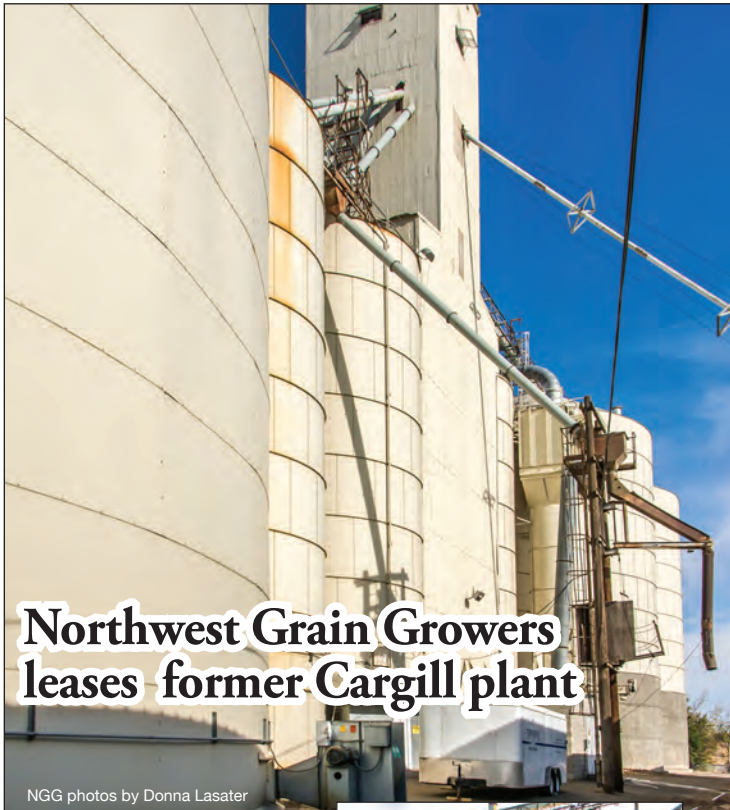


New tenants occupy Port's Burbank grain facilities



Northwest Grain Growers leases former Cargill plant

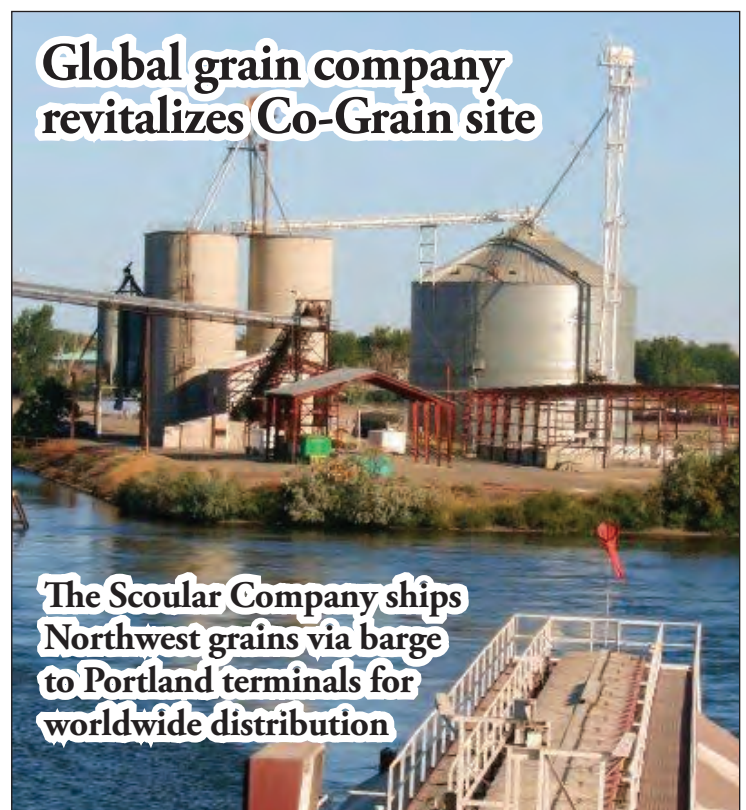
NGG photos by Donna Lasater

Northwest Grain Growers has leased the former Cargill grain storage and barge loading facility from the Port as of January 1st.

