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2005

Port begins Key project to protect local jobs, payroll

The Port of Walla Walla has initiated a multi-million dollar expansion of its Key Technology building in the Avery Industrial Park. The project provides for the addition of more than 20,000 square feet to the Key headquarters to give the company space to "streamline" its operations.

Once completed, the \$2.8 million additions will allow Key to vacate a Port-owned building the manufacturer has been leasing on East Melrose, Walla Walla, and centralize its entire operations at a single site.

Officials of Key Technology, a leader in the design, manufacture and sale of a broad line of inspection systems for the food processing industry, elected to streamline its operations to become more efficient and cost competitive in its global market.

Port Commission President Ken Jantz said assisting Key by expanding a Port owned building is an important investment in Walla Walla County's economic future.

"Business retention is an important aspect of our economic development strategy," Jantz emphasized, "and this endeavor will help Key maintain the family-wage jobs held by the 123 employees at the Melrose site."

The project is funded in part by a \$250,000 grant and \$750,000 loan from the Washington State Community Economic Revitalization Board (CERB).

CERB Chair Judith Boekholder described the partnership between the Port of Walla Walla and Key Technology as "a sterling example of the power of strategic investment of CERB funds to help foster a better tomorrow."

U.S. Highway 12 four-laning project gets
big funding boost.

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The Port of Walla Walla's \$2.8 million expansion of its Key Technology building in the Avery Industrial Park includes (A) a larger manufacturing bay, (B) an expanded research and development area and (C) more employee parking.

Regional beverage distributor leases Port building in Walla Walla's Eastgate

Odom NW Distributing stays in Walla Walla

"For us, it became a business retention issue for the Port of Walla Walla," says Jim Kuntz, executive director. "Odom also looked very hard at Tri-Cities as a place for a distribution center. We wanted to keep the employment base here."

Now that its moved from its Abadie Street warehouse to the larger Isaacs facility, Odom expects to provide full and part-time jobs for as many as 30 people.

The Port invested some \$650,000 in what Kuntz called "general upgrades" to

the building at 3301 East Isaacs.

Odom's local manager, Jack Cosgrove said, "The Port worked diligently to get us into that building so we could retain the jobs here in Walla Walla."

Odom has a five-year lease with two five-year options. The firm also has an agreement to buy out the lease after three years.

The Odom Corporation, an Alaska based company, purchased Hewitt Distributing in Walla Walla in 1999 and bought the Eastern Washington and Northern Idaho rights of Columbia Distribution in 2004.



This Port-owned office and warehouse facility on Isaacs in Walla Walla is the new home of Odom NW Distributing.

New water system for Burbank Industrial
Site moves ahead

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Port of Walla Walla marketing efforts
focus on California.

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State, Federal budgets include \$66.8 million for U.S. Highway 12 four-laning work

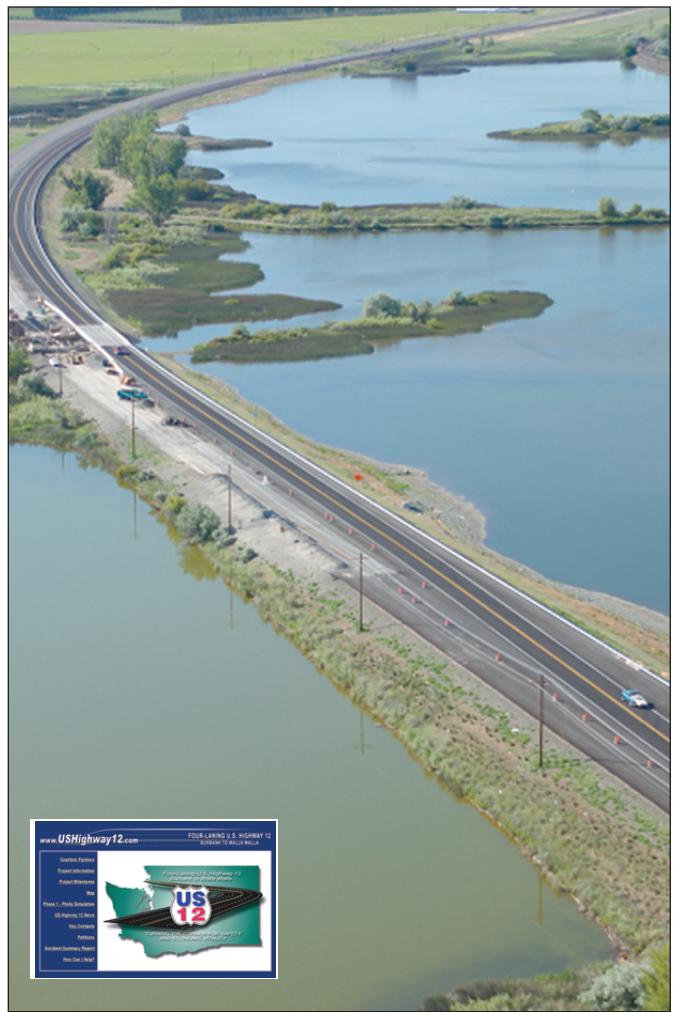
Recently approved programs in Washington State and the nation's capital included nearly \$66.8 million for continued work on the four-laning of U.S. Highway 12 between Walla Walla and the Tri-Cities.

