

**MINUTES OF THE PORT OF WALLA WALLA
COMMISSION MEETING
Thursday, January 22, 2009**

The meeting of the Port of Walla Walla was called to order by Commission President Fred Bennett at 5:00 p.m. Commissioner Bennett conducted a workshop session from 5:00 to 5:50 p.m. at the Modern Restaurant, 2200 E. Melrose Street, Walla Walla, Washington. At 6:00 p.m. Commissioner Bennett convened the regular Commission Meeting at Port of Walla Walla offices, 310 A Street, Walla Walla, Washington.

In attendance for the meeting were:

Paul Schneidmiller, Commissioner
Fred Bennett, Commissioner
Mike Fredrickson, Commissioner
Jim Kuntz, Executive Director
Paul Gerola, Economic Development Director
Becky Hulse, Executive Assistant
Ron Johnson, Assistant Airport Manager-Operations
Jennifer Skoglund, Assistant Airport Manager-Administrative Services
Anna Christen, Auditor/Treasurer
Ken Clayton, Airport Security Coordinator
Tom Stokes, Windermere Real Estate
Crystal Fenton, OctoBoer Fall Finale
Terry Brown, OctoBoer Fall Finale
Norm Osterman, Citizen
John Wells, Anderson Perry & Associates, Inc.
Dirk Fledderjohann, Precision Beam & Timber
Betty Walker, W-4 Construction
Steve Walker, W-4 Construction
Richard Dodge, Blue Mountain Lumber Products
Ron Plucker, Citizen
Damien Sinnott, Walla Walla Valley Chamber of Commerce

APPROVAL OF MINUTES

Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion that the minutes of the Port Commission meeting held on Thursday, January 8, 2009 be approved as mailed. Motion unanimously carried.

PAYMENT OF BILLS

Vouchers of the Port of Walla Walla audited and certified by the auditing officer as required by RCW 42.24.808. and those expense reimbursement claims certified as required by RCW 42.24.090. have been recorded on lists, which have been made available to the Board. Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the Board approve for payment those vouchers included in the above mentioned lists and further described as follows: Port of Walla Walla General Fund voucher numbers 7021 through 7086 and system numbers 73845 through 43912 in the amount of \$180,789.51 and ACH/EFT amount of \$4,607.31. Walla Walla Regional Airport General Fund voucher numbers 9368 through 9424 and system numbers 1225 through 1287 in the amount of \$166,603.35 and ACH/EFT amounts of \$5,580.18. WSDOT Grain Car Fund voucher number 95 and system number 189 in the amount of \$1,307.32. Motion unanimously carried.

PUBLIC COMMENTS

Members of the OctoBoer Fall Finale reviewed with Commissioners the results of their 2008 fall tourism event. The report included a listing of out of town publications in which advertisements were placed utilizing Port tourism funding. Commissioners complimented the group for the detailed report.

Norm Osterman thanked Executive Director Kuntz for the letter outlining Port expenses for public outreach efforts. Due to challenging economic times, Mr. Osterman stated the Port should cut back its expenses related to public outreach even though it represents a small portion of the Port's budget.

Tom Stokes from Windermere Real Estate spoke of the need to improve land use planning along Highway 11 from the City of Milton-Freewater to Walla Walla County. Although the

corridor is in Oregon, Highway 11 represents a gateway into the Walla Walla Valley.

Commissioners concurred the corridor needs to be improved.

CORRESPONDENCE & REPORTS

A. Leases Entered into by Administrative Staff

Commissioners reviewed a listing of leases entered into and/or renewed by administrative staff from January 9, 2009 through January 22, 2009.

B. Business Leads

Economic Development Director Paul Gerola reviewed with Commissioners business recruitment leads. Gerola reported business leads have slowed due to the downturn in the economy.

C. 2008 Car Rental Report

Assistant Airport Manager-Administrative Services, Jennifer Skoglund, reviewed with Commissioners the 2008 car rental report. Gross revenues were up over 13% as compared to 2007.

D. 2008 Aviation Fuel Report

Assistant Airport Manager-Administrative Services, Jennifer Skoglund, reviewed with Commissioners the 2008 income and expense report for the aviation fuel system. The fuel system generated revenues in excess of expenses by \$30,868. The revenues will be used to pay down outstanding debt service on the aviation fuel system infrastructure.

E. Port of Walla Walla 2008 Year End Income & Expense Report

Commissioners reviewed the Port's Income & Expense Report for fiscal year 2008.

F. 2008 Airport Year End Income & Expense Report

Commissioners reviewed the Airport's Income & Expense Report for fiscal year 2008.

