



PORT OF WALLA WALLA

2016 Economic Development Plan Results

JANUARY 2017

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2016 Economic Development Plan Results

A. Small Business Development

- Port contributed \$15,000 to assist in the operational costs of the Walla Walla Small Business Development Center.
- Port maintains Walla Walla Small Business Tools website to assist small business in startups that want web-based information and support for growing their business. It is customized for each area with local, state, and federal information, Spanish translation, and other business resources. Averages over 50 monthly hits on the website. <http://wallawalla.toolsforbusiness.info/>
- Port continues to develop work spaces for small business at Dell Avenue Shops and the Walla Walla Regional Airport.
- SBDC 2016 Results:
 - ✓ Number of clients utilizing the center: 108
 - ✓ Client evaluations of business assistance counseling and workshops: 100% of my clients rated my service as “above average” or “excellent” on the 2016 National Impact Survey.
 - ✓ Number of new business start-ups and number of jobs created or retained; 10 new business and 26 new or retained jobs
 - ✓ Amount of private investment, including equity, banks, or other loan packages; \$5,006,000
 - ✓ Minority population utilization of center: 5.5% of Walla Walla County businesses are Hispanic-owned. 6.4 % of clients utilizing the Center were of Hispanic origin. Other Minority populations were not statistically significant in 2015.
 - ✓ Specific examples of business success stories: Presented 4 local success stories to the EDAC. Capitol barber Shop, The Walla Vineyard, Mary’s Candy and Small’s Family Farm.

B. Existing Business Retention/Expansion

1. Businesses visited

- | | |
|--------------------------------------|-----------------------------------|
| 1. Alaska Air | 19. Pacific Power |
| 2. American Fiber Products | 20. Precept Wine Brands |
| 3. Artifex Wine Company | 21. Railex |
| 4. Blaze King | 22. Reiff Manufacturing |
| 5. Boise (Packaging Corp of America) | 23. Schnitzer Steel |
| 6. Burbank Products, LLC | 24. Simplot Land & Livestock |
| 7. CAVU Cellars | 25. Tamarack Cellars |
| 8. Chateau Ste. Michelle | 26. Tate Transportation, Inc. |
| 9. Columbia REA | 27. The McGregor Company |
| 10. Cott/Cliffstar Corporation | 28. The Odom Corporation |
| 11. Frontier Railroad | 29. The Scoular Company |
| 12. Frontier Transportation | 30. TransCanada GTN |
| 13. Harris Rebar | 31. Tyson Fresh Meats |
| 14. Harry Johnson Excavation | 32. Walla Walla Foundry |
| 15. Ingeniux | 33. Washington State Penitentiary |
| 16. Martin Sports | 34. Westway Feed |
| 17. Midland Carrier TransCold | 35. Other Various Businesses |
| 18. Northwest Grain Growers | |

Martin Sports, Inc.

- In 2013, the Port purchased the Martin Archery property for \$1.3 million and leased it to Martin Sports Inc. in an effort to save jobs and retain archery manufacturing in the Walla Walla Valley. In 2016, per the lease agreement, Martin Sports, Inc. exercised its option to purchase the facility from the Port. The real estate transaction was completed in mid-December 2016 and the final sales price was \$1,430,000.

Alaska Air

- In March 2016, Alaska announced a 3-flight schedule, five days per week to/from Seattle.
- Commercial passenger enplanements set another new record in 2016 with 47,422 boardings on Alaska Airlines. This represents a 14.9% increase from our previous record year in 2015

with 41,259 boardings. Commercial passenger deplanements also set another new record in 2016 with over 47,123 passengers deplaning in Walla Walla. This also represents a 14.8% increase from our previous record year in 2015 with 41,259 passengers deplaning.

- With the help from our business community, tourism activity and local citizens the Walla Walla Regional Airport is now a strong performing market for Alaska Airlines. This increase speaks volumes to our community's commitment to preserving and grow air service, particularly when you consider that Walla Walla is one of the smallest markets that Alaska Airlines serves.
- The Port and the Walla Walla Air Service Coalition continue to advocate for a later arrival time into Walla Walla that will allow for greater connection possibilities from the east coast.

