

Agenda for Tuesday, May 21, 2002
Klickitat County Port District
2nd Regular Monthly Meeting
May 21, 2002 - 4:30 P.M. - PORT OFFICE

AGENDA

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

COUNSEL'S REPORT

ADMINISTRATIVE MATTERS

Consent Agenda:

1. Minutes - April 16, 2002
2. Vouchers - April 30, 2002 - Payroll & Quarterly Taxes
3. Vouchers - May 7, 2002
4. Check - May 7, 2002 - B. Pt. Project Acct.
5. Vouchers - May 15, 2002 - Payroll
6. Vouchers - May 21, 2002
7. Check - May 21, 2002 - B. Pt. Project Acct.

Financial Reports - March & April

Resolution 5-2002 - Teleconsortium

Revised Budget

EXECUTIVE DIRECTOR'S REPORT

BINGEN POINT:

Lakeview Blvd. Project - Site Visit
Dock/Ramp Project Update
Gorge Delights Update
SBDC Demising Wall
Bingen Point CC&Rs
Insitu Lease
Fishing Platform
Soccer Field Request
Funding - Bldg. 1D
Engineering Oversight - Hwy 14 Spoils

DALLESPORT INDUSTRIAL PARK:

Waste Water Treatment Facility Update

DIP Infrastructure Engineering Update

MISCELLANEOUS

WPPA Finance & Admin. Seminar - June 19-21, Ocean Shores

WPPA "Director's Only" Seminar - June 27 & 28, Seattle

Committee Updates

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

ADJOURNMENT

	PORT OF KLICKITAT BOARD OF COMMISSIONERS MEETING MINUTES May 21, 2002 REGULAR SESSION	
<u>TOPIC</u>	DISCUSSION/ASSESSMENT/FINDINGS	ACTION/FOLLOW UP
<u>ATTENDANCE:</u>	Commissioners/Staff Present: Port Commissioners (PCs) Norm Deo, Rodger Ford and S. Wayne Vinyard, Executive Director (Exec.D) Dianne Sherwood and Administrative Assistant (AA) Vickie Drew. PC/Staff Absent: Port Counsel (Counsel) Teunis J. Wyers Guests Present: Matt Riley (Riley Bros. Concrete), Tom Seifert & Dana Peck (KC Res. Dev.), Steve DiJulio (KC Counsel), Mike Smith (Dallesport) and Rich Bell (Bell Design).	
<u>PUBLIC COMMENT</u>	Chair Vinyard opened the public meeting at 4:33. There was no public comment.	
<u>COUNSEL'S REPORT</u>	Counsel is on vacation.	
<u>ADMINISTRATIVE MATTERS</u> <u>! Consent Agenda</u>	Items approved: <ul style="list-style-type: none"> • Minutes of April 16, 2002 • Vouchers #17382-17398; \$24,676.38 • Vouchers #17399-17435; \$18,875.19 • Check #166; \$991.43 • Vouchers #17436-17438; \$3,549.32 • Vouchers #17439-17444; \$21,206.23 • Check #167; \$15,643.43 	<i>PC Deo moved to approve the Consent Agenda as presented; seconded by PC Ford -- motion carried.</i>
<u>Funding - Bldg. 1D</u>	Exec.D Sherwood introduced Steve DiJulio (KC Attorney) to discuss the status of KC's offer of funding assistance to the Port for Bldg. 1D. Included in the PC packets were Memorandums of Understanding which would cover infrastructure improvements related to the Gorge Delights project and the \$500,000.00 that the KC PEDDA Board has recommended that KC grant to the Port. Steve was asked to explain the situation pertaining to the recent articles in the local papers regarding the legality of KC granting money to the Port. Steve's firm (Foster, Pepper & Scheffelman) works with governments throughout the state trying to figure out how to maximize the use of public dollars for economic development opportunities. KC approached Steve to determine how funds could be given to the Port (and any worthy public organization) for project assistance. KC doesn't have the same level of authority to do many of the things that the Port does. The Ports' authority to engage in economic development activities is the broadest possible in the state. His firm has studied the statutes carefully and has come up with a program to enable KC to move funds to Port.	

