russo said the aircraft's increase in seats presents "an uphill challenge" for a small

community, but that the airline is ready to explore options that could help Walla Walla boost its boardings.

He pointed out that the "beautiful and functional" terminal building can serve as a major attraction for travelers headed to Seattle.

"It's more than our pleasure to be here," he added.



Nearly \$2 million invested in upgrades at WW Regional Airport

The Port of Walla Walla – with assistance from the Federal Aviation Administration – invested nearly \$2 million in improvements at Walla Walla Regional Airport during 2008.

Major improvements were completed on the Airport's South Aviation Ramp. The restoration project included diamond grinding off the top layer of the concrete ramp, repairing and replacing damaged concrete panels, repairing concrete joints, improving storm water drainage, applying a protective seal coat to the refurbished ramp and striping. The FAA provided 95 percent of the \$1,882,000 cost.

The FAA also participated – at the 95 percent level – in the \$113,500 installation of a new Precision Approach Path Indicator (PAPI) on Runway 20. The advanced technology enhances instrument landing capabilities.



PHOTO: Airport's South Aviation Ramp improvements included diamond grinding, concrete panel repair and replacements, installation of an enhanced storm water drainage system, surface seal coat and striping.

WW Regional Airport Statistics	
Number of aircraft operations	31,717
Estimated Horizon Passenger Boardings	30,000
Gallons of Aviation Fuel Sold (Jet A & 100LL)	186,098
Number of Aircraft Based at WW Regional Airport	110

PHOTO RIGHT: One of four "light boxes" that make up the airport's new Precision Approach Path Indicator (PAPI). The recently installed system on Runway 20 enhances instrument landing capabilities.



Port of Walla Walla helps fund, develop data-filled Web site

“We’re interested in our future based on some of the trends in our past.” So said Dr. Fred Bennett, president of the Port of Walla Walla Commission, in introducing a new Web site that features an encyclopedia of information that will help individuals and organizations make decisions that will impact the future of the Valley.

With hundreds of statistical information segments, **Walla Walla Trends** is the result of a combined effort lead by the Port of Walla Walla and supported by Washington State’s Department of Community Trade and Economic Development (CTED) and Eastern Washington University.

Funding for the site – some \$41,500 – involved the Port’s use of CTED’s economic development grant and EWU’s Institute for Public Policy and Economic Analysis.

Patrick Jones, executive director of the Institute, described Walla Walla Trends as “a bountiful harvest of information.”

Port officials have emphasized that material published as part of the Web site is not intended to categorize needs or rank trends as positive or negative.

“We’re going to leave it to the users to access the information and apply their own value judgment regarding the trends,” Bennett said. “The overall goal of the Walla Walla Trends Web site is to promote informed decision making.”

A quarterly e-newsletter to keep citizens informed about the latest trends is also available.

To be added to the e-mail list contact the Port at 509-525-3100 or visit the Web site at www.wallawallatrends.com.

“This is a foundational contribution to the Walla Walla region’s future – I can’t think of a better first step toward important conversations about priorities and investments to protect and improve our community than Walla Walla Trends.”

Greg Forge
General Counsel
Acorn Ventures, Inc

INDICATORS AT A GLANCE

Below is a sampling of the more than 90 trends to be found at www.wallawallatrends.com

People

Population Total and Annual Growth Rate
Median Age of the Population
Shares of Population Registered to Vote
Share of Registered Voters Voting
Shares of Population by Age Group

Economic Vitality

Per Capita Personal Income
Median Household Income
Taxable Retail Sales
Taxable Value of Real Property
Residential Building Permit Statistics
Average Annual Wage Data
Overall Average Annual Wage
Total Number of Firms and Annual Growth Rate
Unemployment Rates
Poverty Levels by Age Group
Share of Population Receiving Food Stamps
Number of Arts Related Businesses
Hotel Room Demand and Occupancy Rates
Percentage of Adults with Diabetes

Education

FTE Students per FTE Certificated Teacher
Public K- 12 Teachers with Advanced Degrees
Number of Running Start Students
Public HS On-time Graduation Rates
Participation Rate in WA Public Higher Education
Degrees From County Higher Ed Institutions
Higher Ed Degrees Given in Washington State
Higher Education Graduation Rates
Expenditures per Pupil at Public K-12 Schools
Students Meeting WASL Standards

Environment

Walla Walla River Overall Water Quality
Dissolved Oxygen Water Quality Index
Phosphorus Content Water Quality Index
Lowest Seven Day Average River Flow Per Year
Population Density
Tons of Municipal Solid Waste Disposed per Person each Year
Tons of Non-Municipal Solid Waste Disposed per Person