The most recent - and largest - allocation comes from money to be generated by a new 9.5 cents per gallon Washington State gasoline tax. State lawmakers okayed the four year highway funding program during the 2005 legislative session in Olympia. The Highway 12 money will be used to build four-lanes from the City of Walla Walla to McDonald Road near Lowden and complete a "grade separated" interchange at U.S. Highway 12 and S.R. 124 in Burbank. Additional dollars from the tax-supported fund will go toward extending Myra Road north to Highway 12 at Pine Street. Senator Mike Hewitt, of Walla Walla, played an instrumental role in securing the funding for these projects.

Local officials point out that for every dollar Walla Walla area residents pay in state gas taxes, Walla Walla County gets an estimated \$1.42 for highway improvements. The pay back is described by transportation experts as "an excellent return on our investment."

In addition to the state funding, the 2005 federal budget includes \$2.25 million for U.S. Highway 12 improvements and the House Transportation Efficiency Act Reauthorization Bill has \$4.3 million allocated for Phase VI of the four-laning project.

According to the U.S. Highway 12 Coalition, U.S. Senator Patty Murray and Congresswoman Cathy McMorris played key roles in securing the most recent funding.



This "Casey Pond Section" of U.S. Highway 12 four-laning was recently completed ahead of schedule and under the \$11.1 million budget.

Walla Walla delegation says "thanks" to Murray, McMorris

During a recent visit to Washington D.C., representatives of the Port of Walla Walla, Walla Walla County, and the Cities of Walla Walla and College Place, presented Senator Patty Murray and Congresswoman Cathy McMorris with copies of a commemorative painting of a completed portion of the 4-laning of U.S. Highway 12. (See page 3)

