



Photo by Tim Hall

## Railex gets innovative rail shipping system on track

### A sign sets the stage for new WW County produce train

What may be the most exciting shipping concept ever for Washington State's fresh produce ended up in Walla Walla County because of a sign - and a lot of co-operation among local, state and federal agencies.

Paul Schneidmiller, Port Commission President, explains that officials of a company called Railex, a subsidiary of an East Coast produce distributor, were exploring sites for a shipping center when they saw the Port's sign near Burbank. "Because of that sign, they called us and the rest is history," Schneidmiller said.

From that point on, the Port had its work cut out for it. Railex needed help with infrastructure improvements at the Port's Dodd Road Industrial Park. Included were an access road, a public water system, a railroad loop for the special 55-car train that would make the cross-country trip in five days.

Schneidmiller says a host of people worked together to make it happen.

Support came from Washington Governor Christine Gregoire, U.S. Senator Patty Murray, Congresswoman Cathy McMorris and Washington State legislators, Senator Mike Hewitt and Representatives Bill Grant and Maureen Walsh. (More on Page 4)

### Port "incubators" designed to grow start-ups, create private sector jobs

The Port of Walla Walla's unique winery incubator program was created to provide reasonably priced space for startup wineries.

According to Port Commissioner Mike Fredrickson, "The incubator buildings are shell buildings with a HVAC system and outside crush pads. Tenants are required to supply all wine processing equipment and machinery, including tanks, pumps and barrels."

Lease agreements are limited to six years; early graduation from the incubators will be encouraged.

Fredrickson said, "The success of the incubator program will be measured by the number of startup wineries that graduate and establish new jobs and wineries in the private sector."

Two of the three incubator buildings have been leased by Trio Vintners and Adamant Cellars.

Trio Vintners is owned and operated by Denise Slattery, her husband, Steve

Michener, and a partner, Tim Boushey. All recently graduated from the Walla Walla Community College enology and viticulture program.

Slattery said access to the ready-made space is crucial for the winery to "hit the ground running."

Adamant Cellars is owned and operated by Devin and Debra Stinger, a husband-wife team that began making wine in their basement in Portland, Oregon, a half-dozen years ago.

Stinger says the first Adamant Cellars white wine will be release next spring.

Funding for the \$1.1 million project came from a \$985,000 Washington State grant and a Port contribution of \$153,000.

Port officials said Representative Bill Grant played a leadership role in obtaining state funding. Senator Mike Hewitt and Representative Maureen Walsh were also instrumental in helping to secure state funding.



These three "incubators" offer affordable sites for start-up wineries.

Photo by Donna Lasater

# U.S. Highway 12 four-laning continues, Phase 3 under construction

While motorists enjoy divided-highway safety on the first two phases of U.S. Highway 12 four-laning - from Burbank to Dodd Road - crews have begun work on phase three, the section that continues to the Boise pulp and paper mill.

Apollo, Inc., of Kennewick, was awarded the contract for the three-plus miles in mid-summer and the project is scheduled for completion next year.

The Washington State Department of Transportation (WSDOT) said Apollo's \$11.2 million bid was the lowest of three submitted. The state says total cost is expected to reach \$16.4 million, a sum that exceeds earlier estimates because of the volatility of asphalt prices.

Right: Washington State Department of Transportation artist's rendering of completed Phase 3 of Highway 12 four-laning

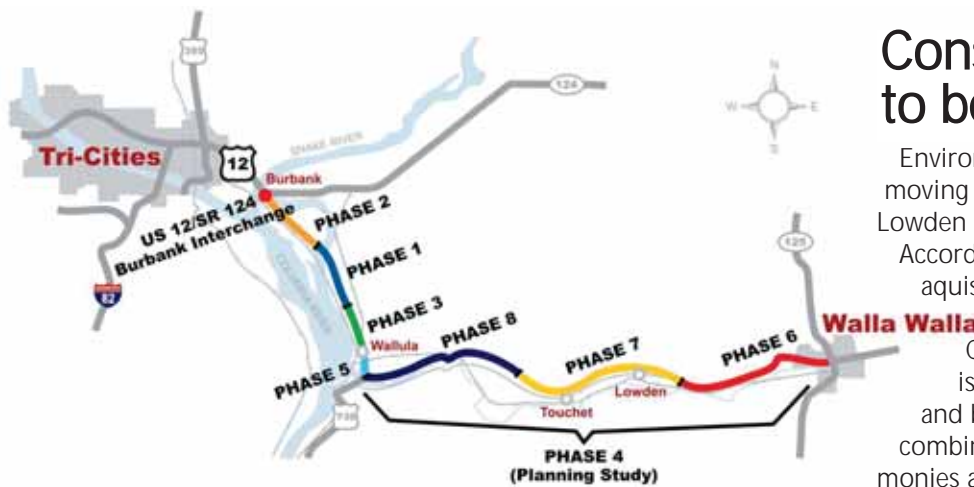


## Construction of Phase 6 to begin in 2008...

Environmental permitting and design work are moving ahead on the McDonald Road - near Lowden - to Walla Walla route.

