

Agenda for Tuesday, February 19, 2002
Klickitat County Port District
2nd Regular Monthly Meeting
February 19, 2001 - 4:30 P.M. - PORT OFFICE

AGENDA

EXECUTIVE SESSION - Potential Litigation & Real Estate - 60 min. maximum

PUBLIC COMMENT - Limited to 10 minutes total; (5 minutes per person)

COUNSEL'S REPORT - Pacific Rock Products Lease

ADMINISTRATIVE MATTERS

Consent Agenda:

1. Minutes - February 5, 2002
2. Vouchers - February 15 - Payroll
3. Vouchers - February 19
4. Vouchers - February 19 - B. Pt. Project Acct.

Financial Report - January

Cash Flow Estimates

KC Support

EXECUTIVE DIRECTOR'S REPORT

BINGEN POINT:

Gorge Delights - Revised Proposal

Dock/Ramp Project Update

North Sports - Month-to-Month Ext.

MALA & Tribal In-lieu Sites - USFS Finding of No Significant Impact

B. Pt. Entrance - Enhancements to W. Lakeview Blvd.

DALLESPORT INDUSTRIAL PARK:

Riley Property Proposal

MISCELLANEOUS

Committee Updates

PUBLIC COMMENT - Limited to 20 minutes total; (5 minutes per person)

ADJOURNMENT

PORT OF KCLICKITAT BOARD OF COMMISSIONERS MEETING MINUTES February 19, 2002 REGULAR SESSION		
TOPIC	DISCUSSION/ASSESSMENT/FINDINGS	ACTION/FOLLOW UP
<u>ATTENDANCE:</u>	<p>Commissioners/Staff Present: Port Commissioners (PCs) Norm Deo, Rodger Ford and S. Wayne Vinyard, Port Counsel (Counsel) Teunis J. Wyers, Byron Hanke (Port Consultant), Executive Director (Exec.D) Dianne Sherwood and Administrative Assistant (AA) Vickie Drew.</p> <p>PC/Staff Absent:</p> <p>Guests Present: John Shafer & Jeff Wriston (Pacific Rock), Mike Henry & Ken Bernert (Bernert Barge Lines), Don Struck (KC BOC); Dana Peck & Tom Seifert (KC Res. Dev.), Mike Smith (Dallesport) and Ron Wherry (Gorge Delights) arrived at 6:15.</p>	
<u>EXECUTIVE SESSION - Potential Litigation & Real Estate</u>	<p>Chair Vinyard opened the Executive Session at 4:35. Those present: PCs Deo, Ford and Vinyard, Exec.D Sherwood, Counsel and Byron Hanke. Counsel left after the potential litigation discussion and so was not present for the real estate discussion.</p>	<p><i>PC Deo moved to adjourn the Executive Session at 5:51; seconded by PC Ford – motion carried.</i></p>
<u>Gorge Delights - Revised Proposal</u>	<p>Chair Vinyard opened the public meeting at 5:52 and moved directly to the Gorge Delights topic. There were no representatives from Gorge Delights present at this time. Exec.D Sherwood reported that Gorge Delights had changed their proposal, scaling it back somewhat from the original proposal. She requested more information which was received. The PC have considered the proposal and are committed to the project, especially with the support of KC. PC Deo felt it was important that the representatives from KC hear the PC comments. PC Vinyard stated that the PC see this as an exciting addition to Bingen Point and was appreciative of the cooperation with KC to help make this happen. The PC have some concerns they would like Exec.D Sherwood to work on. He felt it was important for Ron Wherry and Gorge Delights to understand that they need to negotiate with Exec.D Sherwood as she is aware of the PC concerns. PC Deo stated that he was disappointed that the project had been scaled back from the original proposal. The PC concession to sell property was based primarily on the number of jobs that would be created. He had several items he would like Exec.D Sherwood to work on. He stated that the most important thing is that everyone understand that Exec.D Sherwood needs to be at the forefront of any negotiations with Gorge Delights. In order for him to be comfortable with the sale of the property, he would like to be assured that the Port has not turned away any similar proposals. Infrastructure costs and long-term road maintenance, conformance with the CC&Rs, personal guarantees and first right of refusal were some of the items he was concerned about. PC Ford also stressed the importance of communications between Gorge Delights and Exec.D Sherwood. PC Vinyard stated that selling property is a dramatic change in Port policy. He feels that the type of operation proposed by Gorge Delights and the number of jobs makes this a valid change.</p>	

