

Minutes for April 16, 2012

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072942 THE BOARD OF WHITMAN COUNTY COMMISSIONERS met in their Chambers in the Whitman County Courthouse, Colfax, Washington for **Monday, April 16, 2011** at **9:00 a.m.** Chairman Greg Partch, Patrick J. O'Neill and Michael Largent, Commissioners and Maribeth Becker, CMC, Clerk of the Board attended.

9:00 a.m. - Call to Order/Board Business/Workshop.

Present: Gary Petrovich (8:45 a.m.), Brett Myers (8:55 a.m.), Mark Storey and Joe Smillie (9:00 a.m.).

072943 1. Items discussed included WRCIP, April Hunger Effort, American Pickers, Port of Whitman Loan, energy efficient projects funded by state, and possible farm/business opportunity for Whitman County. No action taken.

9:15 a.m. - Board Business Continued/Executive Session.

Present: Gary Hunt (phone), Kelli Campbell, Gary Petrovich and Maribeth Becker.

072943A 2. Commissioner Largent **moved** Commissioner O'Neill **seconded** the motion and it **carried** to go into executive session with the above individuals until 9:25 a.m. in accordance with RCW 42.30.140(4)(a) for matters related to negotiations.

9:25 a.m. - Return to Open Session/Board Business Continued/Workshop.

072943B 3. Items discussed included Schierman's special event request and the Pullman-Moscow Airport expansion project. No action taken.

9:30 a.m. - Recess.

10:00 a.m. - Pledge of Allegiance.

Present: Joan Willson, Karen Johnson, Kelli Campbell, David Ledbetter, Kim Kopf and Joe Smillie.

D072943C 4. Motion by Commissioner Largent to accept the consent agenda. Motion **seconded** by Commissioner O'Neill and **carried**.

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072944 5. Claims/Payroll warrants numbered **262501-262597** for **\$241,967.65** approved.

072945 6. Veteran's relief claim approved.

072946 7. April 2, 2012 minutes approved.

072947-072948A 8. Personnel change orders approved.

072949 9. Commissioner Largent **moved** Commissioner O'Neill **seconded** the motion and it **carried** to authorize an adjustment to Jill Wahl's regularly scheduled work week beginning 04/21/12.

072950 10. Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to authorize the publishing of a notice of hearing for proposed revisions to Whitman County Code Chapter 1.08 pertaining to commissioner and precinct districts.

072951 11. David Ledbetter presented a resolution closing some of the 690 funds that no longer carry a balance noting all funds have been reconciled. He also mentioned that the 133 funds will remain intact until all 133 funds are carrying a zero balance. Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to sign a resolution eliminating various 690 clearing funds.

RESOLUTION NO. 072951

OF

**THE BOARD OF WHITMAN COUNTY COMMISSIONERS
FOR WHITMAN COUNTY, STATE OF WASHINGTON**

WHEREAS, the Board of County Commissioners for Whitman County, State of Washington, met in regular session on Monday, April 16, 2012; and,

WHEREAS, the Board of County Commissioners for Whitman County, State of Washington recognizes the need to eliminate various clearing funds including:

690.002.000 (Claims Clearing),
690.004.000 (L&I Insurance),
690.006.000 (Payroll General Clearing),
690.006.001 (Payroll Retirement), and,
690.025.000 (Social Security); and,

WHEREAS, the Board of County Commissioners for Whitman County, State of Washington recognizes that these funds have been reconciled and carry a zero balance and will not be used with the implementation of the New World Systems accounting software on April 1, 2011.

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NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of County Commissioners for Whitman County agree to eliminate the various clearing funds including:

690.002.000 (Claim Clearing),
690.004.000 (L&I Insurance),
690.006.000 (Payroll General Clearing),
690.006.001 (Payroll Retirement) and,
690.025.000 (Social Security).

PASSED, APPROVED, AND ADOPTED this 16th day of April 2012.

BOARD OF COUNTY COMMISSIONERS
OF WHITMAN COUNTY, WASHINGTON

Greg Partch, Chairman

ATTEST:

Patrick J. O'Neill, Commiss.

Maribeth Becker, CMC
Clerk of the Board

Michael Largent, Commissioner

072952 **12.** Kelli Campbell presented the annual updated Workplace Violence and Prevention policy. Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to approve the revised policy for Preventing and Responding to the Workplace Violence and Prevention policy and program.

RESOLUTION NO. 072952
BEFORE THE BOARD OF WHITMAN COUNTY COMMISSIONERS

**IN THE MATTER OF REVISING: POL-0100-40-HR-PREVENTING & RESPONDING TO
WORKPLACE VIOLENCE POLICY AND PROGRAM and PRO-100-40-1-HR-REPORTING
WORKPLACE VIOLENCE;**

WHEREAS, County policy requires an annual review and update of the Preventing & Responding to Workplace Violence policy and program; and

WHEREAS, this action is necessary and in the best interest of Whitman County and its employees;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Whitman County Board of Commissioners that: POL-0100-40-HR PREVENTING & RESPONDING TO WORKPLACE VIOLENCE POLICY AND PROGRAM and PRO-100-40-1-HR REPORTING WORKPLACE VIOLENCE are approved and adopted as attached and are effective May 1, 2012.

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Dated at Colfax, WA this 16th day of April 2012.

BOARD OF COUNTY COMMISSIONERS
OF WHITMAN COUNTY, WASHINGTON

Greg Partch, Chairman

ATTEST:

Patrick J. O'Neill, Commiss.

Maribeth Becker, CMC
Clerk of the Board

Michael Largent, Commissioner



PREVENTING & RESPONDING TO WORKPLACE VIOLENCE

Policy: POL-100-40-HR – Effective Date: 5/1/2012 – Res. 072952
Cancels: Res. #072135 – Reference: None

This policy applies to all non-elected Whitman County employees while on official county business or on county property.

Definitions:

Weapon – An implement or instrument which has the capacity to injure, kill or intimidate others. Weapons may include Blackjack, sling shot, billy, sand club, sandbag, metal knuckles, dirk, dagger, firearm, knife with a blade longer than three inches, razor with an unguarded blade, metal pipe or bar used or intended to be used as a club, explosives, and poisonous or injurious gas.

Workplace Violence – Threats and/or acts of violence against an employee, client, or visitor. Includes threats to inflict physical harm, damages to property, or any purposeful or knowing behavior that would cause a reasonable person to feel threatened with physical harm committed by an employee or non-employee in the workplace. Does not include reasonable force in the defense of oneself or others and actions taken by public safety personnel and County employees while performing their duties as they are trained and required to do.

WVPP – Workplace Violence Prevention Program

1. Whitman County Will Not Tolerate Violence in the Workplace

Whitman County is concerned and committed to employee safety and health. The County does not tolerate any type of workplace violence committed by or against County employees, clients, or visitors. It will make every effort to prevent violent incidents from occurring by implementing a WVPP.

2. Whitman County will Provide Authority and Resources

Whitman County will make every reasonable effort to provide adequate authority and budgetary resources to responsible parties so its goals and standards are met. The program will be annually reviewed and updated as needed by the Whitman County Incident Team.

3. Supervisors and Employees Implement and Maintain the WVPP

Whitman County encourages employee participation in designing and implementing the WVPP. Supervisors and managers are responsible for ensuring all safety and health policies and procedures involving security are clearly communicated and understood by all employees, all incidents and hazards are accurately and promptly reported, and all rules are enforced fairly and uniformly.

4. Whitman County Prohibits the Making of Threats or Violent Actions

Threats, threatening conduct, or any other acts of aggression or violence in the workplace will not be tolerated. Any employee determined to have committed such acts will be subject to disciplinary action, up to and including termination. Non-employees engaged in violent acts on County premises will be reported to the proper authorities and fully prosecuted. This list of behaviors, while not comprehensive, provides examples of conduct that is prohibited.

- Causing physical injury to another person
- Making threatening remarks
- Aggressive or hostile behavior that creates a reasonable fear of injury to another person
- Intentionally damaging County or another employee's property
- Possession of a weapon while on County property or while on County business. Exceptions:
 - (1) Commissioned Law Enforcement
 - (2) Juvenile Services Staff (Chemical Spray) as approved by the Department Head
 - (3) Park Rangers (Multi-purpose tool)
 - (4) Facilities Maintenance (Multi-purpose tool)
- Committing acts motivated by, or related to, sexual harassment or domestic violence

5. All Employees Must Follow Safe Work Practices

As of July 1, 2001 and periodically thereafter, all employees will have training and instruction on general and job-specific workplace security practices. Each employee is responsible for using safe work practices, following all directives, policies and procedures, and assisting in maintaining a safe and secure work environment. All employees will adhere to work practices that are designed to make the workplace more secure, and will not engage in verbal threats or physical actions that create a security hazard for others in the workplace.

