



PORT OF KLICKITAT

For Immediate Release

November 29, 2012

Port Cuts Budget, Delays Projects

Bingen, Washington – At its meeting on November 27, 2012, the Port of Klickitat Commission elected not to extend its Industrial Development District (IDD) levy and, instead, voted to adopt sweeping budget cuts and delay a number of the Port's capital projects planned for 2013 and beyond.

“We were torn between our desire to continue the momentum of the past six years and the apparent mandate represented by the recent defeat of the Port's levy lift,” said Port Commissioner Wayne Vinyard. “When you're making good progress, it's hard to put the brakes on, but given our obligation to respond to the concerns of our constituents and questions surrounding the Port's authority to extend the IDD levy, the choice was clear.”

Commissioner Bill Schmitt echoed Vinyard's comments.

“Voting to delay or cut many of the capital projects I'd hoped to see us complete in 2013 isn't how I'd hoped to end the year,” said Schmitt. “It's been exciting to see the changes that have taken place in the last few years and I'd hoped we'd be able to keep it going. But without the levy lift or the IDD levy, the Port's income in 2013 will be nearly \$500,000—just about a third—less than it was in 2012, so something has to give and the big ticket items are the capital improvement projects.”

According to Port Executive Director Marc Thornsby, tax revenue represented almost half of the Port's income in 2012, but will represent less than a quarter of its income next year. “That kind of reduction is going to have an effect,” said Thornsby. “For 2013 we are reducing our operating expenses and cutting capital improvements to deal with the shortfall.” Yet even with the reductions, the Port will be drawing \$65,000 from its reserve fund in order to pay for projects the Commission considers too important to be cut or delayed.

What happens after 2013, however, remains uncertain. “We've addressed the immediate shortfall for next year, but we have yet to deal with the impact on the Port's long-term plans,” said Commissioner Jim Herman. “It seems voters do not want the Port to make the capital improvements needed to attract business. Fortunately, we can meet Insitu's immediate needs with the Bingen Point Infrastructure Project we started in 2012, but the size, scope, and frequency of future projects is in question. Over time we may be able to lessen the impact by taking steps to increase the Port's operating income, but we have to balance the need for additional revenue against remaining a financially attractive location for business development and expansion.”

At A Glance...

Who:.....Port of Klickitat
What:.....2013 Budget
When:.....Nov. 27, 2012
Where:.....Bingen Point
Quick Facts:...Port Commission elects not to extend IDD levy in light of levy lift failure, reducing Port income nearly \$500,000. Cuts 2013 budget and delays planned capital projects to address the revenue shortfall.

For more information, please contact:

Marc Thornsby, Executive Director ■ 509-493-1655 ■ mthornsby@portofklickitat.com

Starting in 2013 the Port's tax rate will be slashed 67 percent, dropping from 52 cents (regular and IDD levies combined) to 17 cents per \$1,000 of assessed value. That makes the Port's tax rate second only to the cemetery districts as lowest in the county and less than half the rate of the next highest taxing district. As a result, an average taxpayer owning property with an assessed value of \$250,000 will see the Port's line item on his/her property tax bill fall from \$130.00 to \$42.50 next year.

“It's disappointing that some of the projects in the queue for several years will have to be delayed yet again, but the Port will continue moving forward as best it can with the funds available,” said Thornsbury. “It'll just take much longer to see the vision become reality.”

About the Port of Klickitat

Economic development, transportation, and marine-based recreation are key functions of the Port of Klickitat. These are achieved through leasing industrial-zoned property, developing and renting industrial and commercial facilities, developing and maintaining rail spurs and dock facilities, assisting companies with an interest in locating in Klickitat County, creating and managing marine-based recreational facilities, and working closely with various partner organizations and agencies.

The Port of Klickitat is located in Klickitat County, Washington and was created in 1944. It is one of several port authorities located in the mid-Columbia region. It owns two industrial parks and several buildings, leases industrial property and space, operates a barge dock, and holds property set aside for a park and marina. Transportation access is provided via rail, river barge, highways 14, 35, and 197, and Interstate 84. More information can be found on the Port's web site at www.portofklickitat.com.

For more information, please contact:

Marc Thornsbury, Executive Director ■ 509-493-1655 ■ mthornsbury@portofklickitat.com