

Port of Walla Walla Comprehensive Port Plan

Prepared For:



Prepared By:



In Association With:



Adopted December 27, 2012

Table of Contents

ADOPTING RESOLUTION.....	1
CHAPTER 1: INTRODUCTION.....	3
Plan Purpose.....	3
Statutory Requirements.....	3
History of Washington Ports.....	4
CHAPTER 2: PORT OF WALLA WALLA MISSION & ROLES	5
Port Mission.....	5
Port Vision.....	5
Port Roles.....	5
CHAPTER 3: PORT OF WALLA WALLA BACKGROUND	8
Port Location.....	8
History of the Port.....	8
Governance.....	9
Past Accomplishments	10
Community Demographics	11
CHAPTER 4: PORT FACILITIES & INFRASTRUCTURE	12
Port Facility Locations.....	12
Existing Port Facility Summary	13
Western Walla Walla County.....	13
Walla Walla/College Place Area.....	23
Eastern Walla Walla County.....	33
CHAPTER 5: GOALS, POLICIES & IMPLEMENTATION STRATEGIES	35
Goal 1: Increase the economic vitality of Walla Walla County.....	35
Goal 2: Maintain an ample supply of land and buildings.....	36
Goal 3: Strategically invest in infrastructure.....	37
Goal 4: Maintain flexibility and creativity in real estate transactions	39
Goal 5: Provide for efficient and cost effective transportation linkages.....	40
Goal 6: Increase constituent knowledge of the Port and its initiatives.	41
Goal 7: Transparency	42
CHAPTER 6: FINANCIAL PLAN.....	44
Port of Walla Walla Financial Guidelines.....	44
Financial Definitions	44
Operating Budget Guidelines	44
Revenue Guidelines	45
Cash/Management Investment Guidelines.....	45
Cash Reserves.....	46
Debt Guidelines.....	46
Capital Budget Guidelines.....	46
Port District Financing.....	47

Tax Levies	47
0.09% Sales Tax Fund	47
Port District Debt	48
Revenue Bonds.....	48
Short Term Obligations.....	48
Industrial Development Bonds.....	49
State and Federal Loan and Grant Programs.....	49
CHAPTER 7: BUSINESS PRACTICES	50
Real Estate Practices	50
Existing Local Businesses	50
New Businesses to Walla Walla County.....	50
Lease Rates	50
Port Property Purchases	51
Realtors' Compensation	51
Confidentiality.....	51
Business Recruitment, Retention, and Expansion.....	51
Executive Sessions	52
Ethics.....	52
Environmental Practices	53
State and Federal Lobbying.....	53
CHAPTER 8: CAPITAL INVESTMENT PLAN	54
Capital Planning Process.....	54
Capital Investment Plan.....	54
CHAPTER 9: PORT PLAN UPDATES	55
Process & Timing	55

APPENDICES:

- Appendix 1: Port of Walla Walla Facility Maps
- Appendix 2: Public Involvement Plan
- Appendix 3: Public Participation Summary
- Appendix 4: Past Accomplishments
- Appendix 5: Port Annual Economic Development Plan
- Appendix 6: Glossary of Economic Development Terms
- Appendix 7: Capital Investment Plan

**PORT OF WALLA WALLA
RESOLUTION NO. 12-27-12**

**A RESOLUTION OF THE PORT OF WALLA WALLA ADOPTING A NEW
COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS (COMPREHENSIVE
PORT PLAN) THAT WILL BE USED AS A PLANNING GUIDE**

WHEREAS, in accordance with RCW 53.20 the Port of Walla Walla is adopting a Comprehensive Scheme of Harbor Improvements (Port Comprehensive Plan) which compiles previous planning documents into a comprehensive planning document; and

WHEREAS, this new Port Comprehensive Plan will supersede all other Port Comprehensive Plans and associated plans and amendments by incorporation of those plans and amendments forthwith into this new Port Comprehensive Plan; and

WHEREAS, this new Port Comprehensive Plan includes Port Facilities and Infrastructure, Port Goals, Policies and Implementation Strategies, a Financial Plan, and Business Practices; and

WHEREAS, Port's Capital Improvement Plan and Economic Development Plan, as duly adopted by the Port Commission and updated each year through the budgeting process, are part of the Port's Comprehensive Plan and are available for review at the Port's offices, with the most current versions appended to the Comprehensive Plan for convenience; and

WHEREAS, on June 29, July 26, and September 25, 2012, public workshop discussions were held regarding the Port Comprehensive Plan with the general public; and

WHEREAS, on October 11, 2012 a public workshop/meeting was held and the draft Port Comprehensive Plan was presented to and discussed with the Port Commission and the general public; and

WHEREAS, the Port conducted environmental review of the proposal consistent with the State Environmental Policy Act (SEPA), chapter 43.21C RCW and the Port's implementing SEPA regulations, which culminated with the Port's issuance of a Determination of Nonsignificance on November 5, 2012; and

WHEREAS, on November 8, 2012, a public hearing was conducted and the revised document was presented to and discussed with the Port Commission and the general public; and

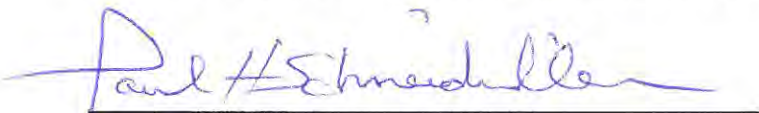
WHEREAS, the Port Commission received several written comments, and heard testimony from several members of the general public regarding the Ports vision, goals, and policies in support of small businesses, air service and transit, and gave said comments due consideration in the preparation of the Final Port Comprehensive Plan; and

WHEREAS, at 2:00 p.m. on December 27, 2012, the full and complete Port of Walla Walla Comprehensive Scheme of Harbor Improvements (Port Comprehensive Plan) was presented to the Port Commission for adoption with the understanding that it will supersede all former comprehensive plans and amendments;

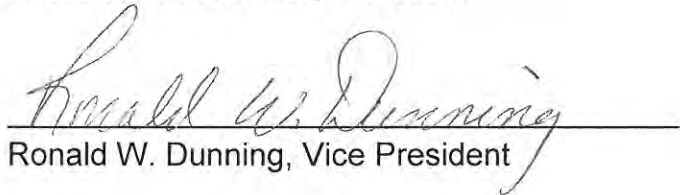
NOW, THEREFORE, BE IT RESOLVED that said plan is hereby adopted as the Port of Walla Walla Comprehensive Scheme of Harbor Improvements (Port Comprehensive Plan) pursuant to RCW 53.20 and that said Port Comprehensive Plan shall supersede all prior comprehensive plans and amendments whatsoever.

ADOPTED by the Commissioners of the Port of Walla Walla this 27th day of December, 2012.

PORT OF WALLA WALLA COMMISSIONERS



Paul H. Schneidmiller, President



Ronald W. Dunning, Vice President



Michael Fredrickson, Secretary

CHAPTER 1: INTRODUCTION

Plan Purpose

This plan has been prepared to meet the following objectives:

1. To serve as a guide for the use and development of Port properties now and in the future;
2. To clearly identify the Port's mission, goals, and objectives in a concise and accessible manner;
3. To describe the Port's existing facilities, and the general character, types of facilities, and proposed improvements envisioned in support of the Port's economic development mission;
4. To define the policies that guide the Port's activities, property transactions, and investment decisions;
5. To inform and educate customers, stakeholders, community partners, taxpayers, and the general public; and,
6. To guide the Port's economic development and implementation strategies.

The Port operates in a dynamic economic climate and monitors and responds to emerging development opportunities. The Port Comprehensive Plan is intended to guide the Port's decision making process, while providing the necessary flexibility to respond to unforeseen demands and emerging opportunities and markets.

Statutory Requirements

The State of Washington requires that Port Districts create and update a "Comprehensive Scheme of Harbor Improvements" under RCW 53.20.010. The comprehensive planning requirements for port districts differ substantially from those of city and county jurisdictions. The comprehensive scheme, or port plan, provides for the general character of proposed improvements to include:

1. An inventory of assets (land and facilities);
2. Proposed use of assets (how the land and facilities will be used); and,
3. An implementation plan (land-use maps and steps to carry out the plan).

The original intent and purpose of the legislation adopted in 1911 was to require communication between the port district and the public regarding spending for capital improvements that the Port district was planning. Consistent with the intent of this legislation, a Public Involvement Plan was prepared to facilitate public involvement in the plan development. A copy of the Public Involvement Plan for this project is included in this document as Appendix 2, and a summary of the public input provided through the process is included as Appendix 3.

History of Washington Ports

Throughout the country, as settlers migrated into an area, they often chose locations near water. Washington State was no different - with its many deep harbors and navigable rivers, towns sprung up throughout the state, dependent on access to water for movement of goods and people. In 1889, the new state constitution declared that the beds of navigable waters belonged to the people, and gave the Legislature power to designate which of those beds would become harbors.

Historically, private owners – primarily railroads – exercised monopolistic control over shipping rates and made arbitrary decisions about which products were allowed to pass across the wharves. In 1911, after citizens lobbied for the right to control access to the waterfront, the Legislature passed the Port District Act, allowing the people to form a port district, elect commissioners to govern it, and to promote and protect commerce.

There are 75 port districts located in the state, ranging in size, facilities, operations, and locations; some promote trade at shipping terminals, others operate marinas, docks, airports, railroads, industrial sites, and recreational facilities. Washington State has grown to be the most trade-dependent state in the union, with forty percent of all jobs being tied to trade international trade. Washington products share a single market: the world.

Ports are the only public agencies whose primary mission is to spur economic development, creating jobs and economic growth in diverse ways. Ports do this by acquiring, developing, leasing or selling, operating, and maintaining facilities for all forms of transfer – air, land, and marine – in accordance with RCW 53.08. Some ports operate in all of these sectors, others in only one or two, but almost every Washington port pursues an aggressive program of economic development. These programs include industrial development, infrastructure development, import/export assistance, tourism, and entrepreneurial development.

Ports are willing to make long-term investments in their communities. Ports often make significant investments in infrastructure - building facilities that will eventually house profitable businesses that reinvest in a community. But before that growth can happen, the dollars have to be invested and the risk taken by an agency willing to spend today for returns that may not be seen for many years. These strategic investments bring economic development – private sector investment and jobs - to communities.

CHAPTER 2: PORT OF WALLA WALLA MISSION & ROLES

Port Mission: *Working to enhance the economic vitality of Walla Walla County through the creation and retention of family wage jobs.*

Founded in 1952, the Port of Walla Walla is a municipal corporation responsible for fostering economic development throughout Walla Walla County. The Port measures its success in terms of its ability to:

- Create and retain family wage jobs;
- Attract and encourage new investment;
- Expand the region's tax base;
- Maintain multi-modal transportation linkages;
- Build community infrastructure to support economic development; and,
- Provide leadership in enhancing Walla Walla County's overall economic vitality and quality of life.

Port Vision

- To be a progressive economic development agency that creates and retains family wage jobs in Walla Walla County and Southeastern Washington.
- To make strategic investments in real estate and facilities that results in attracting new investments and jobs.
- To make targeted investments in transportation systems to efficiently move citizens and products.
- To invest in the development of public utility systems needed to support business and communities.
- To lead community coalitions that enhance Walla Walla County's economic vitality and quality of life for the citizens it serves.

Port Roles

Role as Port Authority

The Port of Walla Walla is a special purpose government entity involved with diverse economic development activities. The Port owns multiple industrial parks and municipal water and sewer transmission systems throughout Walla Walla County and is the owner and operator of the Walla Walla Regional Airport. The Port derives its revenues from user fees, rentals of property, property taxes, and grants. The Port also administers the Port of Walla Walla Public Corporation (WWPC), a special purpose government with limited powers and governed by a Board of Directors, which is comprised of the same members as the Port Commission. The WWPC issues tax exempt non-recourse industrial revenue bonds (IDBs) to assist in private economic development projects.

The Port's goal is to increase the economic vitality of Walla Walla County through the retention, expansion, start-up, and recruitment of business and employers and to pursue opportunities and partnerships that facilitate the development and enhancement of a diverse economic base for Walla Walla County

Port Powers

As a Washington State Port Authority, the Port of Walla Walla operates within the statutes outlined in Revised Code of Washington (RCW) 53.04.010, which enables ports to pursue economic development activities that strengthen the economy of the region. Port districts are established in the various counties of the state for the purposes of acquisition, construction, maintenance, operation, development and regulation within the district of harbor improvements, rail or motor vehicle transfer and terminal facilities, water transfer and air transfer facilities. Ports are also authorized to expend funds for industrial, trade and tourism promotion.

The legislature also recognizes the need for a Washington port district that is located in a county that has a contiguous border with another state, and a population between fifty and seventy thousand, to participate with other public agencies of this state and an adjoining state to attract, encourage, and develop industry and promote trade on both sides of their borders for the economic benefit of the state of Washington. RCW 53.08.240 authorizes agreements between two or more port districts for the exercise of powers both within and outside their districts, and further authorizes contracts by port districts with other governmental entities. As Walla Walla County has a contiguous border with the State of Oregon, the Port of Walla Walla can enter into an inter-local cooperation agreement with another public agency outside the boundaries of the state of Washington for the benefit of the inhabitants of the district. These agreements must be adopted by resolution of the Port District Commission after a public hearing, for which notice has been published in a newspaper of general circulation within the district at least ten days in advance of the hearing.

Role as Lead Economic Development Agency for Walla Walla County

In addition to the Port's status as a Port Authority, the Port also holds a designation as the lead economic development agency for Walla Walla County. This designation is referred to as the "Associate Development Organization" (ADO) by the State of Washington. The ADO is defined in [RCW 43.330.010](#) as "a local economic development nonprofit corporation that is broadly representative of community interests." Each county in the State of Washington has a designated associate development organization recognized by the State of Washington. Every few years the state requests each county to confirm their designated Associate Development Organization. The Port has been the lead development agency (ADO) since 1990.

Each year the Port prepares a detailed economic development plan. This plan is shared with the Port's economic development advisory committee. The plan is then presented to the Port Commission for adoption. The current plan is included in this document as Appendix 6.

Role as Leader of Community Coalitions

The Port has taken an active role in the formation and leadership of a host of community-wide coalitions. These public/private coalitions have been very successful and have brought positive recognition to the Port.

US Highway 12 Coalition

The US Highway 12 Coalition was formed in 2001 with the goal of four-laning US Highway 12 from the Tri-Cities to Walla Walla to enhance safety, reduce congestion, and provide increased economic opportunity for the region. The coalition comprises both public and private business and has been recognized as one of the most effective transportation coalitions in the State. Since 2001, the coalition has been instrumental in securing \$127.4 million in state and federal funding. Five construction phases have been completed. Two construction phases remain.

Washington State Penitentiary Coalition

The Washington State Penitentiary community coalition was formed in 2009 in response to a Washington State Legislative proposal to eliminate 1,580 prison beds statewide. The Penitentiary was vulnerable to significant job reductions, as portions of the facility are old and staff-intensive to manage. The coalition has taken a proactive approach in securing state funding to build two new medium security units (256 beds each) that will save jobs when the older portions of the state penitentiary facilities become obsolete and close. Despite a challenging state budget, the coalition secured \$49.8 million for the new medium security units. The coalition continues to look for options to further repurpose the penitentiary into a more modern and cost effective complex. The coalition's next goal is to secure funding for a 500 bed minimum security unit.