<u>Funding - Bldg. 1D, cont.</u>	<p>The transaction must be within a structure that the county has authority to operate under. KC has the authority to lease property for industrial development purposes, but it has to be property that is owned by the county. He proposes that the Port grant to KC an interest in the property (Lot #14), and then KC would lease that same property back to the Port for its purposes. KC would pay \$500,000 to the Port for an interest in the property. Steve suggested that legislative action to give counties broader authority to grant monies for economic development would make this process much easier. PC Deo asked if the appraised value of the property would have any bearing on this transaction. Steve explained that KC would have an interest in property that, once improved, would have a value well in excess of its investment. PC Vinyard inquired what the lease restrictions would be. Steve responded that the lease term has to be 35 years or less and KC's interest in the property would only ripen if and when the Port sold the property. PC Deo asked if Steve found that other counties are as pro-active with their Ports as KC is in these kind of arrangements. Steve responded "absolutely not, in fact the ports are the leaders in economic development in most communities". "They typically are more aggressive in their taxing structure, they also have more of an economic base through various fees they are able to collect and they have more authority than counties". He will urge KC to have this transaction reviewed by the State Auditor and he expects the KC Auditor will look closely at it as well. Dana Peck stated that they (KC Res. Dev.) "prided themselves in being able to operate almost like a business in terms of responding to opportunities and those days are over for us now, and it's certainly not by our own design". Mike Smith asked if the need for this strategy was a result of the protest by the KC Auditor's Office and the KC Treasurer's Office. Dana Peck responded that this was the case. He expects that what they considered business as usual will be under constant criticism. In light of KC's recently updated strategic plan, the commitment to assist with infrastructure projects on Port property to make development move faster to the benefit of all is just as strong as ever. The funding of those projects will now have to take on a more critical and time consuming path. Port Counsel will receive a copy of the documents for review. Mike Smith stated that it seems the local papers published articles presenting the Auditor's and the Treasurer's point of view. He was dismayed that the County was not allowed to present their side. He felt the PC should be well informed and be able to explain the situation to the newspapers. Dana Peck stated that a joint ownership agreement between KC and the City of The Dalles for the airport looks to be reached very soon.</p>	
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<p><u>! Financial Report - March</u></p>	<p>AA Drew discussed the cash balances memo noting total liquid funds of \$506,323.44. The State Pool General Investment account has a balance of \$489,121.00.</p> <p>AA Drew discussed the financial statement ending March 31. The balance sheet shows the deficit cash receipts over expenditures at (\$171,496.66). She discussed revenue and expense account percentages (actual vs. budget) against the target of 25%. Marine Terminal revenues are at 32% of budget, Sale of Water revenues are at 15%, and Property Rental revenues are at 57% due to receipt of the Pac Rock royalty and OR Cherry Growers yearly payment. Total revenues are at 19%. Marina Expenditures are at 20%, Water System Expenditures are at 46% and Property Rentals Maintenance is at 21%. Port Counsel Expense is at 21% and Office Expense-Supplies is at 30%. Total expenditures are at 45% overall leaving a net loss of \$171,496.66. Exec.D Sherwood stated that some of the percentages are</p>	
<p><u>! Financial Report - March, cont.</u></p>	<p>are skewed by virtue of not having correct budget figures because budgeting was done last fall. The contributed capital and construction in progress categories are most off balance due to estimating at budget time that half of the dock/ramp and DIP infrastructure projects would be done in 2001 and half in 2002. Revising the budget will be discussed later.</p> <p>Exec.D Sherwood stated that one of the things the State Auditor looks at is to make sure the PC are aware of where the Port's money is being received and spent. The trend report is a valuable tool for the PC to see what's happening.</p>	
<p><u>! Financial Report - April</u></p>	<p>AA Drew discussed the financial statement ending April 30. The balance sheet shows the deficit cash receipts over expenditures at (\$31,469.18). We have received the first reimbursement from IAC of \$126,688.02, however we continue to use Port funds to pay for the project until final reimbursement from IAC. She discussed revenue and expense account percentages (actual vs. budget) against the target of 33%. Marine Terminal revenues are at 49% of budget, Sale of Water revenues are at 27%, and Property Rental revenues are at 66% due to receipt of the Pac Rock royalty and OR Cherry Growers and Riley Bros. yearly payment. Total revenues are now at 47% due to receipt of 1st half property tax payments. Water System Expenditures are at 56% and Property Rentals Maintenance is at 32%. Port Counsel Expense is at 33% and Office Expense-Supplies is at 33%. Total expenditures are at 54% overall leaving a net loss of \$31,496.18.</p>	
<p><u>! Resolution 5-2002 - Teleconsortium</u></p>	<p>Exec.D Sherwood requested that the PC adopt Resolution 5-2002 recognizing the Gorge Teleconsortium. This topic was discussed at the last PC meeting.</p>	<p><i>PC Ford moved to approve Resolution 5-2002 as written; seconded by PC Deo – motion carried.</i></p>

