

In June, 2003, U.S. Highway 12 Coalition members stage a "celebration of progress" event near Burbank

U.S. Highway 12 Project celebrates progress...keeps moving in the right direction.

Hard Work Pays Off for U.S. Highway 12 Coalition

Thanks to the efforts of the U.S. Highway 12 Coalition, substantial progress is being made on the four-laning of U.S. Highway 12 between Burbank and the City of Walla Walla.

Last year, several major milestones were achieved. In February, Congress approved \$4.4 million for the project. In May, the Washington State Legislature approved a state transportation revenue package, which added \$32.5 million for U.S. Highway 12. Enough money has now been secured to construct a four-lane divided freeway from Burbank to the Wallula Junction.

Planning efforts are currently underway to determine the four-lane footprint from

Wallula Junction to the City of Walla Walla. The coalition's current priority is to obtain money to design and build the first nine miles of four-lane from the City of Walla Walla to McDonald Road.

The U.S. Highway 12 Coalition was formed in August 2001 by a group of public agencies and private businesses to develop a comprehensive strategy to advance Walla Walla's long sought after goal of four-laning U.S. Highway 12.

Coalition members pooled their financial resources to support representation in Washington, DC, and develop



Construction progress at Casey Pond on new four-lane section near Burbank

comprehensive marketing materials articulating the safety and economic development justifications for four-laning.

U.S. Senator Patty Murray and Congressman

George Nethercutt

have been leading the way at the federal level to obtain funding. Senator Maria Cantwell has also been supportive. At the state level, Senator Mike Hewitt and Representatives Bill Grant and Dave Mastin deserve credit for making sure U.S. Highway 12 was included in the state transportation package.

U.S. Department of Transportation Federal Highway Administration Officials Tour Highway 12 Project Site.

Left to Right: Moe Davari, Project Engineer, WSDOT; Michael Kulback, Regional Engineer, Federal Highway Administration; Don Whitehouse, South Central Regional Administrator, WSDOT; Jason Smith, Assistant Environmental Program Manager, WSDOT; Lieutenant Colonel Edward Kertis, Commander Walla Walla District, Army Corp of Engineers; Daniel Mathis, Division Administrator, Federal Highway Administration; Jim Kuntz, Executive Director, Port of Walla Walla



www.USHighway12.com

FOUR-LANING U.S. HIGHWAY 12
BURBANK TO WALLA WALLA

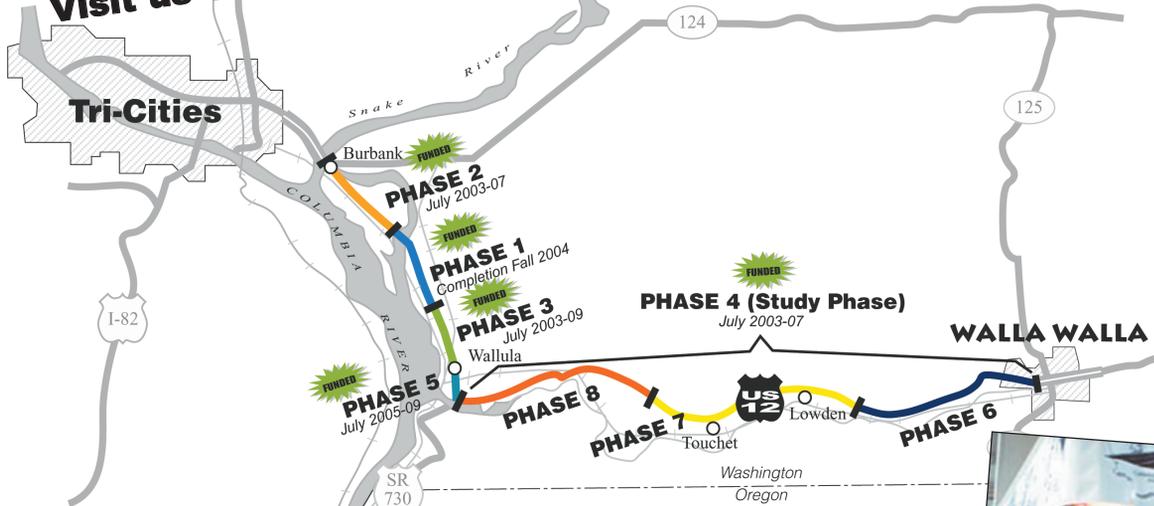
Coalition Partners
Project Information
Project Milestones
Map
Phase 1 - Photo Simulation
US Highway 12 News
Key Contacts
Petitions
Accident Summary Report
How Can I Help?