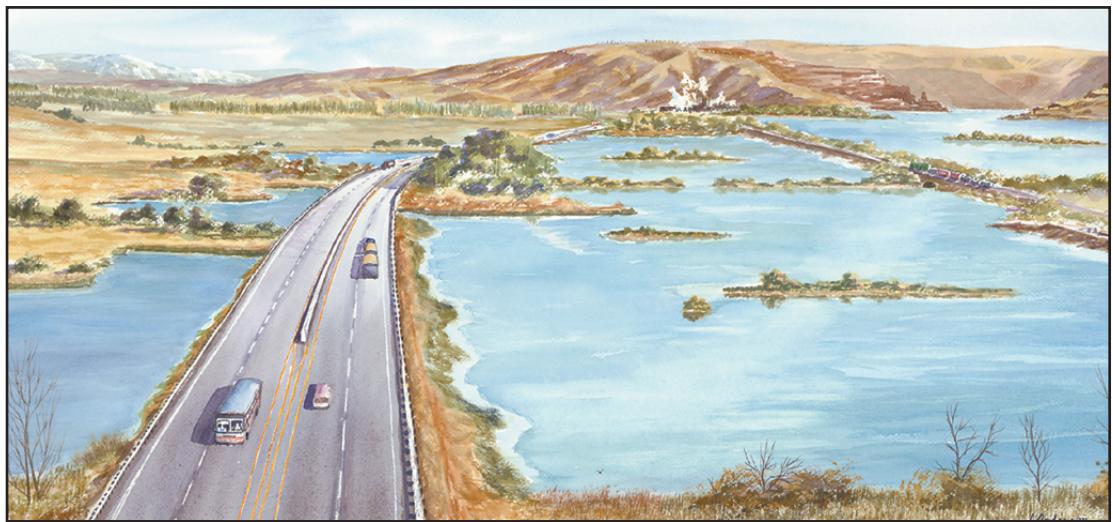


Pictured left to right: Ken Jantz, Port of Walla Walla Commissioner; Jerry Cummins, City of Walla Walla Council Member; Senator Patty Murray; Jim Caddey, Boise Paper Financial Manager; Dave Carey, Walla Walla County Commissioner; Ed Ammon, City of College Place Mayor.



Pictured left to right: Dave Carey, Walla Walla County Commissioner; Jerry Cummins, City of Walla Walla Council Member; Congresswoman Cathy McMorris; Ed Ammon, City of College Place Mayor; Ken Jantz, Port of Walla Walla Commissioner; Jim Caddey, Boise Paper Financial Manager.

Walla Walla
artist captures
completed
phase of
Highway 12
project with
water color
illustration



In August 2004, the first phase of four-laning U.S. Highway 12 in Walla Walla County was completed.

The project, finished ahead of schedule and on budget, widened the narrow two-lane roadway into a divided four-lane highway.