According to Chris Peha, general manager for NWGG, the facility is currently being used mostly for canola handling and storage. Peha explains that the product now being handled at Burbank is mostly trucked from Canadian growing areas, off-loaded at Burbank and then shipped on demand to Washington's Pacific Coast Canola processing plant in Warden.

The canola is moved by truck, but Peha says some barges of wheat will be loaded out for river shipment.

Port Commissioner Mike Fredrickson said, "The Port has had a long term working relationship with NWGG and leases them several parcels of property and have worked cooperatively together on a grain car shuttle program. They are a well-run organization."



Global grain company revitalizes Co-Grain site

The Scoular Company ships Northwest grains via barge to Portland terminals for worldwide distribution

The Scoular Company, with headquarters in Omaha, NE, leased this grain storage and barge loading facility in the Port of Walla Walla's Burbank Industrial Park in March, 2014 and began operations there in July, just ahead of the new grain season.

"With the use of this facility, we can expand our service to area farmers and grain dealers, putting know-how and operations expertise to work in Burbank," says Randy Schmidt, Senior Merchandising Manager who works in Scoular's Portland office.

While the facility had been "idle" for nearly a decade, Scoular officials were excited about bringing it back into operation.

"We've invested in necessary repairs and upgrades to make sure we can operate safely and efficiently," Schmidt explained.

Schmidt further noted that access to the Snake River near the Columbia River offers Scoular a "natural extension of its grain-trading network."

Grain is trucked from growers in Idaho, Oregon and Washington, then loaded on barges headed to Portland for export.

According to Scoular, the Burbank facility has storage for up to 550,000 bushels of grain.

Port Commissioner Ron Dunning said, "The Scoular Company has a proven track record in the grain business and a real focus on expanding their lines of business. This is exactly the type of business we like to attract to our community."

The 122-year-old Scoular has more than \$6 billion in sales with 750+ employees at 90 locations in North and South America.



Richard Batdorf, Director of Research & Development, takes aim in test of Martin Archery's newest bow design.

After the first year, new ownership team has Martin Archery on target...

A year ago, Martin Archery was an historic, local family-owned business that had "fallen on hard times." That's when the Port of Walla Walla purchased the 60-year-old company's site and leased the operation to Martin Sports, Inc. in a move that Port Commissioners said was to return the bow-manufacturing company to "profitability and increased employment."

After a year of rebuilding, Martin officials say they're ready to again be a significant player in the market for high-quality bows and related equipment.

"Our major accomplishment in the past year has been upgrading our product line and putting in place infrastructure as a platform for future growth," said Adrian Brown, chief financial officer for the new owners. "We've been successful in bringing modern technology to the design and manufacture of our bows."

Brown says the market place still recognizes the Martin brand and its products have a high demand. Future sales goals include gaining higher acceptance among the estimated 3,000 independent archery equipment stores, increasing penetration of "big box" stores and developing international markets including Japan, Australia and Europe.

"We're also excited about new markets," Brown said. Examples include growing archery interest among women and an increasing number of "bow fishermen"...a group that includes a younger demographic than typical bow hunting and target shooting competitions.

"Among the achievements we're most proud of is rebuilding our payroll to more than 50 compared to the dozen who worked here when we started," Brown announced. "And we're particularly proud that some 75% of our employees are returnees from Martin's original worker base."

Port joins economic development alliance

The Port of Walla Walla, as the lead economic development agency in Walla Walla County, has joined the World Economic Development Alliance (WEDA).

WEDA is a national alliance of economic developers that supplies its members with industrial leads, comprehensive ongoing marketing and exclusive access to trade shows.

"The Port of Walla Walla felt that we are at the stage where membership in WEDA will be an excellent tool for us to help fill gaps in our marketing and industrial recruitment efforts," said Jim Kuntz, Port Executive Director.

"Walla Walla is one of the gems of the Pacific Northwest," says Eric Kleinsorge, CEO of WEDA. "We're proud that we are able to assist the Port as it works to create new jobs and facilitate new private sector investment."



Walla Walla attorney becomes in-house counsel for Port

Long time Walla Walla attorney Tom Baffney has been named "in-house legal counsel" for the Port of Walla Walla. The appointment became effective on November 3, 2014.

Baffney, who has served as the Port's outside legal counsel for many years, was a partner in the Walla Walla firm of Reese, Baffney, Frol and Grossman, which closed in October.