Visit us on the Web

Legend

- **PHASE 1** McNary Pool to Attalia Vicinity (Funded)
- **PHASE 2** SR 124 to McNary Pool
- **PHASE 3** Attalia Vicinity
- **PHASE 4** Wallula to Walla Walla Alignment Study
- **PHASE 5** Attalia Vicinity to SR 730

- **PHASE 6** McDonald Road to Walla Walla
- **PHASE 7** Nine Mile Hill to McDonald Road
- **PHASE 8** Wallula Junction to Nine Mile Hill



The Eight Phases of Four-Laning U.S. Highway 12 from Burbank to Walla Walla



U.S. Highway 12 Coalition attended Walla Walla Fair & Frontier Days with an informational booth highlighting the coalition's efforts. During the Fair over 300 citizens signed the coalition's petition supporting the four-laning of U.S. Highway 12. To date, the coalition has gathered more than 4,000 citizen signatures and 183 business signatures.



Ken Jantz, Commissioner, Port of Walla Walla
Greg Tompkins, Commissioner, Walla Walla County
Jerry Cummins, Mayor, City of Walla Walla

Walla Walla Delegation Travels to Washington, DC

In September, a three-member delegation from Walla Walla met with key legislators in Washington, D.C., to thank them for the 2003 appropriation of \$4.4 million and to discuss prospects for additional funding in 2004. Ken Jantz, Greg Tompkins and Jerry Cummins met with Senator Patty Murray, Congressman George Nethercutt and Senator Maria Cantwell.

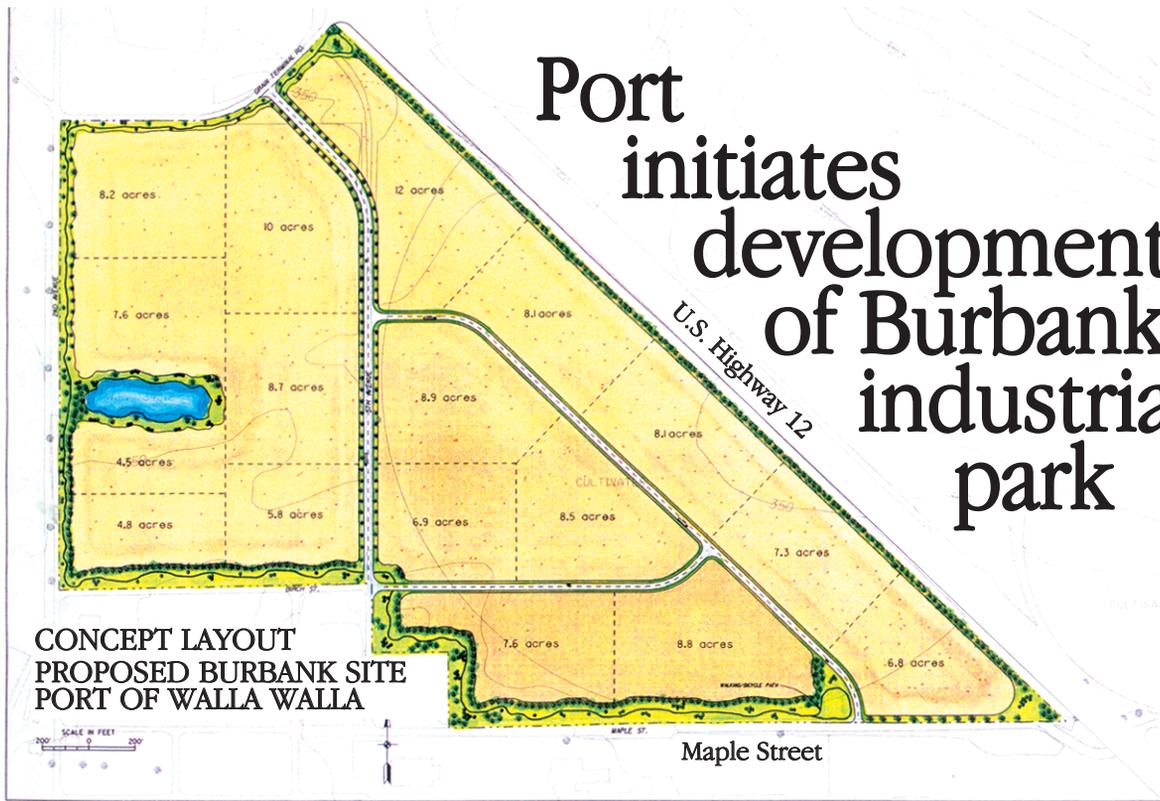
NEWS UPDATE: The 2004 appropriation bill includes \$4-million for U.S. Highway 12. Thank you Senators Murray and Cantwell and Congressman Nethercutt.