Environment (continued)

Highway Cleanliness Index
Turbidity Water Quality Index
Walla Walla River Water Temperature Index
Total Water Usage in the City of Walla Walla
City of Walla Walla Water Usage per Capita

Health

Deaths by Leading Causes
Traffic Fatalities per 100,000 Population
Teen Pregnancy Rates by Age
Infant Mortality Rates
Hospital Charity Care & Bad Debt
Pre-Term and Low Weight Births
Number of MDs per 1,000 Residents
Additional Years of Healthy Life Expected at Age 20
Percent of Women Giving Birth Who Smoked Any During Pregnancy
Share of Persons Age 18-64 Uninsured
Adults with Personal Healthcare Provider
Share of Adults Smoking

Housing/Transportation

First Time Buyers Affordability Index
All Buyers Affordability Index
Apartment Vacancy Rates
Shares of Housing Stock by Type
Walla Walla Airport Enplaning Passengers
Local Government Expenditure on Road Maintenance and Operations

Public Safety

Participation in School Activities
Weapons Incidence in Public Schools
Property Crime Rates per 1,000 Residents
Violent Crime Rates per 1,000 Residents
Gun Related Deaths by Intent
Domestic Violence Offense Rate
Youth Related Deaths by Intent
Assault & Sex Offense Recidivism
Drug Violation Recidivism
Property Theft Recidivism
Murder and Manslaughter Recidivism

New warehouse district envisioned for Port's Dell Avenue properties in Walla Walla



PHOTOS: Walla Walla's Dell Avenue district as it looks today... accompanied by architectural design drawings of Port of Walla Walla's planned Warehouse District in that neighborhood.

Photo by Donna Lasater. Artist's renderings courtesy ALSC Architects

The Port of Walla Walla has unveiled preliminary design plans for the development of a new warehouse district on property it owns on Dell Avenue in the northwest part of the City of Walla Walla.

Mike Fredrickson, port commission vice president, says the project will include the Crown Cork & Seal building, the Cliffstar juice processing plant and several acres the Port owns on the south side of Dell.

Some 42,000 square feet of the 200,000 square foot Crown Cork site already houses two production wineries, Artifex Wine

Company and Raft River LLC, but Port officials believe the rest of the structure has even more potential. "We need to determine how best to redevelop the remainder of the space to attract a greater number of tenants," Fredrickson explains.

He said the Port's vision for the warehouse district is a complex for smaller businesses – wineries, brew pubs, coffee shops, light commercial and second-floor residential – on property along the south side of Dell, opposite the Crown and Cliffstar buildings.

ALSC Architects, of Spokane is developing

the master plan and creating schematic drawings for the project.

Port Executive Director Jim Kuntz says that with preliminary design work complete, the agency can pursue state and federal grant funds to help build the district.

"In order to attract private investment, the streetscape phase of the project needs to move forward," he said.

Among other things, changes could include brick-lined sidewalks, street lighting, decorative fencing, a new front patio section on the existing Crown building and expanded parking.

Port initiates storm water system changes for Crown, Cliffstar buildings

Major improvements in managing storm water flows are on track for the Crown Cork & Seal and Cliffstar buildings, owned by the Port of Walla Walla.

Port officials explain that existing storm water drains for both buildings are connected to the City of Walla Walla's wastewater treatment plant. Together, the existing systems are capable of discharging as much as 149,000 gallons of stormwater per hour into the city's collection network.

Improvements at Cliffstar include re-routing roof drainage pipes into a drywell system. Funding included a \$90,326 grant from the Washington State Department of Ecology and a \$160,074 contribution from Cliffstar.

The Crown building roof drains will be directed to a series of drainage swales which will retain all storm water on site. A Department of Ecology grant of \$221,025 coupled with an estimated \$73,675 match from the Port will pay for the installation.

Key Technology buys WW building from Port

After leasing for nearly 20 years, Key Technology, Inc., has purchased its Avery Street Industrial Park building from the Port of Walla Walla.

Officials said the purchase price is approximately \$6.5 million.

Port Commission President Dr. Fred Bennett said, "Key's purchase of its headquarters and manufacturing complex will help solidify its presence in the Walla Walla Valley."

The Port constructed a 150,000 square foot Avery Street building for Key in 1989. The firm had 23 full-time employees at the Walla Walla site.

In 2005, the Port expanded the facility to 172,000 square feet on the 20-acre campus. And Key is now the 9th largest employer in the Valley with a staff of 467.