Port Commission President Ron Dunning says the District will benefit from Baffney's extensive knowledge of Port and Airport operations and laws that govern Port Districts.

"Tom has helped guide us through a host of successful economic development projects," Dunning said. "The Port Commission is pleased he has accepted our offer. His 40 years of law practice, involvement on numerous local boards and his interest in seeing his hometown continue to prosper economically will serve the Port and its constituents well."

Baffney's position will be part time and his office will be in the Port's Administration Building at the Airport.

Record passenger counts help assure WW Regional Airport service

Walla Walla Regional Airport is expected to set another record in 2014 for travel on board Alaska Airlines.

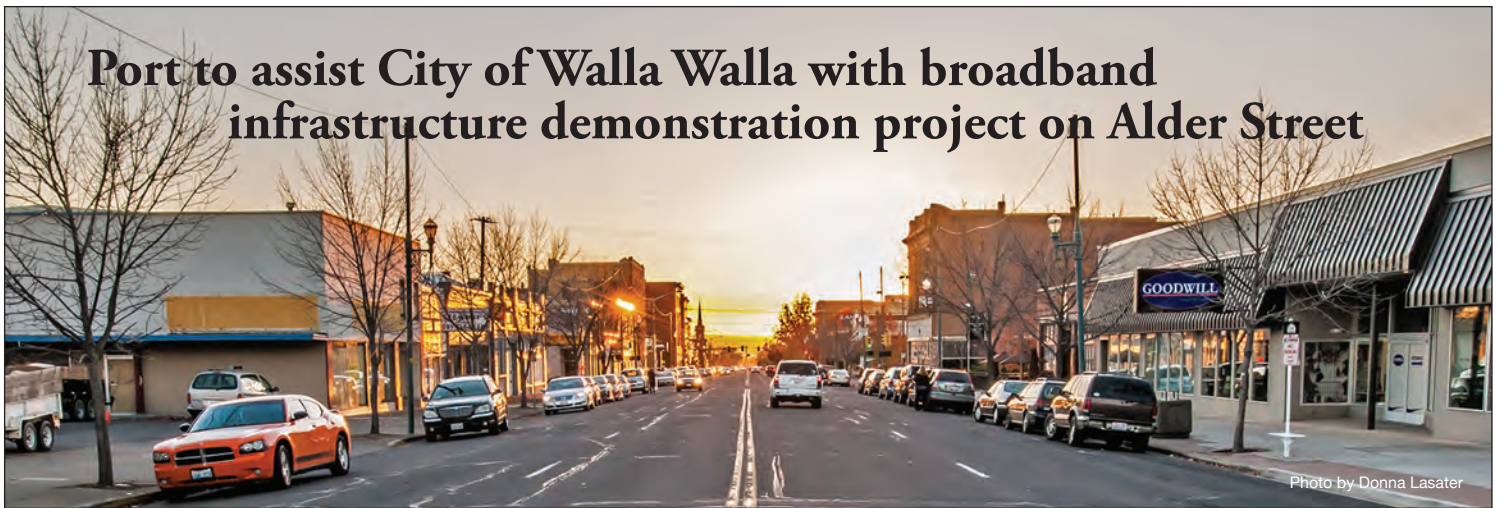
Air travel officials predict passenger boardings will reach 36,000 for fiscal year 2014, a total that's 10% above last year's "best ever" and a new record for the Walla Walla Regional Airport.

The passengers totals are an impressive measure of the results of a recently completed two year promotional program funded by a \$250,000 grant from the U.S. Department of Transportation and a \$50,000 contribution by the Port of Walla Walla.

Port Commission President Ron Dunning says travelers from Walla Walla to Seattle and connections beyond are utilizing Alaska Air service whenever possible.

"The increasing passenger count is having a significant impact and contributes to the preservation of commercial air service in the Walla Walla Valley," Dunning said. "We thank the community for its response."

Port to assist City of Walla Walla with broadband infrastructure demonstration project on Alder Street



"Investing in community infrastructure that supports existing and new business opportunities remains a priority of the Port."

Mike Fredrickson
Vice President
Port of WW Commission

Responding to a request from the City of Walla Walla, the Port of Walla Walla has agreed to install conduit and dark fiber as part of the city's Alder Street improvement project.