<p><u>Gorge Delights - Revised Proposal, cont.</u></p>	<p>It is important not to embark on a rash of property sales and take this opportunity to determine which sites are appropriate for sale versus the sites that are vital to the Port. Don Struck (KC BOC) noted the importance of having a Commissioner from the third district (Ray Thayer) really on board now. KC BOC Thayer worked with the engineering department this morning to put together some cost projections for a 4 inch lift on the Port's entrance road. A firm commitment is pending review by the PEDDA board on March 27 to assist with infrastructure improvements. He estimates approximately \$70,000 may be available for the paving. Infrastructure needs for Gorge Delights were also discussed by the county. Exec.D Sherwood expressed the Port's appreciation for the commitment and support received from KC. Tom Seifert discussed other funding sources available to KC to assist the Port. Don Struck reported that the KC BOC have signed a letter of commitment for \$500,000 for infrastructure for building 1D.</p>	
<p><u>PUBLIC COMMENT</u></p>	<p>There was no public comment.</p>	
<p><u>COUNSEL'S REPORT - Pacific Rock Products Lease</u></p>	<p>Counsel was excused after the Executive Session to attend an Executive Session with Hood River County. A final draft of the agreement was presented for PC approval. Exec.D Sherwood expressed her feeling that this was a good document with give and take by each party. A final addition to the language regarding the Port's use of the conveyor within a specified amount of time was added to address the concerns of PC Deo. PC Deo asked if the Port's use of the conveyor was a major concern to Pac Rock. John Shafer stated that his goal is to eventually be using the conveyor 24/7, but they have agreed to language that allows the Port's use even if they have it booked up. PC Deo asked if the Port's use of the conveyor was enough of a point of contention, would Pac Rock consider completely omitting Port use in exchange for a higher royalty rate? John explained that they have a financial model that dictates the proposed rate. PC Deo stated that if the other PC are also prepared, he is prepared to sign the document.</p>	<p><i>PC Deo moved to accept and sign the agreement with Pacific Rock Products for an aggregate load-out facility; seconded by PC Ford – motion carried.</i></p> <p><i>PC Deo moved to approve the letter of understanding between Pac Rock and the Port of Klickitat; seconded by PC Ford – motion carried.</i></p>

<p><u>Gorge Delights, cont.</u></p>	<p>Ron Wherry arrived at 6:15. PC Deo restated that one of the main reasons the PC considered the sale of the property was the number of jobs that were originally proposed. Ron Wherry stated that Gorge Delights has split up their operations, but the new estimated number of jobs (30) for Bingen Point may be quite conservative considering their sales have been looking more and more up. PC Deo was also concerned that the building was now a metal building instead of a concrete tilt-up. There has been much negative feedback from the community regarding the appearance of this metal building. Ron Wherry displayed some brochures showing various metal buildings that were more attractive. The front of the building would be facing east and would contain the office area. PC Deo also mentioned the personal guarantee requirement, the fact that the sale would be contingent upon completion of the building, the building must fit in with the Harbor Town theme, and the Port's first right of refusal requirement. These and other issues will need to be negotiated with Exec.D Sherwood. Ron stated that they are receiving a lot of interest from growers which may result in additional opportunities for the Port. Don Struck reiterated that KC is excited about the proposal and that it fits in with their goals for KC.</p>	
<p><u>ADMINISTRATIVE MATTERS</u> <u>! Consent Agenda</u></p>	<p>Items approved:</p> <ul style="list-style-type: none"> • Minutes of February 5, 2002 • Vouchers #17257-17259; \$3,000.00 • Vouchers #17260-17265; \$1,051.29 • Check #160 - \$3,823.63 	<p><i>PC Deo moved to approve the Consent Agenda; seconded by PC Ford -- motion carried.</i></p>
<p><u>! Cash Balances Memo</u></p>	<p>AA Drew discussed the cash balances memo noting total liquid funds of \$393,375.03. The State Pool General Investment account has a balance of \$383,025.00. At this time last year, the balance in that account was \$381,500.00.</p>	
<p><u>! Financial Report - January</u></p>	<p>AA Drew discussed the financial statement ending January 31. The balance sheet shows the deficit cash receipts over expenditures at (\$28,965.76). This is due to the fact that we have paid CIP expenses this month with funds that were received and recorded last year. She discussed revenue and expense account percentages (actual vs. budget) against the target of 8%. Marine Terminal revenues are at 13% of budget, Sale of Water revenues are at 10%, and Property Rental revenues are at 15% due to receipt of the OR Cherry Growers yearly payment, and total revenues are at 6%. Marina Expenditures are at 9%, Water System Expenditures are at 14% and Property Rentals Maintenance is at 8%. Port Counsel Expense is at 5% and Office Expense-Supplies is at 9%. Total expenditures are at 10% overall leaving a net loss of \$28,965.76.</p>	
<p><u>! Cash Flow Estimates</u></p>	<p>Exec.D Sherwood discussed the cash flow estimates information that she prepared which shows that the Port has approximately \$198,072 available for \$5MM in potential projects. Engineering and infrastructure costs for Gorge Delights alone is estimated at approximately \$239,000. Discussion followed regarding the infrastructure needs for the project.</p>	