6. Employees Must Immediately Report Violent or Potentially Dangerous Situations

The County requires prompt and accurate reporting of all violent incidents, whether or not physical injury has occurred, by using the Violent Act/Threat Reporting Form available from all supervisors or Human Resources. The County will not discriminate against victims of workplace violence.

Any potentially dangerous situations must be reported immediately to a supervisor or the HR Department. All reported incidents will be investigated. Reports or incidents warranting confidentiality will be handled appropriately and information will be disclosed to others only on a need-to-know basis. All parties involved in a situation will be contacted and the results of investigations will be discussed with them. The County will actively intervene at any indication of a possibly hostile or violent situation.

WHITMAN COUNTY WORKPLACE VIOLENCE PREVENTION PROGRAM

Introduction

Whitman County is concerned and committed to employee safety and health. The County does not tolerate violence in the workplace and will make every effort to prevent violent incidents from occurring by implementing the following Workplace Violence Prevention Program (WVPP).

Each manager, supervisor, and employee is responsible for implementing and maintaining the WVPP and is encouraged to participate in designing and implementing the program. All employees must adhere to work practices that are designed to make the workplace more secure, and must not make verbal threats or physical actions that create a security hazard for others in the workplace.

All employees will have training and instruction on general and job-specific workplace security practices. Training and instruction will be provided when the WVPP is first established and periodically thereafter. Training is provided to all new employees and to other employees for whom training has not previously been provided. Additional training and instruction will be provided to all personnel whenever the employer is made aware of new or previously unrecognized security hazards.

Every employee is required to promptly and to accurately report all violent incidents or potentially dangerous situations whether or not physical injury has occurred. If an actual threat or act has taken place, the victim must complete the Violent Act/Threat Reporting Form available from all departmental supervisors or Human Resources. Also any potentially dangerous situations must be reported immediately to a supervisor or to the HR Department for investigation and remedy.

A copy of County Policy: POL-0100-40-HR PREVENTING & RESPONDING TO WORKPLACE VIOLENCE is readily available to all employees through Human Resources and from each manager and supervisor. Whitman County's WVPP document is available for review in the Human Resources office.

Workplace Violence Prevention Program Responsibility

The WVPP Administrator is the Whitman County Human Resources Manager and he/she has the authority and responsibility for implementing the provisions of this program for Whitman County.

All managers, supervisors and employees are responsible for implementing and maintaining the WVPP in their work areas and for answering employee questions about the program. Supervisors and managers are responsible for ensuring that all safety and health policies and procedures involving security are clearly communicated and understood by all employees, all incidents and hazards are accurately and promptly reported, and all rules are enforced fairly and uniformly. Each employee is responsible for using safe work practices, following all directives, policies and procedures, and assisting in maintaining a safe and secure work environment.

In addition, the Whitman County Incident Team will assess the vulnerability to workplace violence and reach agreement on preventative actions to be taken. This group will be responsible for reviewing employee training programs in violence prevention and plans for responding to acts of violence. They will also audit the overall WVPP compliance annually and recommend changes as needed.

Program Compliance

Whitman County has established the following policy to ensure compliance with its rules on workplace security. County management is committed to ensuring that all safety and health policies and procedures involving workplace security are clearly communicated and understood by employees. All employees are responsible for using safe work practices, for following all directives, policies and procedures, and for assisting in maintaining a safe and secure work environment.

The County's system ensures that all employees, including supervisors and managers, comply with work practices that are designed to make the workplace more secure, and do not engage in threats or physical actions which create a security hazard. It includes:

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- Informing employees, supervisors, and managers about our WVPP
- Evaluating the performance of all employees in complying with our workplace security measures
- Recognizing employees who perform work practices that promote security in the workplace
- Providing training and/or counseling to employees who need to improve work practices designed to ensure workplace security
- Disciplining employees for failure to comply with workplace security practices
- Reviewing the performance of departments in providing appropriate employee training on a regular basis

Whitman County recognizes that to maintain a safe, healthy and secure workplace there must be open, two-way communication between all employees, including managers and supervisors, on all workplace safety, health and security issues. A communication system designed to encourage a continuous flow of safety, health, and security information between management and our employees without fear of reprisal and in a form that is readily understandable is vital. Our communication system consists of the following items:

- New employee orientation on the County's workplace security policies, procedures and work practices
- Periodic review of our WVPP with all personnel
- Training programs designed to address specific aspects of workplace security unique to Whitman County
- Regularly scheduled safety meetings that include workplace security discussions
- A system to ensure that all employees, including managers and supervisors, understand the workplace security policies
- Posted or distributed workplace security information
- A system for employees to inform management about workplace security hazards or threats of violence
- Procedures for protecting employees that report threats from retaliation by the person making the threats

Hazard Assessment

The Implementation Workplace Violence Committee completed an initial hazard assessment in May 2000. Beginning in 2001, the Whitman County Incident Team will perform, by the end of each July, a workplace hazard assessment for workplace security in the form of record keeping and review, periodic workplace security inspections, and may include a workplace survey. The assessment group will identify workplace violence and security issues and make recommendations to management and employees.

Record Keeping and Review

Periodic updates and reviews of the following workplace violence reports and records will be made:

- Occupational Safety and Health Administration (OSHA) 300 logs
- Workplace violence incident reports
- Information compiled for recording assault incidents or near-assault incidents (i.e. Threat & Assault Log)
- Insurance Records
- Police Reports
- Workplace Survey
- Accident Investigations
- Training Records
- Grievances

- Inspection Information
- Other relevant records or information

The WC Incident Team will complete the report and record review by the end of July each year.

Workplace Security Inspections

Periodic inspections to identify and evaluate workplace security hazards and threats of workplace violence will be coordinated by the WC Incident Team and Safety Committee. Periodic inspections are performed according to the following schedule:

- When we initially established our Workplace Violence Prevention Program
- Yearly, by the end of July each year
- When new, previously unidentified security hazards are recognized
- When occupational injuries or threats of injury occur
- Whenever workplace security conditions warrant an inspection

Periodic inspections for security hazards consist of identification and evaluation of workplace security hazards and changes in employee work practices, and may require assessing for more than one type of workplace violence. The County performs inspections for each type of workplace violence by using the methods specified below to identify and evaluate workplace security hazards.

Inspections for workplace security hazards from violence by strangers (Type 1) include assessing:

- The exterior and interior of the workplace for its attractiveness to robbers
- The need for security surveillance measures, such as mirrors or cameras
- Position of signs notifying the public that limited cash is kept on the premises
- Procedures for employee response during a robbery or other criminal act
- Procedures for reporting suspicious persons or activities
- Posting of emergency telephone numbers for law enforcement, fire and medical services where employees have access to a telephone with an outside line
- Limiting the amount of cash on hand
- Staffing levels during evening hours of operation and at other high risk times
- The use of work practices such as “buddy” systems, as appropriate, for identified risks (e.g., walking employees to their cars or mass transit stops at the end of the work day)
- Adequacy of lighting and security for designated parking lots or areas
- Electronic firewalls, anti-virus software, anti-spam software, etc.

Inspections for workplace security hazards from violence by customers or clients (Type 2) include assessing:

- Access to, and freedom of movement within, the workplace
- Adequacy of workplace security systems, such as door locks, security windows, physical barriers and restraint systems
- Frequency and severity of threatening or hostile situations that may lead to violent acts by persons who are service recipients of our establishment
- Employee’s skill in safely handling threatening or hostile service recipients
- Effectiveness of systems and procedures to warn others of a security danger or to summon assistance, e.g. alarms or panic buttons
- The use of work practices such as “buddy” systems, as appropriate, for identified risks (e.g., walking employees to their cars or mass transit stops at the end of the work day)

- Adequacy of lighting and security for designated parking lots or areas
- The availability of employee escape routes
- Electronic firewalls, anti-virus software, anti-spam software, etc.

Inspections for workplace security hazards from violence by co-workers (Type 3) include assessing:

- How well the anti-violence policy has been communicated to employees, supervisors and managers
- How well management and employees communicate with each other
- How well employees, supervisors and managers know the warning signs of potential workplace violence
- Access to, and freedom of movement within, the workplace by non-employees, specifically recently discharged employees
- Frequency and severity of employee-reported threats of physical or verbal abuse by managers, supervisors or other employees
- Any prior violent acts, threats of physical violence, verbal abuse, property damage or other signs of strain or pressure in the workplace
- Employee disciplinary and discharge procedures
- Electronic firewalls, anti-virus software, anti-spam software, etc.