State Transportation Commission meets in Walla Walla

A late September meeting included an update by the U.S. Highway 12 Coalition members on efforts to four-lane U.S. Highway 12 from Burbank to Walla Walla.



Port initiates development of Burbank industrial park



Project includes plans for a new public water system to serve site

In an effort to diversify the tax base and create family wage jobs for the Burbank community, the Port has begun efforts to develop a new industrial park.

In December 2002, after many years of effort, the Port successfully traded 122 acres of wetland property located at the confluence of the Columbia and Snake

Rivers to the U.S. Fish & Wildlife Service in return for 158 acres of developable property adjacent to U.S. Highway 12.

Since acquiring the property, the Port has created an industrial park master plan to help guide its future use.

The plan envisions a mixed-use development including light industrial and commercial areas in an attractively landscaped industrial park environment.

The Port is currently in the process of

planning a new public water system to serve the Burbank area site. In addition to meeting the needs of the industrial park, the new system will have capacity to serve other surrounding water districts should they need an additional water source in the future.

The Port is seeking state and federal financial assistance for construction of the water system in fiscal year 2005.

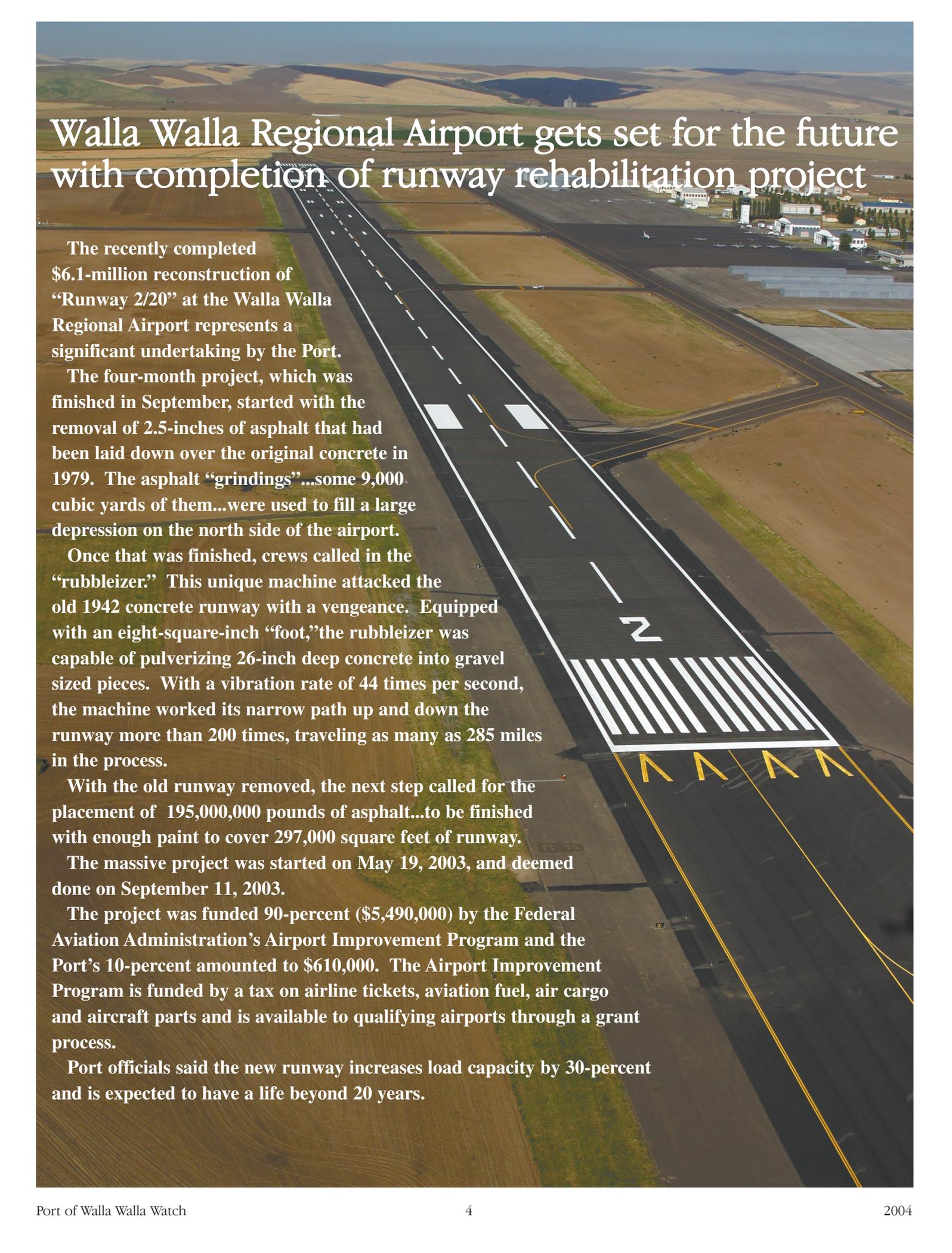
Port's Web site keeps you posted on economic development actions