According to the department's status report, acquisition on the first of 31 properties required for the project has been completed.

Construction on this stretch (Phase 6) is scheduled to begin in early 2008 and be completed the next year. A combination of federal, state and gasoline tax monies are committed to fund the \$50.4 million cost.



The Port of Walla Walla and the U.S. Highway 12 Coalition, an alliance of public and private organizations, have successfully lobbied Congress and the legislature for funding for U.S. Highway 12 four-laning. To learn more about the Coalition's efforts visit its Web site at [www.ushighway12.com](http://www.ushighway12.com)



## Port allocates \$200,000 to help fund Isaacs Avenue improvements

The Port of Walla Walla has awarded a grant to the City of Walla Walla to help fund improvements now underway on Isaacs Avenue.

Port commissioners unanimously approved a \$200,000 allocation to help pay for widening the thoroughfare from Wilbur to Tausick Way to four lanes and adding center turn lanes, pedestrian and bicycle paths and landscaping.

Port Commissioner Fred Bennett said the Port's contribution comes from the Economic Development Sales Tax Fund, which is created by eight-tenths of one percent of state sales taxes generated locally. The Port receives two-thirds of the fund, while the county gets a third.

"The Isaacs Avenue improvements will make a major difference in providing better access to Walla Walla Community

College and developing commercial and residential properties in the Eastgate neighborhood," Bennett said. "It's important for the Port to be part of that."

Walla Walla City Manager Duane Cole said the Port's contribution will help offset the \$2.4 million cost of street repairs planned as part of the project. Another \$2.2 million is budgeted for sewer, water and electrical service improvements.

# MPM Vintners leases portion of Port's Crown Cork & Seal Building

The Port has entered into a lease agreement with MPM Vintners for 16,000 square feet within the Port-owned Crown Cork & Seal building.

MPM Vintners will offer an array of wine making services, ranging from sourcing and crushing of valley grown grapes, to fermentation, aging, bottling, and labeling of wines according to customer specifications. MPM Vintners will employ its own winemaker and staff working under the direction of Norm McKibben and Jean-Francois Pellet.

Port Commission President Paul Schneidmiller said, "MPM Vintners will be a great anchor tenant. The Port feels fortunate to be working with a group so



Crown Cork & Seal Building at 1106 Dell Avenue, Walla Walla, will house new wine making operation. Photo by Lasater

well versed and respected in the wine industry." MPM Vintners and the Port will refurbish the space in preparation for operations beginning with the 2007 grape harvest.

The Crown Cork & Seal Building encompasses 194,000 square feet. The Port foresees additional wine related businesses will be interested in leasing space in the building.

# Dunham Cellars expands winery on Port property

Dunham Cellars is a successful example of the public-private partnership that works well for Walla Walla Valley wineries that have chosen the airport industrial park for their operations.

Mike Dunham and his son, Eric, owners of the seven-year old winery have recently completed a major expansion of their plant on Port-owned property.

The Dunhams said the decision to build the new 10,000 square foot structure on land leased from the Port made sense because of the success enjoyed with their original location.

Mike Dunham said building next to Dunham Cellars first site allowed the winemakers to meld the state-of-the-art features of the new space with what was already there.

The added structure provides a temperature and humidity controlled environment for up to 1,800 barrels and includes a modern laboratory plus a conference room that quickly converts to a studio apartment for visiting wine writers and customers.

Dunham Cellars opened at its present airport location in 1999.

# Port-assisted companies have important impact on Walla Walla County's economic health, generate \$179 million payroll

Highly valued support from the Port of Walla Walla has made a significant difference to more than two dozen major employers in Walla Walla County. And while each has benefited in individual ways, the end result has been a growing number of jobs and an increasingly important gain in property tax income.