Inspections for workplace security hazards from violence by personal relations (Type 4) include assessing:

- Access to, and freedom of movement within, the workplace by non-employees, specifically personal relations with whom one of our employee's is having a dispute
- Frequency and severity of employee-reported threats of physical or verbal abuse which may lead to violent acts by a personal relation
- Adequacy of workplace security systems, such as door locks, security windows, and physical barriers
- Any prior violent acts, threats of physical violence, verbal abuse, property damage or other signs
- The use of work practices such as "buddy" systems, as appropriate, for identified risks (e.g., walking employees to their cars or mass transit stops at the end of the work day)
- Adequacy of lighting and security for designated parking lots or areas
- Warning or police involvement to remove personal relations of employees from the work site and effectiveness of restraining orders
- Electronic firewalls, anti-virus software, anti-spam software, etc.

Workplace Survey

The Whitman County Incident Team may periodically distribute a survey among employees to identify security issues

Workplace Hazard Control and Prevention

In order to reduce the risk of workplace violence and based on the record/report review and workplace security inspections, the Incident Team performs the following measures:

Engineering Controls and Building or Work Area Design:

A list of possible safety projects and tasks is annually compiled and updated. Please see appendix A.

Workplace Practices:

Training/instruction of staff, reporting procedures for possible/actual violent acts or threats, County POL-0100-40-HR, enforcement policy, and monitoring, maintenance, and improvement of the County's WVPP.

Workplace Hazard Control and Prevention - Adoption

The Board of County Commissioners reviewed and adopted each of the above policies and procedures developed and recommended by the Implementation Workplace Violence Prevention Group as of July 1, 2000.

Training and Instruction

The County has established the following policy on training all employees with respect to workplace violence and security.

All employees, including managers and supervisors, will have training and instruction on general and job-specific workplace security practices. Initial training and instruction will be provided after the WVPP is first established and periodically thereafter. Training shall be provided to all new employees and to other employees for whom training has not previously been provided. It shall also be provided to all employees, supervisors, and managers given new job assignments for which specific workplace security training for the job assignment has not previously been provided. Additional training and instruction will be provided to all personnel whenever the employer is made aware of new or previously unrecognized security hazards.

General workplace violence and security training and instruction includes, but is not limited to, the following:

- Explanation of the WVPP including measures for reporting any violent acts or threats of violence
- Recognition of workplace security hazards including the risk factors associated with the four types of violence
- Measures to prevent workplace violence, including procedures for reporting workplace security hazards or threats to managers and supervisors
- Ways to defuse hostile or threatening situations
- Measures to summon others for assistance
- Employee routes of escape
- Notification of law enforcement authorities when a criminal act may have occurred
- Emergency medical care provided in the event of any violent act upon an employee
- Post-event trauma counseling for those employees desiring such assistance

In addition, the County provides specific instructions to all employees regarding workplace security hazards unique to their job assignment, to the extent that such information was not already covered in other training. We have chosen the following items for training and instruction for managers, supervisors and employees:

- Crime awareness
- Location and operation of alarm systems, panic buttons and other protective devices.
- Communication procedures
- Proper work practices for specific workplace activities, occupations or assignments, such as law enforcement, health care, public transportation, etc.
- Self-protection
- Dealing with angry, hostile or threatening individuals
- Using the "buddy" system or other assistance from co-employees
- Awareness of indicators that lead to violent acts by service recipients
- Employee assistance programs
- Review of anti-violence policy and procedures
- Managing with respect and consideration for employee well-being

- Pre-employment screening practices
- Role playing a violent incident

Incident Investigation

Procedures for investigating incidents of workplace violence – threats and physical injury – include:

- Reviewing all previous incidents
- Visiting the scene of an incident as soon as possible
- Interviewing threatened or injured employees and witnesses
- Examining the workplace for security risk factors associated with the incident, including any previous reports of inappropriate behavior by the perpetrator
- Determining the cause of the incident
- Taking corrective action to prevent the incident from recurring
- Recording the findings and corrective actions taken



REPORTING WORKPLACE VIOLENCE

Procedure: PRO-100-40-1-HR • Effective Date: 5/1/2012 Res. #072952

Cancels: • Reference: Workplace Violence Prevention Program

Action By

Action

Employee

1. If imminent danger exists, call 911, and/or press panic buttons.
2. Notify the supervisor of the incident.
3. Cooperate with law enforcement and/or the Incident Team.
4. Complete the Whitman County Violent Act/Threat Report Form and submit it to the supervisor.

Supervisor

5. If imminent danger exists, call 911 and/or press panic buttons.
6. Submit the Whitman County Violent Act/Threat Report Form to Human Resources.
7. Notify and cooperate with law enforcement and/or the Incident Team.
8. Consult with the Incident Team for advice and assistance in developing a strategy for addressing the issue.
9. When appropriate, develop a workplace safety plan in consultation with the victim,

the Employee Assistance Program, Incident Team, and other appropriate resources.

10. Investigate the incident or request assistance from Human Resources for investigation.
11. Take steps to protect the victim. This may include, but is not limited to:
 - 11.1 Temporarily adjusting or changing work schedules;
 - 11.2 Temporarily changing work stations;
 - 11.3 Grant accrued or unpaid leave within the provisions of county policy, and collective bargaining agreements, to allow employees who are victims of domestic violence to obtain medical treatment, counseling, legal assistance, temporarily to leave the area, or to make other interim arrangements to create a safer situation for themselves;
 - 11.4 Placing the accused on paid administrative leave until an investigation is complete;
 - 11.5 Other assistance as may be deemed reasonable and appropriate by management.
12. If provided with a current court order prohibiting contact between the involved parties, take business-practical and reasonable measures to facilitate compliance with the order within the workplace.
13. To the extent possible, treat information about the victim, including the victim's whereabouts, as confidential. Where necessary, apply restrictions to internal telephones, electronics, standard information dissemination protocols, departmental and county publications, to the extent allowed by law and consistent with business needs.
14. Take reasonable and practical steps to provide for the safety of other people present in the workplace.
15. Once an investigation is complete, determine if corrective action or discipline is appropriate.
16. Consult the Whitman County Workplace Violence Prevention policy and Program.

Proposed Security Projects As of May 2012

Training

De-Escalation Techniques
 Workplace Violence Prevention Update and annual review
 Handling Difficult Customers
 Earthquake Drill
 Hazardous Devices
 Safety Committee
 Incident Team
 Dialing 911 on County Phones
 Field Safety (home visits, etc.)
 Self Defense
 How to handle an armed client
 Cash Handling
 Emergency Management Binders

Lighting

Prosecutor	Work areas, escape routes, hallways
Sheriff	Work areas, escape routes, hallways, bathrooms
Auditor	Work areas and hallways
Courthouse	Bathrooms and entrances/exits
Elections Building	Entrances and exits
Courthouse	Pathways to the parking lots

Surveillance

Public Service Bldg	Cameras
Courthouse	Metal Detectors
Prosecutor	Cameras
Probation	Mirrors for front door
Public Service Building	Camera in hallway of building
District Court	Camera at front counter, Probation and courtroom
BOCC/Admin/HR	Intercom to suite door
Public Service Building	Cameras in parking lot
Public Works	Camera in reception area
PW Landfill	Cameras
Pullman Health Department	Cameras at office and building doors
BOCC/Admin/HR	Mirror at HR Director door
Colfax Health Department	Camera in reception area
Auditor	Cameras
BOCC/Admin/HR	Camera delay
District Court	Existing camera does not work

Barriers

Prosecutor	Tinted windows to offices
BOCC/Admin/HR	Counter at front of department
Prosecutor	Bolt reception desk to the floor

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Public Works
BOCC/Admin/HR
Prosecutor
DC (Probation?)
Auditor
Colfax Health Department
Public Works

Lock/secure the swinging gate in the reception area
Locked door with intercom system
Locked door with key card entrance only
Glass service window in door
Glass service windows
Better secured front windows
Locked door between reception and offices

Escape Routes

Clerk
Probation
Juvenile
Public Works
Probation
Parks/DS & Fair/FM
Cooperative Ext.
Prosecutor
Prosecutor
Auditor
District Court
Pullman Health Department
Courthouse and Public Service Building
Assessor
Prosecutor; Public Works; Auditor; BOCC/Admin/HR;
Pullman Health Department; Assessor