The Port's portion of the cost is estimated at \$60,000.

"Investing in community infrastructure that supports existing and new business opportunities remains a priority of the Port," emphasizes Mike Fredrickson, Port Commission Vice President. "Having adequate fiber infrastructure that allows service providers to reach more businesses and/or provide enhanced service to existing businesses is essential infrastructure for progressive communities."

While the Port has agreed to fund this fiber infrastructure demonstration project, the Port Commission has also authorized a larger study to determine what role it could play in extending fiber throughout the Port District.

The Port has retained Magellan Advisors, who has an outstanding reputation of working with local governments, to help define its role and identify opportunities to expand fiber that will enhance community economic vitality. Once the study is completed in 2015, the Port will have a better understanding of the role it can play.

In the meantime, as Alder Street is under construction, the Port will be laying the conduit and dark fiber so the opportunity to have an improved fiber network is not lost.

WW Veterans Home funded, 100 new family wage jobs by 2016

It isn't often 100 new family-wage jobs are created in the Walla Walla Valley with a single project. Yet, this is the case with an announcement that the long-sought after Veterans Home had been fully funded. The 80-bed care center, encompassing some 82,000 square feet will be a complex of small houses on the existing VA campus. It will provide care to aging veterans and surviving spouses.

Washington State is providing \$12 million in funding. The Federal Veterans Affairs is providing \$23 million. Construction is expected to begin in the Spring, 2015 and if all goes well the complex should be completed by mid-2016.

When completed and ready to staff, 100 new jobs will be created. Many will be in the health care field and will add some \$5 million in new payroll to the Walla Walla Valley. The multiplier effect of these payroll dollars being spent with local merchants will add signifi-

cantly to Walla Walla's economic vitality.

A strong supporter of the WWVH, Senator Patty Murray said it best. "There are few communities in our country that offer more passion and support for our Veterans than Walla Walla," she emphasized.

The local Veterans Coalition, lead by the City of Walla Walla and supported by its

"The multiplier effect of these payroll dollars being spent with local merchants will add significantly to Walla Walla's economic vitality."

Peter Swant
Secretary
Port of Walla Walla Commission

Mayor, City Council members and administration deserve thanks.

The Port of Walla Walla has also championed this project.

All entities presented a united voice in Olympia and Washington D.C. in advocating for this vital development.

Washington State Senator Mike Hewitt and Representatives Maureen Walsh and Terry Nealey were instrumental in securing state funding. In addition to Murray, Senator Maria Cantwell and Congresswoman Cathy McMorris-Rodgers were helpful in securing federal funding.

Senator Murray is credited with being a guiding force in making the Walla Walla Veterans Home a reality.

She used her position on the Senate Budget Committee and Senate Veterans Affairs Commission to make sure federal funding was provided for this vital project.

She wouldn't take "no" for an answer.

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New construction booms on airport sites

The WW Regional Airport Industrial Park is on the grow! Airport Manager Jennifer Skoglund says that nearly all existing buildings are occupied and new construction is “booming.” As the end of the 2014 construction season neared, a half-dozen new facilities representing a private capital investment totaling more than \$2 million were nearing completion or underway. Port District Executive Director Jim Kuntz credits an improved airport image, reasonable real estate prices and accommodating zoning that attracts new business to the airport’s industrial park.

“In the 15 years that I have been at the Port, the Airport has never done better. Passenger boardings will reach record levels in 2014 and new business activity within the Airport Industrial Park has been outstanding.”

Jennifer Skoglund
Airport Manager

A After schooling and training at Walla Walla Community College, then shop work and management at a local farm supply co-op, Jim Ferraro decided to strike out on his own. The result is **Jim’s Precision Fab & Machine** in a new 3,600 square foot building at the Walla Walla Regional Airport Industrial Park. Since the building’s completion in mid-2014, Ferraro says he’s in the “perfect location.” More info: jferraro282@gmail.com

