

October 8, 2019

TOPIC	DISCUSSION / ASSESSMENT / FINDINGS	ACTION
<b>Attendance</b>	<b>Commissioner/Staff Present:</b> Port Commissioners (PCs) James Herman, William Schmitt, Wayne Vinyard; Executive Director (ED) Marc Thornsby; and Staff Accountant (SA) Margie Ziegler. <b>PC/Staff Absent:</b> Administrative Assistant (AA) Bonita Snyder. <b>Guests Present:</b> Megan Thompson, Pacific Coast Cherry Packers/Cascade Cherry Growers.	Meeting called to order by PC Vinyard at 4:41 AM.
<b>Administrative Matters</b> Approval of Minutes	Minutes – September 17, 2019. PCs Vinyard, Schmitt, and Herman noted an error in the future quantity of material to be mined at the Dallesport Industrial Park mine.	PC Schmitt M to approve the minutes as corrected, PC Herman S, MP 3-0.
Approval of Vouchers	Payroll Vouchers – October 7, 2019, #D12408-D12425, \$15,736.58.  Vouchers – October 8, 2019, 27904-27922, \$20,345.18.	PC Herman M to approve the vouchers, PC Schmitt S, MP 3-0.
<b>Old Business</b> Strategic Planning	ED Thornsby presented changes made to the draft Strategic Plan resulting from remarks made by the PC during the previous meeting.  <b>Commissioner's Message.</b> PC Schmitt remarked the Commissioner's Message seemed less redundant. The PC accepted the changes.  <b>1.5 Objectives.</b> The PC accepted the changes.  <b>1.6 Governance.</b> PC Herman expressed concern listing the names of the commissioners would require the Plan to be reissued each time a new commissioner took office. Thornsby explained each plan is issued by the commission in office at the time it is adopted and when changes are made, a new plan is adopted with a new year and the commission serving at that time.	

	<p><b>1.10 Priority.</b> Schmitt noted the priority levels used throughout the document were inconsistent. Thornsberry explained corrections have not been made to sections identified as not completed. He added that any inconsistencies will be addressed before the sections are presented for review.</p> <p><b>2 History.</b> Vinyard asked when the first Industrial Development District (IDD) levy was established. Thornsberry said he recalled SA Ziegler had found financial records identifying an IDD fund into which monies had been collected for a period of six years sometime in the early 1960s. He added clear evidence of when or if the IDD occurred was lacking, but the handwritten records and length of time support the conclusion an IDD levy occurred prior to the one in 2007. Thornsberry stated ports in Washington state are limited to two IDD levies for a period of six years each with the exception of coastal ports. He explained recent efforts to advocate this limit be reset after 100 years, but noted no changes have been made.</p> <p><b>12 Economic Development:</b></p> <p><b>12.3 Diversification.</b> The PC accepted the changes.</p> <p><b>12.4 Economic Development Authority.</b> Vinyard suggested alternative language. Discussion followed. The PC accepted the changes as written.</p> <p><b>14 Marketing:</b></p> <p><b>14.4 Promotional Items.</b> Schmitt expressed his belief a booth at the Huckleberry Festival would be an excellent opportunity to give out promotional items while telling people about the Port and answering their questions. He added he would be willing to staff such a booth. Thornsberry asked if this should be moved under Public Relations. The PC agreed to move the element to Public Relations.</p>	
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**15 Conservation:**

**15.1.8 Pump House.** Schmitt stated the Port could place a lot of fill dirt for the cost of relocating the lake pump house. Discussion followed regarding why the lake is pumped and what would be needed to eliminate the need to pump. Thornsberry noted the \$375,000 relocation cost estimate covers preparatory work on Maple Street in addition to the pump house itself. He cautioned if the Maple Street dike were opened to obtain environmental mitigation credits, the Port would likely have to install a 25 foot box culvert under Maple Street and close off the low spot the underpass will create on Marina Way from the lake, all at considerable cost. Thornsberry explained the latter would be necessary to prevent the intersection for the underpass from flooding when the water level of the Bonneville Pool rises.