Courthouse courtyard

Extra door in back of office
Change door to swing in to the hallway
An escape door
Escape door for recycling
Escape door
Escape door
Add an escape door
Escape door next to attorney offices
Escape route into somewhere other than the hallway
Escape route into somewhere other than the hallway
Escape route into somewhere other than the hallway
Remove items in the escape route
Improve traction on escape route stairs
Escape route can be slick; provide carpet

Escape windows
Remove landscaping providing hiding places for
assailants

Tools

Pullman and Colfax Health Department
PW Landfill
PW Landfill
Public Works
PW Landfill
PW Landfill
Juvenile; BOCC/Admin/HR; PW Landfill; Auditor;
Public Works; Colfax and Pullman Health Department
Prosecutor
District Court
Vault

Panic buttons/buzzers in the exam rooms
Scale House Drop Safe for Large Bills
Scale House Lock for Cash Drawer
A conference area away from the work space
Panic button between buildings
Security tools at the bathroom

Bomb threat cards needed
Panic buttons may not work
Specific panic buttons for DC were never installed
Phones are installed but do not work

Signage

Courthouse
Prosecutor
Pullman Health Department
Colfax Health Department
Public Works
BOCC/Admin/HR

Larger signs banning weapons
"We prosecute robbers" sign
"No drugs, limited cash"
Larger and brighter signs
"Limited cash" near front counter
"No cash on premise" outside suite

BOCC MINUTES-04/16/12

<p>Policy</p> <p>Auditor</p> <p>Remove items easily available to the public that they could request or do not need access to</p> <p>Make WVPP material available in all locations</p> <p>Courthouse</p> <p>Courthouse/ Public Service Building</p> <p>Courtrooms</p> <p>Courthouse</p> <p>All Departments</p> <p>Courts</p>	<p>"Limited cash on hand" at the cash drawers</p> <p>Security patrols</p> <p>Limit visibility of valuable items</p> <p>A bailiff or officer present during all court proceedings</p> <p>Reserves act as security</p> <p>Update to Emergency management binders</p> <p>Bailiff in all court proceedings</p>
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WHITMAN COUNTY - COLFAX

<u>County Courthouse</u>	<u>IT/Finance Building</u>	<u>Public Service Building</u>	<u>Sheriff/Correctional Facility</u>
400 N. Main Street Colfax, WA 99111 (509) 397-5240	301 N. Mill Street Colfax, WA 99111 (509) 397-5195	310 N. Main Street Colfax, WA 99111 (509) 397-4622	411 N. Mill Street Colfax, WA 99111 (509) 397-5355

In Case of Emergency
<p>Step I: Dial 911</p> <p>Step II: Inform Your Supervisor</p> <p>Step III: Contact an Incident Team Member</p>

WHITMAN COUNTY INCIDENT TEAM

Report any event that may cause death or significant injuries, disrupt or shut down operations, cause physical or environmental damage, or threaten the financial standing or public image of the county, its employees, customers or the general public to a member of the Incident Team:

Chris Nelson, Information Technology	x5181 or x5186
Kelli Campbell, Human Resources	x5243 or x5242
Tim Myers, Parks/Developmental Services	x5411 or x5410
Fran Martin, Public Health	x5377 or x5375
Mark Storey, Public Works	x5204 or x5200
Brett Myers, Sheriff's Office	x5357 or x5355
Ron Rockness, Sheriff's Office	x5358 or x5355
Bob Reynolds, Fair/Facilities Management	x5391 or x5394
Gary Petrovich, Administrative Services	x5241 or x5240
BOCC	x5246 or x5240

After Hours Parking Lot Escort x5355

If you would like an escort to your car after hours, please contact the jail facility at extension 5355 for scheduling.

LOCAL RESOURCES – NON-EMERGENCY

City of Colfax
 City Hall (509) 397-3861
 Police (509) 397-4616
 Fire/Ambulance (509) 397-3416
 Employee Assistance Program Solution Resources 1-866-535-4074 *Free and Confidential

WHITMAN COUNTY – OUTSIDE COLFAX

Location	Address	City, State, Zip	Phone
District Court-Pullman	SE 325 Paradise St.	Pullman, WA 99163	(509) 332-2065
Kamiak Butte	Fugate Road	Whitman County, WA	(509) 878-1869
Klemgard Park	Union Flat Road	Whitman County, WA	(509) 397-2684
Wawawai Park	Wawawai Road	Whitman County, WA	(509) 334-3774
Fairgrounds	322 Fairgrounds Rd, SR 26	Whitman County, WA	(509) 397-3753
County Landfill	252 Landfill Road	Whitman County, WA	(509) 334-2400
Oakesdale Shop	801 W. Steptoe St.	Oakesdale, WA 99158	(509) 285-4301
Colfax Shop	201 Duncan Springs Rd	Colfax, WA 99163	(509) 397-4733
St. John Shop	7 South Main St.	St. John, WA 99171	(509) 648-3946
Palouse Shop	230 E. Union	Palouse, WA 99161	(509) 878-1451
Colton Shop	708 Broadway	Colton, WA 99113	(509) 229-3427
Pullman Shop	2041 Country Club Road	Pullman, WA 99163	(509) 332-2328
Lacrosse Shop	320 N. Clark	Lacrosse, WA 99143	(509) 549-3946

In Case of Emergency	
Step I:	Dial 911
Step II:	Inform Your Supervisor
Step III:	Contact an Incident Team Member

WHITMAN COUNTY INCIDENT TEAM

Report any event that may cause death or significant injuries, disrupt or shut down operations, cause physical or environmental damage, or threaten the financial standing or public image of the county, its employees, customers or the general public to a member of the Incident Team:

Chris Nelson, Information Technology	(509) 397-5181
Kelli Campbell, Human Resources	(509) 397-5243
Tim Myers, Parks/Developmental Services	(509) 397-6238
Fran Martin, Public Health	(509) 397-5377
Mark Storey, Public Works	(509) 397-5204
Brett Myers, Sheriff’s Office	(509) 397-5357
Ron Rockness, Sheriff’s Office	(509) 397-5358
Bob Reynolds, Fair/Facilities Management	(509) 397-5391
Gary Petrovich, Administrative Services	(509) 397-5241
BOCC	(509) 397-5246

LOCAL RESOURCES – NON-EMERGENCY

City	City Hall	Police	Fire/Ambulance
Colfax	(509) 397-3861	(509) 397-4616	(509) 397-3416
Pullman	(509) 334-4555	(509) 334-0802	(509) 332-8172
St. John	(509) 648-3905	(509) 648-3905	(509) 648-3950
Oakesdale	(509) 285-4020	(509) 285-5333	(509) 285-4020
Colton	(509) 229-3887	(509) 229-3887	(509) 229-3887
Palouse	(509) 878-1811	(509) 878-1611	(509) 878-1811
Lacrosse	(509) 549-3330	(509) 549-3330	(509) 549-3330

Employee Assistance Program: Solution Resources 1-800-535-4074 *Free and Confidential

WHITMAN COUNTY – PULLMAN HEALTH
Whitman County Public Health – Pullman Office
 1205 SE Professional Mall
 Pullman, WA 99163
 (509) 332-6752

In Case of Emergency	
Step I:	Dial 911
Step II:	Inform Your Supervisor
Step III:	Contact an Incident Team Member

Whitman County Incident Team

Report any event that may cause death or significant injuries, disrupt or shut down operations, cause physical or environmental damage, or threaten the financial standing or public image of the county, its employees, customers or the general public to a member of the Incident Team:

- Chris Nelson, Information Technology (509) 397-5181
- Kelli Campbell, Human Resources (509) 397-5243
- Tim Myers, Parks/Developmental Services (509) 397-6238
- Fran Martin, Public Health (509) 397-5377
- Mark Storey, Public Works (509) 397-5204
- Brett Myers, Sheriff’s Office (509) 397-5357
- Ron Rockness, Sheriff’s Office (509) 397-5358
- Bob Reynolds, Fair/Facilities Management (509) 397-5391
- Gary Petrovich, Administrative Services (509) 397-5241
- BOCC (509) 397-5246

LOCAL RESOURCES – NON-EMERGENCY

City of Pullman

- City Hall (509) 334-4555
- Police (509) 334-0802
- Fire/Ambulance (509) 332-8172
- Employee Assistance Program
- Whitman County Offices
- Commissioner’s Office (509) 397-5246

Solution Resources 1-866-535-4074 *Free and Confidential
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Information Technology	(509) 397-5195
Human Resources	(509) 397-5242
Parks/Developmental Svcs.	(509) 397-6238
Public Health	(509) 397-6280
Public Works	(509) 397-4622
Sheriff's Office	(509) 397-5355
Fair/Facilities Maintenance	(509) 397-6263

**WHITMAN COUNTY PUBLIC HEALTH
WORKPLACE VIOLENCE PLAN**

The following guidelines will assist management to minimize the potential of workplace violence and threats:

- Conduct pre-employment screenings on all new employees.
- Provide training on what to do in the event of violent confrontation, how to avoid being a victim, and to know how and where to report violent acts or threats.
- Provide a means to alert others to a dangerous situation.
- Establish ground rules of acceptable behavior.
- Limit former employees from unlimited access to the workplace.