<p><u>! Revised Budget</u></p>	<p>Exec.D Sherwood discussed the need to do a revised budget for 2002. The law requires that we advertise not more than 15 days and no less than 5 days prior to a public hearing for such purpose. She would like to revise the budget at one of the June meetings. AA Drew prepared a very preliminary revision of the budget which projects a loss of \$70,000. This is mainly due to spending 2001 unexpended grant funds to complete capital improvement projects in 2002. The contributed capital amounts are incorrect due to guessing what portion of the grants would be received and used in 2001 and 2002. Additional grant monies awarded may need to be included in the new budget as well. Some revenue and expense line items also need to be adjusted to reflect actual income and expenditures. PC Deo suggested a redline version so the PC can see which items are being adjusted. PC Ford inquired if it would be advisable to revise the budget in July to allow time for additional information regarding the funding from KC and the Gorge Delights project. It was determined to wait until July. Exec.D Sherwood suggested that it would be beneficial for PC Ford to have copies of the construction in progress and fixed asset expenditure worksheets that describe the purpose of those amounts.</p>	
<p><u>! EXECUTIVE DIRECTOR'S REPORT *BINGEN POINT* ! Lakeview Blvd. Project - Site Visit</u></p>	<p>Exec.D Sherwood discussed her memo regarding the entry road project. She stated that although the article in The Enterprise was very nice, it was not very accurate. The project exceeded the \$10,000 budget line item (which should be revised). She provided a listing of the expenses, which at this point total almost \$20,000, and a list of those who contributed to the project. PC Deo stated that the letter Exec.D Sherwood wrote to Ray Sweetwood was appropriate and he appreciated that she sent it. (Mr. Sweetwood was inadvertently overlooked when requesting quotes for the trees.)</p>	
<p><u>! Dock/Ramp Project Update</u></p>	<p>Exec.D Sherwood reported that we are awaiting final billing from Betz and final documentation from L&I and the Dept. of Revenue in order to close out the project. The rock over run issue will be resolved once the final billing has been received.</p>	
<p><u>! Gorge Delights Update</u></p>	<p>Disappointingly, Gorge Delights (GD) will be siting their bar plant at the Port of The Dalles. An investment group will construct a building which GD will then lease. GD will be leasing all of their equipment also, so they will have no cash outlay. Exec.D Sherwood felt that this gives the Port the opportunity to determine if getting an investor group that could build at private industry costs would be the prudent thing to do. GD would still like to site a puree plant at Bingen Point, having received federal dollars to proceed.</p> <p>Tom Seifert stated that if Gorge Delights sites a puree plant at Bingen Point, the number of jobs would be about the same or more than the bar plant. He stated that it looks like a private development group may be the way to go. This will be a good topic for discussion at the meeting with the Port of The Dalles commissioners.</p>	

<u>! SBDC Demising Wall</u>	Exec.D Sherwood discussed her memo regarding the demising wall. Rockin Rodds was the low bidder and the wall has been completed. The stairway from Bay C will be moved to Bay B at a cost of \$400.00 once Insitu no longer needs it.	
<u>! Bingen Point CC&Rs</u>	Moved to the end of the meeting; time permitting.	
<u>! Insitu Lease</u>	Exec.D Sherwood reported that the new Insitu lease for 8 months at \$.40 sf for two bays has been prepared. They have been occupying Bay D and will be expanding into Bay C. They are proposing substantial improvements to the space in the neighborhood of \$50,000 to \$80,000, which would give them consideration of rent upon expansion.	
<u>! Fishing Platform</u>	Exec.D Sherwood has had two discussions with Chief Johnson of Inter-Tribal Fisheries Enforcement regarding a fishing platform that has been constructed on Port property on the rocks just off Parcel #17 (Columbia River entry to Marina). She feels it is an attractive nuisance and fears kids may want to explore the site. She will continue to pursue the issue.	
<u>! Soccer Field Request</u>	Exec.D Sherwood discussed the letter from Jorge Barajas requesting that the Port put in a soccer field for community use, as they are unable to use the White Salmon High School field. She felt that the Port didn't have any property that could be utilized for a soccer field, but that maybe the Port could work with the high school or the cities to try to find property that could be acquired, possibly as a park through IAC, rather than dedicating Port property to a recreational use. Site preparation and maintenance costs would be beyond the capability of a private group. PC Vinyard mentioned Parcel 1 & 2 which the Port would like to level and plant grass to create a camping area for DNR fire camps. If that work could be donated, he would not be opposed to allowing use of it for a soccer field when not in use by the DNR. Exec.D Sherwood stated that Parcels 1 & 2 are not available for consideration at this time due to being the location for possibly 34,000 cubic yards of fill material from the Hwy 14 project. PC Vinyard stated that this is an industrial site for industrial economic development and felt that it was more important to put these kids' families to work than providing a soccer field. PC Ford suggested the area north of the Dallesport School as a possible site.	<i>Exec.D Sherwood will offer some suggestions for alternate sites.</i>