Thornsberry said he is working with Tenneson Engineering to develop a plan and estimated cost that will be discussed at the budget workshop. He noted the PC will have to consider the cost/benefit ratio of pumping versus opening the dike. Vinyard noted the pump house is listed in the Plan as priority 2 with target completion in 2021 or 2022 and expressed concern with how quickly a decision will need to be reached. Thornsberry explained the matter will have to be addressed by the time the underpass is constructed which is currently anticipated in 2021 or 2022. He added any additional inflow from the underpass will render the current pump system incapable of maintaining the lake level.

**15.3.2 Invasive Species Eradication.** Vinyard asked for clarification regarding what weeds would be more effectively reduced by hand extraction versus herbicide. Thornsberry noted Teasel is best removed by hand extraction. Schmitt added the same is true for Rush Skeletonweed.

**15.3.3 Native Plant Restoration.** Vinyard questioned whether this section would require the Port to relocate native weeds and plants. He

also expressed concern the Port would be obligated to dedicate resources to transplant any weed or plant that might be damaged by development. Thornsby clarified the intent is to use small, acclimated plants that can be successfully transplanted from areas where they would be destroyed to areas the Port wishes to populate with native plants. Herman noted the Plan calls for restoration to be done to limit costs, counterbalancing the potential for an unlimited financial liability.

**15.3.4 Monarch Butterfly Preservation.** Vinyard questioned the inclusion of the subsection. Thornsby explained Milkweed grows naturally on the Port's property at Bingen Point and development is known to negatively affect butterfly populations through the removal of Milkweed stands. He added promoting Milkweed growth is a cost effective way of showing the Port's eco-consciousness. Vinyard expressed concern regarding the potential conflict between butterfly habitat and future development and asked for clarifying language to make clear the intent is to minimize the impact of development on the butterfly population. Thornsby noted Milkweed would be reintroduced in areas not targeted for development. Herman pointed out the Plan states reintroduction would occur "adjacent to the Bingen Lake Wetland". Thornsby said he would review the current language for potential changes.

**17 Non-Port Projects:**

**17.1 Columbia Gorge Regional Airport.** The PC accepted the changes.

**17.3 SR-35/Hood River Bridge.** The PC accepted the changes.

**17.3.1 Protections.** Vinyard questioned the subsection title. Thornsby explained the title was selected because the conditions described in the section were intended to protect the residents of Klickitat County and the Port District. The PC accepted the changes.

	<p>Thornsbury explained he will make changes in accordance with the comments received. He noted these will be brought back to the PC with the completed Recreation and Transportation sections at a later date such as January 2020.</p>	
<p><b>New Business</b> DIP Prospective Development</p>	<p>Thornsbury provided information regarding development opportunities at the Dallesport Industrial Park (DIP) and asked the PC for direction regarding which opportunities staff should pursue. PC Schmitt stated he would like to proceed with all three opportunities. Thornsbury expressed concern with one prospective lessee's June 2020 target completion date given the preparation needed before construction could begin. PC Vinyard asked if there is enough property to accommodate all of the proposed development. Thornsbury expressed his belief they could fit with some improvements such as leveling and paving.</p> <p>PC Schmitt suggested it might be possible to have someone remove the building on Lot 39 in exchange for taking ownership of it versus having staff try to dismantle it which would require equipment the Port does not possess. Thornsbury concurred, adding the building could be sold "as is" with the understanding the buyer would be required to remove it. Discussion followed concerning the value of the building and Thornsbury noted the surplus material stored inside it would have to be removed or relocated.</p> <p>Vinyard asked if there were estimates for the number of full-time equivalent jobs created as a result of the proposed developments. Thornsbury answered there was no estimate for the newly forming company, but expressed his belief the number would be reasonable, taking into account the programmers and maintenance personnel needed. Thornsbury speculated the large vehicle repair shop would have more employees while the agricultural product packing operation would likely be quite low.</p>	<p>By consensus, the PC would like ED Thornsbury to work with all three potential tenants.</p>