When you have questions about Walla Walla County, the Port of Walla Walla Web site is a great place to go.

Among other things, the site provides a ready source of information about population, employment, economic development plans and available industrial sites and buildings. You can use the site to access Port staff and the Walla Walla Small Business Center.

Visitors will also discover easy links to Web sites for the Walla Walla Regional Airport and the U.S. Highway 12 Coalition.

Getting there is easy. It's www.portwallawalla.com



Walla Walla Regional Airport gets set for the future with completion of runway rehabilitation project

The recently completed \$6.1-million reconstruction of “Runway 2/20” at the Walla Walla Regional Airport represents a significant undertaking by the Port.

The four-month project, which was finished in September, started with the removal of 2.5-inches of asphalt that had been laid down over the original concrete in 1979. The asphalt “grindings”...some 9,000 cubic yards of them...were used to fill a large depression on the north side of the airport.

Once that was finished, crews called in the “rubbleizer.” This unique machine attacked the old 1942 concrete runway with a vengeance. Equipped with an eight-square-inch “foot,” the rubbleizer was capable of pulverizing 26-inch deep concrete into gravel sized pieces. With a vibration rate of 44 times per second, the machine worked its narrow path up and down the runway more than 200 times, traveling as many as 285 miles in the process.

With the old runway removed, the next step called for the placement of 195,000,000 pounds of asphalt...to be finished with enough paint to cover 297,000 square feet of runway.

The massive project was started on May 19, 2003, and deemed done on September 11, 2003.

The project was funded 90-percent (\$5,490,000) by the Federal Aviation Administration’s Airport Improvement Program and the Port’s 10-percent amounted to \$610,000. The Airport Improvement Program is funded by a tax on airline tickets, aviation fuel, air cargo and aircraft parts and is available to qualifying airports through a grant process.

Port officials said the new runway increases load capacity by 30-percent and is expected to have a life beyond 20 years.

Air traffic controllers keep things in sync

Tim Stewart is the air traffic control manager at the Walla Walla Regional Airport. But last summer he had more ground vehicles and airplanes to keep track of.

"For four months, during the runway construction, we had to keep airplanes and vehicles on the move without interfering with each other," Stewart said, "and with the main runway closed, it was a real balancing act."

Stewart said that most days during the May-to-September period, there were as many as 40 vehicles on the airfield, not counting aircraft.

"On top of that, for whatever reason, our air traffic was up nearly 25-percent over the comparable period of 2002," Stewart added.

He estimated the control tower recorded as many as 40,000 extra transmissions during the construction period...talking to pilots and construction equipment operators.

In addition to air crews, Stewart and his team were in frequent contact with contractors to make certain everybody was doing what needed to be done to maintain airport traffic and safety.