Walla Walla Community Air Service Coalition

The Port has played an instrumental role in supporting the Walla Walla Community Air Service Coalition, which is focused on retaining and enhancing commercial air service in the Walla Walla Valley. While the Walla Walla Valley Chamber of Commerce is considered the lead agency, the Port has and continues to play a strategic role as the owner and operator of the Walla Walla Regional Airport. The Port has been instrumental in funding a host of marketing campaigns and in establishing a close working relationship with the senior management team of Alaska Airlines. The Port was recently awarded a \$250,000 Federal Small Communities Air Service Grant to help fund a marketing campaign to preserve commercial air service. With the strong support of the coalition, the Port recently reduced the landing fees and terminal building rent for Alaska Airlines' operation in Walla Walla. The coalition's present focus is preserving commercial air by increasing passenger loads.

CHAPTER 3: PORT OF WALLA WALLA BACKGROUND

Port Location

Located in southeastern Washington, the Port of Walla Walla is a county-wide Port District, and is bounded by Benton County to the west, Franklin County to the north, Columbia County to the east, and Oregon to the south.

Figure 1. Port of Walla Walla Location Map



History of the Port

Following an effort initiated in 1938 by the Walla Walla Chamber of Commerce, the Grange, and the Walla Walla Farm Bureau, the Port of Walla Walla was formed in 1952 to serve as the county's prime economic development entity. The voters of Walla Walla County overwhelmingly approved the establishment of the Port by a 7 to 1 margin. In addition to approving the formation of the port district, voters elected the Port's first three commissioners.

The impetus for establishing the port district was the anticipated completion of McNary Dam and its pool, which brought navigable waters to western Walla Walla County. As a result, the Port initially focused on developing industrial sites and facilities on the Columbia and Snake rivers. The Port initially leased and later purchased three sites on the McNary Pool from the federal government: Wallula (49 acres), Attalia (156 acres), and Burbank (243 acres).

When communities elsewhere in Eastern Washington and Idaho were proposing to establish public port districts in 1958, representatives of those communities paraded to the Port of Walla Walla. The Port, then only six years old, already was experiencing a great deal of success in attracting industry to the county. Port formation advocates and newspaper representatives came to Walla Walla to see for themselves why the Port was so successful, and how a port should function. At the time, voters were being asked to establish port districts in Chelan, Douglas and Asotin counties in Washington, and Nez Perce County in Idaho. The Port of Walla Walla was an inspiring example, and voters in all four counties subsequently authorized establishing public port districts.

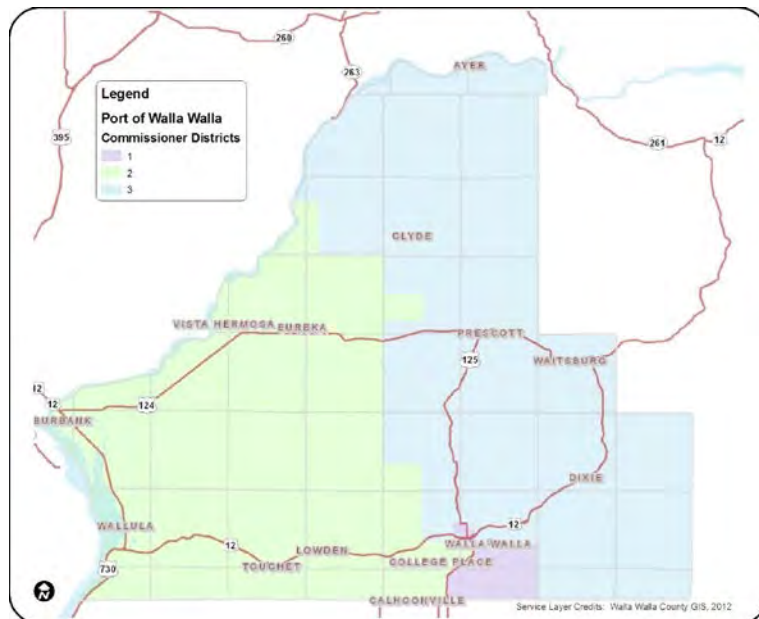
The Port broadened its focus with the development of industrial parks and buildings in and around the City of Walla Walla during the 1970's and 1980's. Projects included building manufacturing facilities for Nelson Irrigation Corporation and Key Technology, Inc.

In 1989, the Port acquired ownership of the Walla Walla Regional Airport (2,200 acre complex) from the City and County of Walla Walla. Under the Port's leadership the airport industrial park has been revitalized and a new airport terminal building was constructed in 2000 at a cost of \$10.5 million.

Governance

The Port District is governed by a three-member Board of elected Commissioners, each serving a specific geographical district within the county. District 1 encompasses more than half of the City of Walla Walla and the state line area. District 2 includes the eastern third of the City of Walla Walla, and the Dixie, Waitsburg and Prescott areas. District 3 includes the communities of College Place, Touchet, Lowden, Burbank, Eureka, and Clyde. Figure 2 depicts the Port of Walla Walla Commissioner District boundaries.

Figure 2: Port of Walla Walla Commissioner Districts



The Port of Walla Walla Commissioners set policy, direction, and approve all expenditures of the Port. Each Commissioner serves a six-year term. Terms are staggered so that one position is up for election every two years. While all Commissioners are elected on a countywide basis, each must live in a specific Commissioner district within Walla Walla County. Each year, the Commissioners decide who will hold the offices of president, vice-president, and secretary.

The Commission appoints the Executive Director, who serves as the managing official of the Port, holds office as their representative, and is responsible for the administration and day to day operations of the Port. The Commission delegates its authority to the Executive Director through the adoption of an annual managing authority resolution. The Port Commission appoints the Port's legal counsel. The Executive Director is responsible for hiring and management of all other Port staff. While the Port Auditor/Treasurer reports to the executive director, this position also has the explicit authority to communicate directly with the Port Commission as well.

State law provides that Commissioners receive a small per diem compensation for each day spent attending meetings or performing other services on behalf of the Port (currently \$104 per day), in addition to a monthly salary (currently \$750 per month). Port Commission workshop sessions and regular session meetings are open to the public and are normally held at the Port District Office.

Past Accomplishments

Since its creation in 1952, the Port has had a substantial impact on the economic well-being of Walla Walla County. The Port periodically surveys businesses that have received direct assistance from the Port since its formation. According to those survey results, Port activities have resulted in the creation of a total of 4,610 full-time, and 1,160 part-time jobs in Walla Walla County. Port assisted businesses represent approximately 20% of Walla Walla County's total labor force, and generate \$111 million in payroll annually. These businesses also generate \$5.9 million in property taxes annually, and five out of the top ten largest taxpayers in the County are Port assisted businesses. Over 15% of all property taxes collected in Walla Walla County come from Port assisted companies, and for every one dollar the Port receives in property taxes, business assisted by the Port will pay more than five dollars in property taxes. Less than one fourth of the revenue to operate the Port is derived from local property taxes.

The Port has been successful in recruiting new businesses to the area, including Boise Cascade, Tyson Fresh Meats, Cliffstar Corporation, and Railex, to name a few. The Port has also had success retaining existing businesses and the associated local jobs, including Key Technology, the Odom Corporation, and jobs at the Washington State Penitentiary. Some of the Port's greatest economic development successes have been achieved with the revitalization of Walla Walla Regional Airport Business Park, which today host's dozens of small business, and is home to the award-winning wine incubator program. Appendix 4 of this report provides a summary of the Port's most high-profile successes.

Not all of the Port's economic development initiatives have been successful, however. In 1989, the Port built a large production facility for Strauser Manufacturing. Several years later, the company filed for bankruptcy and the Port was challenged to re-lease the building for economic development purposes. In 2001, the Port's public corporation issued non-recourse revenue bonds for Ponderosa Fibres of America, to build a paper recycling plant. The plant was never profitable and ultimately, filed for bankruptcy and closed. Progressive economic development organizations do have projects that fail on occasion. It is an inherent outcome of capitalism that some projects fail in the marketplace, regardless of how well thought-out the business plan may be. Despite occasional setbacks, the Port has maintained its progressive economic development focus. The alternative is to become risk-adverse and less proactive. Such a philosophy would not serve the Port or its constituents well, as most successful economic development projects have some inherent risk associated with them.

Community Demographics

Walla Walla County has a 2012 population of 59,100. The City of Walla Walla, which serves as the county seat, has a population of 31,740, representing nearly 54% of the County's population. The adjacent City of College Place has a population of 8,845, representing an additional 15% of the County's population. Less than one-third of the county's population lives in the unincorporated county. The population of the Walla Walla County is relatively stagnant, having grown by less than one percent (1%) per year since the 1980's. The average wage in Walla Walla County in 2010 was \$35,809, with a per capita income of \$35,188. The median household income in 2011 was \$44,606.

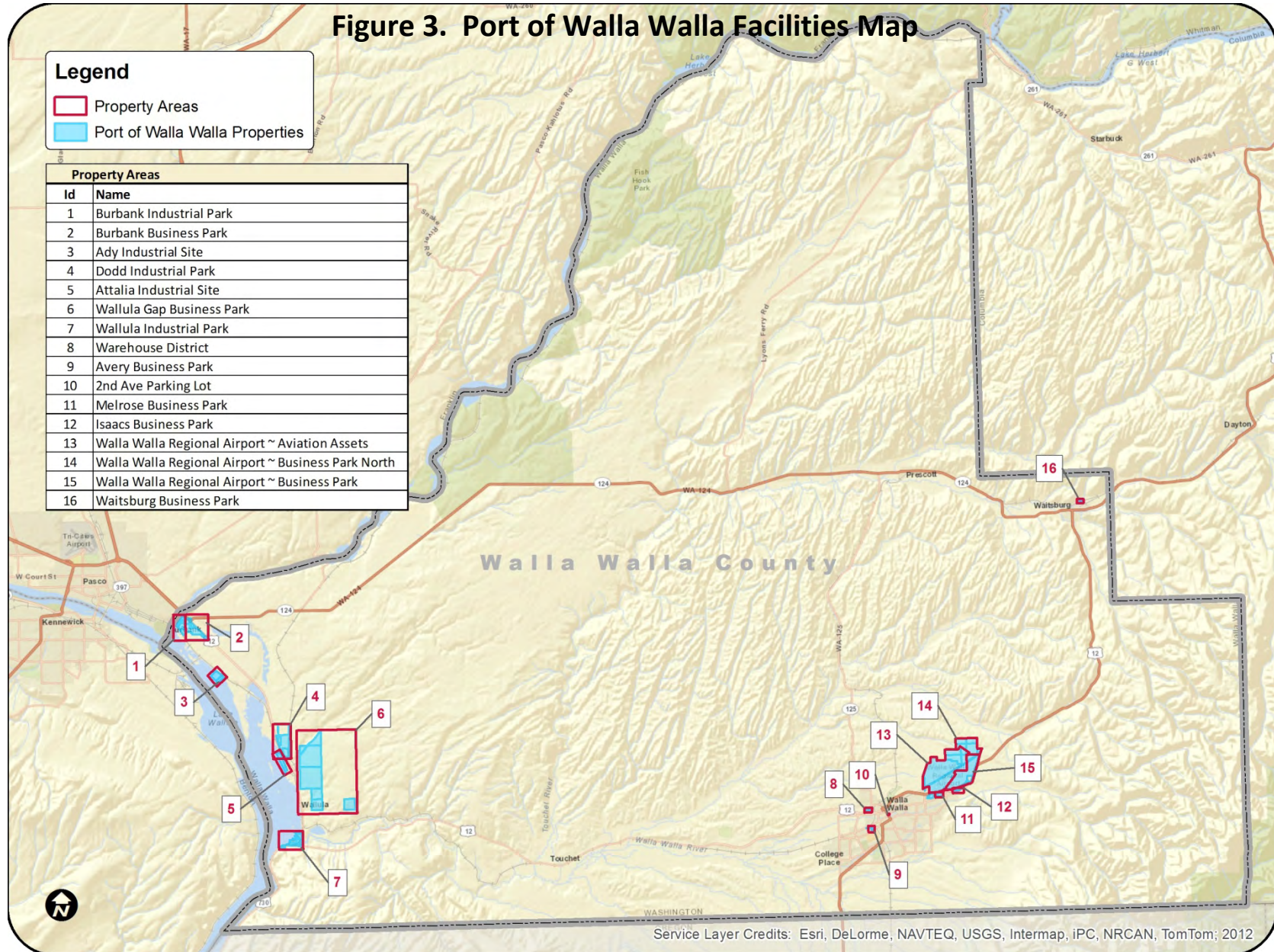
Community demographic data is a valuable tool to aid in economic development and public policy discussions within the community. As the county's lead economic development agency, the Port of Walla Walla has partnered with Eastern Washington University to collect and publish the most current data on a broad range of community demographics. Relevant data on population and demographics, economic vitality, education, the environment, housing, transportation, and public safety is available through the Walla Walla Trends website, located at <http://wallawallatrends.ewu.edu>, and via the link to the Walla Walla Trends website provided on the Port of Walla Walla website.

The data offered is neutral information, without value judgment or analysis. The Walla Walla Trends website was developed with the following goals:

- To collect and share a broad spectrum of information to support informed decision-making by individual community members, governmental policy makers, non-governmental organizations, businesses, researchers, and the press.
- To benchmark Walla Walla trends against Washington State trends, and other comparable communities.
- To enable analysis of these trends by existing or potential new businesses in the area, public policy makers, and the community at large.

CHAPTER 4: PORT FACILITIES & INFRASTRUCTURE

Port Facility Locations

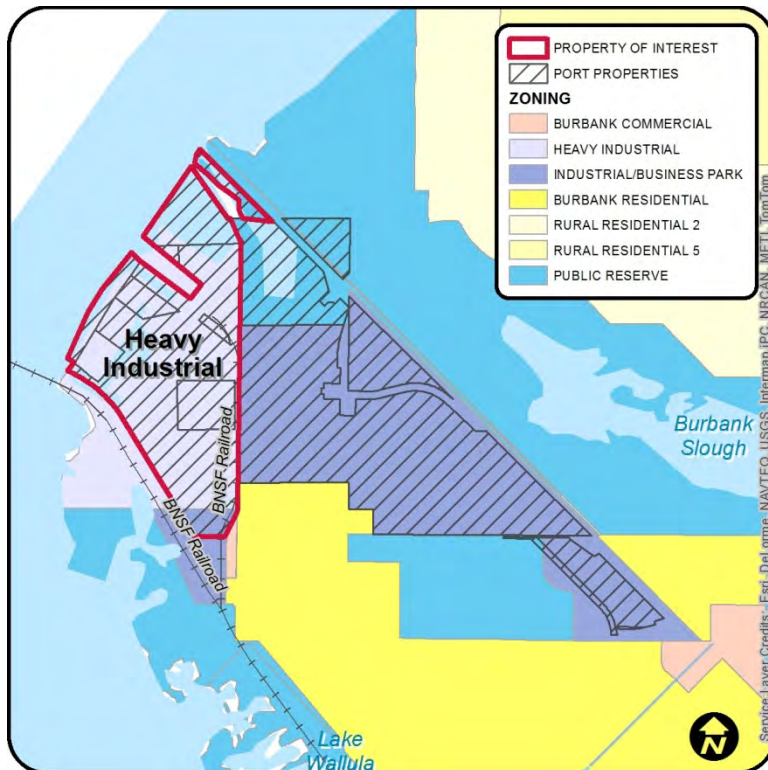


Existing Port Facility Summary

The following section summarizes each of the Port's existing facilities, including the zoning and potential future land uses, and summarizes potential future projects for each existing facility. A Capital Allocation Matrix to guide future projects and investments is provided in Appendix 7.