According to Paul Schneidmiller, Port Commission President, industry support includes funding everything from transportation systems and site development to shipping alternatives and manufacturing facilities.

All together, the 27 Port-assisted businesses tracked during 2005 (the most recent year for complete statistics) generated a \$179 million payroll for some 5,600 people.

Schneidmiller said the salary sum added up to 24.4 percent of total wages in Walla Walla County. The number of workers represented more than one fifth - 20.3 percent - of the county's employed workforce, he continued.

Port Executive Director Jim Kuntz explained that for every dollar the Port

receives in taxpayer support, businesses assisted by the Port pay back more than \$3.32 in property taxes. "It adds up to an impressive return on investment," Kuntz emphasized.

According to county records, companies assisted by the Port paid more than \$4.9 million in property taxes last year...a number that amounts to 10 percent of all property taxes collected by Walla Walla County in 2005.

## Did you know?

- Six out of the top 10 largest taxpayers in Walla Walla County are Port-assisted companies.
- Of the 40 largest employers in Walla Walla County, 11 are Port-assisted companies.
- Taxes paid by companies assisted by the Port in 2005 totaled \$4,905,122.



A visitor's view of the Railex terminal at Wallula. The building is 1,500 feet long by 140 feet wide and designed to store arriving farm produce in a "cool to cool" environment until it is loaded onto climate-controlled rail cars for the trip to Schenectady, N.Y.

## Public and private agencies partner to finance "alternative" for shipping Northwest produce to East Coast

Port of Walla Walla officials are sure their support of the Railex project will prove to be a rewarding investment.

Port Commission President Paul Schneidmiller says that in addition to tax dollars generated by the development, Railex will pay loading and unloading fees to the Port that will help offset initial investments.

In addition, Railex is expected to create as many as 100 jobs in its first year. "Within three years," Schneidmiller said, "the number of workers could be up to 200."

There are plenty of reasons for optimism.

Andy Pollak, CEO and owner of AMPCO Distribution Services Management, the Railex founder, says he's "very excited" about the project.

"Railex will provide Washington State produce growers with a more predictable transportation option to access East Coast markets with the shipment of 55 rail cars from West to East every week," Pollak said.

John Philip, Union Pacific Railroad, assistant vice president - food and refrigerated products, said, "We believe this service will provide an alternative method to ship perishable produce other than over-the-road transportation."

### Railex Funding Partners

**Railex, LLC** Approximately **\$20,000,000**

Land Purchase  
Warehouse (20,000 square feet)  
Initial Rail Improvements

**Union Pacific** Approximately **\$30,000,000**

110 Railcars  
Four Locomotives & Crew

**State of Washington** **\$ 4,400,000**

CERB Grant (Road improvements) \$200,000  
Community Block Grant (Water System) \$700,000  
Capital Budget (Site Infrastructure) \$700,000  
Transportation Bdgt (Rail Infrastructure) \$2,500,000

**Port of Walla Walla** **\$ 1,701,301**

Capital Fund (Site Infrastructure) \$901,301  
CERB Repayment (Road Improvements) \$800,000

**Federal Government** **\$ 1,500,000**

Transportation Appropriation (Rail Infrastructure)

**Walla Walla County** **\$ 500,000**

.08% Sales Tax Acct

**TOTAL INVESTMENT** **\$58,001,301**

### RAILEX SHIPPING VOLUMES

55 Railcars = **200 trucks per week** loading produce into Wallula warehouse

55 Railcars = Approximately **8 million pounds of produce per week** shipped to East Coast.

55 Railcars x 52 weeks = Approximately **416 million pounds of produce per year** shipped to the East Coast.



Ready and waiting...part of the 55-car train stands on the mark for loads of Northwest produce inside Railex's Wallula terminal. Each 64-foot long car is temperature and humidity controlled, with GPS equipment so its status can be checked at any time.



A part of the whole...this view is of less than half of Railex's 200,000 square foot transloading center at Wallula. Overall the structure is five football fields long, 140-foot wide, with controlled storage kept at temperatures as low as 33-degrees. Fresh produce stored here is loaded into specially-designed refrigerated rail cars that make up the produce train destined for direct travel to a similar facility in New York for distribution to East Coast markets.

Potatoes, apples, onions and more are part of the product mix that's carefully loaded into each of the 55 rail cars that make up the Railex train. Each week, as many as eight-million pounds of fresh vegetables and fruits from the Northwest will be transported to Railex's New York terminal in Schenectady's Rotterdam Industrial Park.