G. Isaacs Small Building Remodel Update

Economic Development Director Paul Gerola reported the contractors have started remodeling the building. The new lighting system has been installed and the concrete floor has been poured. The remodeling project should be completed within the next 45 days.

OLD BUSINESS

A. Port of Walla Walla

1. Expanded Scope of Work for Archeological Services – Landau Associates

Commissioners reviewed a letter from Landau Associates seeking an additional \$7,500 in compensation for the preparation and analysis of additional artifacts which were found as part of the Key Technology archeological investigation. Commissioners expressed disappointment with the request in consideration the Port had previously increased the budget. Commissioners directed Executive Director Kuntz to inform Landau that the Port would be willing to pay an additional \$5,000 of the expenses with Landau needing to absorb the remainder of the costs.

2. Burbank Sewer Study

Executive Director Kuntz reported the Port needs to develop a sewer plan for the Burbank Business Park prior to its development. John Wells, Anderson Perry & Associates, reviewed with Commissioners a draft scope of work. The cost to develop a sewer plan is expected to range between \$30,000 and \$50,000. The sewer plan will eventually need to be approved by the Washington State Department of Ecology. Commissioners asked that a timeline be developed for the study along with estimated costs for each phase.

NEW BUSINESS

A. Port of Walla Walla

1. **Authorization to Sell Property to NWH Properties, LLC – Resolution 01-22-09**

Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion to approve Resolution 01-22-09 thereby declaring property and improvements located at 100 North Avery Street as surplus to the needs of the Port. Motion unanimously carried.

Commissioner Schnedimiller moved and Commissioner Fredrickson seconded the motion authorizing the Executive Director to proceed with selling the property and improvements to NWH Properties, LLC (Walter E. Nelson Company) for \$810,000. Motion unanimously carried.

2. **Assignment of Lease Request from Westway Feed Products, Inc. to Sherman WSC Acquisition Corporation**

Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion authorizing the Executive Director to execute an assignment of lease from Westway Feed Products, Inc. in favor of Sherman WSC Acquisition Corporation. Motion unanimously carried.

3. **Lease Agreement – Blue Mountain Lumber Products/Melrose Business Park**

Richard Dodge, President of Blue Mountain Lumber Products, informed Port Commissioners of his interest in restarting the former Precision Beam & Timber mill located at the Port's Melrose Business Park. Mr. Dodge reported he had an

agreement with AmericanWest bank to purchase the equipment and machinery acquired by the bank as part of Precision Beam & Timber's business closure. Executive Director Kuntz reviewed the general terms and conditions of entering into a one year lease agreement with Blue Mountain Lumber Products with four one year options. Port Commissioners stated they wanted a 180 day termination clause in the lease agreement for a higher and better use of the property. The parties concur Blue Mountain Lumber Products would exclusively lease 3.7 acres of property consistent with the Precision Beam & Timber Lease. Mr. Dodge will need to work with W-4 Construction to clarify for the Port the common use areas where logs will be stored by both parties.

4. **W-4 Construction Building – Melrose Business Park**

Steve Walker addressed the Port Commission claiming W-4 Construction owns the metal building which was used by Precision Beam & Timber prior to their business closure. He presented paperwork that showed the building was purchased at a Louisiana Pacific auction and W-4 Construction paid to have the building erected on site. Commissioners directed Executive Director Kuntz to develop an agreement with W-4 Construction that would require W-4 Construction to remove the building at their sole cost at the time the Port's lease agreement with Blue Mountain Lumber Products terminates.

The Port and W-4 Construction also discussed W-4 Construction's expanded lease area at the Port's Melrose Business Park. Commissioners gave W-4 Construction until the end of February to consolidate their log storage area on the Melrose property. The Port will then measure their leased lot and charge according to the

Port's new rate and charge policy. In the interim W-4 Construction will pay rent on the expanded area.

5. Tourism Funding Request – OctoBoer Fall Finale

Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion to approve a \$500 Port Tourism Grant to the 2009 OctoBoer Fall Finale. Motion unanimously carried.

B. Walla Walla Regional Airport

1. Potential B-17 Aviation Event

Commissioners were informed the Arizona wing of the commemorative Airforce would like to bring a B-17 aircraft to the Walla Walla Regional Airport this summer. Assistant Airport Manager-Administrative Services Jennifer Skoglund suggested the airport consider holding an aviation day associated with the event. Commissioners expressed support for hosting the B-17 and holding an aviation day. Skoglund reported she would meet with the local aviation community to begin planning for the event.

The meeting was adjourned at 9:40 p.m.

APPROVED:

PORT OF WALLA WALLA COMMISSIONERS

PAUL H. SCHNEIDMILLER, PRESIDENT

FRED R. BENNETT, VICE PRESIDENT

MICHAEL FREDRICKSON, SECRETARY