Reiff Manufacturing

- In May 2016, Reiff Manufacturing contacted the Port staff to see if the Walla Walla Regional Airport would be interested in constructing a 4,800 SQFT metal building, adjacent to their other leased facilities, at the Airport. The subject building would be used as a metal fabrication facility to help complement their existing fiberglass manufacturing operations. The new building is anticipated to be completed by March 2017.

Burwood Brewing, Inc.

- In June 2016, Burwood Brewery, Inc. contacted the Port staff to see if the Walla Walla Regional Airport would be interested in constructing a 5,400 SQFT metal building, adjacent to their other leased facilities, at the Airport. The subject building would be used as a brewery and tasting room. The new building is anticipated to be completed by May 2017.

Railex LLC

- In December 2016, the Port Commission declined a first right to buy property where Railex operates its 200,000 SQFT cold storage and temperature-controlled distribution asset. On January 3, 2017, the Union Pacific Railroad, based in Omaha, NE, announced the acquisition of Railex LLC's refrigerated and cold storage distribution assets in Delano, CA, Wallula, WA, and Rotterdam, NY. "The Railex team developed a fantastic business changing how fresh food arrives on America's tables, offering food shippers fast, reliable door-to-door rail-based transportation solutions," Brad Thrasher, vice president and general manager of agricultural products for UP, said in a press release. "The integration of their highly efficient cross dock facilities and logistics capabilities into Union Pacific's broader food network allows us to offer our customers increased access to a wider range of capacity and service solutions in a rail-centric cold chain."

Railex Wine Services, LLC

- In June 2016, the Port entered into a Lease Agreement with an Option to Purchase with Railex Wine Services LLC for approximately 20 acres of land at the Dodd Road Industrial Park. The purchase price was \$17.5K per acre or \$350,000. Railex Wine Services LLC purchase the property in December 2016.
- Railex Wine Services, LLC began construction of a 260,000 SQFT addition to the existing 500,000 SQFT Railex Wine Services Distribution Center. With the addition, the total footprint of expanded facility will be 760,000 SQFT of temperature and humidity controlled bonded wine storage and distribution space. Railex Wine Services will invest approximately \$10 million to build the additional 260,000 SQFT of bonded wine storage. The Phase 2 expansion is scheduled to be completed and opened in April/May 2017.
- Port Commission approved the Option Agreement with Railex Wine Services, LLC for approximately 20 acres to the north of its existing 500K SQFT wine distribution warehouse. The option period runs for five (5) years from January 1, 2017, to December 31, 2021.

2. Business Profiles at Bi-Monthly EDAC Meetings

1. January 2016

- Andrea Weckmueller-Behringer, Executive Director – Walla Walla Valley Metropolitan Planning Organization (MPO)
- Pete Peterson, Principal - Walla Walla High School
- Dr. Bill Jordan, Superintendent, Walla Walla Public Schools – Status of Education

2. March 2016

- Cott Beverage, Shannon McFall, Plant Manager
- Pitch It! - 2016 - Heidi Wells & Anne Nelson

3. May 2016

- Raillex, Jim Kleist, Senior Vice President of West Coast Operations
- Alaska Airlines – Ben Brookman, Manager, Network Planning

4. July 2016

- Mill Creek Project – Randy Glaeser, Director - Walla Walla County Public Works
- Congresswoman Cathy McMorris Rodgers - Washington's 5th Congressional District

5. September 2016

- Ingeniux - Jim Edmunds, Founder and CEO

6. November 2016

- Dr. Patrick Jones, Eastern Washington University - Walla Walla Trends Update
- Superintendent Wade Smith – Walla Walla Public Schools – State of the District

3. Number of local businesses opening (O) and/or expanding (E)

1. Ingeniux Corporation	Software Company	O	Downtown Walla Walla
2. KEU, Inc.	General Construction	O	Isaacs Building
3. Quirk Brewing, LLC	Brewery	O	WW Regional Airport
4. Bergstrom Aircraft	Aviation Services	O	WW Regional Airport
5. Hidden Valley Bakery	Bakery	O	WW Regional Airport

Note: This list is not inclusive to all the businesses opening and/or expanding in the cities of Walla Walla, College Place, Waitsburg, Prescott and other incorporated areas of the County.