During normal duty hours access to the clinic and office area will be restricted

Whenever an employee enters the building during non-business hours, they will lock the door behind them preventing any unauthorized entry.

Each public health professional must evaluate the potential danger of each client and discuss any concerns with their supervisor.

Under no circumstances should a public health professional provide services in a client's home if they are concerned with their personal safety. A buddy system with another professional may be used, or the client may be required to come to the office or clinic.

The following guidelines should be used when a public health professional determines a client to be dangerous:

- The circumstances are discussed with their immediate supervisor
- The justification is discussed with the management team.
- The determination, with justification, is documented and maintained in the Clients record.

Each staff departing the buildings during normal business hours will write on the board their planned destination and estimated time return.

If it is believed that the return of a staff is overdue, the following steps should be taken:

- Immediately contact the staff's immediate supervisor.
- Telephone if possible the last known visit.

- Telephone the staff's home or cellular phone if possible.
- Notify the local law enforcement for a welfare check.

Protective Orders

All staff who apply for or obtain a protective or restrain order which list Whitman County Public Health locations as being protected areas, must provide to their supervisor a copy of the petition and declarations used to seek the order, a copy of any temporary protective or restraining which is granted, and a copy of any protective or restraining order which is made permanent. Whitman County Public Health understands the sensitivity of the information requested and has developed confidentially procedures, which recognize and respect the privacy of the reporting staff.

When a potential violent situation occurs, staff members will:

- Have all clients moved from the area by means of the back door.
- Notify all staff of the location and incident
- When needed, a plan of action will be defined, with the staff member assuming a leadership role.
- The staff member assuming leadership will:
 - a. Have a staff member contact the local law enforcement.
 - b. Assure that physical intervention of staff members will not be attempted.
 - c. Determine an available, secure area.
 - d. Ensure that the clinic or office environment is free of all potentially harmful objects.
 - e. Debrief the incident with all staff.
 - f. Review the incident with assigned staff and assess any preventive measures.
 - g. Document the incident on required County Forms and in the Clients records.

All staff will be knowledgeable about the Warning Signs of Potentially Violent Individuals and Personal Conduct to Minimize Violence. See attachments.

Staff will follow all Policies and Procedures otherwise adopted by the Board of Whitman County Commissioners.

072953 13. Kelli Campbell presented the revised policy for filling vacant positions. Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to approve the resolution adopting the revised policy for filling vacant positions.

**RESOLUTION NO. 072953
BEFORE THE BOARD OF WHITMAN COUNTY COMMISSIONERS**

IN THE MATTER OF the action of the adoption for the Whitman County policies and procedures:

- POL-201-HR Filling Vacant Positions
- PRO-201-1-HR Filling Vacant Positions
- PRO-201-2-HR Requesting to Fill Vacant Positions
- PRO-201-3-HR Selecting Candidates from the Original Applicant Pool
- TSK-201-1-HR Maintaining Job Files

BOCC MINUTES-04/16/12

TSK-201-2-HR Processing Personnel Change Orders After BOCC Signature
TSK-201-3-HR Processing Personnel Change Orders For BOCC Signature

WHEREAS, this policy and its procedures have been updated for clarification and compliance purposes,

WHEREAS, this action is necessary and in the best interest of Whitman County and its employees,

NOW, THEREFORE, IT IS HEREBY RESOLVED by this Board that the above is approved as the attached:

- POL-201-HR Filling Vacant Positions
- PRO-201-1-HR Filling Vacant Positions
- PRO-201-2-HR Requesting to Fill Vacant Positions
- PRO-201-3-HR Selecting Candidates from the Original Applicant Pool
- TSK-201-1-HR Maintaining Job Files
- TSK-201-2-HR Processing Personnel Change Orders After BOCC Signature
- TSK-201-3-HR Processing Personnel Change Orders For BOCC Signature

Dated this 16th day of April 2012 and effective as of May 1, 2012.

BOARD OF COUNTY COMMISSIONERS
OF WHITMAN COUNTY, WASHINGTON

Greg Partch, Chairman

Patrick J. O'Neill, Commiss.

ATTEST:

Maribeth Becker, CMC
Clerk of the Board

Michael Largent, Commissioner



FILLING VACANT POSITIONS

Policy: POL-201-HR • Effective Date: 5/1/2012 • Res. #072953

Cancels: Res #068674 • Reference: None

This policy applies to all Whitman County employees, unless otherwise addressed in a bargaining unit contract.

Definitions:

Bona Fide Occupational Qualification - A legitimate, reasonable and proven reason to have job qualifications that would normally be illegal.

CSR – Civil Service Rules

Demotion – Movement from a position of higher classification salary range to a position of lower classification salary range.

Immediate Family - Members of an employee’s immediate family include: spouse; child or step-child; parent or step-parent; sibling or step sibling; in-laws; niece or nephew; aunt or uncle; first cousin; grandchild, and grandparent of the employee. Immediate family also includes: relatives living in the employee’s household; adopted and foster children living in the employee’s home; domestic partner; any immediate family member of a domestic partner.

Job Announcement – A description of a position’s duties, hazards, required skills, knowledge and abilities used for advertisement purposes.

Job Description – A description of a positions essential functions and primary responsibilities used to guide the employee and employer during the course of employment.

Job File – A file containing all documents related to the opening, advertising, and filling of a specific position. This file is maintained in accordance with state law.

Orientation – A meeting in which a new employee completes employment related paperwork and receives training on the organization’s policies and procedures.

Probationary Period – An extension of the hiring process in which the employee demonstrates his/her applicable skills for a specific period of time.

Promotion – A change in job representing both an increase in wages and a change in job responsibilities.

Temporary Employment Pool – A pool of applicants applying for temporary positions. Applicants may apply at any time and applications are maintained for six months.

Transfer – A movement from one position to another within the same classification and/or salary range.

1. Vacant Positions shall be Filled by Department Heads and Elected Officials.

All vacancies shall be authorized and filled by the appropriate Department Head/Elected Official or his/her designee. The BOCC shall be notified of each vacancy for funding, documentation and/or approval purposes. For ease of processing, elected officials/department heads are asked to hire new employees on the first or sixteenth of the month.

2. Promotions, Demotions and Transfers may be used to fill a Position before Opening to the Public.

Vacancies may be filled by promotion, demotion or transfer. The individual selected must be classified as an employee before the time of hire.

3. **Whitman County Subscribes to a Policy of Equal Opportunity.**

Employees and applicants shall not be discriminated against on the basis of race, religion, creed, color, national origin, sex, sexual orientation, veterans' status, marital status, age, the presence (real or perceived) of a disability or any other basis prohibited by local, state or federal law. Discrimination and/or harassment based on any of these factors shall not be tolerated.

Qualified individuals with disabilities may be entitled to an accommodation in the application process and/or in the workplace. Any qualified individual with a disability may request reasonable accommodation. It shall be the responsibility of the applicant/employee to request reasonable accommodation.

If a bona fide occupational qualification is required, Human Resources shall be consulted by the Department Head/Elected Official before the opening is posted. Human Resources and the Department Head/Elected Official shall work with legal counsel to create the appropriate documentation.

4. **Job Descriptions and Announcements shall be Created in Cooperation with Human Resources.**

Job descriptions and announcements are crucial to the definition and classification of all positions. Each open position must have an updated description and announcement before it may be posted for applicants. Department Heads/Elected Officials shall work with Human Resources to create/update descriptions and announcements. It shall be Human Resources responsibility to correctly classify each position.

5. **Openings shall be Posted for a Minimum Number of Work Days.**

Unless promoted, demoted or transferred within the same department, all regular job openings must be advertised for a minimum of one week to ensure open competition for the public. If a Department Head/Elected Official believes qualified county employees may be interested in a department other than their own, he/she may post the opening in-house before taking the position public.