Western Walla Walla County

Burbank Industrial Park



Property Description & Zoning

Located at the confluence of the Columbia and Snake Rivers, the Burbank Industrial Park encompasses 111 acres in unincorporated Walla Walla County. The site is located within the Burbank Urban Growth Area (UGA) and is zoned Heavy Industrial.

Land Use

Existing Land Use

Existing development in the industrial park includes a grain storage facility operated by Cargill, an animal feed business operated by Westway Trading, a rebar manufacturer operated by Harris Rebar, a trucking operation operated by Frontier Transport, and a scrap steel business operated by Schnitzer Steel.

Future Land Use

Continuation of current industrial land uses, including manufacturing, processing plants, warehousing and distribution, utilities, and other heavy industrial as allowed in Walla Walla County's heavy industrial zone.

Existing Improvements

Transportation & Utility Infrastructure: Cargo dock, two barge slips, rail, access to US-12; gas & electrical; public water (Port of Walla Walla); and, engineered septic.

Buildings: Grain storage complex (2.7 million bushel capacity); office complex (2,200 sq. ft.); metal grain tank (406,000 bushel capacity); 3 concrete grain silos (45,000 bushel capacity each); and, a flat house/co-grain facility (16,684 sq. ft.).

Planned Future Investments

Five Year Investments (2013 – 2017)

Projects under consideration during this time period include but are not limited to:

- Tear down co-grain facility
- Pave industrial park roads
- Security access gates & CTV Security cameras
- New commodity storage buildings
- Extend water & sewer systems
- Barge slip improvements

Improvements in this time frame are estimated to cost approximately \$3.1 million.

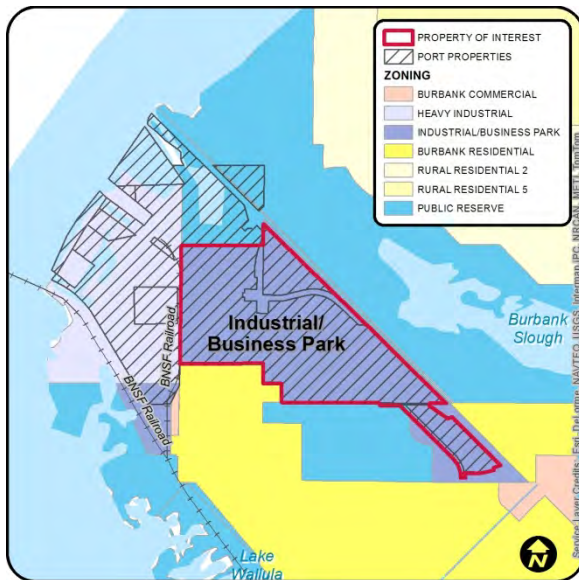
10 Year Investments (2018 – 2022)

Projects under consideration during this time period include but are not limited to:

- Double track rail line into industrial park
- Barge slip improvements
- High dock expansion
- Existing grain storage improvements
- New buildings
- Property acquisitions

Improvements in this time frame are estimated to cost approximately \$3.3 million.

Burbank Business Park



Property Description & Zoning

The Burbank Business Park encompasses 146 acres, and is adjacent to the eastern property boundary of the Burbank Industrial Park. The Business Park is located in the Burbank Urban Growth Area (UGA), and is zoned Industrial Business Park. The Port is in the process of finalizing a binding site plan to create individual lots for sale and lease.

Land Use

Existing Land Use

Agriculture.

Potential Future Land Use

Mixed use development to include commercial, retail, light

industrial, offices, warehouse, distribution, wholesale operations and other uses allowed consistent with the Walla Walla County's zoning for this property.

Existing Improvements

This site has excellent access to US Highway 12, and with the recent completion the Burbank Interchange, much of the business park is readily accessible and visible from the highway. Two main access roads (Gateway & Jantz) have been completed. The Port has also installed some water transmission lines, and conduits under several of the roads for future water and sewer extensions.

Planned Future Investments

Five Year Investments (2013 – 2017)

General Improvements:

Projects under consideration during this time period include but are not limited to:

- Internal access roads
- Gateway signage and landscaping
- Maintenance shop building
- Multi-purpose paths
- New buildings

Improvements in this time frame are estimated to cost approximately \$5.045 million.

Water Utility:

Projects under consideration during this time period include but are not limited to:

- Well relocation
- Phases I & II water distribution extension
- Water extensions to third parties
- Expand existing water reservoir & construction water tower

Improvements in this time frame are estimated to cost approximately \$2.09 million.

Sewer Utility:

Projects under consideration during this time period include but are not limited to:

- Sewer transmission line to City of Pasco
- Phase I & II sewer collection extensions

Improvements in this time frame are estimated to cost approximately \$5.54 million.

Cargill Pond Redevelopment:

Projects under consideration during this time period include but are not limited to:

- Phase I improvements consistent with the Port's Cargill Pond master plan

Improvements in this time frame are estimated to cost approximately \$870,000.

10 Year Investments (2018 – 2022)

General Improvements:

Projects under consideration during this time period include but are not limited to:

- Internal access roads – Multiple phases
- New Buildings

Improvements in this time frame are estimated to cost approximately \$10.04 million.

Water Utility:

Projects under consideration during this time period include but are not limited to:

- Phases III, IV & V – Water distribution system extensions
- Water extensions to third parties within delivery area

Improvements in this time frame are estimated to cost approximately \$2.22 million.

Sewer Utility:

Projects under consideration during this time period include but are not limited to:

- Phases III, IV, V, IV & VII sewer collection extensions
- Sewer extensions to third parties within delivery area

Improvements in this time frame are estimated to cost approximately \$1.43 million.

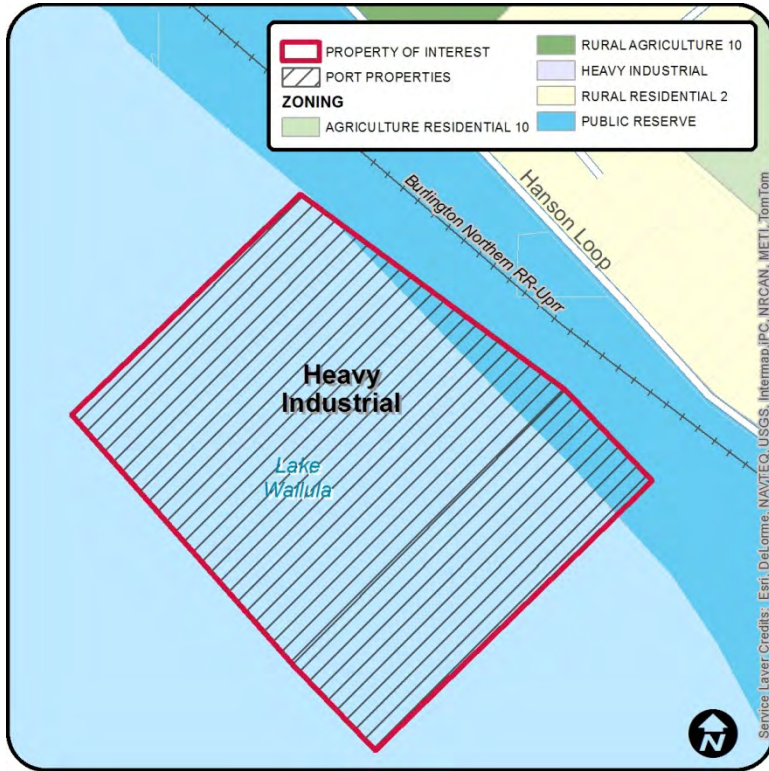
Burbank Business Park – Cargill Pond Redevelopment

Projects under consideration during this time period include but are not limited to:

- Phases II, III & IV improvements consistent with the Port's Cargill Pond master plan

Improvements in this time frame are estimated to cost approximately \$4.01 million.

Ady Industrial Site



Property Description & Zoning:

Located near the Burbank Rural Activity Center, south of the Port-owned properties in the Burbank UGA, the property consists of two parcels, zoned Industrial that totals 109.54 acres. This property was acquired by the Port for economic development purposes through the McNary Act.

Land Use

Existing Land Use

Property is vacant, consisting of limited shoreline, with majority of the site under water.

Potential Future Land Use

Future marine terminal/transload facility.

Existing Improvements

Rail line in vicinity of property.

Planned Future Investments

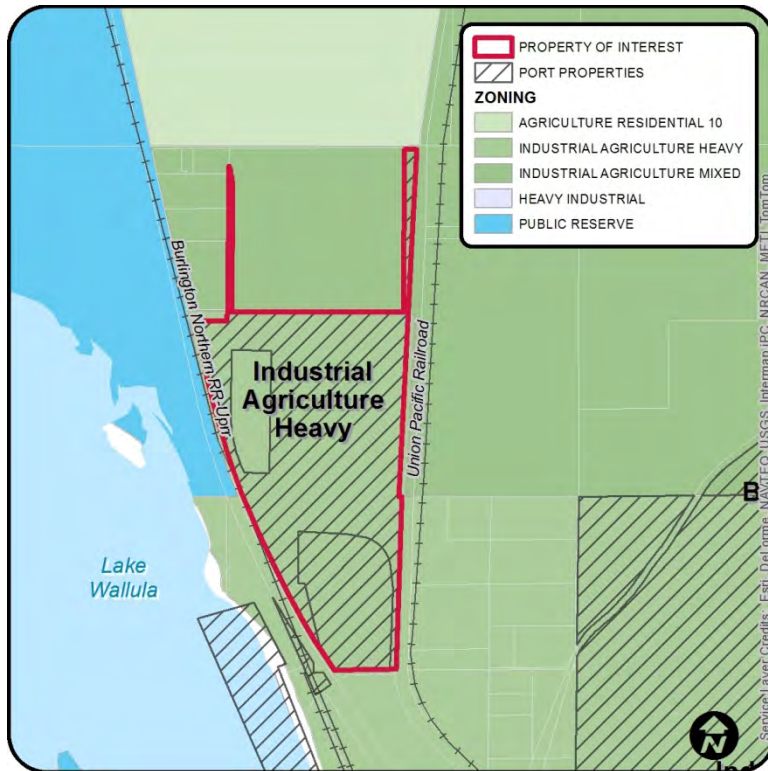
Five Year Investments (2013 – 2017)

None.

10 Year Investments (2018 – 2022)

Development of a marine terminal and transload facility, at an estimated investment of \$3 million.

Dodd Road Industrial Park



Property Description & Zoning

The Dodd Road Industrial Park is located in western Walla Walla County within the Attalia Industrial Urban Growth Area (UGA). The Dodd Road Industrial Park is zoned Industrial Agriculture - Heavy. The property originally encompassed 289 acres. With the sale of 53 acres to Railex, LLC for produce and wine distribution warehouses, the Dodd Road Industrial Park has 236 remaining acres.

Land Use

Existing Land Use

Port-owned property is currently vacant, excepting the rail loop and access roads which are owned by the Port.

Potential Future Land Use

Heavy industrial uses, manufacturing and processing, warehousing and distribution, and other uses as allowed in Attalia's Industrial Agriculture- Heavy Zone.

Existing Improvements

Transportation & Utility Infrastructure: Access to US-12; looped rail line (2,000 linear feet) with access to Union Pacific Railroad mainline; on-site water; engineered septic; and, electric & natural gas.

Planned Future Investments

Five Year Investments (2013 – 2017)

Projects under consideration during this time period include but are not limited to:

- Railex Rd. extension to wine warehouse
- Railex Rd. extension to Raindance Rd.
- Rail improvements Phase II
- Utility extensions
- New buildings
- Bridge overpass to internal parcels

Improvements in this time frame are estimated to cost approximately \$9.01 million.

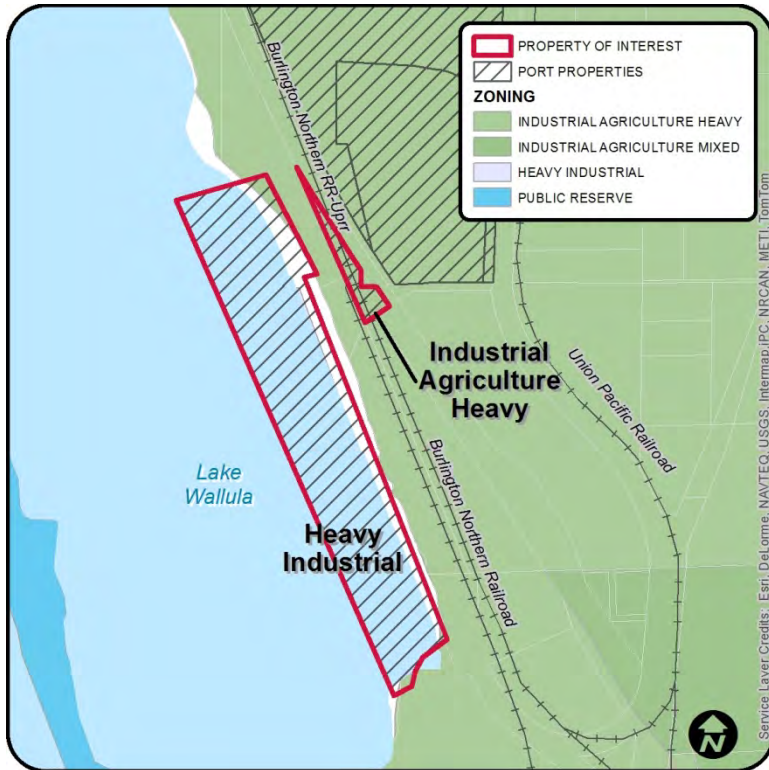
10 Year Investments (2018 – 2022)

Projects under consideration during this time period include but are not limited to:

- Phase III rail improvements
- Internal access roads
- Utility extensions
- Property acquisition

Improvements in this time frame are estimated to cost approximately \$4.8 million.

Attalia Industrial Site



Property Description & Zoning

The property consists of two parcels located in western Walla Walla, within the Attalia Industrial Urban Growth Area (UGA). The property, which is zoned Industrial Agricultural Heavy and Heavy Industrial, was acquired by the Port under the McNary Act. The first parcel consists of 1.19 acres situated between US 12 and BNSF rail line. The second parcel totals 88.37 acres, primarily under water, with limited shoreline above the high-water mark.

Land Use

Existing Land Use

Vacant.

Potential Future Land Use

Future marine terminal/transload facility.

Existing Improvements

One parcel (1.19 acres) has access to US-12. Both parcels are directly adjacent to rail lines.

Planned Future Investments

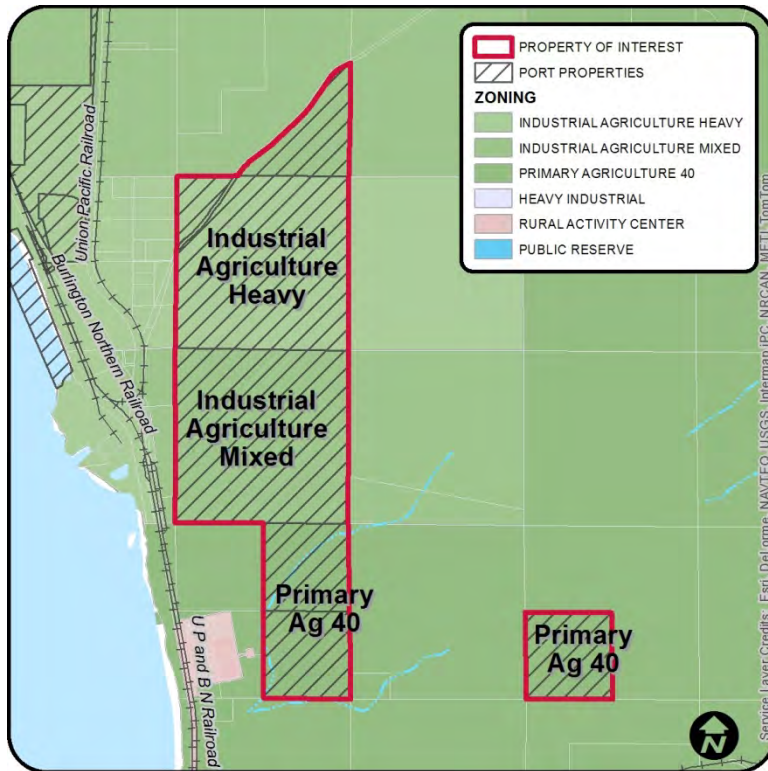
Five Year Investments (2013 – 2017)

None.

