

PORT OF LEWISTON
MINUTES OF SPECIAL MEETING
October 1, 2018

The special meeting of the Port Commission was held at the Port District Office at the hour of 11:00 a.m. on October 1, 2018.

Present at the meeting were Port Commission President, Mary Hasenoehrl, Port Commission Vice-President, Jerry Klemm, and Commission Secretary/Treasurer, Mike Thomason. Administrative staff in attendance was David Doeringsfeld, Port Manager and Port Assistant Manager, Jaynie Bentz. Also in attendance was the Port's Attorney, Tom Callery. The meeting was called to order at 11:00 a.m. by Port Commission President, Mary Hasenoehrl.

AGENDA APPROVAL:

Port Commission President, Mary Hasenoehrl, called for review of the agenda. Commissioner Klemm made a motion to approve the agenda as presented; seconded by Commissioner Thomason. The motion passed unanimously. Commissioner Hasenoehrl stated that the purpose of today's meeting was to hear Mr. Roberts' presentation to gather information; no action would be taken.

CITIZEN COMMENTS: None

NON-ACTION AGENDA:

Manager Doeringsfeld introduced Doug Roberts, of Grand Teton Enterprises, P.O. Box 1767, Lake Arrowhead, CA, 92352, to present his conceptual ideas for development of vacant Port properties within the Harry Wall Industrial Park. Introductions were made around the room. Mr. Roberts then presented his development proposal which entails the utilization of all available Port properties within the Harry Wall Industrial Park and the Riverfront Confluence site totaling approximately 65+ acres. Mr. Roberts stated he would like a lease/purchase option for the land. Commissioner Thomason inquired how much an annual lease amount would be for the proposed properties. Manager Doeringsfeld responded an annual lease amount would equal approximately \$400,000 per year but he had not included the

property encompassing the draw. No discussion was had regarding the purchase price or structure of a land purchase agreement.

For the Riverfront Confluence site, Mr. Roberts presented the concept of an intake facility for logs, sawdust and slash pile debris from the region's forests via barge, truck and rail. A radial conveyer would also be positioned on this site where the processed/chipped material would be conveyed north to the pad sites above, crossing the railroad and around the Avista substation. All noise related operations would be constructed with additional thickness to walls to help deaden noise.

On the three pad sites located on the south end of Colonel Wright Way, one pad would contain the stockpile of chipped material to feed the adjacent co-gen facility located on the next two available pad sites. Mr. Roberts also stated that straw and grasses may also be utilized for processing as a benefit to area growers. A crane would be installed into one of the buildings for handling and stacking of the straw and grasses. All compressors in the buildings would be run by steam from the co-gen plant and an electrostatic precipitator would also be on this site.

On the old EKO site, a urea plant would be constructed to produce both granular and liquid fertilizer utilizing ash waste, through Mr. Roberts' proprietary processes, for resale back to the agriculture community region wide. The co-gen plant would provide all power needs to this facility. Mr. Roberts stated that the co-gen and urea plant operations would employ 487 people each with a salary of \$120,000 per year. Any water needed would be supplied by the on-site well and city services.

On the Harry Wall North site, the land would be leveled for parking and storage.

On the south end of Wall Street, next to Fed Ex, a grand lodge would be constructed of cedar logs with accommodations for 500 rooms. Mr. Roberts stated Pioneer Log homes out of Kamloops, Canada, would construct the facility. He continued that the lodge would be unique to the region, platinum energy efficiency status, and designed as a destination site that would include conference facilities, a 185-foot round room in the center and a heated lazy river. Mr. Roberts stated this facility would employ 97 people. The co-gen plant would also serve the power and heating needs of the grand lodge. Mr. Roberts estimated the cost of the lodge would be \$250-300 million dollars.

In the draw between Colonel Wright Way and Wall Street, a river rafting and kayaking experience facility would be created down the length of the hillside with recirculating water. Mr. Roberts stated similar facilities for this activity were constructed in Aspen, Jackson Hole and Glenwood Springs. Weegan, a German Company was mentioned as a vendor regarding equipment and design for this facility. The co-gen plant would also serve the power needs for the river experience facilities.

Concern was voiced by Commissioner Thomason regarding the proximity of the lodge to the proposed industrial operations. Mr. Roberts responded that large trees would be brought in and a forest planted along the draw to visually shield the industrial activities from the lodge guests and the LC valley community. Commissioner Hasenoehrl commented that the hillside and our climate is very dry for the trees. Mr. Roberts responded that an irrigation system would be installed for the trees.

Mr. Roberts also presented a slide of the Idaho Business Incentives suite of available tax options for qualifying businesses and discussion was had regarding the possibility of creating an Opportunity Zone. Commissioner Thomason asked if any state or federal permits were in place. Mr. Roberts responded that no permits have been applied for or granted at this time.

Commissioner Thomason inquired if the business operations would be built simultaneously or independently over time. Mr. Roberts responded that he intends to develop all projects at the same time. He stated that securing the land is paramount to moving designs and development forward; he would look elsewhere in the region should the Port not wish to proceed with this project. Mr. Roberts stated that no other local site was identified as suitable.

Commissioner Thomason inquired about investors and funding of these projects. Mr. Roberts responded that oil investors in Texas are involved, as well as other private investors, for investing in the projects. Mr. Roberts stated that an overseas facility has been identified to be purchased, disassembled, transported to the Lewiston and re-assembled on site. Kiewit would handle the construction.

Representatives from the Idaho Department of Lands spoke to the need for managing forests and slash piles, costs and harvest volumes. Discussion was had that the US Forest Service is willing to subsidize the haul for companies to remove slash piles from the woods and now can enter into 20-year contracts for this service. Mr. Roberts

stated there was plenty of fuel in the region's forests to operate these facilities. Discussion was had regarding the value of converting non-valuable items such as slash and degraded wood into products that have value such as power and fertilizer and the importance of this business venture being located at the port for utilization of port facilities.

Mr. Roberts also stated that Prax-Air and Coca-Cola supported his ideas.

Commissioner Klemm stated that the Port currently has a first right of refusal agreement for a portion of the properties discussed and the Port is legally bound to honor that contract. Commissioner Klemm also stated that the Port recently entered into a contract to develop a master plan for the Riverfront Confluence site. Mr. Roberts responded he believed his proposal would be better for the sites and the community.

The consensus of the Port Commission was that more information would be needed to consider this proposal further; the presentation created more questions than answers. Additional informational items discussed were formal business and financial plans for each individual business operation presented, structure of the company/companies, feasibility studies and/or economic impact studies, Duns & Bradstreet number and any correspondence related to the financial support of developing these projects. Manager Doeringsfeld was directed to follow up with a letter to Mr. Roberts. The Port's attorney commented that he would expect investors' legal teams will want certain language in place for any lease or purchase documents. Mr. Roberts concurred.

At 12:35 p.m., Commissioner Thomason made a motion to adjourn the meeting, seconded by Commissioner Klemm. Voting Aye – Commissioner Thomason and Hasenoehrl; voting Nay – None. The motion passed.

The Port Commission thanked Mr. Roberts for his presentation and the guests attending.

Being no further business, the meeting adjourned at 12:35 p.m.



Secretary
Mike Thomason