Dr. David Camp, president and CEO of Key Tech, said, "The Port and Washington State have played an instrumental role in helping us expand by making sure we had a cost effective facility to grow our business. However, after leasing the facilities for nearly 20 years, we've decided it is more cost effective to own."

Bennett said the Port will use approximately two thirds of the sale proceeds to retire debts,



Photo by Donna Lasater

"After leasing the facilities for nearly 20 years, we've decided it is more cost effective to own."

Dr. David Camp - President & CEO, Key Technology, Inc.

including those related to the Key Technology plant.

Port Commission Vice President Mike Fredrickson adds, "While this property sale represents an important milestone, we

remain very interested in working with Key to expand its operations in Walla Walla when future opportunities present themselves. We are fortunate to have a company like Key Technology headquartered in Walla Walla."

Port completes airport winery incubator complex, all five units leased by startups



Photo by Donna Lasater

Two new "winery incubator buildings" have been added to the three completed in 2006, to finish the Port of Walla Walla complex built to offer startup winemakers an improved chance for business success.

The buildings are leased for six years at affordable, but accelerating rates to give first-time vintners a head-start on establishing their stand alone operation without having to worry about physical plant challenges.

Like the original three, the newest of the five were funded with a combination of Washington State grant money and funds from

the Walla Walla Regional Airport budget. The total \$755,000 investment included \$492,500 from the state and \$262,500 in airport dollars.

Port Commissioners say Washington State Representative Bill Grant, of Walla Walla, was instrumental in helping access the state funding.

The new buildings were quickly occupied by CAVU Cellars and Kontos Winery. Those operations join Adamant Cellars, Lodmell Cellars and Trio Vintners who are all nearly two years into the incubator program.

Railex ships a million bottles of wine...and lots of other stuff

Talk to Railex officials about surprises and they'll want to tell you about wine – like lots of other Walla Walla Valley residents.

The transcontinental shipping system, with its Northwest terminal near Wallula, has moved more than a million bottles of wine since it began handling the precious cargo some two years ago.

Railex Washington Manager Jim Kleist says the milestone – the one millionth bottle – was actually reached in June, 2008. Since then, the number has continued to climb.

Kleist said that wine shipments, along with other commodities including thousands of pounds of potatoes, onions and apples, have continued to contribute to “strong, solid growth” for the train.

Excitement over Railex's non-stop Wallula to Rotterdam, N.Y., continues Kleist says. “We're meeting and surpassing our commitment to fill a 55-car train each week and everything is running smoothly,” he added.

“The wine shipments fit well with the Railex model,” Kleist continued. “Handling the product has been everything we've hoped for...from Northwest wineries to East Coast distributors.

Railex successes led the company to build a new shipping terminal similar to Walla Walla County in Delano, California. First produce shipments from there to New York began in October, 2008.

Kleist says as many as 80 people are employed in full-time and part-time positions at the Wallula terminal.



PHOTO: Railex Warehouse Manager Tory Brown with wine in the Wallula terminal's temperature controlled holding area.

New Burbank water system serves business park & schools

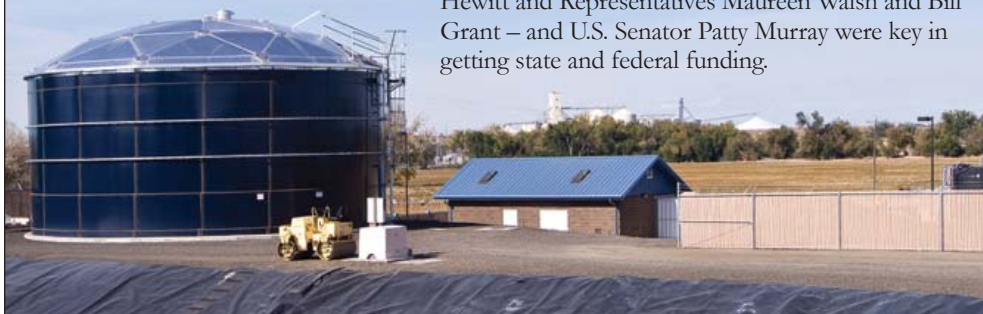


Photo by Donna L. Leater

The Port of Walla Walla's new \$3.6 million Burbank water system is completed and on-line, serving the Port's Burbank Business Park tenants and Columbia School District elementary, middle and high schools.

The budget included a \$1.6 million appropriation from Washington State and a \$721,000 grant from the U.S. Environmental Protection Agency. The balance was provided by the Port of Walla Walla.