10 Year Investments (2018 – 2022)

Development of a marine terminal transload facility, with an estimated investment of \$3 million.

Wallula Gap Business Park



Property Description & Zoning

A majority of the 1,894 acre property is located within the Attalia Industrial Urban Growth Area (UGA) in western Walla Walla County. Portions of it extend south of the UGA boundary. The property within the UGA is zoned Industrial Agriculture Heavy and Industrial Agriculture Mixed, while portions outside of the UGA are zoned Primary Agriculture 40.

Land Use

Existing Land Use

Agriculture.

Potential Future Land Use

Heavy industrial uses, manufacturing and processing, warehousing and distribution, and other uses as allowed in Attalia's

Industrial Agriculture - Mixed and Industrial Agriculture - Heavy Zones.

Existing Improvements

Convenient access to US 12 and rail infrastructure adjacent to the northern boundary. Electric and gas available, and the Port owns a large water right and a series of wells that will be developed into a public water system. Sewer is to be provided via engineered septic and land application.

Planned Future Investments

Five Year Investments (2013 – 2017)

Projects under consideration during this time period include but are not limited to:

- Tree stumps and woody debris removal
- Level land for developments Phase I
- Worden Road – pave
- Gas transmission line extension
- Internal access roads Phase I

Improvements in this time frame are estimated to cost approximately \$10 million.

10 Year Investments (2018 – 2022)

Projects under consideration during this time period include but are not limited to:

- Land leveling for developments phase II
- Internal access roads Phase II
- Rail access into property Phase I & II
- New buildings

Improvements in this time frame are estimated to cost approximately \$16.75 million.

Dodd Road/Wallula Gap Water Utility

Planned Future Investments

Five Year Investments (2013 – 2017)

Projects under consideration during this time period include but are not limited to:

- Elevated water reservoir and major transmission lines
- Wallula Gap wells – tie in to Phase I
- Distribution line extensions to Dodd and Wallula Gap Business Park
- Dodd water storage tank and backup power

Improvements in this time frame are estimated to cost approximately \$9.4 million.

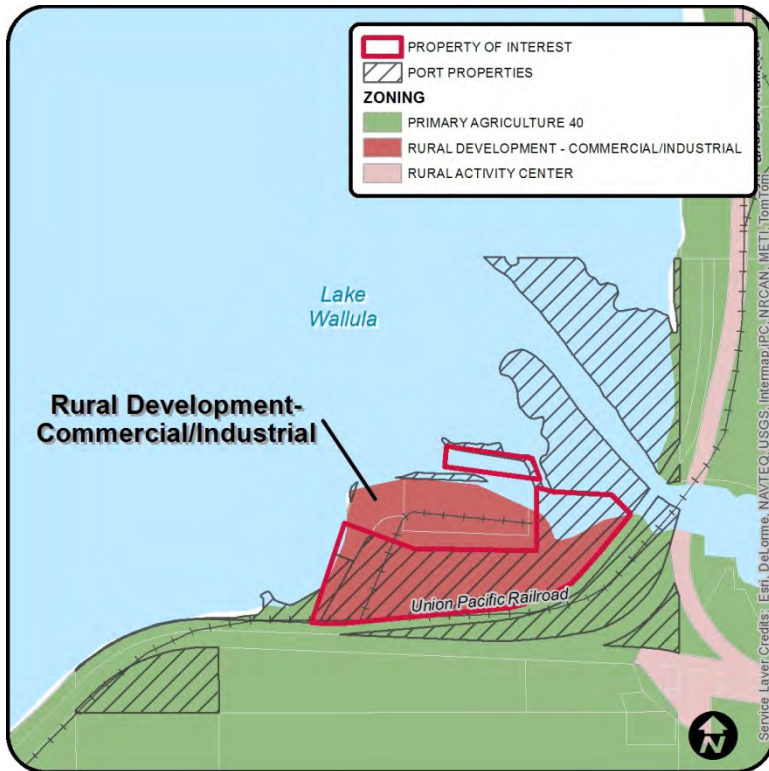
10 Year Investments (2018 – 2022)

Projects under consideration during this time period include but are not limited to:

- Water line extensions to third parties within service area
- Second elevated water reservoir
- Treatment and controls building
- Water line extensions into Dodd and Wallula Gap Business Parks

Improvements in this time frame are estimated to cost approximately \$5.3 million.

Wallula Industrial Park-Shipping Terminal



Property Description & Zoning

Located in unincorporated Walla Walla County, this Port owned property includes 40.83 acres of property, most of which is designated a Rural Area of More Intense Rural Development (LAMRID). The portions of the property that are in the LAMRID designation are zoned for Rural Development - Commercial/Industrial. Outside of the designation, the property is zoned Primary Agriculture 40. The property is envisioned to be used for additional storage of and shipping of commodities.

Land Use

Existing Land Use

The property is vacant. Property is adjacent to Northwest Grain Growers Grain Elevators.

Potential Future Land Use

Intermodal shipping terminal.

Existing Improvements

Adjacent to a Union Pacific rail line and a public barge slip with access to the Columbia River, as well as US-12 and US-395/US-730.

Planned Future Investments

Five Year Investments (2013 -2017)

None.

10 Year Investments (2018 – 2022)

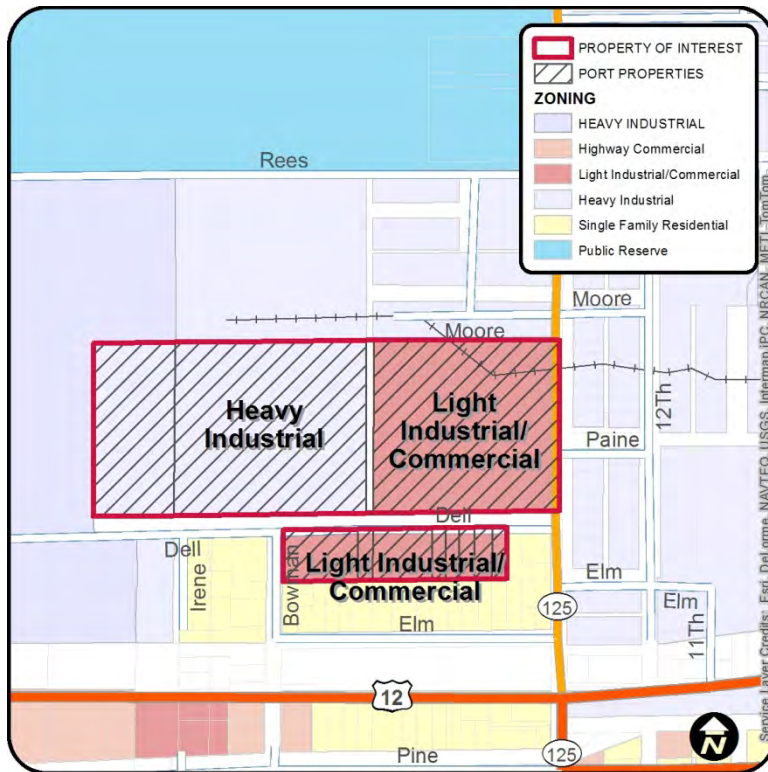
Projects under consideration during this time period include but are not limited to:

- Site leveling
- Develop small public water system
- Additional rail spurs
- Commodity storage buildings

Improvements in this time frame are estimated to cost approximately \$2.75 million.

Walla Walla/College Place Area

Dell Avenue/Warehouse District



Property Description & Zoning

Located on Dell Avenue in the City of Walla Walla, the “Warehouse District” consists of three parcels totaling 28.23 acres. The Cliffstar/Cott site consist of 14.9 acres, and is zoned Heavy Industrial. The Crown warehouse consists of 10.1 acres, and is zoned Light Industrial/Commercial. The Port-owned property on the south side of Dell Avenue totals a little over 3 acres, and is zoned Light Industrial/Commercial.

Land Use

Existing Land Use

Cliffstar/Cott: This property is occupied by a juice manufacturing business and a fledgling artist colony business cluster.

Crown Warehouse: This building is

approximately one third leased out with a winery production business and several companies storing and distributing products.

South Dell Avenue: The property is largely vacant, with the exception of two older homes on site that are planned for removal.

Potential Future Land Use

Cliffstar/Cott: The large manufacturing and warehouse buildings will continue to be used for the juice processing business and/or some type of value added agricultural processing.

Artist Colony: The adjacent artist colony located on the southwest corner of the property is anticipated to grow over time.

Crown Warehouse: Will continue to be developed as a multi-tenant facility with a mixed use of manufacturing, warehousing, commercial and retail uses.

South Dell Avenue: Properties on the south side of Dell Avenue are anticipated to be redeveloped as light industrial/commercial uses in the long term.

Existing Improvements

Cott/Cliffstar: A 194,000 sq. ft. warehouse and an 11,250 sq. ft. shop building on the southwest corner of the parcel along with six 1,000 sq. ft. buildings (Artist Colony).

Crown Building: A 179,650 sq. ft. manufacturing/warehousing facility.

South Dell Avenue: Two residential structures.

Planned Future Investments

Five Year Investments (2013 – 2017)

Cott/Cliffstar: Projects under consideration during this time period include but are not limited to:

- Roof Replacements only if necessary
- Review solar opportunities

Improvements in this time frame are estimated to cost approximately \$350,000.

Artist Colony: Projects under consideration during this time period include but are not limited to:

- New roof for shop building
- Connect property to city water and sewer
- New buildings

Improvements in this time frame are estimated to cost approximately \$625,000.

Crown Warehouse: Projects under consideration during this time period include but are not limited to:

- ADA access/building entryway improvements
- 13th Ave new fencing and motorized access gates
- Exterior subdivision of space

Improvements in this time frame are estimated to cost approximately \$2.4 million.

South Dell Ave: Projects under consideration during this time period include but are not limited to:

- Tear down remaining homes
- Establish back lot fencing and landscaping
- Utility extensions

Improvements in this time frame are estimated to cost approximately \$755,000.

10 Year Investments (2018 – 2022)

Cott/Cliffstar: No Port improvements are anticipated in this time frame, due to transfer of ownership slated for 2017.

Artist Colony: Projects under consideration during this time period include but are not limited to:

- Pave gravel areas
- New Buildings

Improvements in this time frame are estimated to cost approximately \$425,000.

Crown Warehouse: Projects under consideration during this time period include but are not limited to:

- Interior subdivision of space
- Roof replacements
- Exterior siding and window replacements
- New buildings

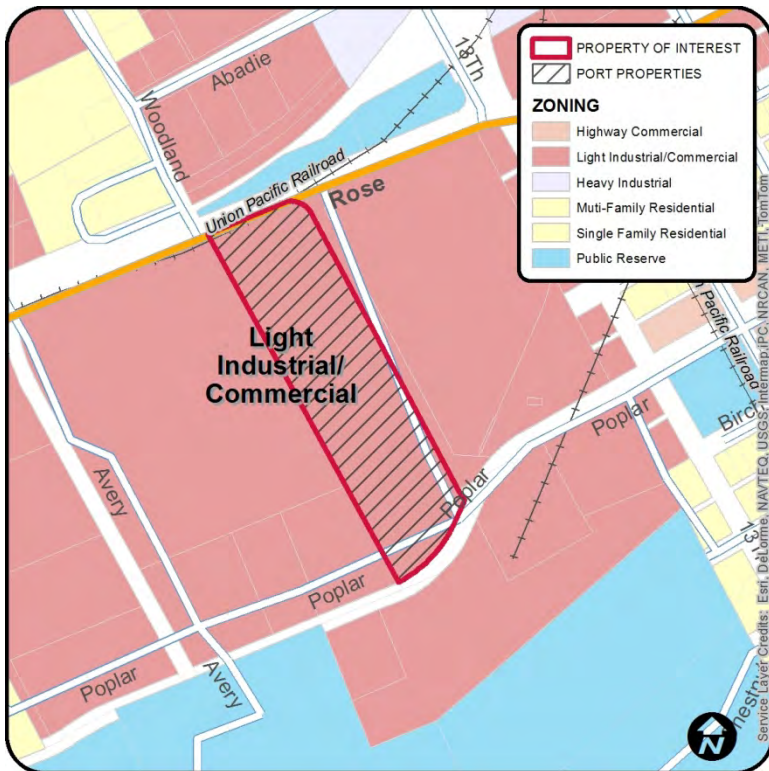
Improvements in this time frame are estimated to cost approximately \$2.35 million.

South Dell Ave: Projects under consideration during this time period include but are not limited to:

- New buildings
- Dell Avenue streetscape enhancements

Improvements in this time frame are estimated to cost approximately \$2 million.

Avery Business Park



Property Description & Zoning

Located in the City of Walla Walla, Avery Business Park, Phase II is a 12.31 acre property zoned Light Industrial.

Land Use

Existing Land Use

Vacant. Manufacturing operations (Key Technology and Americold Logistics) are located on adjacent parcels in the industrial park.

Potential Future Land Use

Manufacturing, distribution, and other light industrial operations as permitted within the City of Walla Walla's Light Industrial zoning designation.

Existing Improvements

Rose and Poplar Streets, major east-west connector roads into the cities of Walla Walla and College Place, serve the property. Rail is available on-site on the south side of the property. The property can be served by City sewer and water, and electric, gas, and telecommunications utilities are available nearby.

Planned Future Investments

Five Year Investments (2013 – 2017)

Projects under consideration during this time period include but are not limited to:

- A connector road from Rose to Poplar Street
- Construction of new buildings

Improvements in this time frame are estimated to cost approximately \$1.4 million.

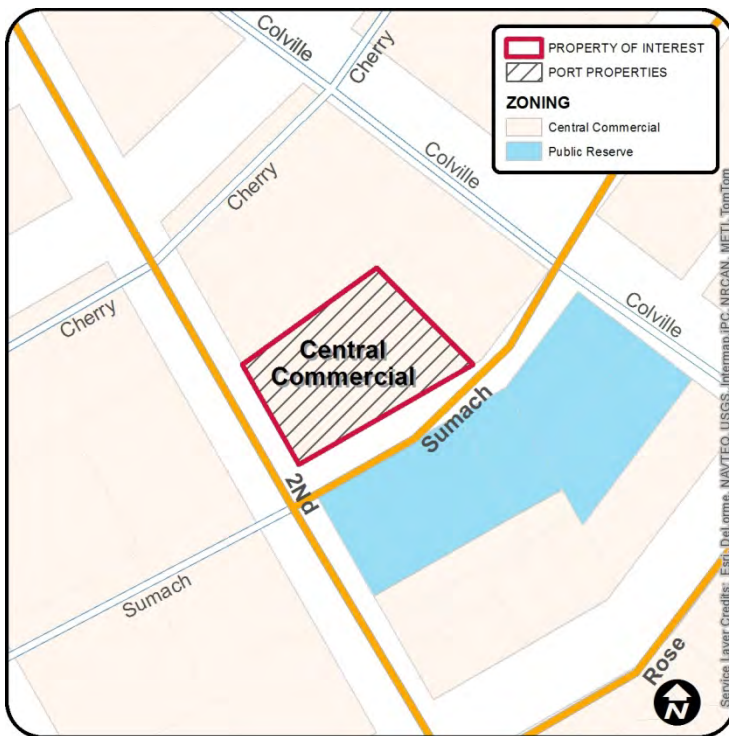
10 Year Investments (2018 – 2022)

Projects under consideration during this time period include but are not limited to:

- Construction of new buildings

Improvements in this time frame are estimated to cost approximately \$500,000.