B This 5,000 square foot building is the new home of **Tompkins Appliance Service** and **Integrity Laundry Solutions**. The two-pronged family-owned operation offers over the counter parts sales, in-home repair service and in-shop appliance repair. In addition, Integrity specializes in commercial laundry equipment, design and maintenance and custom laundry service with a client base that includes wineries, resort hotels and motels, sports centers and coin-operated laundries in Washington, Oregon and Idaho. Owned and operated by Greg Tompkins, his wife Nancy, daughter Megan and son, Michael, the businesses got their start in 1966 with an in-home appliance repair service founded by Greg’s parents, Duane and Helen Tompkins. More info: tompkinsappliance.com or integritylaundrysolutions.com

C Ron Coleman’s new 10,000 square wine production facility got finished “just in time” for the 2014 grape harvest. The **Tamarack Cellars** expansion, built adjacent to the old World War II Fire Station where the winery was founded, adds to what Coleman describes as “the everyday workings of a family-owned winery.” Started by Ron and Jamie Coleman in 1998, the winery has grown from its first vintage of 300 cases to current production of some 20,000 cases of Tamarack’s popular Firehouse Red and a selection of limited production single-vineyard reserve blends. More info: tamarackcellars.com

D **Walla Walla Roastery**, a micro-roastery and cafe at 290 A Street, “down the road” from the airport terminal building, has experienced a major remodel. Dedicated to the presentation of the finest specialty grade coffees and good treats to eat, Thomas Reese and his sister, Mary (Reese) Senter, have expanded and covered the popular patio and enlarged the “back” roasting room. Both improvements are welcomed by in-house guests and off-site clients who display and sell Roastery branded and custom-blend coffees. More info: wallawallaroastery.com

E Sean Boyd stands at the corner of what will soon be a new production center for his **Rotie Cellars** and **Proletariat Wine Company** labels. Construction of the 10,000 square foot building got underway in late October and completion should come in early 2015. Boyd says the new facility will fulfill his dream of consolidating his production of bottle wines (Rotie) and kegs (Proletariat) in a new environment that will contribute to efficiencies and cost savings that will result in a “much higher quality glass of wine at a lower price.” Boyd’s keg wines are popular with restaurants and others who serve wine by the glass. He explains that tapping wine from the keg means no waste, less spoilage and lower cost. More info: rotiecellars.com and proletariatwines.com

F It’s **Chillville Walla Walla**, a seasonal spot at Walla Walla Regional Airport that offers visitor lodging in a cluster of amenity-rich Airstream campers. Owned and operated by Zibby Wilder and Pamela Ottaviano Rhodes, the “glamping experience” promises a truly original vacation experience -- including bikes, a BBQ and game courts -- in the backyard of the Port of Walla Walla’s wine incubators. More info: chillvillewallawalla.com

G Welcome to the Port’s wine incubators Jeremy Petty, Shanon McFall, Jody Middleton...**J&J Vintners**. It all began with grape juice at Cott’s plant in Walla Walla, graduating from the WWCC enology & viticulture program and finally producing wine in shared facilities in 2010. Now, the long time friends...with the help of McFall, a self-professed silent partner and manager...J&J Vintners will become the next tenant in the Port’s highly successful wine incubator complex. The “boys” plan to be there for the next six years. More info: jandjvintners.com





Photos by Donna Lasater



Port partners with City of Prescott on Sidewalk Safety Project

The Port of Walla Walla is working with the City of Prescott and other community groups to enhance safe pedestrian access to the Prescott Community Swimming Pool.

The project will replace a dangerous mid-block crossing on State Route 124 with a new crossing at the corner of B Street and State Route 124. Improvements include curbs, gutters and extending the sidewalk to the popular community swimming pool.

The total cost of the project is expected to be some \$200,000. The Port will utilize its economic development sales tax dollars to help fund the project. Design and construction oversight services are being provided by the Washington Department of Transportation.

"The Prescott Community has been great to work with," Port Commissioner Mike Fredrickson said. "The Port as a county-wide economic development agency has been looking for an opportunity to invest in Prescott and I hope this is the first of many more projects to come in the future."



Four-Laning US Highway 12 Remains a Port Priority

The Port and the US Highway 12 Coalition continue efforts to secure funding to complete a four-lane highway between Walla Walla and the Tri-Cities. Two major construction phases remain.

Phase 7 is known as the Lowden/Touchet phase and is estimated to cost \$126 million. The Port and coalition members continue to work with the Washington State Legislature to have this phase funded when a new state transportation package is approved.