Washington State legislators - Senator Mike Hewitt and Representatives Maureen Walsh and Bill Grant – and U.S. Senator Patty Murray were key in getting state and federal funding.

WATCH WORDS

Jackie Hardesty, long-time Port auditor/treasurer retires

Port of Walla Walla Commissioners and staff in August, 2008 congratulated Jackie Hardesty on her retirement.

Hardesty had been the Port's auditor/treasurer for 20 years.

During that period, the Port and Airport enjoyed significant growth and required increasingly complex accounting systems.

“Thanks to Jackie's hard work, the Port successfully passed its state audit each year,” emphasized Jim Kuntz, Port executive director.

Kuntz also welcomed Anna Christen as the Port's new auditor/treasurer. Christen was an accounting specialist handling fixed assets for Banner Bank prior to joining the Port.

Port helps BMAC Food Bank with Proctor & Gamble gift

Port of WW Commission President Dr. Fred Bennett recently announced a \$5,000 grant by Proctor & Gamble Company to Walla Walla's Blue Mountain Action Council Food Bank.

Bennett explained that P & G made the donation on behalf of the Port because of its “professionalism and commitment in responding to dozens of information requests” during a time when the company was considering Walla Walla County as the site for a new manufacturing plant, which later was located in Utah.

In announcing the grant, P & G officials praised the Port of Walla Walla as “an effective economic development organization.”

Web camera installed at WW Regional Airport

Keeping an eye on what its like at the Walla Walla Regional Airport is an easier task thanks to a recently installed Web camera on the roof of the airport terminal building.

Always in operation, the camera provides a real-time snapshot of four viewpoints with pictures that are updated every 15 minutes.

The installation was funded with a \$5,000 grant from the Washington State Department of Transportation Aviation Division, with a \$250 contribution from the WW Airport.

To access the Web camera visit www.wallawallaairport.com and www.wsdot.wa.gov/aviation.

Recycle station now a feature at WW Airport

Easily accessible recycling bins are now in place in the Airport terminal building.

With some 60,000 passengers passing through the airport terminal each year, Port officials say there's a great opportunity to recycle cans, paper and plastic.

Horizon Air will also use the bins for recyclable materials from Walla Walla flights.



Four-laning project on U.S. Highway 12 from Walla Walla to Frenchtown on schedule, Myra Road roundabout complete

Phase Six To Open Late 2009

This time next year, motorists can expect to experience the safety of a four-lane U.S. Highway 12 between Walla Walla and Frenchtown.

Washington State Department of Transportation officials say the \$56.6 million project is “on schedule, on budget and on scope” for completion by the end of 2009.

Don Whitehouse, manager of WSDOT’s south central region, says only unusually severe weather could delay the opening.

In fact, work on a needed piece of the project – the first of three roundabouts at the intersection of U.S. Highway 12 with Myra Road and Pine Street – was accelerated to accommodate the opening of Walla Walla’s new Myra Road in November, 2008. As part of that portion, the contractor hauled more

than 1.7 million cubic yards of material – some 142,000 dump truck loads – to build up the road for the new interchange.

What’s Next?

Study continues on alignment and environmental impacts for the Frenchtown to Wallula section of the highway. Whitehouse described that work as “monumental.”

While funding for those final sections (Phases Seven and Eight) of four-laning the Walla Walla to Tri-Cities route has not yet been secured, the U.S. Highway 12 Coalition, an alliance of private and public organizations including the Port of Walla Walla, is dedicated to securing the necessary financing from available state and federal sources.

The Coalition is currently working with Washington State’s Congressional delegation to secure \$3.0 million for final design and

engineering for Phase Seven.

U.S. Senator Patty Murray has included that amount in a new Senate Transportation Committee bill, but it isn’t known when, or if Congress will approve the appropriation.