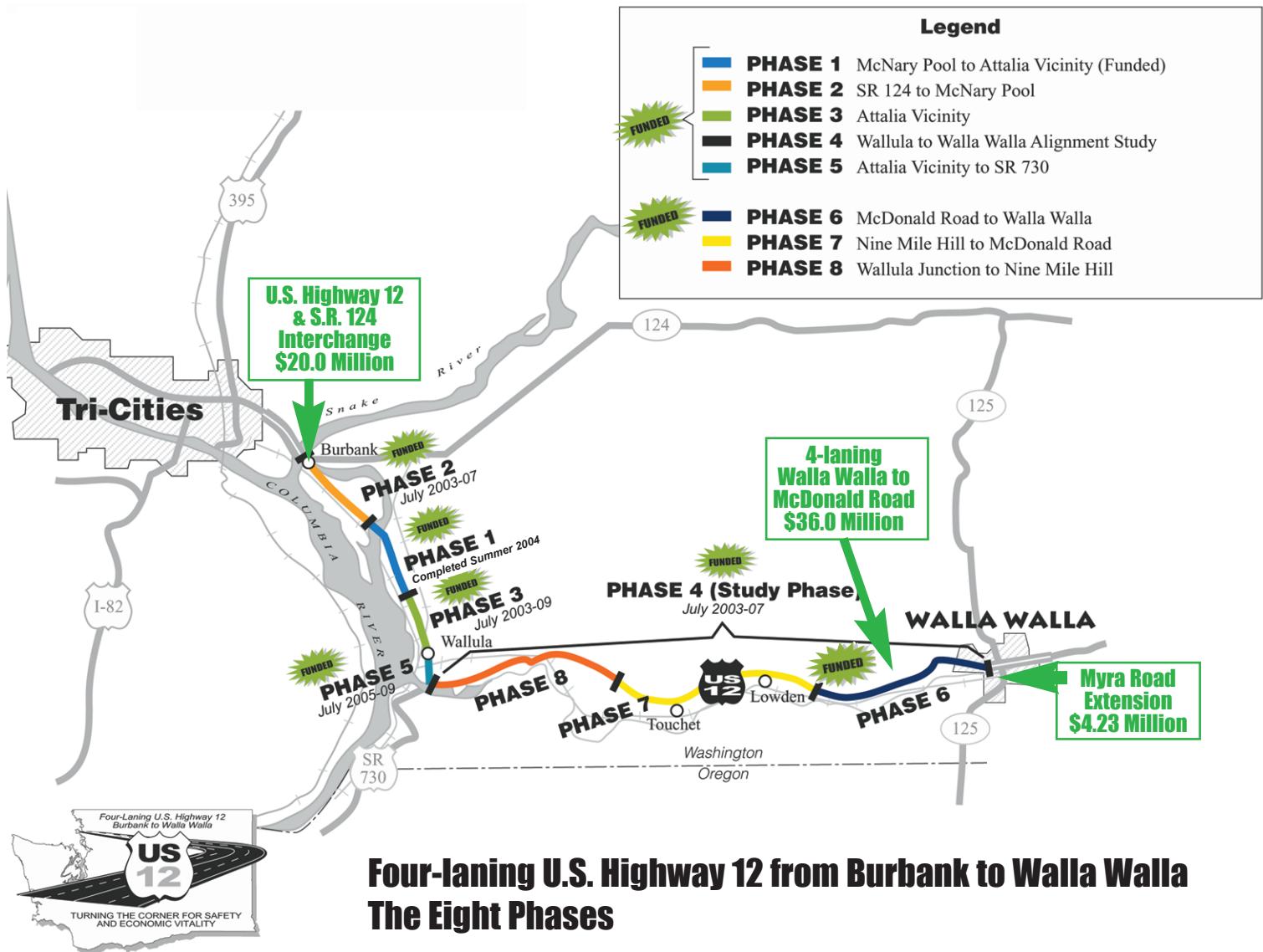
To commemorate the completion of

the first phase, the U.S. Highway 12 Coalition commissioned Walla Walla Artist Joyce Anderson to create an original watercolor illustration of the finished work.

Anderson's painting of the new highway passing through the Casey Pond area captures the Washington State

Department of Transportation's commitment to improving the safety of U.S. Highway 12 while protecting and enhancing the environmental character of the area.

A copy of Anderson's commemorative piece may be obtained by contacting the Port of Walla Walla at (509)525-3100.





Pictured is an aerial view of new Burbank light industrial park along with an artist's drawing of proposed layout

New water system will serve Burbank Industrial site and community connections

2005 federal budget includes \$750,000

The Port of Walla Walla has initiated the development of a new public water system to serve the Burbank area.

Congress has approved a \$750,000 grant to help fund the project. Additional dollars will come from the Port District's capital budget and pending public works grants and loans from Washington State agencies.

Port District President Ken Jantz said first work on the system, the drilling of a

primary well, is already underway. Construction of the pumping and distribution system is expected to be completed in 2006.

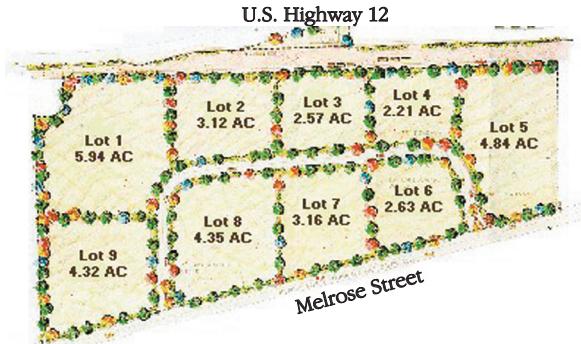
In addition to providing water for the Port's light industrial park at Burbank, the system is designed to interconnect with neighboring community districts that are now struggling to provide water that meets minimum Washington State Department of Health standards.

Port officials said that its public water system will provide "wholesale" potable water to existing water districts for distribution to their customers. The Port emphasized that it is not planning to take over any existing water system.

Development of the industrial site, according to the Port, will diversify the tax base in Burbank and provide an opportunity for the creation of new family-wage jobs.

Melrose Park readied for future development in Walla Walla

Port of Walla Walla officials have unveiled a planned light industrial park in Walla Walla's revitalized Eastgate area. The master plan for the 33-acre site includes eight parcels from two to 10 acres in size. Located on Melrose Street, the park has rail access, is adjacent to State Highway 12 and near the Walla Walla Regional Airport. Officials say the lots can be reconfigured and are available for sale or lease to job-creating businesses.



New technology means “wireless” Internet service for WW regional airport terminal

Persons at the Walla Walla Regional Airport terminal now enjoy wireless Internet access thanks to a joint venture by the Port of Walla Walla and PocketiNet Communications.

PocketiNet Chairman Todd Brandenburg said the service will allow anyone with a wireless laptop or PDA to connect to the Internet at no cost, without phone line or wall jack, from anywhere in the terminal building.

Brandenburg continued, “We believe that it further distinguishes the airport and the Walla Walla Valley as a progressive community and leader in customer service. It’s going to make the airport a more desirable location.”

Port Commission Vice President Paul Schneidmiller added, “We are excited to offer this new service to both the traveling public and our airport users.”