2nd Ave Parking Lot



Property Description & Zoning

Located in downtown Walla Walla, the property consists of one 24,781 sq. ft. parcel zoned Central Commercial. The property is currently for sale.

Land Use

Existing Land Use

Parking lot.

Potential Future Land Use

Commercial uses as permitted in Walla Walla's Central Commercial zone.

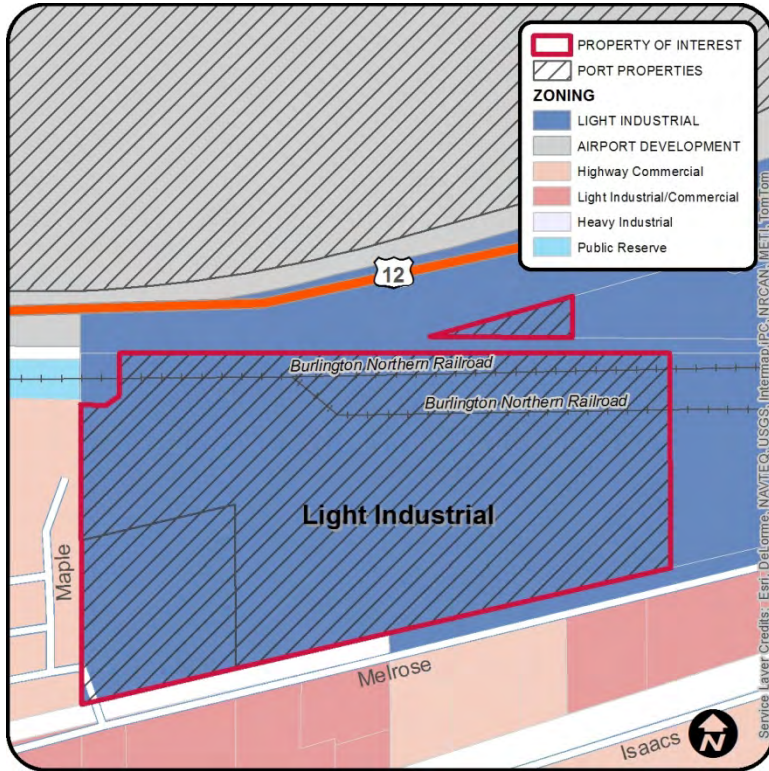
Existing Improvements

Paved parking lot. City sewer and water are available to the subject property.

Planned Future Investments

There are no planned improvements, as the property is for sale.

Melrose Business Park



Property Description & Zoning

Located in the City of Walla Walla Urban Growth Area (UGA), but outside the incorporated City limits, adjacent to the Walla Walla Regional Airport, the subject property consists of approximately 32.88 acres zoned Light Industrial.

Land Use

Existing Land Use

Vacant industrial.

Potential Future Land Use

Industrial, manufacturing, warehouse and/or distribution, as permitted in the Walla Walla County’s Light Industrial zone.

Existing Improvements

Adjacent to US 12 and BNSF Railroad, with an

existing rail spur. City water and sewer are available nearby.

Planned Future Investments

Five Year Investments (2013 – 2017)

Projects under consideration during this time period include but are not limited to:

- Building & foundation removals/site leveling
- Fencing/landscaping next to trailer park
- New buildings

Improvements in this time frame are estimated to cost approximately \$2.03 million.

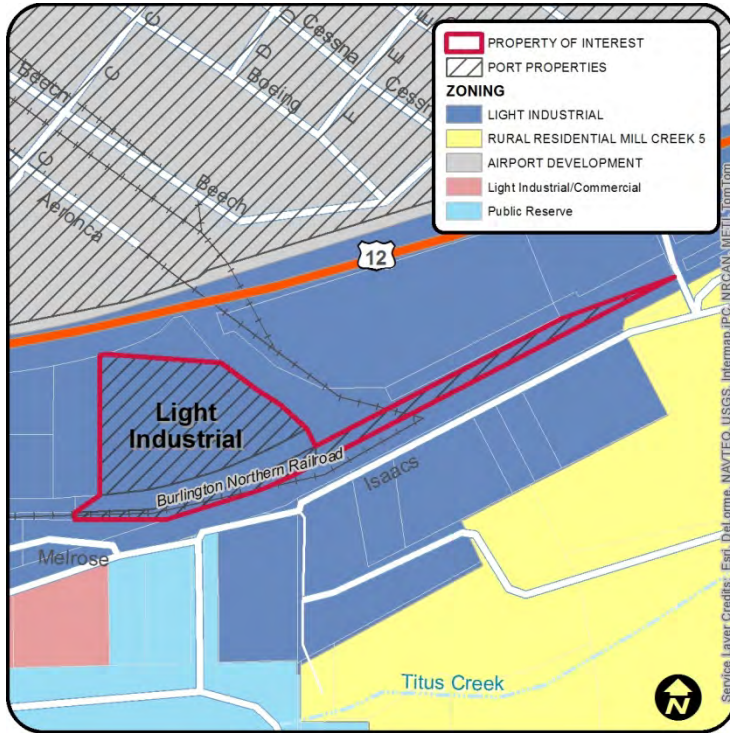
10 Year Investments (2018 – 2022)

Projects under consideration during this time period include but are not limited to:

- Melrose Street curbs, gutters, sidewalks, streetscape
- Looped internal access road, utilities and streetscape
- Stormwater improvements
- New buildings

Improvements in this time frame are estimated to cost approximately \$5 million.

Isaacs Business Park



Property Description & Zoning

Isaacs Business Park is located south of the Walla Walla Regional Airport on 17.5 acres of property zoned Light Industrial in un-incorporated Walla Walla County, but within the City of Walla Walla’s urban growth boundary.

Land Use

Existing Land Use

The majority of the site is currently occupied by Odom Corporation, a warehousing operation.

Potential Future Land Use

Warehousing and light manufacturing, as may be permitted in Walla Walla County’s Light Industrial zone.

Existing Improvements

The subject property is adjacent to US-12 and BNSF rail spur. Buildings consist of a 105,500 sq. ft. warehouse building, and one 4,778 sq. ft. office building. City water and engineered septic tanks serve the existing buildings.

Planned Future Investments

Five Year Investments

Projects under consideration during this time period include but are not limited to:

- Update exterior lighting package
- Install bathroom facilities – south warehouse
- Subdivide warehouse space

Improvements in this time frame are estimated to cost approximately \$525,000.

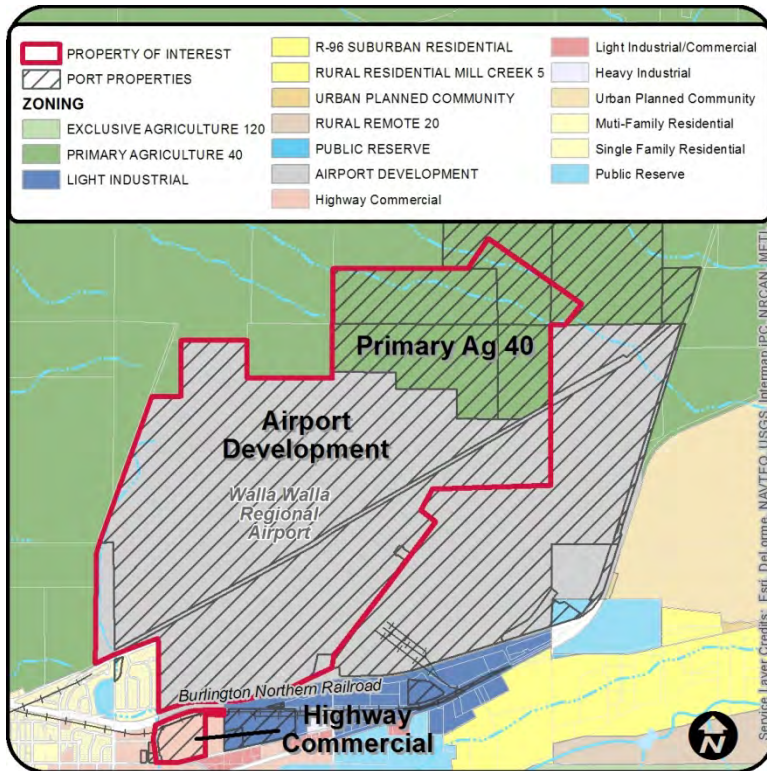
10 Year Investments

Projects under consideration during this time period include but are not limited to:

- Replace asphalt portions of warehouse floor with concrete
- Connect to City of Walla Walla sewer system
- Pave remaining gravel areas

Improvements in this time frame are estimated to cost approximately \$2 million.

Walla Walla Regional Airport - Aviation Assets



Property Description & Zoning

The aviation assets of the Walla Walla Regional Airport total approximately 1,613 acres, with zoning designations of Airport Development in the unincorporated Walla Walla County, and Highway Commercial at the tip of the airport property. The airport is within the City of Walla Walla's Urban Growth Area (UGA).

Land Use

Existing Land Use

Regional airport and aviation support operations.

Potential Future Land Use

Regional airport and aviation support operations.

Existing Improvements

Buildings: Airport terminal building (42,000 sq. ft.); 5 barrel hangars (10,946 sq. ft. each); 62 T-hangars (1,088 sq. ft. each); 1 corporate hangar (5,000 sq. ft.); 8 shelter hangars (4,000 sq. ft. each); 1 large hangar (32,724 sq. ft.); 1 fire station (3,200 sq. ft.); 1 airport shop building (7,500 sq. ft.); and, 7 general buildings, ranging in size from 1,000 to 10,000 sq. ft.

The airport is served by is three runways, ranging in length from 6,451 linear feet to 7,188 linear feet, and six taxiways. Utilities serving the Regional Airport facilities include sewer and water, with on-site electric, gas, and telecommunication utilities. The airport owns and operates the water system. The airport owns and maintains the sewer transmission lines. The City of Walla Walla provides sewer treatment services.

Planned Future Investments

Five Year Investments (2011 – 2017)

FAA Eligible Projects: Projects under consideration during this time period include but are not limited to:

- Aviation ramp rehabilitation phase III
- Taxiway A design engineering
- Taxiway A reconstruction (w/connector taxiway)

Improvements in this time frame are estimated to cost approximately \$7.1 million.

Non- FAA Eligible Projects: Projects under consideration during this time period include but are not limited to:

- Airport terminal building – parking lot expansions
- Aviation ramp repairs and seal coating
- Airport terminal building – improvements
- New hangars

Improvements in this time frame are estimated to cost approximately \$2.01 million.

10 Year Investments (2018 – 2022)

FAA Eligible Projects: Projects under consideration during this time period include but are not limited to:

- Snow removal equipment building
- West side security fencing
- Master plan update
- ARFF vehicle – index A

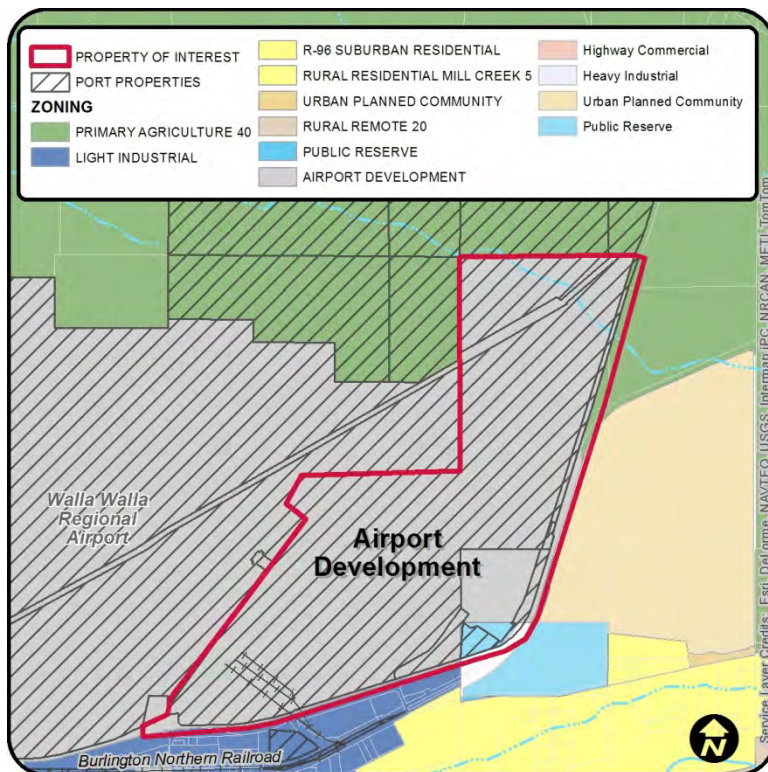
Improvements in this time frame are estimated to cost approximately \$2.5 million.

Non- FAA Eligible Projects: Projects under consideration during this time period include but are not limited to:

- Airport terminal building – parking lot expansions
- Aviation ramp repairs and seal coating
- Airport terminal building – improvements
- New hangars
- Stormwater retention
- Redevelopment of old terminal & WWU office building

Improvements in this time frame are estimated to cost approximately \$4.61 million.

Walla Walla Regional Airport Business Park



Property Description & Zoning

The Airport Business Park is located in unincorporated Walla Walla County. It encompasses approximately 700 acres, and is zoned Airport Development. The business park is within the city/county urban growth boundary.

Land Use

Existing Land Use

Light industrial, warehousing, distribution, commercial, retail, agriculture and other uses as allowed within Walla Walla County's.

Potential Future Land Use

The Airport Business Park will continue to be a mixture of light industrial, warehousing, distribution, commercial, retail and agriculture.

Existing Improvements

The Airport Business Park is served by sewer and water, with on-site electric, gas, and telecommunication utilities. The airport owns and operates the water system; the sewer transmission lines are owned and maintained by the airport, with the City of Walla Walla providing sewage treatment. The site is adjacent to US-12 and an abandoned BSNF rail line which is owned by the airport, as well as the Airport's aviation assets. There are approximately 50 existing buildings located on the site, ranging in size from 1,000 to 20,000 sq. ft. The majority of the buildings were constructed in the early 1940's as part of the airport serving as an Army Air Corp base. The balance of Airport Business Park that is currently undeveloped is farmed to generate revenue for the Airport.

Planned Future Investments

Five Year Investments (2013 - 2017)

Projects under consideration during this time period include but are not limited to:

- Chip seal roads
- Water line extensions and repairs
- Sewer line replacement and extensions
- Existing building repairs and expansions
- Construction of new buildings

- Upgrade airport/City of Walla Walla intertie

Improvements in this time frame are estimated to cost approximately \$5.15 million.