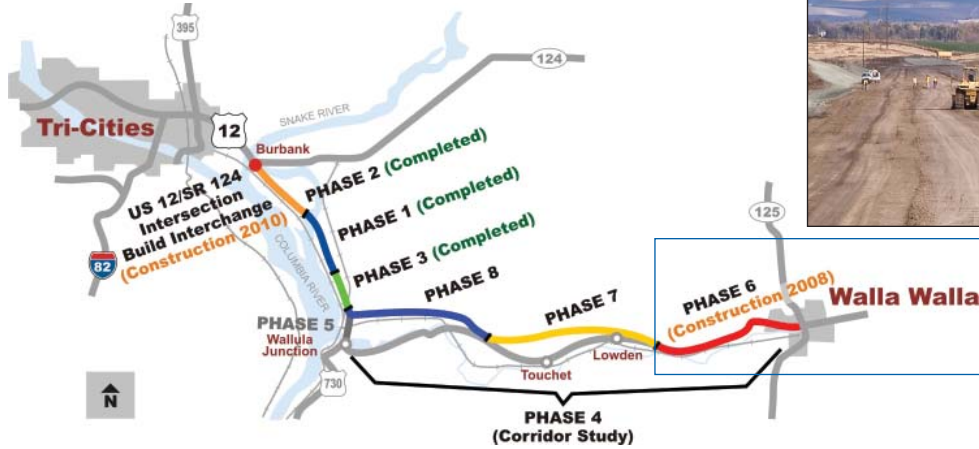
The Coalition says that once that allocation has been okayed, it will begin working to obtain construction funding for Phase Seven which likely will be divided into two parcels – 7A and 7B – to make costs more manageable and improve chances for lawmaker approvals.



To learn more about the U.S. Highway 12 Coalition visit www.ushighway12.com

PHOTO/ILLUSTRATIONS: Right: This mid-November photo captures progress on the U.S. Highway 12 four-laning project near Walla Walla. Below: Diagram of new U.S. Highway 12 between Walla Walla and Burbank. Below right: Illustration of three roundabouts under construction at the intersections of U.S. Highway 12, Myra Road and Pine Street. Bottom: Conceptual drawing of alternative route for new U.S. Highway 12 between Frenchtown and Wallula.

Photo by Donna Lasater. Illustrations courtesy Washington State Department of Transportation.



Getting to know your Port



Photo by Donna Lesater

Port of Walla Walla Commissioners

Secretary Paul Schneidmiller, President Dr. Fred Bennett and Vice President Mike Fredrickson

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 Dr. Fred Bennett, president; Mike Fredrickson, vice president; and Paul Schneidmiller, 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 Walla Walla county commissioner districts.

Dr. 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.

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.

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

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 \$104 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 \$9,984 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.

Careful management of resources has resulted in a regular reduction of property taxes needed for Port of Walla Walla operations...with actual assessments well below authorized levels.



The Port District receives only 12 percent of its revenues from property taxes.

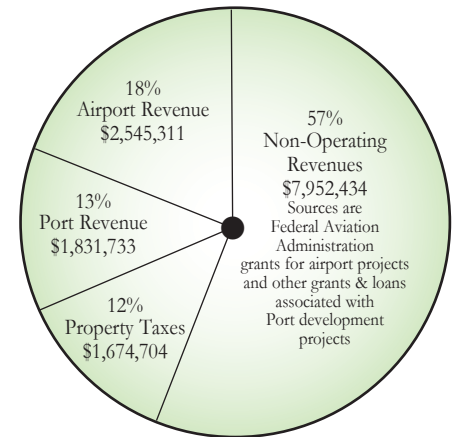
Washington State law provides for Port Commissioners to designate administrative powers and duties to the managing official of the Port District. This is done with a Port Commission resolution establishing guidelines and procedures for the managing official to follow.

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.

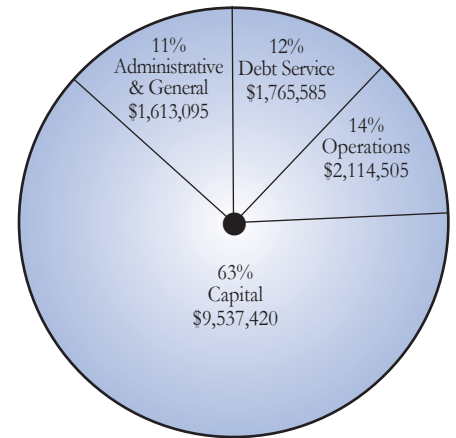
Regular Port of Walla Walla Commission meetings are at 1:00 p.m. on the second Thursday and 6:00 p.m. on the fourth Thursday of each month at the Port office.

Port of Walla Walla Budget

2008 Projected Revenues • \$14,004,183



2008 Projected Expenses • \$15,030,605



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
Anna Christen	Auditor/Treasurer
Becky Hulse	Executive Assistant
June Meiners	Receptionist
Ken Clayton	Airport Security Coordinator
Gary Stewart	Maintenance
Elias Alonso	Maintenance
Darren Brinson	Maintenance
Louis Gagnon	Maintenance
Terry Dickerson	Maintenance
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 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
www.wallawallaairport.com