PocketiNet Communications was founded in 2000 as a supplier of business broadband to Southeastern Washington and Northeastern Oregon. The firm’s corporate headquarters is located on the second floor of the airport terminal building.



Adams retires as airport manager

Retired Manager Larry Adams lists the Walla Walla Regional Airport terminal building, completed in 2001, as one of the “big changes” during his term.

Larry Adams is making plans to do some fishing -- and lots of it!

Adams, who has been manager of the Walla Walla Regional Airport since 1990, retired April 30, 2005. While he’s “thinking” about some part-time airport consulting, a first priority is a little travel and spending a lot of time on the North Idaho streams of his boyhood years.

During his 14 plus years in Walla Walla, Adams witnessed significant changes in the local airport.

On top of the list was the completion of the ultra-modern, \$10 million terminal building that opened in 2001. The rest of the impressive accomplishments include taxi-way improvements, construction of 11 new hanger buildings and recent improvements to the main runway.

All totaled, capital projects costing more than \$22 million were completed during Adams’ watch.

A big chunk of those dollars, nearly 70 percent, came from federal sources. According to Port of Walla Walla officials, Adams effective working relationship with the Federal Aviation Administration was helpful in bringing that money to Walla Walla.

Even with those achievements, Adams says his successor will still have plenty to do. The “want list” includes continued runway improvements, acquisition of property for future runway development and modernization of airport lighting.

Adams estimates future expenditures at about \$8 million between now and 2010.

The retired airport manager also sees the need for continuing efforts to build flight traffic and ongoing programs to upgrade the site’s industrial park.

“We’ve done a terrific job,” Adams said, “but we need to do even more to prepare for the future.”

A former Marine Corp officer who flew Vietnam combat missions and served as a president’s helicopter pilot, Adams has also been a school teacher, real estate agent and fire district manager.

His first airport management job was as head of Pullman’s one-man department. “I got to do everything there,” Adams explained, “...from sweeping the floors to clearing the snow.”

“Coming to Walla Walla where there was a staff was a real joy,” Adams said.

The operating and administrative people here are skilled and dedicated,” he continued. “They’re excellent representatives of the Port and it’s been rewarding to serve on the same team with people like that.”

Adams also emphasized that working with the Port of Walla Walla Commission has been a pleasure.

“These men have a real vision for the Port and the airport,” Adams said. “It’s an honor that they’ve had faith in my abilities to do the job.”

Port launches Web site featuring World War II era airbase newspapers

As a tribute to the men and women who trained and served at the Walla Walla Army Airbase during World

War II, the Port of Walla Walla has launched a Web site containing the former airbase newspapers.

The newspaper entitled "Walla Wallop" was published once a week from May 19, 1944 through June 21, 1946 and highlighted airbase activities.

According to Port Commission President Ken Jantz, "The original newspapers were beginning to deteriorate. We wanted to make sure an important part of Walla Walla and U.S. history was preserved in the professional scanning of the newspapers."

In addition to preserving the historical content, the Port elected to make available the newspaper via a Web-enabled image document hosting service provided by US Archive & Imaging Services, Inc.

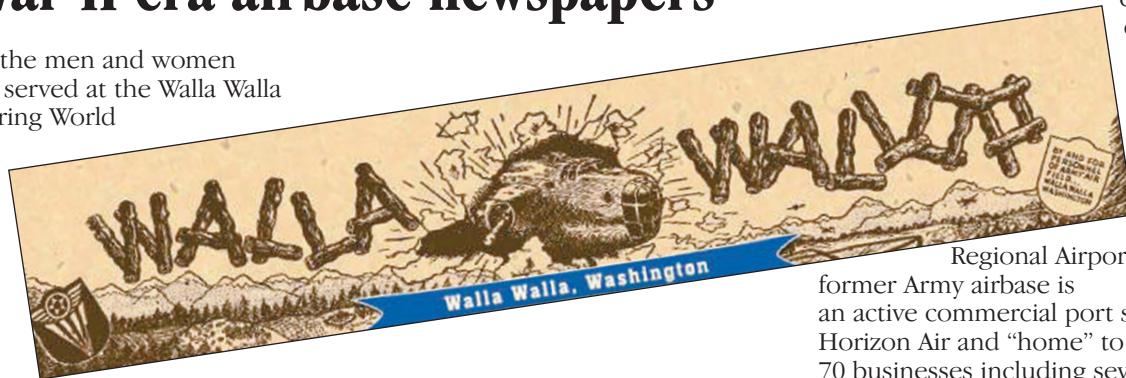
During World War II the 2,164-acre Walla Walla Army Airbase was developed as a training base for B-17 and B-24 aircraft. It was estimated that more than

8,000 officers were trained in Walla Walla, producing 594 heavy bomb crews who completed approximately 114,414 hours in the air while training.