! <u>KC Support</u>	Exec.D Sherwood reiterated that KC has signed a resolution granting \$500,000 for building 1D for I.C.E.	
! <u>EXECUTIVE DIRECTOR'S REPORT</u> * <u>BINGEN POINT</u> * ! <u>Gorge Delights - Revised Proposal</u>	Discussed during Counsel's report.	
! <u>Dock/Ramp Project Update</u>	The dock/ramp has been completed. Betz will return in the spring to complete the paving after the batch plants re-open. Exec.D Sherwood was concerned about possible slipperiness of the wood planks on the walkway and the height of the rip rap on the eastern bank of the ramp. She will discuss these issues with Kennedy/Jenks. The old metal walk ramp will be moved out of the way and stored for possible use in the future.	
! <u>North Sports - Month-to-Month Extension</u>	North Sports has requested and been granted an extension to their month-to-month lease agreement. The building they are constructing will not be ready for a couple more months.	
! <u>MALA & Tribal In-lieu Sites - Corp Finding of No Significant Impact</u>	A summary of the Corp finding of no significant impact regarding the proposed in-lieu sites was included in the packet. It was expected that the Mt. Adams Loggers' Association (MALA) appraisal should come in at about the same value as the Ports Lot #13 (\$56,000 per acre). If that be the case, MALA should then receive an offer from the Corp not to exceed \$450,000. Discussion followed on various avenues to obtain the money to purchase the MALA property.	
! <u>B. Pt. Entrance - Enhancements to W. Lakeview Blvd.</u>	Exec.D Sherwood has discussed with KC BOC Ray Thayer, the long-term maintenance issues of Port roads, including W. Lakeview Blvd. The Port is extremely limited as to sources for assistance with road maintenance. There may be financial assistance available from KC.	
* <u>DALLESPORT INDUSTRIAL PARK</u> * ! <u>Riley Property Proposal</u>	Tabled until next meeting.	
<u>MISCELLANEOUS</u> ! <u>Crane</u>	Exec.D Sherwood reported that she has received a call from someone interested in the crane.	
! <u>PC Vinyard</u>	PC Vinyard would like to be included in the meeting with Carl Dugger when discussing the Gorge Harbor Marina Project.	

<p><u>! PC Ford</u></p>	<p>PC Ford inquired about the meeting schedule for MCEDD. He asked that a call be made tomorrow to confirm the schedule and obtain a contact name and number.</p>	
<p><u>PUBLIC COMMENT</u></p>	<p>There was no public.</p>	
<p><u>ADJOURNMENT</u></p>		<p><i>PC Deo moved to adjourn at 7:31; seconded by PC Ford- motion carried.</i></p>

Approved on: _____
 submitted _____
 (Date)

Respectfully

Vickie L. Drew, Administrative Assistant

 Dianne Sherwood, Executive Director

S. Wayne Vinyard, Chairman