4. Business Downsizing/Closures

1. Color Press	Closure -2015-2016	20 FTE Jobs
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Note: This list is not inclusive to all the businesses downsizing or closing in the cities of Walla Walla, College Place, Waitsburg, Prescott and other incorporated areas of the County.

C. BUSINESS RECRUITMENT, MARKETING & ADVERTISING

1. Number of qualified business leads obtained:

WA - Department of Commerce	8	qualified leads
World Economic Development Alliance	9	qualified leads
Private	12	qualified leads
Trade Show	3	qualified leads
Total	32	qualified leads

2. Qualified business visitations:

1. January 2016	Project Water (Nestles)	Food Processor	Waitsburg
2. February 2016	Project Water (Nestles)	Food Processor	Waitsburg
3. March 2016	Project Water (Nestles)	Food Processor	Waitsburg
4. March 2016	Project NW Fertilizer	Chemical MFG	Wallula Gap Business Park
5. April 2016	Project Dayton	Natural Gas (LNG)	Wallula Gap Business Park
6. April 2016	Project NW Fertilizer	Chemical MFG	Wallula Gap Business Park

7. May 2016	Project Dayton	Natural Gas (LNG)	Wallula Gap Business Park
8. May 2016	Project Ostrom	Food Processor	Walla Walla County
9. June 2016	Project Ostrom	Food Processor	Walla Walla County
10. August 2016	Project Ostrom	Food Processor	Walla Walla County
11. September 2016	Project Falcon	Wood Product MFG	Wallula Gap Business Park
12. October 2016 (2)	Project Falcon	Wood Product MFG	Wallula Gap Business Park
13. November 2016 (2)	Project Falcon	Wood Product MFG	Wallula Gap Business Park
14. November 2016	Project Graham	Data Center	Isaacs Building, Walla Walla
15. December 2016	Project Falcon	Wood Product MFG	Wallula Gap Business Park
16. December 2016	Project Currie	Food Processor	Wallula Gap Business Park

- The Port of Walla Walla, Walla Walla Regional Airport, and Visit Walla Walla partnered to provide a \$55,000 Marketing and Advertising Campaign to promote Walla Walla and air service with digital advertising in the San Francisco Bay area and Los Angeles, California markets. The Marketing and Advertising Campaign had a direct influence on the Airport’s 2016 record passenger numbers.
- Partnered with Visit Walla Walla upon receipt of a Port of Seattle Marketing Grant to market “Fly Walla Walla” with digital advertising in Sacramento, Phoenix, and Denver with an overall budget of \$16,000. Funding sources were \$5,000 Airport, \$5,000 Visit Walla Walla and \$6,000 Port of Seattle
- Port completed the improvement to Ingeniux’s downtown Walla Walla building. Port purchased in 2015 the former Misbehaven Building at 115 West Alder (4,800 SQFT) for \$600,000 and entered into a lease agreement with Ingeniux. Port committed to investing an additional \$280,000 for building improvements. Ingeniux Corporation will initially hire 5 to 10 full-time employees with benefits with software development skills. The lease agreement also provides Ingeniux Corporation with an option to purchase the building after 2 years.
- Port attended two (2) trade shows in 2016:
 - ✓ ICSC Retail Tradeshow in Las Vegas, NV
 - ✓ ICSC Tradeshow in Portland, OR
 - ❖ The Port in a cooperative venture invited and helped pay for the City of Walla Walla, City of College Place and County of Walla Walla representatives to attend the International Council of Shopping Centers.
- Continued to work with World Economic Development Alliance in securing additional business leads appropriate for Walla Walla County.
- Advertised in the National Economic Development Directory at www.ecodevdirectory.com.
- Continued to input and update available industrial buildings and sites in the following real estate websites.
 - ✓ Area Development – Fast Facility www.fastfacility.com
 - ✓ CoStar www.costar.com
 - ✓ World Economic Development Alliance <http://wedaconnect.com>
 - ✓ These websites have databases of available buildings and sites and are focused primarily toward national site selectors (Colliers International, Deloitte Consulting, Global Location Strategies, etc...) database.
- Updated and maintained Port’s homepage www.portwallawalla.com.
- Washington State Department of Commerce, national site selectors, and real estate advisors were satisfied with the Port’s comprehensive business expansion/relocation proposals and other collateral materials.
- Washington State Department of Commerce satisfied with the Port’s quarterly EDC reports and the Economic Development Advisory Committee meetings, format, and its public participation effort.