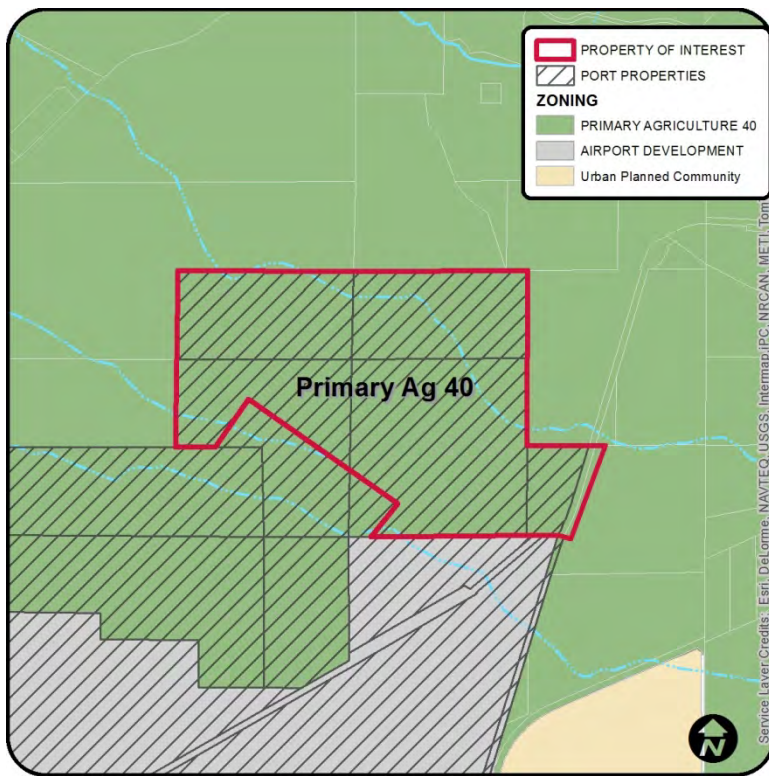
10 Year Investments (2018 – 2022)

Projects under consideration during this time period include but are not limited to:

- Chip seal roads
- Water line extensions and repairs
- Sewer line extensions and repairs
- Existing building repairs and expansions
- Construct additional incubator buildings
- New buildings

Improvements in this time frame are estimated to cost approximately \$4.4 million.

Walla Walla Regional Airport -North



Property Description & Zoning

The property is located adjacent to the northern property boundary for the Regional Airport’s Aviation Assets and Business Park. The property encompasses 395.9 acres in unincorporated Walla Walla County with a zoning designation of Agriculture40.

Land Use

Existing Land Use

Agriculture.

Potential Future Land Use

Over time, this property could potentially be transitioned into a vineyard and winery operation, or other types of uses as permitted within Walla Walla County’s Agriculture-40 zone.

Existing Improvements

Pivot irrigation systems and associated pumping station.

Planned Future Investments

Five Year Investments (2013 – 2017)

Projects under consideration during this time period include but are not limited to:

- Utility improvements
- Buildings and other investments allowed within the Agriculture-40 zoning designation

Improvements in this time frame are estimated to cost approximately \$700,000.

10 Year Investments (2018 – 2022)

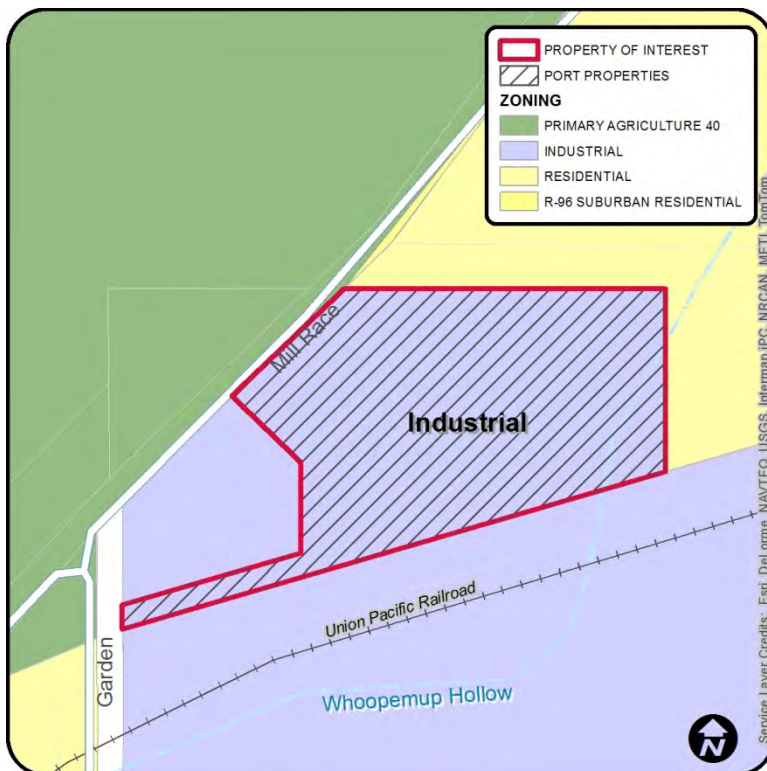
Projects under consideration during this time period include but are not limited to:

- Utility improvements
- Buildings and other investments allowed within Agriculture-40 zoning designation

Improvements in this time frame are estimated to cost approximately \$250,000.

Eastern Walla Walla County

Waitsburg Business Park



Property Description & Zoning

Located in the City of Waitsburg, the Waitsburg Business Park consists of 13.61 acres of undeveloped property with a zoning designation of Industrial.

Land Use

Existing Land Use

Vacant/agriculture.

Potential Future Land Use

Manufacturing, distribution, and other industrial uses as may be permitted in the Waitsburg Industrial zone. The Port envisions developing flex buildings as an economic strategy to attract new investment to Waitsburg.

Existing Improvements

Site has reasonably good access US Highway 12. Rail is located on the south property line. City water and sewer are available at the site, along with electric.

Planned Future Investments

Five Year Investments (2013 – 2017)

Projects under consideration during this time period include but are not limited to:

- Industrial park road, water, sewer and streetscape improvements
- New buildings

Improvements in this time frame are estimated to cost approximately \$400,000.

10 Year Investments (2018 – 2022)

Projects under consideration during this time period include but are not limited to:

- New buildings
- Land acquisition

Improvements in this time frame are estimated to cost approximately \$1.25 million.

CHAPTER 5: GOALS, POLICIES & IMPLEMENTATION STRATEGIES

The Port of Walla Walla, like all Port districts in the State of Washington, operates within a two-tiered level of authority. The first tier governing activities is derived from Washington's statutes, which essentially enable ports to pursue economic development activities that strengthen the economy of their regions.

The second tier is established through the Port Commission and its adoption of a Port Comprehensive Plan, which sets forth policies and implementation measures designed to pursue specific local economic development initiatives that are consistent with the authority granted in state statute. The Port Comprehensive Plan is intended to guide the Port's decision-making process, while providing the flexibility needed to respond to unseen demands and emerging opportunities and markets. The following goals, policies, and implementation strategies are intended to represent the second tier of authority.

Goal 1: Increase the economic vitality of Walla Walla County through the retention, expansion, start-up, and recruitment of desired businesses and industries.

Policy 1.1 As the lead economic development agency for Walla Walla County, the development and execution of the Port's annual economic development plan is one of the Port's most important activities. The Port believes the core elements of a comprehensive economic development plan should include the following:

- Small business development;
- Existing business retention/expansion;
- Business recruitment marketing and advertising;
- Site and infrastructure development;
- Economic benchmarking;
- Economic development advocacy; and,
- Collaboration and partnerships.

Policy 1.2 While the Port Commission is responsible for the final approval of the economic development plan, in its deliberations, it will give careful consideration to input received from members of the economic development advisory committee, constituents, and partners.

Policy 1.3 The Port prefers to retain, expand, and recruit industries and employers that have the following characteristics:

- Increase overall community economic well-being and stability;
- Further diversify the county's economic base;
- Support or strengthen other area businesses and industry clusters;
- Exhibit willingness and ability to make capital investments;

- Offer wages and other forms of compensation that will increase the average per employee earnings;
- Provide employment opportunities that offset or mitigate the seasonal portions of the Walla Walla County work force;
- Encourage development in areas where sufficient infrastructure capacity exists or can be reasonably extended;
- Adequately mitigate potential environmental impacts; and,
- Make the use of the full range of skills, knowledge, experience, and abilities that exist within the local labor market or make use of the training opportunities that are available through the community's educational institutions.

Policy 1.4 The Port will work collaboratively with its partners in execution of the economic development plan, including coordinating infrastructure planning and development efforts.

Goal 1 Implementation Strategies

- The Port should continue to set performance benchmarks for each element of the economic development plan.
- The Port should continue to develop partnerships with public and private organizations that can assist the Port in the implementation of the economic development plan.
- Business retention continues to be a high priority for the Port Commission. The Port should identify the time and resource commitment necessary to make business outreach efforts sustainable.
 - The re-establishment of the Walla Walla Area Small Business Development Center is an important achievement and will help with business retention efforts.
 - Coalitions like the VA Task Force and the Washington State Penitentiary Task Force are outstanding models to address large employee layoff issues.
- The Port should undertake research efforts to identify businesses and industries that are most likely to succeed in Walla Walla County and meet the objectives of Policy 1.3. This information should be used to guide the Port's marketing and recruitment efforts. The Port needs to identify the time and resource commitments necessary to carry out a more proactive marketing effort, if so desired.

Goal 2: Maintain an ample supply of land and buildings throughout Walla Walla County to meet the needs of desired businesses and industries.

Policy 2.1 It is a paramount duty of the Port to own land and buildings to meet the needs of businesses and industries.

Policy 2.2 Properties that meet any of the following criteria may be viewed favorably for acquisition by the Port:

- The cost of acquiring the land and infrastructure improvements is appropriate in light of the Port’s legal authority, mission, goals and policies;
- The site is or can be made marketable to desired businesses and industries consistent with goal 1;
- The land and/or buildings are located in areas of the county currently underserved by the Port, including: City of College Place, City of Prescott, Lowden, and Touchet;
- The site is considered distressed or has environmental challenges that the community desires to have rehabilitated and brought back to productive use;
- The acquisitions are strategically located adjacent to existing Port properties and/or buildings that make the Port’s overall holdings more attractive;
- The land or buildings are being made available by other municipal agencies to the Port with the expressed purpose of being developed for economic development purposes; and/or
- Acquisition by the Port is being requested by a private property owner for the purpose of making a donation or a below market sale to the Port for tax purposes.

Goal 2 Implementation Strategies

- Conduct periodic reviews of land and/or buildings within Walla Walla County to identify any distressed sites and/or properties that could be acquired for underserved communities.
- Respond to realtor inquiries and/or private property owner inquiries wanting to sell property to the Port.
- Consider the budgetary impacts of the proposed acquisition in relationship to the adopted capital and operating budgets.
- Consider the infrastructure investments necessary to effectively market the property and allow the Port to recover its investment along with a margin.

Please also reference the Port’s real estate policies, detailed in Chapter 7, Business Practices.

Goal 3: Strategically invest in infrastructure in order to make land and buildings ready for development.

- Policy 3.1 The Port should continue to make strategic infrastructure investments in Port owned land and buildings to ready sites for new and expanding businesses and industries. Shovel-ready land and buildings are critical to attracting new investment to Walla Walla County.
- Policy 3.2 The Port should use the yearly capital budgeting process and the capital investment plan contained within this comprehensive plan to prioritize strategic capital investments in existing Port land and buildings.
- Policy 3.3 Strategic investments includes the Port’s ability to “build to suit” production facilities for desired businesses and industries, consistent with Policy 1.3.

Policy 3.4 The Port should continue to invest, own, and manage public utility systems needed to support business and communities, especially in rural areas. Port infrastructure investments should be shared beyond the Port's specific needs within an industrial park, for broader community benefit, when possible.

Policy 3.5 In smaller rural communities within Walla Walla County, the Port should consider adopting more proactive economic development incentives to attract new business and industries.

Definitions

Infrastructure Investments are defined as potable water systems, fire flow water systems, sewer transmission lines, sewer systems, septic tanks, spray fields, rail lines, electricity, gas, storm water retention areas, telecommunication equipment, fiber, and buildings. Note: Not all Port properties require a full range of infrastructure improvements to attract new development.

Goal 3 Implementation Strategies

- The Port should continue to assess its land and building holdings to insure that properties are, in the process of, being made "shovel-ready" to attract new business opportunities.
- The Port should continue to utilize the Port/County managed .09% sales tax fund for infrastructure improvements to port properties that have a high likelihood of attracting new investments and jobs.
- The Port should keep adequate cash reserves and debt capacity to provide the Port with the financial capability to "Build to Suit" production facilities for new business and industries. Not all economic development agencies want or have the financial capacity to do so, which hence represents an economic advantage to the Port.
- The Port should invest in infrastructure investments in small rural communities that have the potential to provide a broader community benefit beyond the Port's needs. The Port's Burbank Water system is an excellent example. The Port has extended water services beyond its own business park to benefit a local school district and a small local water district. This represents an efficient use of resources, while building good will and support for the Port's economic development mission. The Port is currently developing a sewer transmission system in Burbank and developing a large public water project to jointly serve the Dodd Road Industrial Park and the Wallula Gap Industrial Park. The Port should use these utility improvements to provide a broader community benefit for these communities, if at all possible.
- Attracting economic development opportunities to small rural communities within Walla Walla County is a difficult challenge. The Port should consider more proactive approaches in these communities, including constructing development buildings to act as an economic incentive to bring new businesses in. Alternatively, the Port should look to acquire nonproductive buildings and repurpose them for economic development opportunities.

Goal 4: Maintain flexibility and creativity in real estate transactions (selling and leasing of property) to attract new, emerging, and relocating businesses and industries.

Policy 4.1 The selling or leasing of Port property may be structured to act as an incentive for businesses relocating to the area and for new expanding businesses. Property sales and/or lease rates may be structured to meet specific needs of a prospective business, if the business meets one or more of the following criteria:

- Its products or services will be exported outside the local market area;
- It provides goods or services that are consumed within the community by those from outside the community;
- It will increase, or has the potential to increase, the number and compensation level of jobs;
- It can demonstrate a measurable increase in the tax collected by local jurisdictions;
- It can provide steady, year-around, family-wage jobs;
- It can demonstrate that it will result in an improvement to the local economy;
- It is a start-up or developing business; and/or,
- It is a desired business and industry, as defined in Policy 1.3.

Policy 4.2 Business incubators may be used as a tool to grow small business, or cultivate targeted industry clusters. The strategies and policies for such projects vary greatly depending upon the nature of the incubator, and/or the incubator’s target market. The Port will develop specific strategies, objectives, and policies related to each incubator type of project, subject to the specifics of each target industry, as those incubator projects are being developed.

Policy 4.3 The Port uses the following criteria regarding the selling of Port property:

- In general, the Port supports selling Port properties if it adds to the tax base of Walla Walla County and helps secure the business and/or industry in Walla Walla County;
- The Port encourages the sale of property and its associated buildings by providing an “option to purchase” in many of its lease agreements;
- The Port does not sell the following types of properties:
 - Water front properties;
 - Airport property, due to the FAA strongly discouraging such land sales; and,
 - The Port is prohibited by law from selling property for speculative purposes.

Please also reference the Port’s Real Estate Policies, detailed in Chapter 7, Business Practices.

Goal 4 Implementation Strategies

The Port recognizes that the instruments and structures of land sales and/or leases are sometimes, by necessity, different when trying to attract an entity to relocate to Walla Walla County.

