

	PORT OF KLUCKITAT BOARD OF COMMISSIONERS MEETING MINUTES October 16, 2007 REGULAR SESSION	
<u>TOPIC</u>	DISCUSSION/ASSESSMENT/FINDINGS	ACTION/FOLLOW UP
<u>ATTENDANCE</u>	Commissioners/Staff Present: Port Commissioners (PCs) Rodger Ford & Wayne Vinyard; Director Marketing/Public Affairs, (DM/PA) James Donnelly; and Administrative Assistant/Bookkeeper, (AA/B) Margie Ziegler, Facilities/Maintenance Operator, (Fac/Maint) Bryan Charters and Port Consultant Byron Hanke. PC/Staff Absent: Port Counsel Teunis Wyers and PC Norm Deo excused. Guests Present: Matt Riley, (Rapid Ready Mix Inc); Mike Smith.	Meeting called to order at 4:30 PM
<u>COUNSEL'S REPORT</u>	(DM/PA) James Donnelly talked about the Verizon Lease. Verizon is now proposing a 25 year lease with a 25 year renewal and not a 50 year lease. (DM/PA) Donnelly said that Rod Michaelis said Verizon does not do 50 year leases anymore. (DM/PA) Donnelly reviewed the Verizon lease with Port Counsel Wyers and Wyers said he prefers the 25 year lease over the 50 year lease. PC Vinyard wanted to make sure that the lease has language protecting the Port if the Port needs to get out of the lease if, for example, if the Port had to remove or replace the reservoir. (DM/PA) Donnelly will review lease and e-mail PC with his findings.	
<u>Administrative Matters</u> <u>Consent Agenda</u>	Items approved: Minutes of October 2, 2007 PC Retreat Minutes Vouchers - October 2, 2007, #21682-21702, \$14,434.89 Vouchers - October 15, 2007, #21703-21707, \$5,169.68 Vouchers - October 16, 2007, Wire Transfer, \$106,428.32 Vouchers - October 17, 2007, #21708-21734, \$8,322.00	PC Vinyard M, PC Ford S a motion to approve the Consent Agenda, MP
<u>Executive</u> <u>Director's Report</u> <u>Bingen Point</u>	Steve Maier, ICE, presented elevations and the site plan for their proposed building and answered questions from the PC. Steve Maier asked if the easement on the east side of Parcel 13, 16, & 19 could be relocated. PC Ford said a boundary line adjustment may be considered between Parcel 26 and Parcel 19 for the natural drainage. (DM/PA) Donnelly said that PC Deo would like to see an artists rendering of the building and site. (DM/PA) Donnelly said Insitu wants to lease parcel #26 and #27 and drop parcel #34 as of August 1, 2007. (DM/PA) Donnelly prepared a memorandum of understanding to lease month-to-month parcel #26 and #27 and asks the PC for approval. (DM/PA) Donnelly said Insitu has approached the Port for copies of Building 1D drawings. Insitu is proposing changes to Building 1D to allow for more manufacturing space.	By consensus, the PC approves lease of Parcel #26 and #27 to Insitu and directs (DM/PA) Donnelly to sign and execute the lease.
<u>Executive</u> <u>Director's Report</u> <u>Bingen Point continued</u> <u>Executive</u> <u>Director's Report</u> <u>Dallesport Industrial Park</u> <u>Appraisal Lots #40, #41, and #42</u> <u>DIP Lot #38</u>	(DM/PA) Donnelly reported that there is continued efforts to discuss possibilities at the marina. (DM/PA) Donnelly reported that we have a potential tenant for Lots 40, 41, and 42. (DM/PA) Donnelly said the most recent appraisal of those lots was done in 2006. (DM/PA) Donnelly has talked with the appraiser and said that there has not been significant change in the market and if a new appraisal was prepared it would likely be the same values. (DM/PA) Donnelly said the appraisal is based on the lots being shovel ready and there are still improvements that need to be made and the values should reflect that. (DM/PA) Donnelly recommends to the PC to use the 2006 appraisal to value the lease of lots 40, 41, and 42. PC Ford would like (DM/PA) Donnelly to review and set the lease rates with Port Financial Consultant George Fox. PC Vinyard wants to make sure the tenant also meets the Ports job requirements. (DM/PA) Donnelly said that Gabbster, LLC would like to lease lot #38 for a five year term to site a sawmill operation. (DM/PA) Donnelly said that three sided pole buildings and an office will be built. Gabbster LLC will start with 10 employees and expand over time. (DM/PA) Donnelly said there is no power on Lot#38 and	By Consensus, the PC agrees to use the 2006 appraisal to set the lease rate for DIP Lots 40, 41 & 42.