	<p>Vinyard noted the Port has received criticism in the past concerning the low employment opportunities associated with agricultural processing. PC Herman added the proposed packing operation would not require much property or money from the Port. Schmitt concurred and stated moving forward presented little risk to the Port while acknowledging it is a low employment business. Herman replied that some employment is better than no employment. Vinyard remarked that agriculture is a full-time business within the community and support for agriculture translates into support for other, less-visible jobs related to it.</p> <p>Ms. Thompson described a receiving facility where fruit is hydro-cooled before shipment to a packing facility and noted the current demand is only for cherries with the potential for expansion into other fruits. She added a facility would need to be in place by June 2020. Vinyard asked if the location was critical. Thompson indicated that most of the fruit is grown in The Dalles, but land in The Dalles is not available.</p> <p>Thornsbury noted placement of the facility would have to be considered and suggested it might be best to locate it on the south side of Lot 39 with future development occurring to the north. Schmitt said any plans should allow construction of a new facility to take place at the same time the existing building on Lot 39 is removed. Thornsbury stated the next step will be development of a more detailed site plan. Schmitt suggested providing access from the west using The Dalles Fruit Company road. Thornsbury cautioned that would be difficult to do and a plan to address access from Parallel is being developed.</p> <p>Vinyard asked where the present Lot 39 lessee would go. Thornsbury said he will need to consider timing and location in addition to the costs of fencing another area. He added there are a lot of moving parts that will have to be considered in order to come to a reasonable resolution that is acceptable to the Port and the lessee.</p>	
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	<p>Vinyard asked if Mackenzie could facilitate these issues in order to lighten the load on staff. Schmitt asked why Mackenzie was not present. Thornsby explained insufficient information was received in time to put together and present. Thornsby said were Mackenzie more familiar with Dallesport utilizing their support would be an option, but staff have met with them only two times and that is not enough. Vinyard remarked if the Port is going to use them, the sooner they became familiar the better. Thornsby reminded the PC site planning is being done by the entities that expect to construct their own private facilities, not the Port.</p> <p>Vinyard observed that a 5,000 sq. ft. building seems to be the minimum size. Schmitt concurred, adding he believed it was what the Port could afford but would agree to a larger building if there is an interested tenant. Vinyard expressed belief all three prospective developments fit our community. Schmitt agreed and encouraged Thompson to coordinate with Thornsby quickly in order to meet the timeline.</p> <p>Thompson asked about the process for permitting. Thornsby replied he would follow-up with Peter Verbrugge to discuss how best to utilize the site. He added after that would be a final site plan, building design approval from the PC, and submission to the county for permitting. Vinyard asked about the impact on the water and sanitary sewer systems. Thornsby replied the seasonal use of 10,000 gallons of water once per week would have no significant impact and the company has been directed to contact the county regarding its wastewater discharge. Thompson explained the proposed water use and pre-discharge treatment. Thornsby urged her to contact Klickitat County Public Works promptly so any problems could be resolved in advance.</p> <p>Thornsby was asked what the prospects were for the additive layer production facility. He expressed belief the person with which he has spoken is earnest, but could not speak for other partners or investors.</p>	
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	<p>Thornsbury suggested he would be better able to answer the question after following up with them in January. Herman noted if they construct their own building there will not be much for the Port to do. Thornsbury reminded the PC their space need is small enough they could potentially lease space from the Port if it were available. He also described the potential benefits of doing so for the company and the Port. Herman said he would be more comfortable constructing a 10,000 sq. ft. building if a tenant was already interested in some of the space. Discussion followed regarding the diversity and utility of this kind of industry in the area.</p> <p>Thornsbury stated the proponents of the large vehicle repair facility have been asked to complete a site plan with elevations. He added they cannot expand in their existing location, cannot find another suitable and affordable location, and are looking into financing options. Thornsbury said he will check on their progress by the end of the month. He explained the focus for the remainder of the year will be on timing, site planning, and coordination with Mackenzie to try and fit all of the proposed developments into the space available.</p>	
<b>Executive Director's Report</b> DIP Start-up Building	ED Thornsbury asked if the proposed building(s) at Dallesport remained necessary if other development was occurring. Schmitt stated the Port should have empty space available for potential tenants. He added it could be several standalone buildings or a single larger building divided into sections so long as the project is affordable and results in vacant space to attract tenants.	
Site Selection Magazine	ED Thornsbury presented an opportunity for the Port to be listed in the Site Selection magazine edition containing a section on Washington State. He added the magazine goes to 48,000 subscribers and the cost would be \$900 for a listing with the Port's name, logo, and contact information. Thornsbury noted this is one of the least expensive ways to get the Port's information out to interested clientele.	