"The Port Commission wanted to make accessible to as many veterans and their families this important historical archive. What better way than having the newspaper accessible via the internet," said Jantz.

The Web-enabled site has a host of user-friendly features including the capability of typing a person's name and having newspapers containing that person's name pulled from the archives.

It also allows users to enlarge articles of interest for ease of reading and print selected copies to enable them to share with family members without access to the internet.



In 1947 the United States Air Force declared the Walla Walla airfield surplus. On December 1, 1947 the city and

county took it over. The Port of Walla Walla assumed ownership in 1989 and changed its name to Walla Walla

Regional Airport. Today the former Army airbase is an active commercial port served by Horizon Air and "home" to more than 70 businesses including several award winning wineries.

To view the newspaper archives visit the Walla Walla Regional Airport web site at www.wallawallaairport.com. Click on the red banner entitled "Historical World War II Airport Newspapers".

The Port retained the services of US Archive & Imaging Services, Inc. to perform the digital imaging, indexing and web hosting work associated with the former airbase newspapers. For more information contact: Robert Mahnke at 425-822-5170.



Airport dining with a difference

For Jana Freel, dedicating seven days a week to her "Jana's At The Port" restaurant is worth every minute.

With more than 20 years experience in the restaurant business, Freel's recent leasing of the Walla Walla Regional Airport restaurant and lounge is an opportunity she's excited about. "I like being able to manage the menu to meet customer requests," she says, "and they (the customers) are great!" Among other items, the restaurant features pasta, steaks and seafood...and a prime rib feature on Fridays and Saturdays.

With a newly remodeled lounge, Freel has plans to develop that part of her business...eventually hosting regular wine tastings. "I want to feature wineries that are located here in the Port area," she said.

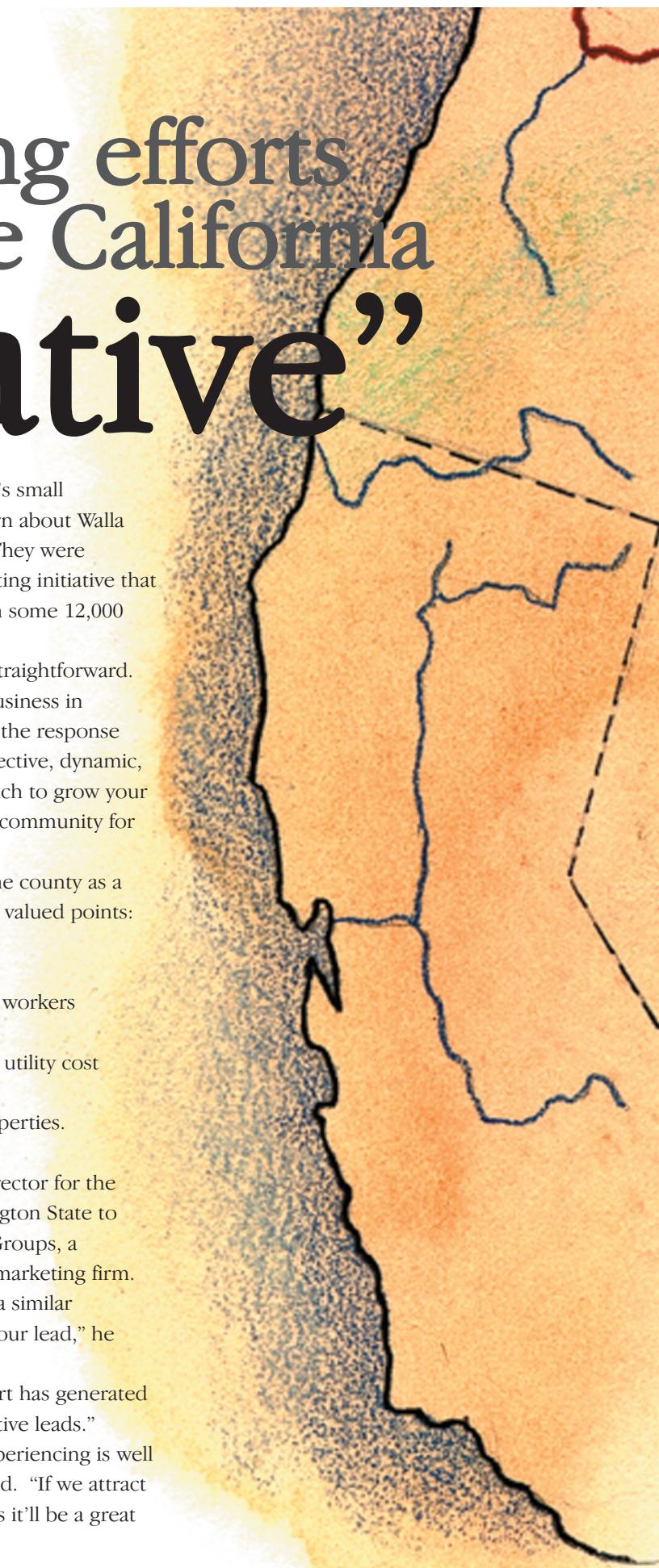
In addition to the restaurant, Freel caters events at airport conference rooms and does "drop-off" catering...delivering prepared food to off-premises gatherings. Jana's phone number is 525-2294.