Photos by Donna Lasater



## Railex center wins Governor's award, others praise project

The Port of Walla Walla Railex project is only just finished and already has collected more than a little praise.

Washington Governor Chris Gregoire selected it for the Governor's Award for Best Practices in Economic Development. The tribute was one of seven presented at the 2006 Governor's Economic and Workforce Development Conference.

Among other things, Railex was cited as an example of non-traditional investment in transportation.

Port Commission President Paul Schneidmiller said the recognition confirms the importance of the project to the whole state. Jim Kuntz, executive director of the Port, added that the award was also likely inspired by the partnership between public and private agencies that made Railex a reality.



Railex expects to be the destination for trucks hauling fresh produce from a 300-mile radius. Photo by Donna Lasater

Valoria Loveland, director of the Washington State Department of Agriculture, hailed Railex as "a wonderful tool to get our farmers' goods to new markets across the country."

The President of the Washington Apple Commission, Dave Carlson, says he hopes shippers and buyers will see the value of Railex. "On the long term, we have to do this," he said. "We can't continue the massive drain on our oil and diesel supplies."

Carlson said retailers are looking for steady deliveries so they don't have to carry a lot of inventory. "Dependable transportation is a key element to that," he said.

Ken Casavant, an agricultural economist and professor at Washington State University, says Railex is as promising as any transportation solution he's ever seen. "It offers the best of all worlds because it allows the efficiencies of short-haul assembly combined with the efficiencies of long-haul movement."

"It's an economically viable option," says Jody Easterday, who's family company is a major Washington State grower and shipper of yellow, red and white onions. "We just have never had this vehicle to allow us to market with this kind of tool." Her company packs more than three million bags of onions each year.

## Big Sky operates overnight maintenance center at WW Regional Airport

Within minutes after Big Sky Airlines evening flight from Boise to Walla Walla is off-loaded, the aircraft is turned over to a three-man maintenance team that gets it ready for the next morning's departure.

The overnight base at Walla Walla Regional Airport is an outcome of Big Sky's decision earlier this year to provide daily service between Walla Walla and Idaho's capital city.

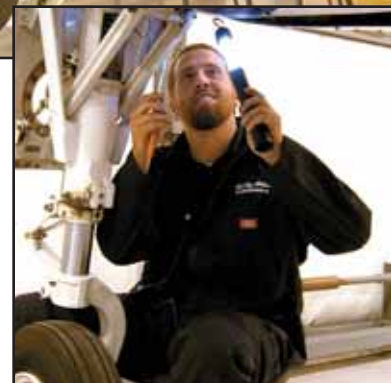
Stan Holm, along with John Hufford and John Murray, are responsible for the service center.

During their overnight shift, - from approximately 8:30 p.m. to 4:30 a.m. - Holm, Hufford and Murray follow a 130-point guide, checking engines, landing gear, lighting systems, instruments and a multitude of other electrical and mechanical elements that can't be left to chance.

Because Big Sky uses its planes on a rotating basis over all its schedules, Holm says the Walla Walla team has the opportunity to see all of the company's fleet.

Holm explains that the crew "backs up" Big Sky's primary maintenance operation in Billings, Montana, where the airline is headquartered. "It's a nice concept," he said.

Port of Walla Walla officials said they didn't expect the Montana-based airline to establish the local service center, but Port Commission President Paul Schneidmiller says it's a working example of Big Sky's commitment to its Walla Walla service.



John Hufford (top), Stan Holm (cockpit) and John Murray take charge of Big Sky airplanes at the company's Walla Walla Maintenance center. Photos by Lasater

# Caterer brings Italian family heritage to Walla Walla Airport restaurant

Caravaggio is a small town in Northern Italy...the ancestral home of the Walla Walla Valley's Bossini family...and the name of the new restaurant now open in the Walla Walla Regional Airport terminal building.

Caravaggio and Walla Walla Catering Company - both owned and operated by a fourth generation Bossini, Carissa Meliah - are the latest occupants of airport dining facility. And Port Commissioner Mike Fredrickson calls Meliah's presence there a "win, win situation" for the airport terminal site.

"We've attracted a successful operator who'll bring some needed stability to that location," he said.

Meliah's first interest was in the fully equipped commercial

kitchen that was part of the Port package. She needed that for her catering business.

The idea for Caravaggio came next. Meliah recently opened the restaurant with a lunch menu only - pasta, salads, soups, panini's and desserts - from 10:30 a.m. to 1:30 p.m. Monday through Friday, with Saturday service from 11:00 a.m. to 3:00 p.m.