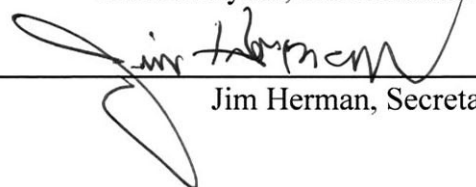
	<p>Herman asked if this had generated any interest in the past. Thornsbury replied the Port has not used Site Selection magazine in the past. He added it might be nice if Klickitat County and the Port were to collaborate on a joint marketing effort, but was unsure if there was any corresponding interest. PC Vinyard said he could support this if there were lots ready and available. Thornsbury noted there are lots at Dallesport including lots 24 and 26, but added the PC did not appear sufficiently interested in the opportunity to warrant further staff effort.</p>	
Rock Exporting	<p>ED Thornsbury stated the Port has received interest from multiple companies regarding exporting aggregate from the Dallesport Industrial Park (DIP) dock. Thornsbury explained his desire to convene a meeting with all of the parties that have expressed interest. He added it would be an open forum so the parties could educate the Port regarding their future plans and needs. Thornsbury noted this information could then be used to help the PC consider how to proceed and how the various companies wishing to export aggregate might work together. Schmitt expressed support for the idea.</p> <p>Thornsbury stated he has made clear the Port intends to remain available to all interested parties and will not dedicate limited waterfront property or other facilities to the benefit of a single entity. He reminded the PC of the risk a single party with control of key properties or facilities could engage in anti-competitive tactics to prevent others from moving material. Thornsbury added no one will be locked in or out. Vinyard explained anti-competitive behavior had been a real concern when mining operations at the DIP were last considered. Discussion followed regarding conveyors and other material transport methods.</p> <p>Vinyard noted when a private conveyor system to the Port's public dock was previously contemplated, there was concern it could create a choke point. Herman suggested such a conveyor would have to be owned by the Port if the intent was to allow others to use it. Thornsbury added</p>	

	several options were available. He explained the party carrying the financial burden would have to be identified and a plan developed to provide that entity with a return on investment. Thornsbury added the Port needs to find a way to allow for the export of aggregate in a way that is fair to everyone and does not overexpose the Port financially.	
<b>Commissioners Remarks</b>	<p>PC Schmitt noted the Mid-Columbia Economic Development District (MCEDD) has hired a different architectural firm and contractor to remodel the bus barn. He added The Link will be adding a new bus route to Sherman County.</p> <p>PC Herman said he was not able to attend the Southwest Washington Regional Transportation Council (SWRTC) meeting in Vancouver on October 1, 2019. He added the Port had a clean audit by the State Auditor's Office for the years 2016, 2017, and 2018. Herman said there was one recommendation to develop a procurement policy. He also explained the total charge was below the amount estimated.</p> <p>SA Ziegler reminded the PC the budget workshop will be held at noon on October 22, 2019.</p>	
<b>Public Comment</b>	None	
<b>Adjournment</b>	PC Vinyard adjourned the PC Meeting at 6:51 AM.	

Approved on October 22, 2019  
 (Date)

  
 Marc Thornsbury, Executive Director

  
 Bonita Snyder, Administrative Assistant

  
 Jim Herman, Secretary