- Port Community contribution of \$8,850 to the following programs:
 - Walla Walla Chamber - Business Award Showcase \$1,350
 - Walla Walla Chamber - Business Summit \$7,500
- Contributed \$39,900 to the following tourism projects conditioned on the money being used to attract out-of-county visitors to Walla Walla County:
 - Blue Mountain Land Trust - Learning on the Land \$3,000
 - Kirkman House Museum \$2,000
 - Walla Walla Chamber Music \$3,000
 - Walla Walla Dance Festival \$1,900
 - Walla Walla Sweet Onion Festival \$1,500
 - Walla Walla Valley Quilt Festival \$1,000
 - Walla Walla Wine Alliance - 2016 Celebrate \$15,000
 - Walla Walla Wine Alliance - Reveal Walla Walla Valley Wine \$5,000
 - Walla Walla Downtown Foundation - Feast Walla Walla \$2,000
 - Walla Walla Downtown Foundation-Wheelin Walla Walla Weekend \$2,000
 - WW Fair & Frontier Days-150th Sesquicentennial Celebration \$2,500
 - ArtWalla's - ArtSquared \$1,000
- Maintained "Existing Inventory List" of ready to go public and private buildings and sites in Walla Walla County.

D. Site & Infrastructure Development

Port of Walla Walla - 2016 infrastructure related projects:

- U.S. Highway 12
 - ✓ Port continued its leadership role with U.S. Highway 12 Coalition. US Highway 12 Coalition meeting conducted on June 22, 2016.
 - ✓ The 2015 State Transportation Revenue Package resulted in significant transportation dollars earmarked for Walla Walla County. Port continues to track progress.
 - ❖ \$126 million to construct Phase 7
 - ❖ \$42 million to begin design & permitting work for Phase 8
 - ❖ \$3.9 million for improvements to the 9th/Plaza Way
 - ✓ Port initiated an effort with WSDOT and Broetje Orchards in looking at safety improvements for Highway 124.
- Burbank Business Park
 - ✓ Completed the infrastructure improvements at Uhling and Kohler to accommodate Lots 1,2, & 64 developments. Premier Excavation was the contractor and the project cost was approximately \$410,000. Budgeted \$443,000.
 - ✓ Completed a zone change with Walla Walla County Community Development for the Burbank Business Park to amend the permitted uses in the Industrial/Business Park (I/BP) zone to allow "Automobile Service Station and Convenience Market" uses in the I/BP zone as envisioned by the Comprehensive Plan.
 - ✓ Port Commission completed the real transaction for:

○ Lots 1 & 2	\$423,403	Burbank Group, LLC	Private capital investment \$2.5M
○ Lots 64	\$639,061	Asja, LLC	Private capital investment \$2.0M
- Burbank Industrial Park
 - ✓ Entered into an inter-local Agreement with Walla Walla County Public Works for the design, construction and construction administration for the 2nd Avenue and Grain Terminal Road Entrance Project. The estimated cost is \$660K and is scheduled for construction 1Q 2017.