"We were 'staffed up' all the time," Stewart emphasized. "We had to be ready to handle a variety of sometimes unusual situations."

The good news is that the major rebuild of the runway was accomplished without incident or accident. Port of Walla Walla officials are quick to credit the air traffic controllers for successfully handling the increased challenges brought on by the construction project.

Stewart and his staff work for Serco Management Services, Inc., the firm contracted by the Federal Aviation Administration to handle air traffic control at the Walla Walla Regional Airport.



Port District ad campaign designed to boost traffic

Faced with the threat of losing Horizon air service at the Walla Walla Regional Airport, the Port has embarked on an aggressive program aimed at increasing local passenger boardings.

Among other things, the Port launched an advertising campaign to publicize lower fares to Seattle and worked with Horizon's partner airlines to offer reasonably priced connecting fares to major East Coast and West Coast destinations.

Port Commissioner Paul Schneidmiller said the promotional program is paying off.

Passenger counts climbed significantly during the last quarter of 2003 and Horizon has again scheduled a fourth flight, originating in Pendleton to Walla Walla, then on to Seattle.

Schneidmiller said the increase in passenger traffic sends a message to Horizon that air service is needed and used in Walla Walla.

Airport launches new information Web site at www.wallawallaairport.com

Cliffstar enters second Walla Walla year...employment climbs to 70

After its first year, Cliffstar Corporation's Walla Walla operation is on schedule and, according to company officials, "right where we want to be."

Walla Walla Plant Manager Shannon McFall said the local facility is now operating around the clock Monday through Friday and sometimes

adding a Saturday shift. Cliffstar's local payroll has grown to 70 full-time employees, more than three-times the number of workers who began training little more than a year ago.

McFall said that while local volume has increased significantly over the past several months, the product mix is unchanged from original plans.

"We're still sticking to three sizes -- 64-ounce, 96-ounce and one gallon -- but our shipments are going to a much larger area than we originally thought," she explained. "Juices processed in Walla Walla are being shipped all over the country and into Canada."

Cliffstar's initial plans for its Walla Walla plant were to ship goods mostly to only Northwest markets.

The company, which is the largest private label juice processor in the U.S., has other plants in New York, Missouri, South Carolina and California.

Walla Walla was selected for its Northwest location as the result of a combined effort by the Port of Walla Walla, Team Walla Walla, Fluor Hanford, Walla Walla County, the City of Walla Walla



and Walla Walla Community College.

As the lead agency, the Port of Walla Walla bought and refurbished the old AgriFrozen Food building, on Dell Avenue, then negotiated a "lease with option to buy" deal with Cliffstar. The Port investment was \$1.6 million.

At the time, Cliffstar President Sean P. McGirr

said the availability of the building and the favorable economic development package were factors that influenced the company to locate in Walla Walla.

While major customers for Walla Walla processed juices include Costco, WalMart, Safeway and Western Family, McFall said recent packaging has been done for smaller retailers like Fred Meyer and Winco.

In addition, McFall said the firm is beginning to use increasing amounts of juice concentrates from regional suppliers including apple juices from Yakima Valley vendors and grape concentrates from Taggares Farms in the Columbia Basin.

McFall said the Walla Walla plant is currently bottling 93 different juice formulas in containers that involve more than 240 different labels.

She said the local operation is now operating at full capacity and there have been "discussions" about adding another production line, "maybe two."

"We don't expect to do any expanding during the next year, however," McFall added.

Walla Walla's SBDC helps local business start...and grow

David Larson's dream of having his own business got a jump-start when he turned for advice to the Walla Walla Area Small Business Development Center in November, 2002.

SBDC Director Richard Monacelli gave him the advice and support he needed to make **David's Aquacut & Builders** a working venture. In the process, Larson discovered that he had the trust and respect of many businesses who would support his own plan with letters of intent.



David Larson

It soon became clear that there was more than enough demand to make his own shop profitable. So together, Larson and Monacelli developed a business plan and loan proposal that was the basis for a verbal commitment for up to \$230,000 in bank financing.

With several contracts "in hand," Larson invested \$7,000 of equity and secured a \$212,000 loan to launch DAB.

He refurbished the Blaze King building at 400 West Whitman Drive in College Place, installed the required equipment and, suddenly, found himself faced with having to hire employees. It was a need he hadn't prepared for at this early stage.