"Jana's At The Port" Hours
Monday & Tuesday
6:00 a.m. to 2:30 p.m.,
Wednesday and Thursday
6:00 a.m. to 8 p.m.,
Friday
6:00 a.m. to 9 p.m.
Saturday
7:00 a.m. to 9 p.m.
Sunday
7:00 a.m. to 2:30 p.m.



A newly remodeled lounge and tables with a view are part of Jana Freel's "Jana's At The Port" restaurant.

Port marketing efforts focus on the California “initiative”



Last year, as many as 4,000 of California's small manufacturers opened their e-mail to learn about Walla Walla County's economic environment. They were responding to a Port of Walla Walla recruiting initiative that used direct mail and the Internet to reach some 12,000 businesses with 100 or fewer employees.

The message they got was simple and straightforward.

“Tired of the high cost of operating a business in California?” they were asked. Then came the response “Walla Walla, Washington, offers a cost-effective, dynamic, economically thriving environment in which to grow your business...and an affordable, safe, vibrant community for your company and employees to live.”

In addition, the Port “mail” described the county as a “haven for business.” Then it listed these valued points:

- No state corporate income tax.
- No state personal income tax.
- Washington State has the 45th lowest workers compensation rates in the nation.
- Washington State is one of the lowest utility cost states in the nation.
- Affordable housing and industrial properties.
- Low business operating costs.

Paul Gerola, economic development director for the Port, said Walla Walla is the first in Washington State to initiate this kind of program created by iGroups, a California-based economic development marketing firm. “Yakima has since decided to embark on a similar effort...and others are planning to follow our lead,” he said.

So far, the ongoing 12-to-24-month effort has generated 55 responses that Gerola describes as “active leads.”

“In the marketing realm, what we're experiencing is well worth the investment,” Gerola emphasized. “If we attract one new industry that creates 20 new jobs it'll be a great success.”

Getting to know your Port

Port Responsibilities

Public port districts are authorized by state law to undertake many activities to enhance the economic welfare of local communities. These regulations authorize the Port of Walla Walla to do the following:

Develop waterfronts, airports and other facilities for handling cargo and passengers.

Provide capital improvements needed for industrial and manufacturing facilities within the Port District.

Improve Port District lands so they can be sold or leased for industrial and commercial purposes.

Undertake and adopt comprehensive development plans for the Port District.

Execute business recruitment strategies.

Levy taxes and sell bonds to develop properties and manufacturing facilities.

Port Leadership

The Port of Walla Walla has three elected commissioners who represent you...the shareholders. The commissioners are **Ken Jantz**, president, **Paul Schneidmiller**, vice president, and **Fred Bennett**, secretary.