When determining whether the Port should pursue creative lease structures for potential tenants, Port staff should provide an analysis that helps the Commission to understand the Port's return on investment for any land sale or lease being considered, recognizing that the return on investment will not be limited to a "bottom-line" financial analysis, and that there are other considerations that are sometimes intangible that need to be considered as part of this analysis. Tax revenues, wages and benefits, steady employer, long term vs. short term benefits, the potential to strengthen industry clusters, and other considerations should be factored into the analysis, not as some mathematical formula, but as more of an act of balancing the pros and cons of a particular decision and investment.

The Port includes the above considerations as part of:

- the analysis regarding value of the property;
- the determination of the return on any particular investment decision; and,
- the structure of the lease to entice relocation, expansion, and support of desired industries.

Goal 5: Provide for efficient and cost effective transportation linkages.

Policy 5.1 The Walla Walla Regional Airport is one of the Port's and the community's most important economic assets. Of particular importance, a paramount duty of the Port is to retain commercial air service, if at all feasible.

Policy 5.2 The four-laning of US Highway 12 from Burbank to Walla Walla has been a community priority for decades. While much progress has been made, two phases remain to be completed. As a result, this transportation improvement project continues to be a priority.

Policy 5.3 Rail lines continue to be an important mode of transportation for products being shipped out of Walla Walla County. While most of the rail lines in the county are privately owned, the Port believes it is important that the rail lines be preserved as they provide an important and cost effective transportation option.

Policy 5.4 Maintaining barge transportation on the Columbia and Snake River system is essential. This form of transportation is the most cost effective transportation option for the shipment of wheat to export markets.

Goal 5 Implementation Strategies

Maintaining and enhancing commercial air service in the Walla Walla Valley will likely be an on-going challenge for the Port and its air travel coalition partners. The relatively small population base of Walla Walla, compared to the size of the new fleet of commercial aircraft, makes the Walla Walla market a challenge for commercial air carrier profitability. The Port and air travel coalition partners have been very proactive in trying to make the

market work. The Port was recently awarded a \$250,000 federal small communities air service grant to undertake a two-year marketing campaign designed to increase passenger enplanements. The Port should work with its coalition partners to design and execute a well-thought-out marketing campaign.

The Port should continue its leadership role in the US Highway 12 coalition. It will take a sustained community effort to obtain funding for the remaining phases (7 & 8). The coalition is well-respected and has established great working relationships with state and federal elected officials. Persistent leadership by the Port and its coalition is essential to securing funding for the remaining phases. With tightening state and federal resources, it will likely be a marathon rather than a sprint to secure funding for the remaining phases.

The Port should continue maintaining Port-owned rail infrastructure at the Burbank Industrial Park, Dodd Road Industrial Park (Home to Railex) and the Wallula Shipping Terminal. The Port-owned rail lines at the Dodd Road Industrial Park should be expanded to accommodate the future growth of the Railex Produce and Wine Distribution Centers. The Port should also consider extending rail to its Wallula Gap Industrial Park, as demand warrants. The Port should continue to own its 18-car fleet of grain cars to help with the limited rail car supply in Southeastern Washington.

The Port should continue its active participation in the Pacific Northwest Waterways Association, and when necessary, the Inland Ports and Navigation group, as these coalitions are strong advocates for maintaining navigation of the Columbia and Snake River system.

The Port should be actively involved in the newly-formed Walla Walla Valley Metropolitan Planning Organization (MPO), and participate in the development and implementation of a regional transportation plan to address the community's air, passenger, freight, rail, barge, transit, and non-motorized transportation system needs.

Goal 6: Increase constituent knowledge of the Port and its initiatives.

Policy 6.1 Communicate regularly with Port stakeholders to inform them of the Port's mission, goals, and policies, and to keep them informed of Port activities.

Policy 6.2 The Port will seek broad community input on Port issues and initiatives, as appropriate.

Definitions

Port stakeholders include the general community, Port taxpayers, Port tenants, economic development partners, and local, county, state, and federal officials and agencies.

Goal 6 Implementation Strategies

The level of knowledge about the Port and its economic development initiatives is crucial to how the Port does business. Increasing the community's knowledge of the Port, its mission, and initiatives may also lead to increased support. It is important for the Port to educate and inform the community in its own words. A variety of effective communication tools can help the Port communicate with the community. The following list identifies a menu of options that the Port has and/or may use, as appropriate, to keep Port stakeholders informed, or to seek their input.

- Annual Port Newsletter;
- Bi-Monthly Community Economic Advisor Committee meetings;
- Quarterly Walla Walla Trends e-newsletter (includes a Port Commission column);
- Annual speaking engagements to all area service clubs;
- Day leader for Leadership Walla Walla – Economic Development Day;
- Community bus tours;
- Radio interviews on Port activities;
- Quarterly airport pilots forum (new);
- TV advertisements (currently not using);
- Issuance of news releases;
- Celebration of progress events (Hwy 12 and new businesses); and,
- Port and Airport websites.

The Port will seek to develop a comprehensive outreach strategy that is sustainable. The Port will need to devote the financial resources, not only to develop the plan, but more importantly, to hire additional staff and or contract out the services to implement the plan on an on-going basis.

Goal 7: Transparency

- Policy 7.1 As a public entity, the Port conducts its official business in open public meetings.
- Policy 7.2 The public should be able to readily access the Port’s website and obtain comprehensive information on the Port’s activities and policies.
- Policy 7.3 As local elected officials, the Port Commission should be accessible to its constituents to answer questions regarding Port issues.
- Policy 7.4 The Port has and will accommodate all requests for public records in accordance with the Washington State Public Records Act.

Goal 7 Implementation Strategies

Port Commission Meetings

The Port Commission will hold one meeting per month in the afternoon, and one meeting per month at night, to accommodate public participation.

All Port Commission meeting agendas will include a public comments section that affords the public the opportunity to speak on any Port-related issue.

Before any action item is taken by the Port Commission on a specific agenda item, public input for those in attendance at the meeting will be sought.

Port agendas will be posted on the Port's website in advance of Port Commission meeting, in addition to the recorded and written minutes of the previous meeting. When the Port Commission formally adopts an agenda at the Port Commission meeting, minor changes may be made. However, no major policy decisions will be added to the agenda, unless it is published in advance of the meeting.

On occasion, the Port Commission will hold meetings in Burbank, Waitsburg, and locations other than the Port Commission meeting room, in order to encourage public participation and input into the activities of the Port.

The Port Commission will strive to keep the regular Port Commission meeting sessions to no more than 3 hours, when feasible.

Port Website

To provide the public with a better understanding of the Port and to provide transparency in the Port's operations, the Port's website should include the following information, at a minimum:

- Port's Audited Annual Financial Statement (upon approval by the Washington State auditor's office);
- Port and Airport current year budgets;
- Port comprehensive plan and amendments thereto;
- Port's annual economic development plan;
- Listing of major Port policies;
- Port organizational chart;
- Port Commissioners bios, and direct contact information for each;
- Executive management team bios and contact information; and,
- Port meeting information including:
 - Meeting schedules;
 - Agendas;
 - Written minutes (both current and historical); and,
 - Recorded minutes (both current and historical).

Access to the Port Commission

The Port Commission is accountable to the citizens of Walla Walla County. To engage the public on Port initiatives or to receive input from constituents, it is important that the Port Commissioners are accessible to the public. The Port Commissioners currently engage in the following public outreach activities:

- Attend bi-monthly economic development advisory committee meetings;
- Participate in Port-lead community coalitions;
- Participate in numerous local community organizations;
- Attend, with staff, public speaking engagements on the Port;
- Work the Port booth at the County Fair; and,
- Provides a Quarterly Commissioner's Column for Walla Walla Trends e-newsletter (650 Distribution).

The Port Commission should explore holding additional constituent outreach meetings, which could include quarterly outreach sessions throughout the county.

CHAPTER 6: FINANCIAL PLAN

Port of Walla Walla Financial Guidelines

The Port of Walla Walla financial guidelines set forth the basic framework for the overall fiscal management of the Port. These guidelines provide a financial platform for evaluating both current activities and proposals for future programs. It is anticipated that these guidelines will be modified from time to time to provide financial guidance for issues and situations that were not previously anticipated.

Financial Definitions

For purposes of this document, the following definitions apply:

Cash: Any cash equivalent that can readily be converted into cash

Operating Revenue: Those revenues generated from activities by users of Port facilities

Operating Expenses: Those expenses that occur due to the daily activities and ongoing operations of the Port, including all direct costs, all administrative costs, and all maintenance costs.

Non-Operating Revenues: Those revenues generated from sources other than from the use of Port facilities. These include tax receipts, state and federal grants, interest earnings, and finance charges.

Non-Operating Expenses: Costs and miscellaneous fees not directly related to the Port's operations.

Capital Budgets and Purchases: Expenditures in excess of \$5,000 for physical assets that are utilized over a period of several years and consequently, are depreciated over the useful life of the asset. Examples include major construction projects, building improvements, vehicles and equipment, office furniture, etc.

Operating Budget Guidelines

The Port Commission sets budgets on an annual basis. The operations of the Port are conducted with the objective of earning sufficient net income to cover operating and administration costs. The Port's objective is to also achieve operating surpluses sufficient to cover the investment required for new and improved facilities. For the foreseeable future, operating surpluses will be supplemented with the Port's general purpose tax levy revenues to implement needed activities outlined in the Capital Investment Plan.

The Port Commission reviews monthly income and expenses statements that show operating results compared to budget (a cash basis review of the Port, compared to the adopted budget). Because the Port operates in a dynamic business model, the Port prepares and adopts several supplemental budgets each year. The supplemental budgets reflect changes in income and expenses from when the budget was last adopted. These supplemental budgets are principally the result of time-sensitive new economic development opportunities that could not be anticipated at the time the budget was adopted.

The Port Auditor provides oversight for the necessary internal controls, and regularly updates its financial guidelines to ensure compliance with all applicable laws. The Port contracts with a private Certified Public Accounting firm to assist in the preparation of an annual Financial Statement. Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America as applied to governments.

The accounting records of the Port are maintained in accordance with methods prescribed by the Washington State Auditor under the authority of Chapter 49.09 RCW. The Port uses the budgeting, accounting, and reporting system for GAAP Port Districts in the state of Washington and undergoes an annual compliance review by the State Auditor's office.

The Port maintains insurance coverage including, but not limited to, General Liability, Excess Liability, Property Insurance, Aviation Liability, Automobile, Public Officials, Crime, Pollution, and Employee Performance bonds to protect the Port. The risk management strategy is regularly reviewed and updated. Because many of the airport industrial park buildings are small and rents are modest, the Port has elected to self-insure most of the airport buildings.

Revenue Guidelines

The Port maintains a diversified portfolio of property and a stable stream of operating revenues to shelter it from short-term fluctuations in any one revenue source.

It is the policy of the Port to consider requiring security from all Port tenants in accordance with the standards set in RCW 53.08.085 and in a form acceptable to the Port. The Commission reserves the right to waive or modify this requirement on a case by case basis.

When projected revenues from a project indicate that the formal return over the life of a project may not justify pursuing the project, Port staff will provide a summary to the Port Commission outlining the sources, uses, benefits, and intangible returns for the project, and the Commission will decide whether to proceed with the project.

In pricing services and leases, the Port evaluates current market value of the leasable assets (land, buildings, and/or related infrastructure) as one of the considerations for rent calculation.

Cash/Management Investment Guidelines

The Port's Treasurer/Auditor acts as the Port's Treasurer and maintains cash management as per the Port's Internal Guidelines. This includes procedures for timely receipt of funds, including collections. Cash Investments are made in conformance with State of Washington laws and managed by Port's Treasurer/Auditor in a Cash Management Account.

As a standards practice, the Port will maintain sufficient cash reserves to assure payment of an average of **six months** operating expenses, when feasible. Should cash reserves fall to levels insufficient to meet future

obligations, the Executive Director will take immediate action to raise the level of cash through operations and/or reduction of expenditures.

The Port will maintain a fund balance sufficient to meet all debt covenants. When it is apparent the Port will not be in compliance with cash flow guidelines, a detailed plan to increase cash flow, either through the raising of revenues, the reduction of expenses, the restructuring of debt, or a combination of these, will be promptly submitted to the Port Commission for consideration.

Cash Reserves

Although the Port's reserves are generally unrestricted, as part of its budgeting process, the Port designates reserves for specific activities. Examples include cash and investments for debt service, cash restricted for FAA projects, and cash reserve for WSDOT grain cars. The Port Commission establishes overall cash reserves (restricted end-of-year cash balances) for both the Port and Airport during the annual budget approval process. From year to year, these cash reserve balances fluctuate, as Port and Airport capital budgets can change rapidly as economic development opportunities present themselves.

As a general rule, the Port Commission believes having cash reserve balances within the range of three to six months operating expenses (not including debt service) is desirable. Because state and federal grants received by the Port and Airport require the Port to pay all expenses prior to seeking grant reimbursement, there may be times during any fiscal year that the cash reserves fall short of the three to six month operating expense margins, while grant proceeds are pending.

Debt Guidelines

The Port will maintain its finances in a manner that will generate cash flows from all sources sufficient to provide cash to cover all debt covenants required by outstanding bond issues, plus some measure of return to the Port.

Generally, debt (other than general obligation bonds) should only be used to finance specific improvements that can generate operating cash flow to service the debt. When the debt is used to finance specific capital projects, the means of repayment must be reasonably certain prior to the debt being issued. All repayment schedules must be submitted to the Commission for review and approval.

Capital Budget Guidelines

The Port will maintain a multi-year Capital Investment Plan (CIP), as outlined in Chapter 8, that will be updated annually. Efforts will be made to make investments in capital assets based on the details of the plan. When Port staff or the Commission determines that a project not contained in the CIP is of sufficient urgency to be proposed for completion in the current fiscal year, the Commission may approve proceeding with the project subject to a detailed review of the project and an amendment to the Port's CIP.

Capital improvements will be funded by non-operating revenues, operating revenues, debt, and/or grants.

The Port will maintain its physical assets at a level adequate to protect the Port's capital investments, and minimize future maintenance and replacement costs.

Port District Financing

To finance projects and activities, port districts utilize several sources of revenue. A port's revenues comprise non-operating income (i.e. tax levy), operating income (i.e. lease income), grants, and borrowed funds (i.e. bonds). It is the Port's policy to obtain the lowest cost funds to finance Port projects. A brief description of each option available to the Port follows.

Tax Levies

The Port is permitted by law to levy up to \$0.45 per \$1,000 of assessed valuation for general governmental services. The Washington State Constitution and Washington State Law, RCW 84.55.010, limit the rate. The Port may also levy taxes at a lower rate. The Port has the following available levies and considerations for property taxes:

- Basic Regular Levy (RCW 53.36.020) – up to 0.45 per \$1,000 of assessed valuation of the port district for general port purposes, including establishment of Capital Investment Plan
- Extra voter-approved Tax Levy (RCW 53.36.070) up to an additional 0.45 per \$1,000 of assessed valuation in taxes for dredging, canal construction, or land leveling or filling.
- Industrial Development District Tax Levy (IDD) – must be specified in the Port Comprehensive Plan (RCW 53.25)
- General Obligations Bond Tax Levy – to service interest and principal payments on GO Bonds
- One Percent (1%) Levy Lid – a limitation on the increase of taxes, unless a majority vote approves a higher levy, excluding new construction
- Protection of future levy capacity – in any year when port levies are less than the maximum amount allowed by the one percent, whether voluntarily or as a result of dollar rate limit, the one percent lid for succeeding years will be calculated as though the maximum levy amount by the one percent lid limit had been levied (referred to as “protection of future levy capacity”)

Policy: The Port Commission has determined property taxes levied by the Port should be expended for the following purposes:

- Payment of interest on Port general obligation bonds, payment of principal on retiring general obligation bonds, and payment of principal and interest on all other lease and debt obligations;
- Capital expenditures as identified by the Port Commission;
- Environmental clean-up; and,
- Investments that facilitate transportation.