	<p>Donnelly proposes a deposit be charged to Gabbster, LLC for the cost of the installation of power. (DM/PA) Donnelly said that KC PUD gave a rough quote of \$4,800. (DM/PA) Donnelly asked the PC if Gabbster, LLC provided a deposit, a security deposit of \$4,600 (four months rent), insurance statement and a signed lease would the PC authorize the KC PUD to install power to lot #38. PC Vinyard had concerns that a sawmill operation would cause a lot of waste and the Port needs to insure that they are not left with a big clean up. PC Ford directed (DM/PA) Donnelly to talk with Bruce Schmidt, Southside Enterprises, about his operation plans. PC Ford tabled the discussion of Lot #38 and called for an executive session to discuss PC concerns regarding the lease.</p>	
<u>Aggregate Operator</u>	<p>(DM/PA) Donnelly said that James Dean Construction has a substantial rock order to fill and wanted to know if the Port had any lots that needed leveling. Our royalty agreement allows for a reduced rate for shot and drilled rock. (DM/PA) Donnelly gave Deans lots to take a look at and to see if they would be feasible for Dean's.</p>	
<u>Williams Pipeline Easement</u>	<p>(DM/PA) Donnelly reported that Donna Fitts at Williams Pipeline will grant an encroachment permit for Rinker by adding language to allow for the conveyor within the easement. (DM/PA) Donnelly said Williams will start the pipeline relocation the Spring of 2008.</p>	<p><i>By consensus, the PC agreed to authorize (DM/PA) Donnelly sign the Williams easement.</i></p>
<u>Dallesport Industrial Park continued</u>		
<u>DIP CC&R Report</u>	<p>(DM/PA) Donnelly said the CC& R's discussion should be tabled until PC Deo is present.</p>	
<u>DIP Water Agreement</u>	<p>(DM/PA) Donnelly reported he attended a meeting with KC EDA, PUD, Airport, and Sundoon Developers regarding amending the water system plan. Tennison provided a scope of work to complete the water system plan. The amendment cost is \$40,000 and the grant from CTED is for up to \$45,000 and the funds must be spent in 2007. Tennison needs authorization to proceed with the amendment and the amendment should take two months to complete. Klickitat County will create the inter-governmental agreement with the agencies and the PUD to become the operator of the water system.</p>	<p><i>By consensus, the PC authorized (DM/PA) Donnelly to direct Tennison to amend the water system plan.</i></p>
<u>101 Parallel Building Roof</u>	<p>(DM/PA) Donnelly presented a proposal from Randy Salisbury, DSP, for the scope of work for re-roofing the 101 Parallel Building. DSP's bid of \$17,640.00 covers everything from preparing the bid through construction administration. Skylights were discussed. (DM/PA) Donnelly said he would talk with Randy, at DSP and George Fox, CPA to get a revised scope. PC Vinyard said this roof needs to be repaired. PC Ford would like to know from interested tenants what their need is for skylights.</p>	<p><i>By consensus, the PC directed (DM/PA) Donnelly to review DSP's scope of work and determine what could be completed by the Port.</i></p>
<u>Dallesport Log Yard</u>	<p>(Fac/Maint) Charters said he has been approached by Paul Cothren, Dallesport Log Yard(DLY), to get authorization to get rock from the rock pit by Joe's lake. (Fac/Maint) Charters reported that the pit is getting too close to Dock Rd. (DM/PA) Donnelly said that DLY's lease states that the Port will maintain the log yard, but DLY will repair things that they damage. (Fac/Maint) Charters said that DLY feels they have inherited the yard in the current condition and that the yard needed maintained with the previous tenant. (DM/PA) Donnelly said he will talk to James Dean Construction and find out how much it would cost to transport rock from the</p>	

<u>MISCELLANEOUS</u>	Port's designated pit.	
<u>Committee Update:</u>	PC Ford: No MCEDD meeting. PC Deo:	
<u>WPPA Annual Meeting</u>	PC Vinyard: Next EDA meeting November 8th.	
<u>SW Finance Group</u>	WPPA Annual Meeting will be November 14-16th at Bellevue, WA. PC Ford said he planned to attend. Port Consultant Hanke said that it may also be important to send (DM/PA) Donnelly also.	<i>By consensus, the PC authorized PC Ford to attend.</i>
<u>Marketing Report</u>	The next SW Finance Group meeting will be November 2 nd at the Port of Chehalis.	<i>By consensus, the PC authorized (AA/B) Ziegler to attend.</i>
<u>101 Parallel Building</u>	(DM/PA) Donnelly talked about interested tenants in the 101 Parallel building.	
<u>World Economic Development Alliance</u>	(DM/PA) Donnelly reported that Mike Canon, KC EDA, has approached the Port to join the World Economic Development Alliance. This service is a site selector and would provide leads to the Port. WEDA would also include the Port on their website. (DM/PA) Donnelly recommends to the PC that the Port use funds in our marketing budget to partner with KC EDA for economic development.	<i>By consensus, the PC agreed to join the World Economic Development Alliance for one year.</i>
<u>DIP Signs</u>	(Fac/Maint) Charters said the signs have been installed at the DIP entrance.	
<u>Public Comment</u>	Mike Smith requested clarification on statements in the newspaper regarding the departure of former Executive Director Dianne Sherwood. PC Ford clarified that the Port's Press Release is the official statement of the Port Commission on the matter, not the newspaper article. PC Ford said that any additional comment on the matter would need to be referred to legal counsel to ensure compliance with personnel and privacy law. Smith presented the commission with a newspaper article highlighting successes at the Port of The Dalles, which he said may be of help to the Port of Klickitat in the future. PC's Ford and Vinyard thanked Smith for the input and directed staff to copy the article for the commissioners and staff members.	
<u>Executive Session</u> <u>Executive Director</u> <u>Application Review-</u> <u>Real Estate-DIP Lot #38</u> <u>Approx-One Half Hour</u>	The public meeting was adjourned at 7:00pm. PC Ford called for an executive session to discuss Executive Director Applications and lease negotiations for DIP Lot#38. PC Ford said the executive session will last one half-four. An executive session started at 7:02pm. Those Present: Port Commissioners (PCs) Rodger Ford and Wayne Vinyard, and Port Consultant Byron Hanke. Not Present: Port Commissioner (PC) Norm Deo. PC Ford adjourned the executive session at 7:29pm.	

Approved on: _____
(Date)

Margie Ziegler, Administrative Assistant

Rodger Ford, Chairman