The last phase is 8 and is referred to as the Wallula to Nine Mile Phase. It is estimated to cost approximately \$250 million. The Port is currently working with our congressional delegation to get this phase listed as a Project of National and Regional Significance by the Federal Highway Administration. If successful it will improve chances for receiving federal funding.

"A four-lane highway will continue to be a top priority of the Port until all the phases have been completed," emphasizes Port Commissioner Mike Fredrickson. "The community wants to see this happen."

Refrigeration equipment maintenance company opens in Dodd Road Park

Ask Midlands Carrier Transcold people about their new presence in the Port of Walla Walla's Dodd Road Business Park and their response is likely to be "good service starts here."

The company, started in 1986, specializes in service and maintenance of refrigerated equipment...like the railroad cars owned by nearby Railex and Union Pacific. In fact, it's the growth of that business that prompted MCT officials to establish a service, maintenance and parts center at Wallula.

According to Kurt White, Midlands site manager, the Omaha, NE based company has operated in nearby Hermiston, OR for the past eight years. With the recent growth generated by Railex, it became more and more difficult...and costly...to manage the business from a remote location.

"We were spending increasing amounts of time transporting personnel and parts with our staff in Hermiston," White explains.

"And because Railex does things fast, we need to be ready to move fast. Our new Wallula facility will help us do that," he adds.

The new building will have service bays on site for rail cars and trucks. In addition, future expansion could offer rentals of truck/trailer units and related equipment.

As many as nine employees will be involved at Wallula and Hermiston to meet the needs of MCT's customers at both sites.

"We plan to continue growing any way we can," White emphasizes. "It's part of our commitment to the pledge... 'Great Service Starts Here!'"



Midland Carrier Transcold service center under construction, November 2014. Photo by Donna Lasater.

Port expands rail system in Dodd Road Industrial Park to accommodate Railex Wine Services Center



Photo by Donna Lasater.

Port of Walla Walla Commission President Ron Dunning said the on-site rail project included a 1.5 mile length of tracks along with accompanying rail switches and gravel service roads.

Dunning explained that the Port gained funding for the \$2.7 million rail system expansion through the Washington State Department of Transportation's Rail Division, the Community Economic Revitalization Board (CERB) and the Washington State Department of Commerce Job Bill.

Port reports progress on Burbank sewer system

Sewer system for Burbank Industrial & Business Parks moves forward in 2015

Work will get underway in January, 2015 on the installation of the sewer system that will serve the Port of Walla Walla's Burbank Industrial and Business Parks, the Burbank School District and neighboring community.

Port officials have issued a call for bids for the next phase that includes construction of two sewer lift stations, installation of some 8,400 linear feet of sewer lines, 3,300 feet of water lines and the decommissioning of the school district's septic tanks.

In addition to eliminating problems related to the use of septic tanks, the new system is expected to spur economic development in the Burbank community and within the 120-acre business park.

Port of Walla Walla Commissioners initiated construction of the Burbank sewer system after reaching an agreement with the City of Pasco in 2012 to buy a portion of its excess sewer treatment capacity.

Phase 1 sewer work at Burbank schools completed, hook-ups set for next summer

This past summer the Port awarded a \$551,000 contract to Watts Construction of Kennewick to extend sewer lines to the Columbia School District's elementary, middle and high schools.

Currently the district has some 900 students in buildings served by nine septic tanks. Next summer when school is "on vacation," the final connections will be made to the Port's sewer transmission line and the existing septic tanks will be decommissioned.

The Port extends thanks to State Senator Mike Hewitt and State Representatives Maureen Walsh and Terry Nealey for supporting Washington State funding for the school connections.



Under Snake River segment nears completion

The directional drilling some 80 feet below the water surface of the Snake River to install a 10-inch pressure sewer line from Burbank to Pasco is progressing. The sewer line that will connect to the City of Pasco's sewer treatment plant should be completed by the end of the year (2014) if all goes well. The contractor is Apex Directional Drilling from Portland, Oregon. The overall cost for this segment of work is estimated at \$2.1 million. When completed, the Port's Burbank Industrial and Business Parks and greater Burbank community, an area now served by septic tanks only, will have access to a municipal sewer treatment system.



Photo by Donna Lasater

Getting to know your Port.