Returning to SBDC, Larson worked with Monacelli again, this time to identify group insurance policies and other benefits that create the environment that retains good employees.

Today, after less than a year, Larson has two full-time employees and one half-time staff member. He has successfully competed for metal working contracts in Portland and Seattle and has been "pleasantly surprised" at the number of signs, sculptures and other artistic projects his firm has been involved in.



Larson's outlook for the future of his young firm is optimistic...and he's making plans to expand.

Cliffstar was recently recognized by the Eastern Washington WorkForce Development Council as its 2003 Employer of the Year. The Council oversees WorkForce services in Walla Walla, Columbia, Garfield, Asotin, Whitman Stevens, Ferry, Lincoln and Pend Oreille counties. Cliffstar was honored for meeting specific WorkForce criteria and its outstanding worksource development practices.

Community participation adds value to Port's comprehensive economic development plan



Port of Walla Walla Executive Director Jim Kuntz addresses recent meeting of Economic Advisory Committee

Success in retaining and creating living wage jobs in all the communities of Walla Walla County can't be realized without careful planning.

That's why the Port of Walla Walla's economic development efforts are guided by a carefully designed, comprehensive plan. Economic Development Director Paul Gerola said the six-part plan features specific elements of work and includes benchmarks to be used in measuring the success of development activities.

While not in any order of importance, Gerola lists the elements of the plan as follows:

SMALL BUSINESS DEVELOPMENT...

The lead for small business development is taken by the Walla Walla Area Small Business Center. The Center provides one-on-one business counseling and training to business owners, operators and entrepreneurs. The Small Business Center is a partnership between the Port, Walla Walla Community College, The Small Business Administration, Washington Manufacturing Services and Washington State University's Partnership for Rural Development. The Center is located in the Port's administration office building at 310 A Street, Walla Walla Regional Airport.

EXISTING BUSINESS RETENTION AND EXPANSION...

This element is designed to provide assistance to businesses in Walla Walla County. Activities include annual "status" meetings with the county's largest employers, supporting expansions that provide family wage jobs and encouraging "buy local" initiatives. Benchmarks include tracking the number of businesses visited and the number of local businesses expanding their operations.

BUSINESS RECRUITMENT MARKETING AND ADVERTISING...

This work element encompasses marketing private and Port-owned properties, recruiting new businesses, attending development related trade shows, maintaining the Port's Web pages, conducting targeted marketing campaigns and developing promotional brochures. Benchmarks include the number of qualified business leads generated, new businesses locating in Walla Walla county and the number and quality of jobs created.

SITE AND INFRASTRUCTURE DEVELOPMENT...

Activities in this element are designed to identify and secure suitable sites for industrial and business development. This may include obtaining proper zoning, and extending roads, water, sewer and other utilities at the site. Benchmarks are to complete at least two infrastructure projects per year.

ECONOMIC PROFILING...

This initiative includes collecting, analyzing and publishing economic and demographic profiles of the Walla Walla Valley. The Port publishes a largest employer list, labor market conditions and tourism economic indicators. Benchmarks include utilization of the data by community policy makers, existing businesses and prospective new businesses.

ECONOMIC DEVELOPMENT ADVOCACY...

This part of the plan involves work aimed at maintaining a positive climate for economic development in Walla Walla County. Activities include encouraging city, county, state and federal government agencies to maintain a "friendly attitude" toward business in areas relating to regulation, permitting and taxation. Benchmarks include the presence of favorable policies affecting economic growth and public understanding and support for local development efforts.

Public participation in the Port of Walla Walla's Economic Advisory Committee meetings is welcomed and encouraged. Bi-monthly meetings start at Noon in the Airport Terminal Building community meeting room.

If you'd like to attend this regular review of the implementation of the Economic Development Plan and discuss current development issues call 509-525-3100 to be added to the Port's committee mailing list.

Getting to know your Port

Port Responsibilities

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

Develop waterfronts, airports and other facilities for handling cargo and passengers.

Provide capital improvements needed for industrial and manufacturing facilities within the Port District.

Improve Port District lands so they can be sold or leased for industrial and commercial purposes.

Undertake and adopt comprehensive development plans for the Port District.

Execute business recruitment strategies.