0.09% Sales Tax Fund

RCW 82.14.370 authorizes the legislative authority of a rural county to retain a portion of sales and use tax, not to exceed 0.09 percent, for public facilities in support of economic development. Walla Walla County Board of Commissioners has elected to exercise this authority. The Port and County have entered into an inter-local agreement in which two-thirds of the funds are jointly administered. Economic development projects that meet program requirements, as established by the inter-local agreement between the Port and the County, may

receive funding through economic development sales tax grants and loans. Funded projects must be listed in Walla Walla County's Comprehensive Plan, and a local match is required. The Port and Walla Walla County make every effort to distribute the economic development funds equitably between eligible jurisdictions within the County. The Port has established a short, but detailed, application form for all local governments to use when applying for 0.09 sales tax funds. The Port Commission must first approve any project/application, prior to the project's submittal to the County Commissioners for approval. The funds must be used for public facilities that will create, retain, and expand family wage jobs.

Policy: Economic development sales tax grants and loans should be used for infrastructure improvements to public properties that can substantiate the creation or retention of family wage jobs, or that have the potential to support the creation and or retention of family wage jobs in the future.

Port District Debt

As a municipal corporation, a port district is permitted by law to issue debt. This borrowing must be in the correct form and used for the purposes that are expressly allowed by law. The Port can utilize the following forms of debt:

- General Obligation Bonds;
- Revenue Bonds;
- Short-Term Obligations; and,
- Industrial Development Revenue Bonds.

Policy: The Port will maintain its finances in a manner that will generate cash flows from all sources sufficient to provide cash to cover all debt covenants required by outstanding bond issues, plus some measure of return to the Port. Other factors critical to the Port's success in meeting its Debt Service include no short-term borrowing to cover routine operations, and maintaining the highest possible bond rating.

Revenue Bonds

Revenue bonds are payable from a stream of non-tax revenues and are not classified as general obligation debt. Tax revenues cannot be used to repay revenue bonds. Although there is not legal limit on the amount of revenue bonds a port may issue, as a matter of practice and policy, the limit of a port-issued revenue bond depends on the Port's ability to repay the principal and interest from operating revenues. Annual revenue bond payments are a lien against the current year's operating revenue. A port may mortgage facilities financed with revenue obligations, per RCW 53.40.125.

Policy: The Port may utilize revenue supported bonds to finance public improvements which can be shown to be self-liquidating. Financial feasibility studies will be undertaken to demonstrate the self-liquidating nature of the project, if deemed necessary by the Commissioners, or so required by the bond market.

Short Term Obligations

Ports have several short-term financing methods. A port may issue tax-anticipation notes (TANS), bond anticipation notes (BANS), and revenue anticipation notes (RANS). TANS must mature no later than 6 months into the next fiscal year. A port issues warrants to meet its ongoing financial obligations. These can be interest-

bearing revenue or tax-backed general obligation warrants. A port can also access a line of credit for short-term finance needs. A line of credit is usually evidenced by a note.

Policy: The Port will not borrow on a short-term basis to cover routine operations. Short-term borrowing would only be considered a financing option subject to a detailed repayment plan presented to and approved by the Port Commission prior to the issuance of debt.

Industrial Development Bonds

A port is allowed to use industrial development revenue bonds (IRB's) for funding of private projects through a special port-created industrial development corporation (IDC). Only projects that involve facilities for manufacturing and processing activities may qualify for this type of financing. Interest paid on these bonds is not taxable, thus resulting in below market interest to the qualifying borrower. The transaction is between the private lender and private borrower, with the Port acting as a conduit and ensuring the transaction is property qualified.

Policy: Parties wishing to access IDB's through the Port's industrial development corporation, The Port of Walla Walla Public Corporation (WWPC), must be funding a project within Walla Walla County, meet the requirements for IRB financing, and submit an application to the Port.

State and Federal Loan and Grant Programs

As a municipal corporation, a port is eligible to apply for several state and federal loan and grant programs. These loans and grants are typically for infrastructure and industrial facility development. These loans do not apply against a Port's statutory debt limit, but do count against its constitutional debt limit.

Policy: The Port cooperates with other public and private organizations (including other port districts) to reduce impediments to trade, improve the efficiency and economy of Port operations, maintain national security, and establish equitable and compensatory charges for services. Subject to Port Commission direction, Port staff will actively pursue grants and low-interest governmental loans to fund Port projects.

CHAPTER 7: BUSINESS PRACTICES

The Port believes it is important to articulate its business practices to enable constituents and stakeholders to better understand its operating philosophies.

Real Estate Practices

The Port needs to balance two diverse points of view regarding the Port's management of its real estate. Many of our constituents feel the Port should continue to operate more like a private business and generate revenues from Port's business parks to enable it to become a more self-sufficient government entity. They would like the Port to become less dependent on property taxes to fund its operations. We share this point of view. However, there are private property owners that believe the Port leases its property below market value, thereby undercutting rental rates in the Walla Walla Valley, and giving the Port unfair competitive advantage in securing tenants for its properties. This is not the intent of the Port. The following real estate business practices have been developed by the Port to create the necessary balance between those competing perspectives, and help provide clarification and transparency to the Port's constituents. The Port seeks to avoid directly competing with local property owners for commercial or industrial tenants.

Existing Local Businesses

The Port does not directly solicit existing local businesses to lease Port properties. The Port will, however, respond when contacted by local businesses interested in leasing Port properties. The Port will make clear to all local businesses contacting the Port that they should first consider available privately owned properties.

The Port does not advertise its vacant properties in the local newspapers.

The Port will post links on the Port's website for electronic commercial and industrial property listings for privately owned properties within Walla Walla, at no cost, when requested to do so by the private property owner. The Port makes no warranties or assurances regarding those properties, but merely offers the posting of these links as a service to the property owners.

New Businesses to Walla Walla County

When the Port is recruiting a new business to Walla Walla County, the Port will inform the prospective new business of the availability of privately owned property that meets their criteria. The Port Commission believes placing new businesses on privately owned property is preferable to Port property when possible. Ultimately, the decision rests with the new business and not the Port. Example - The Port successfully recruited FBAC to Walla Walla County and was able to place them on a privately owned property.

Lease Rates

In consideration the Walla Walla Regional Airport business park has a large portfolio of buildings and tenants, the Port Commission has established and published "Rate & Charge Guidelines" for all airport properties. The Port Commission reviews the "Rate & Charge Guidelines" yearly to ensure the rates are fair and reflect market rates.

For all other Port properties, the Port maintains a “Return on Investment Notebook”. This notebook contains the Port’s actual costs for all of its properties and current lease rates. The Port Commission establishes lease rates with the understanding that the Port’s return on investment should generally reflect those received in Walla Walla County by the private sector. In establishing lease rates, the Port will also consider the policies identified in Chapter 5 of this document (Goal 4 of Goals, Policies & Implementation Strategies).

Port Property Purchases

In Chapter 5 of this document, the Port details the criteria utilized when acquiring property. However, to ensure that the private sector has the first opportunity to acquire existing buildings in Walla Walla County, the Port will not acquire any existing building unless it has been “for sale” for a period of not less than two years. The only exceptions to this rule are as follows:

- Buildings located in a Port industrial park, and/or immediately adjacent to a Port property that, if acquired by the Port, would make the overall properties more attractive for economic development.
- In the event a private owner wants to donate a building to the Port, or sell it at below market value.
- The Port and a private building owner are working cooperatively on a business lead in which the private owner would prefer the Port to buy the building and make the necessary improvements to secure the new business. An example of this is the Cliffstar project.

Definition

For sale means the property owner has expressed intent to sell the property, and has marketed it privately and/or has it listed with a broker. In the event there is a dispute regarding how long the property has been on the market, the Port will obtain a letter from the owner clarifying said marketing period.

Realtors’ Compensation

The use of private realtors, and the compensation of private realtors involved in the sale or lease Port property will done in accordance with the Port’s adopted Realtors Compensation Policy, as established by resolution number 8-13-91, or other such policy as may be duly adopted by the Port Commission.

Confidentiality

Business Recruitment, Retention, and Expansion

The Port places a high priority on transparency as outlined Chapter 5, Goal 7. However, there are circumstances when confidentiality is required for the Port to carry out its economic development mission.

When the Port is recruiting a new business, it is not uncommon for the prospective new business to require the Port to maintain strict confidentiality during their site selection and due diligence process; at times, such businesses may require the execution of a non-disclosure agreement in order to protect their proprietary business plans. Confidentiality may also be requested when the Port is working with existing businesses regarding business retention or expansion issues.

In these circumstances, Port staff will meet separately with each Port Commissioner to inform them of the nature of the business lead and/or business retention/ expansion opportunity. This allows the Port

Commissioners, who are accountable to the citizens of Walla Walla County, to be fully informed. In the event the Port is ultimately successful with the business opportunity, the public may not be made aware until an action item is required by the Port Commission in an open public meeting. While some of our constituents may see this process as lacking transparency, confidentiality is essential at times, for the Port to achieve some of its economic development goals.

Confidentiality is also an issue when considering a prospective client's financial position and ability to pay and perform. Financial documents in the possession of the Port are subject to public disclosure. In circumstances that the Port has a financial investment in the project, the Port may contract with a private entity to review the prospective client's financial position, and provide the Port with general nonproprietary financial summary. In circumstances where the Port is leasing and/or selling property in which the Port does not have a financial risk, it generally does not conduct detailed financial reviews.

Executive Sessions

Washington State statutes authorize Port Districts to conduct Executive Sessions (without the public in attendance) during regular or special meetings. Included among the allowable subject matters for such sessions are the following:

- To consider the selection of the site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price.
- To consider the minimum price at which real estate would be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price. (Note that the final action of selling or leasing public property must be taken in a meeting open to the public).
- To receive and evaluate complaints or charges brought against a public officer or employee. However, upon the request of such officer or employee, a public hearing or a meeting open to the public shall be conducted upon such complaint or charge.
- For consultation with legal counsel representing the agency, regarding enforcement actions, and/or agency litigation or potential litigation.

A more complete listing of exemptions can be found in RCW 42.30.110. It is the Port's goal to use Executive Sessions on a limited basis only. The Port believes that the repeated use of Executive Sessions can undermine the public's confidence in an agency's responsibility for transparency.

Ethics

The Port's Policies and Procedures Manual outlines policies, guidelines, and current practices for the Port Commission and staff. The following highlights key practices in the document.

- The Commission recruits and intends to retain competent management and professional staff to implement the objectives of the Port. It is the responsibility of the Executive Director to operate the Port in accordance with the goals, policies, and objectives adopted by the Port Commission.
- The Port Commission and staff conduct official business in a professional manner.

- The Port Commission and staff avoid conflicts of interest, and recuse themselves from actions and activities that would create a conflict of interest.
- The Port Commission and staff adhere to the General Conduct Section of the Port of Walla Walla Personnel Policy, which details guidelines for activities including, but not limited to, nondiscrimination, gratuities, outside employment, confidentiality, and whistleblower policies.

Environmental Practices

The Port Commission and staff adhere to the policies, procedures, and guidelines pursuant to the State Environmental Policy Act, as detailed in Port of Walla Walla Resolution No. 10-26-06.

When applicable, the Port Commission and staff adhere to National Environmental Policy Acts (NEPA) and other applicable laws and regulations.

The Port recognizes its responsibility to minimize the impact of development on public health, safety, environment, and on adjoining properties.

The Port believes there are adequate local, state, and federal rules and regulations in place governing commercial and industrial siting and permitting requirements. When these requirements have been met by new businesses and industries, the Port believes that they have met their environmental obligations and responsibilities to the community.

State and Federal Lobbying

The Port places a high priority in maintaining good working relationships with county, state, and federal elected officials and agencies. At the state and federal level, the Port has hired governmental relation firms to help advance projects important to the Port. The Port understands there are budgetary constraints at all levels of government, including state and federal. The Port will work within these constraints to be pragmatic in its requests. However, it is essential the Port clearly articulate its needs to state and federal elected officials to advance the Port's economic development objectives. Retaining governmental affairs representation helps the Port articulate its needs when legislation is pending and our input can have the greatest impact.

CHAPTER 8: CAPITAL INVESTMENT PLAN

The Port capitalizes major expenses for capital assets, including capital leases and major repairs that increase useful lives. Maintenance, repairs, and minor renewals are accounted for as expenses when incurred.

Capital improvements will be funded by non-operating revenues, operating revenues, debt, and/or grants. The Port will maintain its physical assets at a level adequate to protect the Port's capital investments and minimize future maintenance and replacement costs.

The Port Commission will prioritize its annual CIP Project List using the following Capital Allocation Matrix:

1. Capital investments that directly results in new jobs and investment.
2. Capital investments that may not create new jobs but have a positive return on investment, making the Port and Airport more self-sufficient.
3. Capital Investments that are strategic in nature, that have a reasonable chance to create new jobs, new investment, and will have a positive return on investment over time.
4. Capital investments to maintain and/or enhance infrastructure using primarily the financial resources of other agencies (non-Port/Airport funds).
5. Capital investments that may have a low probability of creating jobs or return on investment, but provide other community benefits that are consistent with the Port's mission.

Capital Planning Process

The Port will conduct an annual review of its Capital Investment Plan that will:

- Identify new investment opportunities;
- Utilize the Capital Allocation Matrix, in concert with the Port's Return on Investment (ROI) book to prioritize investments; and,
- Deliberate prior to making policy decisions and adopting the annual capital budget.

Capital Investment Plan

The Port will develop a multi-year Capital Investment Plan (CIP) summarizing capital activities and projects considered for potential development by the Port over a five-year and ten-year planning horizons, including items such as planning, land use related activities, platting/property division, property acquisition, capital maintenance, capital improvements, infrastructure development, and construction-related activities.

A table summarizing capital projects shall be prepared annually as part of the budget process, with copies of that capital projects list available for public review on the Port web-site and at the Port office. The most current multi-year Capital Investment Plan, as duly adopted by the Port Commission, shall be incorporated into the Port Comprehensive Plan by reference, and shall be considered an appendix to the document (please reference Appendix 7 of this Plan).

CHAPTER 9: PORT PLAN UPDATES

Process & Timing

The Port Plan will be updated as needed to reflect significant changes in existing guidelines and policies, and/or new guidelines and policies. Prior to the adoption of the annual Port Plan Update, the draft Plan will be posted on the Port of Walla Walla website, and the Port Commission will advertise and conduct a public hearing, where members of the public wishing to testify will have an opportunity to be heard. A SEPA review will be completed in conjunction with the Port Plan review and adoption process, if plan revisions necessitate analysis of environmental issues not considered by existing documents.

The most current versions of the Port Capital Improvement Plan, and the Port Economic Development Plan, as duly adopted by the Port Commission, are incorporated into the Port Comprehensive Plan by reference, and are considered an appendix to this document. Amendments to the Port's Budget, Capital Improvement Plan, and Economic Development Plan do not require an update of this plan, provided that the budget, CIP, and Economic Development Plan are consistent with the goals, policies, guidelines, and implementation strategies contained herein.