Internal and public postings shall be arranged through Human Resources. All advertisements shall be reviewed by Human Resources before dissemination. Department Heads/Elected Officials shall determine where public ads are published. However, all ads shall be posted to the Whitman County web site, the Washington State Employment Security Department, and organizations required by the County's Equal Employment Opportunity Plan.

If a recently filled position becomes vacant within six (6) months from the offer date, the Department Head/Elected Official may screen for new candidates using the original applicant pool. The original applicant pool may not be re-used if any parameters of the position have changed. Parameters include, but are not limited to, job responsibilities, experience requirements, salary, benefits, etc. Unionized positions are still subject to their respective collective bargaining agreements. Re-use of an applicant pool shall only occur if it is not in violation of contract language.

6. **A Whitman County Application is Required.**

All applicants must complete the appropriate Whitman County application. Resumes and other material may be required at the discretion of the Department Head/Elected Official.

Submitted applications must be originals and signed by the applicant. All statements submitted on the application and/or resume are subject to investigation and verification prior to appointment. Any false or misleading information provided by the applicant may be grounds for rejection and/or discipline.

The County shall only accept applications for open positions.

7. **Interviews shall be Conducted by the Hiring Department.**

Interviews shall be conducted by the hiring department. If requested, Human Resources may assist with the preparation and implementation of the interview.

Interview questions and selection criteria must be job related and comply with all federal and state regulations.

8. **Human Resources shall Notify Applicants of Their Application Status in Writing.**

After a position is filled, Human Resources shall send each applicant a written notice of the selection. Each notice shall be stored in the position's job file and retained in accordance with state and federal retention schedules.

9. **Applicants may be Subject to Pre-Employment Tests and/or Questionnaires.**

Tests and/or questionnaires may be utilized to measure each applicant's job related skill level. Such tests shall be administered by a person of like skill approved by the Department Head/Elected Official. Depending on the position, an applicant's employment may depend on successfully passing a medical examination, physical exam, drug test, or background check.

All tests, exams, questionnaires and background checks must be job related, objective and in compliance with state and federal regulations. Reference and background checks require a waiver from the applicant that may be included with the advertisement material upon the request of the department.

10. **Employees shall be Subject to a Six Month Probationary Period.**

All employees shall be subject to a six month probationary period starting from their first day of regular employment with Whitman County. An appointment shall not be considered to have full-time or part-time status for a period of six (6) months. The probationary period shall last no longer than an additional six (6) months if extended by the Department Head/Elected Official. If the probationary period is extended, a performance evaluation and written notice shall be given to the employee prior to the end of the original probationary period. A copy of the extension notice shall be forwarded to the Human Resources Department.

The probationary period is an extension of the selection process and failure to successfully complete the period, as determined by the Department Head/Elected Official, does not carry with it any right of appeal. Employees in the probationary period may be terminated by the Department Head/Elected Official at will.

During the probationary period employees may not draw on accrued sick or annual leave benefits. Nor will they be compensated for such benefits should they be terminated prior to completion of the probationary period. Employees promoted, demoted or transferred to new positions may carry their vacation, sick and compensatory accruals with them. Completion of the probationary period shall be documented via the employee successfully passing a performance evaluation. The employee shall then be considered as having satisfactorily demonstrated qualifications for the position.

11. **All New and Rehired Employees must Attend an Orientation Session Through the Human Resources Department.**

12. Temporary Positions may be Created to Assist with Department Responsibilities.

Appointments to county employment on other than a regular basis shall be considered temporary. Temporary positions may be filled via the advertising process described in this policy or through the Temporary Employment Pool maintained by the Human Resources Department.

The acceptance or refusal of temporary employment shall not affect an employee's eligibility for regular employment. The period of temporary service shall not be credited towards the completion of any probationary period. Temporary employees work at the discretion of the Department Head/Elected Official.

Temporary employees are not eligible for employment benefits except those required by law.

Successive temporary appointments to the same position shall not be made so as to circumvent the regular appointment of a qualified applicant.

13. Minors may be Employed in Accordance with State and Federal Law.

People between the ages of sixteen (16) and eighteen (18) may be considered for employment subject to state and federal regulations related to the employment and working conditions of minors. Minors must submit a legal document proving age at the time of application. Departments shall work with Human Resources to ensure working conditions of minors are within legal boundaries.

14. Employment of Relatives shall be Limited.

No immediate family members shall be employed in positions where a family member has the authority to: supervise, hire, remove or discipline; evaluate his/her work; or where family members are in direct competition with each other. Supervising and auditing will be liberally construed to include such functions as evaluations, signing pay sheets, emergency service dispatching, directing work assignments, and other activities of direct impact. When two employees would violate any of the above restrictions on hiring of relatives, they will be allowed to decide which one will leave their position.

Employees who become family after employment shall be treated in accordance with this policy.

Whitman County conducts open and competitive hiring processes. Preference will not be given to candidates who are dependents or relatives of current employees.

15. Previous Employees may be Re-hired at the Same Rate of Pay.

A regular county employee who terminates his/her employment with the County in good standing and returns to the same department in the same job classification within two years from the date of termination, may be compensated at the same pay range and step level as at the time of the termination. The former employee must submit a competitive application for the position and, if hired, shall be subject to a six month probationary period.

16. Civil Service Rules Apply to Specific Positions.

Civil Service Rules (CSR) apply to specific positions within the Sheriff's Office. Where this policy and the CSR conflict, the CSR shall prevail.



FILLING VACANT POSITIONS

Procedure: PRO-201-1-HR • Effective Date: 5/1/2012 • Res. #072953
Cancels: Res #068675 • Reference: None

Action by:

Action:

Dept. Head/Elected Official

1. Completes an Advertisement Request Form and sends it to Human Resources
 - 1a. If filling from within County, skips to step two (2)
 - 1b. If filling from a temporary pool, skips to step ten (10)

Human Resources

2. Updates/creates job announcement and advertisement
3. Sends the announcement and advertisement to Department Head/Elected Official for approval

Dept. Head/Elected Official

4. Reviews the announcement and advertisement
5. Sends the announcement and advertisement to Human Resources with any changes

Human Resources

6. Saves the changes to the announcement and advertisement
7. Processes the advertisement for publication/posting
8. Publishes/posts the advertisement and announcement with vendors in accordance with the Department Head/Elected Official's request, Whitman County policy and union contract language
9. Collects and processes applications during the advertisement period
10. Forwards copies of received applications to the Department Head/Elected Official after the advertisement period has closed

Dept. Head/Elected Official

11. Reviews the applications and conducts interviews
12. Conducts necessary testing and/or background checks

- 13. Hires an applicant
- 14. Sends Human Resources a Hiring Status Form and Personnel Change Order for the hired applicant
- Human Resources
- 15. Processes the Change Order and sends it to the BOCC
- 16. Sends each applicant a notice that a hire was made
- 17. Closes the position's job file
- BOCC
- 18. Reviews and signs the Change Order
- 19. Processes the Change Order and sends it to Human Resources
- Human Resources
- 20. Processes the Change Order and distributes it to the Department Head/Elected Official
- 21. Requests an orientation date and time from the Department Head/Elected Official
- Dept. Head/Elected Official
- 22. Arranges an orientation date and time with Human Resources



REQUESTING TO FILL VACANT POSITIONS

Cancels: Res # 068675 • Reference: None

Action by:

Dept. Head/Elected Official

Action:

- 1. Determines a position must be created and/or filled
- 2. Creates/updates the position's job description
- 3. Requests Human Resources classify/confirm the classification of the position
- Human Resources
- 4. Reviews and classifies the job description
- 5. Notifies the Department Head/Elected Official of the position's classification

BOCC MINUTES-04/16/12

Dept. Head/Elected Official

6a. If in disagreement with the classification, appeals under procedure PRO-0825-3-HR

6b. If in agreement with the classification, sends Human Resources the completed Personnel Change Order(s) requesting to fill, advertize and/or create the position.