Port of Walla Walla Commission Vice President Mike Fredrickson, President Ron Dunning and Secretary Peter Swant in the lobby at Walla Walla Regional Airport. (Photo by Keith Crain)

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:

- 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 use.
- Acquire, construct, install, improve and operate sewer and water utilities to serve its own properties and that of other property owners.
- 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. Commissioners are now Ron Dunning, President; Mike Fredrickson, Vice President; and Peter Swant, 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 Walla Walla County Commissioner districts.

Dunning is owner of Dunning Irrigation in Touchet, is co-owner of Touchet Seed & Energy, an oil-seed crusher for biofuels, and 51 East Main, a downtown Walla Walla commercial property. He represents District 3, including College Place, Touchet, Lowden, Burbank, Eureka, Clyde and the western part of the county.

Fredrickson, managing member of Associated Appraisers of Walla Walla LLC, represents District 2, including the eastern third of the City of Walla Walla, Dixie, Waitsburg and Prescott.

Swant, a real estate agent for Coldwell Banker First Realtors, represents District 1, encompassing more than half the City of Walla Walla.

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

Commissioners decide each year who will be President, Vice President and Secretary.

Port of Walla Walla Commissioners, and those at other Ports with similar business volume, are entitled to \$114 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 \$10,944 per year in such compensation.

In addition, Port Commissioners receive a salary of \$750 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.

Due to careful management of resources property taxes actually assessed for Port of Walla Walla operations continue to be well below authorized levels.

Authorized property tax limit: \$0.45 per \$1,000

Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014
levy	levy	levy	levy	levy
\$0.38	\$0.37	\$0.37	\$0.37	\$0.37
per \$1,000	per \$1,000	per \$1,000	per \$1,000	per \$1,000



The Port District receives only 12 percent of its revenues from property taxes.

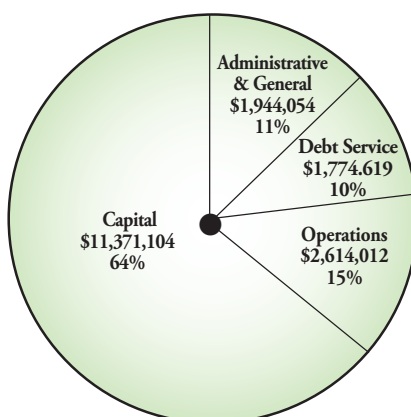
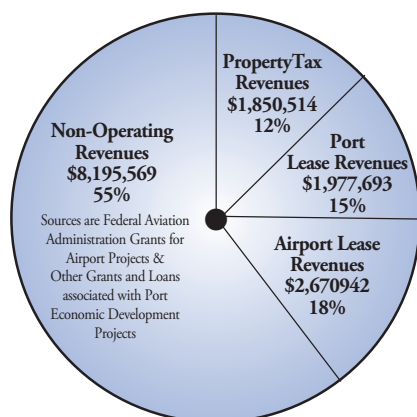
Washington State law provides for Port Commissioners to designate administrative powers and duties to the managing official of the Port District. This is done with a Port Commission resolution establishing guidelines and procedures for the managing official to follow.

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.

Regular Port of Walla Walla Commission meetings are at 6:00 p.m. on the second Thursday and 1:00 p.m. on the fourth Thursday of each month at the Port office.

Port of Walla Walla Budget

2014 Projected Revenues • \$14,286,129 2014 Projected Expenses • \$17,703,789



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

	Position	Years Service
Jim Kuntz	Executive Director	24
Paul Gerola	Economic Development Director	18
Jennifer Skoglund	Airport Manager	15
Donna Watts	Auditor/Treasurer	2
Paul Wemhoener	Project Manager	3
Gary Stewart	Maintenance & Operations Supervisor	14
Ken Clayton	Airport Security Coordinator	25
Becky Hulse	Executive Assistant	28
June Meiners	Receptionist	8
Noel Sanders	Executive Assistant	1
Darren Brinson	Maintenance	12
Louis Gagnon	Maintenance	10
Brian Hurst	Maintenance	5
Jeff Givens	Maintenance	1
Neil Henze	Maintenance	5
Ron Beach	Summer Crew	4
Don Maiuri	Summer Crew	2
Marcello Sotello	Summer Crew	12
Tom Baffney	In-House Legal Counsel	
Carl Tyler	WATCH	Editor

Port of Walla Walla

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