<u>! Funding - Bldg. 1D</u>	<p>Exec.D Sherwood discussed her memo packet regarding funding. She received grants of \$50,000 each from the USFS and the Office of Trade & Economic Development (OTED). This means that in order to move ahead with the project, the Port needs to provide matching funds of \$30,000. She requested a revision to the budget to include \$30,000 as match to \$100,000 in grants for building 1D. She would like the PC to dedicate those funds to getting an architect/engineer for the building. An ad was placed requesting Statements of Qualifications.</p> <p>CERB will be accepting applications for grant and loan opportunities. She will be preparing an application that has a deadline of June 3. Resolutions 10-2001 and 2-2002 authorized her to make this application.</p>	<p><i>PC Vinyard moved that \$30,000 be authorized in the 2002 budget to serve as a match to \$100,000 of grant funding for the cost of engineering and architectural work for Bldg. 1D at Bingen Point. He further moved that the Exec.D be directed to proceed with the selection process to obtain an engineer/architectural firm, and to secure funding in order to achieve construction completion of Bldg. 1D by the targeted deadline of December 31, 2002; seconded by PC Deo – motion carried.</i></p>
<u>Engineering Oversight - Hwy 14 Spoils</u>	<p>Exec.D Sherwood discussed the memo regarding the spoils from the Hwy 14 project. She would like the PC to authorize \$6,000 to be used for engineering assistance to supervise acceptance of the spoils. It may be advisable to place all the fill on one or two parcels and get them ready for development. Discussion followed regarding areas for fill placement and related storm water issues. The spoils are expected in the fall.</p> <p>PC consensus to approve a maximum of \$6,000 be authorized in the 2002 budget to acquire engineering assistance which will accommodate the acceptance of fill/spoils materials at Bingen Point. Firms will be solicited from the small works roster.</p>	
<u>SR-35 Columbia River Crossing</u>	<p>Exec.D Sherwood discussed the two letters of support for the SR-35 Columbia River Crossing project through Tier III which she prepared for PC signature. The PC signed the letters which will be sent to Don Wagner, Regional Administrator, WA Dept. of Transportation and Kay VanSickel, Region One Manager, Oregon Dept. of Transportation.</p>	
<u>*DALLESPORT INDUSTRIAL PARK*</u> <u>! Waste Water Treatment Facility Update</u>	<p>Exec.D Sherwood reported that the treatment facility is progressing very well and is actually ahead of schedule.</p>	