She says dinner service could begin sometime after the Christmas season.

Meliah also "caters" special events at the airport. The banquet room handles up to 18 people, she said.

The Caravaggio phone is 526-5625. Walla Walla Catering Company's number is 301-6251. The restaurant web site is [www.caravaggios.com](http://www.caravaggios.com)



Caterer Carissa Meliah will operate her Walla Walla Catering Company and the Caravaggio restaurant at the Walla Walla Regional Airport. Photo by Donna Lasater

## WPPA honors Port of Walla Walla Commissioners

Former Port of Walla Walla Commissioner Kenneth Jantz, who retired at the end of 2005, has been honored with a life membership in the Washington Public Ports Association (WPPA).

The tribute marked his 24 years as a Port commissioner and active member of the association.

"Commissioner Jantz has been an invaluable resource during his years on the commission," said Jim Kuntz, executive director of the Port of Walla Walla.

The WPPA also praised Port Commissioner Paul Schneidmiller for his service as 2005 president of the association.

The WPPA represents Washington State's 76 Port Districts and provides a network for sharing information on issues relating to trade, transportation, development and the environment.

## Port presentations for area organizations

Port of Walla Walla officials are available to make personal, on-site presentations to area service clubs, schools and other interested organizations. To make arrangements, call the Port offices with information about your group, its meeting date and time and any additional details that will help with scheduling. The phone number is 509-525-3100 or e-mail [jk@portwallawalla.com](mailto:jk@portwallawalla.com)

## Free tours of Port facilities offered

During specific times of the year, Port of Walla Walla officials host on-site tours of Port-owned properties and companies it assists.

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

For information, call the Port of Walla Walla at 525-3100 or e-mail: [bh@portwallawalla.com](mailto:bh@portwallawalla.com)



# 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.**

**Acquire, construct, install, improve and operate sewer and water utilities to serve its own properties and that of other property owners.**

**Execute business recruitment strategies.**

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

## Port Leadership

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

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

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

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

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

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

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



**Port of Walla Walla Commission**  
Secretary Mike Fredrickson • Vice President Fred Bennett  
President Paul Schneidmiller

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. (That amount will increase to \$750 per month for commissioners elected after January 1, 2008.)

## 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 9.3 percent of its revenues from property taxes.

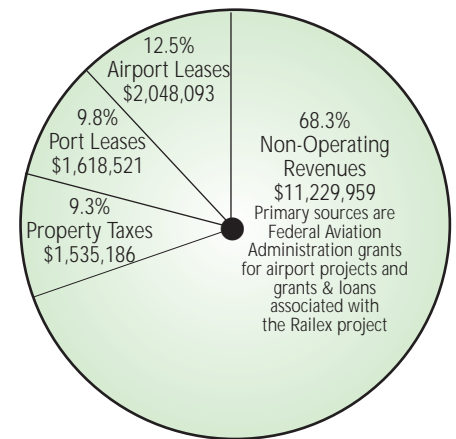
Washington State law provides for Port Commissioners to designate administrative powers and duties to the managing official of the Port District. This is done with a Port Commission resolution establishing guidelines and procedures for the managing official to follow.

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

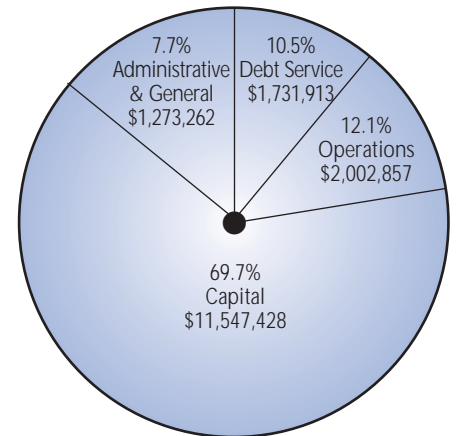
Regular Port of Walla Walla Commission meetings are at 1:00 p.m. on the second Thursday and 6:00 p.m. on the fourth Thursday of each month at the Port office.

## Port of Walla Walla Budget

2006 Projected Revenues • \$16,431,759



## 2006 Projected Expenses • \$16,555,460



*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

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

### Walla Walla Area Small Business Center

**Rich Monacelli** Director  
Phone: 509-527-4681

### Port of Walla Walla Watch

**Carl Tyler** Design / Editor

### Port of Walla Walla

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