- Dodd Road Business Park
 - ✓ Port Commission approved the Option Agreement with Railex Wine Services, LLC for approximately 20 acres to the north of its existing 500K SQFT wine distribution warehouse. The option period runs for five (5) years from January 1, 2017, to December 31, 2021.
- Mill Creek
 - ✓ Port continues participation in Mill Creek Channel Coalition. Helped organize congressional tours of the channel. Led and organized outreach visits to Washington D.C. and continues its leadership role with Mill Creek Channel Coalition.
- Melrose Business Park
 - ✓ Per the City of Walla Walla request, Port Commission authorize the Interim Executive Director to execute and transmit a letter to Watco/Burlington Northern Santa Fe Railway notifying them that the Port of Walla Walla does not oppose an “out-of-service” designation for the rail line serving properties owned by the Port east of Wilbur Avenue.
- Waitsburg Business Park
 - ✓ Approved and recorded the Declaration of Covenants, Conditions and Restrictions (CCR’s) for the Waitsburg Business Park.
- Other
 - ✓ Approved an Economic Development Sales Tax Grant to the City of Walla Walla for \$200K for the Memorial Pool Reconstruction Project.
 - ✓ Conducted several site visits with prospective business leads for the Burbank Business Park, Burbank Industrial Park, Dodd Road Business Park, Isaacs Business Park, Melrose Business Park, Wallula Gap Business Park, Dell Avenue Building, Isaacs Building, and other Port-owned buildings.

County of Walla Walla - 2016 infrastructure related projects:

- Foster Road MP 1.0 to MP 2.0
- Mill Creek Road MP 3.96 to MP 4.36
- Middle Waitsburg Road MP 3.0 to MP 3.2
- Port Kelley Road
- Collins Bridge Fish Barrier Removal
- Sunset Drive West Stormwater project
- Lakeview Drive Stormwater project

City of Waitsburg - 2016 infrastructure related projects:

- Little League Complex
- Replaced roughly 3,500 linear feet of sidewalk
- Repaired a broken waterline along the Highway 12 bridge
- Finished the design and permitting work on the Main Street Bridge Replacement Project

City of College Place - 2016 infrastructure related projects:

- CARS Project \$15 million

City of Walla Walla - 2016 infrastructure related projects:

- Alder IRRP Project (Merriam to Roosevelt) – Completed, October 2016 \$3.5M
 - W. Chestnut IRRP Project (2nd Ave to 9th Ave) – Substantially Complete \$1.85M
 - Blue Street TBD Project (University to Isaacs) – Completed, October 2016 \$500K_
- Note: Infrastructure Repair and Replacement Projects (IRRP)

City of Prescott - 2016 infrastructure related projects:

- None

E. Economic Profile

- Port renewed its contract with Eastern Washington University's to maintain and update the Walla Walla Trends and to provide a quarterly e-newsletter at a cost of \$18,000.
- Updated and maintained the comprehensive economic profile of Walla Walla County. High utilization rate by the government agencies, community organizations, businesses, and site selectors.
- Assisted a host of public and private businesses with specific economic profile requests.
- Tracked the .09% Economic Development Sales Tax Fund for economic development projects.
- Posted EDAC agenda meeting handouts on the Port's website.
- Developed a stronger social media presence with the activation of a Port of Walla Walla Facebook site with regular updates and is linked to Port's existing website.

F. Economic Development Advocacy

- Economic Development Advisory Committee meetings continue to be well attended. EDAC agendas and meeting handouts are posted on the Port's website.
- Port continued its participation in the Washington Association of Economic Development Councils, Washington Public Ports Association, Pacific Northwest Waterways Association, and Good Roads Association.
- Published five (5) guest editorials in the Walla Walla Union-Bulletin newspaper regarding economic development, transportation, and business development.
- Community bus tour of Port/Airport properties was held in September 2016.
- Held community meetings in Burbank and Waitsburg.
- Spoke to the local talk radio programs on economic development issues.
- Participated in several public/private committees and coalitions such as the U.S. Highway 12 Coalition, Washington State Penitentiary Taskforce, Walla Walla Watershed Management Partnership Board, Washington Good Roads Association, Walla Walla Valley Metropolitan Planning Organization (MPO), Regional Transportation Planning Organization (RTPO), Mill Creek Coalition, Walla Walla WorkSource Employer Committee, Walla Walla Community College - General Workforce Advisory Committee, and others.
- Port was the Day Leader for Leadership Walla Walla day devoted to "Business, Agriculture & Economic Development" October 2016.
- Spoke to over 10 organizations concerning the Valley's economic development effort.