Human Resources

7. Reviews the Change Order for accuracy

8a. If the change requires a budget amendment, notifies the BOCC a workshop will be needed

8b. If the change does not require a budget amendment, sends the Change Order to the Clerk of the Board for public session

BOCC

9. Reviews the Personnel Change Order

10a. If ready for the Change Order, signs it in public session

10b. If not ready for the Change Order, schedules a workshop and notifies Human Resources, Administrative Services and the Department Head/Elected Official of any additional information needed

HR/Administrative Services/Department Head/Elected Official

11. Meets with BOCC to provide the necessary information

BOCC

12. Notifies Human Resources it is ready for the Change Order

Human Resources

13. Processes the Change Order and sends it to the BOCC for signature

BOCC

14a. If in agreement, signs the Change Order

14b. If in disagreement, does not sign the Change Order and continues the process at step 10b

15. Processes the Change Order and sends it to Human Resources

Human Resources

16. Processes the Change Order and distributes it to the appropriate departments

Dept. Head/Elected Official

17. Fills the position



SELECTING CANDIDATES FROM THE ORIGINAL APPLICANT POOL

Cancels: Res # 068675 • Reference: None

Action by:

Action:

Dept. Head/Elected Official

1. Notifies Human Resources an employee left within six months of hire.
2. Sends Human Resources Personnel Change Orders ending the employee's employment and requesting to refill the position

Human Resources

3. Processes the Change Orders and sends them to the BOCC
4. Re-opens the position's job file
5. Sends copies of the original applications to the Department Head/Elected Official

BOCC

6. Reviews and signs the Change Orders
7. Sends the Change Orders to Human Resources

Human Resources

8. Processes the Change Orders and sends them to the Department Head/Elected Official

Dept. Head/Elected Official

9. Hires an applicant from the original applicant pool
10. Sends a Change Order and Hiring Status Form to Human Resources

Human Resources

11. Processes and sends the Change Order to the BOCC
12. Sends applicants notice that someone was hired

BOCC

13. Reviews and signs the Change Order
14. Sends the Change Order to Human Resources

HR

15. Processes and distributes the Change Order to the appropriate departments

16. Closes the position's job file

17. Requests an orientation date and time from the Department Head/Elected Official

Dept. Head/Elected Official

18. Arranges an orientation date and time with Human Resources



MAINTAINING JOB FILES

Task: TSK-201-1-HR • Effective Date: 5/1/2012 - Res. #072953
Cancels: Res # 068676 • Reference: None

Definitions:

BOCC – Board of County Commissioners

Personnel Change Order – Documentation verifying a personnel/position change within county departments

EEO – Equal Employment Opportunity

Once notified that a vacancy will be filled, **Human Resources:**

1. Labels a new file with the position, department and closing date
2. While the position is open, collects all Personnel Change Orders, advertisements, applications and hiring related documents.
3. Removes all EEO information from applications as they arrive.
4. Files the EEO information separately from the job file and updates the EEO summary forms in accordance with federal regulations.
5. Completes the Hiring Status Form as applications arrive.
6. Copies applications and the Hiring Status Form after the position closes and forwards them to the appropriate department.

Once an applicant is hired for a vacant position, **Human Resources:**

1. Totals the EEO summary forms for federal reporting.
2. Sends each applicant a written notification on the status of the position.

3. Files all documents in the position's job file.
4. Retains the job file in accordance with state requirements.



PROCESSING PERSONNEL CHANGE ORDERS AFTER BOCC SIGNATURE

Task: TSK-201-2-HR • Effective Date: 5/1/2012 - Res. #072953
Cancels: Res # 068676 • Reference: None

Definitions:

BOCC – Board of County Commissioners

Personnel Change Order – Documentation verifying a personnel/position change within county departments

After the BOCC signs each Personnel Change Order, **Human Resources:**

1. Makes three copies of each Change Order
2. Sends one copy to the Human Resource Director
3. Sends a second copy to the appropriate department
4. Writes employee numbers on the third copy and sends it to the Auditor's Office
5. Keeps the original for payroll data entry
6. Emails staff changes to Information Technology, Facilities Management, and the Auditor's Office
7. Completes internal Human Resource tracking documents



PROCESSING PERSONNEL CHANGE ORDERS FOR BOCC SIGNATURE

Task: TSK-201-3-HR • Effective Date: 5/1/2012 - Res. #072953
Cancels: Res # 068676 • Reference: None

Definitions:

BOCC – Board of County Commissioners

Personnel Change Order – Documentation verifying a personnel/position change within county departments

In preparation for the BOCC Public Session, **Human Resources:**

BOCC MINUTES-04/16/12

1. Verifies all data on the Change Order is correct
 - 1a. If data is not correct, contacts the department for correction
2. Determines eligible benefits for the position
 - 2a. If the Change Order ends employment, calculates the health care end date and notes to stop leave accruals and retirement on the document
3. Calculates next salary step eligibility date
4. Determines union eligibility
5. Determines position's FLSA status
6. Completes the section reserved for Human Resources
7. Stamps the Change Order indicating Human Resources' review is complete
8. If the change requires a budget amendment, forwards the Change Order to Administrative Services and notifies the BOCC that a workshop is needed
9. Creates a list of Change Orders for the upcoming week
10. Forwards all Change Orders and a list to the Clerk of the Board

072954 14. Kelli Campbell presented the policy for Administering Layoffs. Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to approve the policy for Administering Layoffs.

**RESOLUTION NO. 072954
BEFORE THE BOARD OF WHITMAN COUNTY COMMISSIONERS**

IN THE MATTER OF the action of the adoption for the Whitman County Policy:
Administering Layoffs;

WHEREAS, this action is necessary and in the best interest of Whitman County and its citizens,

NOW, THEREFORE, IT IS HEREBY RESOLVED by this Board that the above is approved as the attached policy **POL-202-HR Administering Layoffs.**

Dated this 16th day of April 2012 and effective as of May 1, 2012.

BOARD OF COUNTY COMMISSIONERS
OF WHITMAN COUNTY, WASHINGTON

Greg Partch, Chairman

ATTEST:

Patrick J. O'Neill, Commiss.

Maribeth Becker, CMC
Clerk of the Board

Michael Largent, Commissioner



ADMINISTERING LAYOFFS

Policy: POL-202-HR • Effective Date: 5/1/2012 - Res. #072954

Cancels: Res # I-2 • Reference: Employer Layoff Guidelines document

This policy applies to all Whitman County employees, unless otherwise addressed in a bargaining unit contract.

Definitions:

Layoff – The termination of an employee based on the elimination of his/her position with possible return through a recall list.

Recall List – a list of laid off employees who may be reinstated within a period one year or a period of time indicated through a collective bargaining agreement.

1. Whitman County Reserves the Right to Layoff Employees.

Whitman County may layoff employees due to lack of work, reorganization, elimination of services/functions, budgetary decisions or other reasons deemed necessary by the elected official/department head. Layoff is not a “for cause” separation and should not be used in its place.

2. Consideration for Layoff Shall be Made Primarily by Classification, Regular Status and Performance.

Elected officials/department heads shall identify by classification the positions to be eliminated within their departments. Within the classification, employees shall be selected first based on regular status. No regular full-time or part-time employees shall be laid off while another person in that classification is employed in a probationary period or on a temporary basis. Employees shall then be selected based upon performance, followed by qualifications and seniority.

Elected official/department head approval is required for all layoffs. Human Resources shall be consulted during the layoff process for review of conformity to county policy, collective bargaining agreements and legal requirements.

Elected officials/department heads are encouraged to reference Whitman County’s “Layoff Guidelines” document when determining the appropriate positions and employees for layoff.

3. Employees May be Moved to Other Positions in Lieu of Layoff.

Regular employees facing layoff shall be considered for open positions, in which they are qualified, prior to their scheduled separation from Whitman County. Movement to an available position shall be at the discretion of the department head/elected official and in accordance with the County’s compensation plan.

4. Employees Shall be Given Four Weeks Written Notice of Layoff.

Employees shall be provided four calendar weeks written notice of layoff. At the elected official/department head's discretion, employees may be placed on paid administrative leave during the four week period.

5. The Names of Laid Off Employees Shall be Placed on a Recall List for One Year.

The names of regular employees laid off shall be placed on a recall list for a period of one year from the effective date of layoff. It is the employee's responsibility to provide Whitman County with updates to contact information.

Laid off employees will be notified of all job vacancies within the County for one year. The order of call back shall be in reverse with the last employee laid off being entitled to the first chance at any open position, subject to the laid off employee being qualified. The employee's classification upon returning to work shall be that of the job to which he/she returns regardless of what his/her regular classification may have been at the time of the layoff.

When a job vacancy opens, Whitman County will mail a certified notice to the last known address of the employee. If the employee fails to respond within one week of receipt he/she shall forfeit all call back rights. If a response is made indicating the employee is interested in the position, the laid off employee will be given primary consideration for the opening. The elected official/department head shall be responsible for determining if the former employee meets all the necessary job requirements prior to considering other applicants. Employees hired through the recall process are subject to a new probationary period unless hired to the same department and classification from which they were laid off.