Levy taxes and sell bonds to develop properties and manufacturing facilities.

Port Leadership

The Port of Walla Walla has three elected commissioners who represent you...the shareholders. The commissioners are **Ken Jantz**, president, **Paul Schneidmiller**, vice president, and **Fred Bennett**, secretary. While all commissioners are elected on a county-wide basis, each must live in a specific commissioner district within Walla Walla County. The districts are the same as the Walla Walla county commissioner districts.

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

Jantz, a Waitsburg wheat rancher, represents District 2, which includes the eastern third of the City of Walla Walla, Dixie, Waitsburg and Prescott.

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



*Port of Walla Walla Commission
Vice President Paul Schneidmiller, Secretary Fred Bennett, President Ken Jantz*

Each commissioner serves a six-year term. Terms are staggered so that one position is up for election every two years. Commissioners decide each year who will hold the offices of president, vice president and secretary.

Port of Walla Walla Commissioners, and those at other Ports with similar business volume, are entitled to \$70 per day compensation for each day or portion of a day spent attending meetings or performing other services on behalf of the Port District.

The law prohibits commissioners from receiving more than \$6,720 per year in such compensation. In addition, Port Commissioners receive a salary of up to \$500 per month.

Port Finances

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

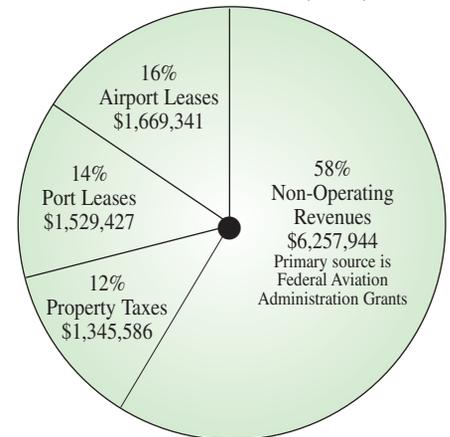
The Port of Walla Walla currently levies only the first tax for general port purposes. Including revenue from the Walla Walla Regional Airport, the Port District receives only 12 percent of its revenues from property taxes.

Washington State law provides for Port Commissioners to designate administrative powers and duties to the managing official of the Port District. This is done with a Port Commission resolution establishing guidelines and procedures for the managing official to follow. In that manner, the Executive Director and his or her staff can perform their duties in a timely and efficient manner. Still, as policy makers, Port commissioners remain responsible for district operations.

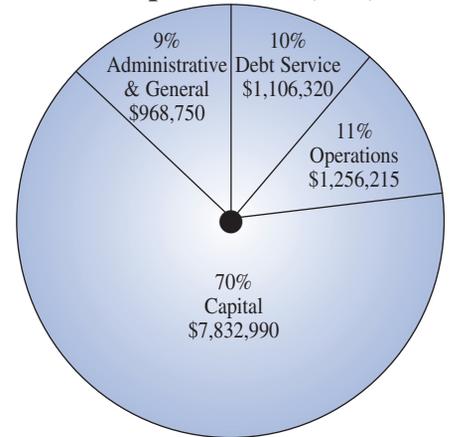
Port of Walla Walla Commissioners meet on the second and fourth Wednesday of each month at the Port office.

Port of Walla Walla Budget

2003 Revenues • \$10,802,298



2003 Expenses • \$11,164,275



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

Port of Walla Walla Staff

Jim Kuntz	Executive Director
Larry Adams	Airport Manager
Paul Gerola	Economic Development Director
Ron Johnson	Assistant Airport Manager
Jackie Hardesty	Auditor/Treasurer
Becky Hulse	Administrative Assistant
Jennifer Skoglund	Administrative Assistant
Ken Clayton	Fire/Security Captain
Brent Partlow	Fire/Security
Mike Graves	Fire/Security
Jake Riggs	Fire/Security
Gary Stewart	Maintenance
Elias Alonso	Maintenance
Darren Brinson	Maintenance
Louis Gagnon	Maintenance
Randy Hammond	Summer Crew
Rod Starks	Summer Crew
Marcello Sotelo	Summer Crew
Adrian Alonso	Summer Crew

Walla Walla Area Small Business Center

Rich Monacelli Director

Port of Walla Walla Watch

Carl Tyler Design / Editor

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