While all commissioners are elected on a county-wide basis, each must live in a specific commissioner district within Walla Walla County. The districts are the same as the Walla Walla county commissioner districts.

Bennett, a retired Walla Walla College professor of engineering, represents District 3, including College Place, Touchet, Lowden, Burbank, Eureka, Clyde and the western part of the county.

Jantz, a retired Waitsburg wheat rancher, represents District 2, which includes the eastern third of the City of Walla Walla, Dixie, Waitsburg and Prescott.

Schneidmiller, president of World Wide Travel Service, Inc., represents District 1, which encompasses more than half the City of Walla Walla and the Stateline area.

Each commissioner serves a six-year term. Terms are staggered so that one position is up for election every two years.



Port of Walla Walla Commission

Vice President Paul Schneidmiller, Secretary Fred Bennett, President Ken Jantz

Commissioners decide each year who will hold the offices of president, vice president and secretary.

Port of Walla Walla Commissioners, and those at other Ports with similar business volume, are entitled to \$70 per day compensation for each day or portion of a day spent attending meetings or performing other services on behalf of the Port District.

The law prohibits commissioners from receiving more than \$6,720 per year in such compensation. In addition, Port Commissioners receive a salary of up to \$500 per month.

Port Finances

Ports may levy, without a public vote, a property tax of no more than 45-cents per \$1,000 of assessed property valuation for general Port purposes. When an industrial development district is formed under state law, commissioners may levy an additional 45-cents per \$1,000 of assessed value for a period of no longer than 12 years.

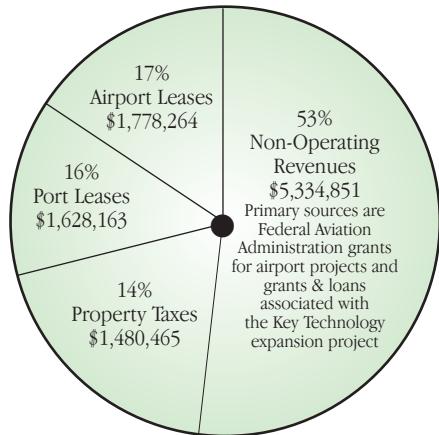
The Port of Walla Walla currently levies only the first tax for general port purposes. Including revenue from the Walla Walla Regional Airport, the Port District receives only 14 percent of its revenues from property taxes.

Washington State law provides for Port Commissioners to designate administrative powers and duties to the managing official of the Port District. This is done with a Port Commission resolution establishing guidelines and procedures for the managing official to follow.

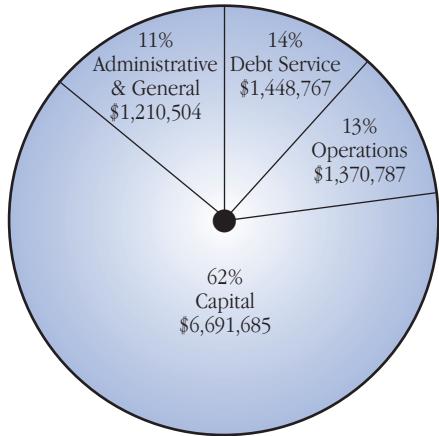
In that manner, the Executive Director and his or her staff can perform their duties in a timely and efficient manner. Still, as policy makers, Port commissioners remain responsible for district operations.

Port of Walla Walla Commissioners meet on the second and fourth Wednesday of each month at the Port office.

Port of Walla Walla Budget 2005 Projected Revenues • \$10,221,743



2005 Projected Expenses • \$10,721,743



The Port has established reserve funds for the Port and Airport. The Port utilizes these reserves to assist with financing capital improvements.

Port of Walla Walla Staff

Jim Kuntz	Executive Director
Paul Gerola	Economic Development Director
Ron Johnson	Assistant Airport Manager
Jennifer Skoglund	Operations
Jackie Hardesty	Administrative Services
Becky Hulse	Auditor/Treasurer
Caryn Pooley	Executive Assistant
Ken Clayton	Receptionist
Brent Partlow	ARFF/Security Captain
Mike Graves	ARFF/Security
Gary Stewart	Maintenance
Elias Alonso	Maintenance
Darren Brinson	Maintenance
Louis Gagnon	Maintenance
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Dale Peterson	Summer Crew
Marcello Sotelo	Summer Crew

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