<u>! DIP Infrastructure Engineering Update</u>	A project status summary was provided by Kennedy/Jenks (k/J). The water system plan is 99% complete and the grading plan is complete. Infrastructure design is 90% complete and K/J anticipates submitting 95% complete design drawings for PC review by June 10. The seismic analysis and improvements is 75% complete.	
<u>! DIP Roads</u>	Weyerhaeuser has requested approval to apply calcium chloride to the Port roads for dust suppression. Exec.D Sherwood checked with KC Public Works and DOE and determined that it is a good product. The cost is \$4,193.73 of which the Port agreed to pay one-third (\$1,397.91).	
<u>MISCELLANEOUS</u> <u>! WPPA Finance & Admin. Seminar</u>	Exec.D Sherwood requested approval to send AA Drew to the Finance seminar in Ocean Shores June 19-21.	<i>PC consensus for AA Drew to attend the meeting.</i>
<u>! WPPA "Director's Only" Seminar</u>	Exec.D Sherwood requested approval for her attendance at the "Directors' Only" seminar in Seattle on June 27 & 28.	<i>PC consensus for Exec.D Sherwood to attend the meeting.</i>
<u>! Port of The Dalles/Port of Klickitat Meeting</u>	The Port of The Dalles commission has determined that July 16 would be the best date for them to attend a joint PC meeting.	
<u>! WPPA Spring Meeting</u>	Exec.D Sherwood attended the WPPA Spring meeting on May 15 & 16. She reported that she gained valuable information regarding informing the public, through media, about where their tax dollars go and what each dollar equates back to the community in jobs or development.	
<u>! Committee Updates</u>	<u>MCEDD</u> : PC Ford was unable to attend the meeting. <u>SR-35 Columbia River Crossing</u> : PC Ford displayed a photo which incorporated various alignment options for the bridge which would remain at the present location. He also had a cost sheet projecting \$110MM to \$120MM for the project. A meeting will be held on June 4 to make the decision whether to continue the project through Tier III. <u>KC PEDAs</u> : Meeting is tomorrow.	
<u>! PC Deo</u>	<ul style="list-style-type: none"> • PC Deo inquired of the status of the property line adjustment to the Riley Operating Agreement. A draft amendment has been prepared, however, Counsel has been on vacation. • PC Deo inquired if any further contact had been received from the gentleman (Mark Schroeder) interested in the crane. Exec.D Sherwood stated there had not. • PC Deo asked about the recent fire. MALA was burning debris on their property. Exec.D Sherwood additionally reported that Servpro has set off the fire alarm twice while sweeping up dust from construction of the demising wall. 	

<u>! RV Park</u>	PC Ford suggested putting the operation of the RV Park out to bid. Exec.D Sherwood stated that this was done before with no response. PC Ford thought that things have changed enough in the last few years that there may be a demand now. Exec.D Sherwood explained that there was a conflict between day users and overnighers, and money management was a problem. PC Ford felt it was a facility that could be being used and would bring in some revenue and get people into the area. He felt timing was right to find someone to operate it. PC Deo stated that another issue was maintenance and upkeep of the park and restrooms. There was a big problem with vandalism. PC Deo felt it could work if the right management agreement was drawn up and the right managers could be found.	
<u>B. Pt. CC&Rs</u>	Postponed until next meeting.	
<u>PUBLIC COMMENT</u>		
<u>! Rich Bell</u>	<p>Mr. Bell was interested in the Gorge Delights update. Exec.D Sherwood relayed the information that was discussed prior to his arrival. He stated that Bell Design has received a work order from Gorge Delights.</p> <p>Mr. Bell inquired if the binding site plan revision which was mentioned in the RFQ for the Gorge Delights project would have been the responsibility of Gorge Delights or the Port. Exec.D Sherwood explained that this work would have had to be done to adjust the boundary lines of Lot #13 in order to effect a sale to Gorge Delights and the Port must do the update to match the adopted master plan.</p>	
<u>! Tom Seifert</u>	<ul style="list-style-type: none"> • KC Resource Dev. has budgeted professional services that are available. He wanted to reiterate that they are committed to following through with their commitments. • WWTF Community Update at Dallesport had 65-70 people turnout. There were only two residents unhappy due to the work now hitting their front yards. The vast majority of residents were very supportive of the project. Exec.D Sherwood stated that the streets in Dallesport would be resurfaced once the project is done. • Ron Wherry has stated that the puree plant would be necessary to feed the bar plant in The Dalles and so their construction should be happening fairly concurrently to each other. • Exec.D Sherwood and Tom visited the Port of Skamania's new building. The tenant sold their business after two months and the building is now vacant. The building design does not appear to be adaptable to varied uses or multiple tenants. 	
<u>! Tom Seifert, cont.</u>	<ul style="list-style-type: none"> • He will be trying to track private developer interest and the cost of construction. He will follow the Gorge Delights project at The Dalles. 	

May 21, 2002

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<u>ADJOURNMENT</u>		PC Deo moved to adjourn at 6:50; seconded by PC Ford - motion carried.
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Approved on: _____
submitted _____
(Date)

Respectfully

Vickie L. Drew, Administrative Assistant

Dianne Sherwood, Executive Director

S. Wayne Vinyard, Chairman