Laid off employees may request to be removed from the recall list with written notice to the Whitman County Human Resources Department.

6. Employees Recalled Within One Year Shall be Reinstated with Certain Employment Rights.

Employees recalled within one year shall be reinstated with specific rights.

- a. Sick and floating holiday monthly accruals and balances shall be reinstated at the levels recorded upon the layoff's effective date. Employees shall not earn accruals during the period of layoff.
- b. Monthly accrual levels for annual leave shall be reinstated but balances shall not. Annual leave balances cashed out at the layoff date may be restored by the employee paying the full cash value of the leave restored. Leave restoration shall be no higher than the balance in place on the layoff's effective date. Employees shall not earn accruals during the period of layoff.
- c. The hire date shall be adjusted to reflect the time on layoff, but the employee shall retain the seniority earned upon the effective date of the layoff, unless hired in to a collective bargaining agreement that stipulates otherwise. The period of layoff shall not be counted toward seniority.
- d. Employees recalled to their former department and classification may be compensated at the same pay range and step level as at the time of layoff. Otherwise, employees will be paid at the range and step of the new classification and in accordance with the County's compensation system.

072955 15. An executed copy of WA State Military Department grant agreement #E12-239 was received (05/31/14).

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072956 16. An executed copy of the Palouse Wind haul route agreement was received.

072957 17. Commissioners' pending list reviewed.

072957A 18. Commissioner Largent **moved** Commissioner O'Neill **seconded** the motion and it **carried** to allocate \$100,000 of Public Facilities funds for grant funding in 2012. The commissioners signed a letter to all cities, towns and districts announcing the availability of funding with a May 31st application deadline.

10:15 a.m. - Recess.

10:30 a.m. - 2011-2012 CDBG-PS Grant Hearing.

Present: Kim Donahue, Amy Robbins, Gary Petrovich, Joan Willson, Karen Johnson and Mark Storey.

072958 19. Chairman Partch convened the hearing for the 2011 and 2012 CDBG-PS grants and requested a staff report.

- Handout #1 - Summary of fund usage for 2011 and intended usage for 2012 funds
- Handout #2 - Community Development Block Grant Program Information
- Handout #3 - Federal Regulation Excerpt: Citizen Participation

Ms. Robbins said the Community Action Center (CAC) received \$125,968 for the period of July 1, 2011 through June 30, 2012. During the calendar year 2011 4500 individuals in Whitman County were served. CAC utilized the CDBG-PS as filler for programs that do not allow enough staff salaries, benefits, administrative and/or space cost funds to fulfill clientele obligations. Uses of funds as follows:

- **Community Food Bank** - CAC operates the Community Food Bank mainly on a donation only basis. CDBG funds are used for allowable direct staff, administrative and space support to operate the Food Bank. For the 15 months ending March 31, 2012 - 3,139 households were served and 186,480 pounds of food were distributed.
- **Permanent Housing Assistance** - CAC used CDBG funds for allowable direct staff, administrative and space support to develop affordable housing, home ownership and rental property resources for low to moderate income households in Whitman County. They have developed a self-help housing project in Colfax, WA with 4 homes. They are currently developing a 4-home, self-help housing project in Palouse, WA. They have assisted 15 households with the first time homebuyer application process on the aforementioned projects. In the past year the Thomason Place I affordable housing project has been completed and is fully leased. This

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project provides 26 units of affordable housing to moderate income households. Thomason Place II is also under development this year and looks to open its doors to families in June 2012. This project will provide an additional 26 units of affordable housing to the working households in Pullman.

- **Emergency/Crisis Assistance** - CDBG funds were used for allowable direct staff, administrative and space support to provide emergency, energy and shelter services, as well as legal referral services. Approximately 6,800 calls for information and referral were fielded and 1,644 households with energy assistance were served.
- **Community Coordination/Collaboration** - Funds were used for allowable direct staff, administrative and space support to provide involvement with CAC's 17 Community Partners to enhance delivery of services. The funds also allow for disseminating information to residents throughout the approximately 2,056 square miles in Whitman County.
- **Case Management/Continuum Care** - CDBG funds were used for allowable direct staff, administrative and space support to provide continued and intensive case management to approximately 950 low to moderate income households utilizing energy and rental assistance programs offered by CAC throughout Whitman County. The funds also assist CAC staff in maintaining collaborative relationships with other local service providers.
- **Protected Payee** - The CDBG funds were used for allowable direct staff, administrative and space support to provide financial management and budget counseling to individuals receiving disability or other public assistance benefits that require a protected payee to handle their financial matters. Up to 10 people have been assisted with this program. Referrals are made to CAC by the Department of Human Services, Social Security Administration, Caseworkers, etc. At least 75% of the clients have met the low to moderate income criteria.

Ms. Robbins noted the CDBG grant for the period July 1, 2012-June 30, 2013 in the amount of \$98,170 will be used to serve 3,500 individuals. CAC will continue to use the CDBG-PS funds as allowed for staff salaries, benefits, taxes, administrative and/or space costs. Intended uses of the funds include:

- The Community Food Bank - Proposed uses include allowable direct staff, administrative and space support to operate the food bank and anticipate serving 1,600 households and distributing 60,500 pounds of food.
- Permanent Housing Assistance - Proposed uses include allowable direct staff, administrative and space support to develop affordable housing, home ownership and rental property resources for low to moderate income

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households in Whitman County. CAC is developing a 4-home, self-help housing project in Palouse, WA and anticipates assisting 6 households with the first time homebuyer application process on the aforementioned project. CAC also anticipates assisting 340 households with Section 8 housing. They are developing a 26-unit and 28-unit affordable apartment complexes in North Pullman, WA targeting working households.

- Emergency/Crisis Assistance - CAC will use CDBG funds for allowable direct staff, administrative and space support to provide emergency, energy and shelter services, as well as legal referral services. For the first six month period, CAC expects to field 3,200 phone calls for information and referral and serving 950 households with energy assistance
- Weatherization and Home Rehabilitation - CDBG funds will be used for allowable direct staff, administrative and space support to provide weatherization and home rehabilitation to low to moderate income households in Whitman County. They anticipate serving 50 households within the first six-month time frame.
- Community Coordination/Collaboration - Funds will be used for allowable direct staff, administrative and space support to provide continued involvement with CAC's 17 community partners to enhance delivery of services and disseminate information to Whitman County residents.
- Case Management/Continuum Care - CAC will use CDBG funds for allowable direct staff, administrative and space support to provide continued and intensive case management to approximately 525 low to moderate income households utilizing energy and rental assistance programs offered by CAC throughout Whitman County while maintaining collaborative relationships with local service providers
- Protected Payee - CAC anticipates using CDBG funds for allowable direct staff, administrative and space support to provide financial management and budget counseling to individuals receiving disability or other public assistance benefits that require a protective payee to handle their financial matters. CAC anticipates assisting up to 5 people with this program. Referrals are made to CAC by the Department of Human Services Social Security Administration, Caseworkers, etc. At least 95% of the clients will meet the low to moderate income criteria.

The Clerk noted completion of other grant required documents:

- 072958A** Citizen Participation form,
- 072959** Grievance procedure
- 072960** Title VI certification and
- 072961** Certification of Compliance resolution

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Gary Petrovich stated the on-site monitoring audit is scheduled to take place later in April.

The hearing was then opened to public comment.

On behalf of the Community Action Center, Ms. Robbins thanked the county for its continued support.

There being no further comments, the hearing was adjourned.

072961 Commissioner Largent **moved** Commissioner O'Neill **seconded** the motion and it **carried** to approve the 2012-2013 CDBG-PS grant application. A resolution with certification of compliance was signed by the Board.

**RESOLUTION WITH CERTIFICATIONS OF COMPLIANCE
(FOR CDBG PUBLIC SERVICES GRANT ONLY)**

WHEREAS, Whitman County is applying to the state Department of Commerce for funding assistance; and,

WHEREAS, it is necessary that certain conditions be met as part of the application requirements; and,

WHEREAS, Greg Partch, Chief Administrative Official and Chairman of the Board is authorized to submit this application to the state of Washington on behalf of Whitman County; and,

NOW, THEREFORE, be it resolved that Whitman County authorizes submission of this application to the state Department of Commerce to request \$98,170 (CDBG Public Services Grant Amount total, including county and community action program amounts) and any amended amounts to fund public service activities in coordination with Whitman County Community Action Center, and certifies that, if funded, it:

Will comply with applicable provisions of Title I of the Housing and Community Development Act of 1974, as amended and other applicable state and federal laws;

Has provided opportunities for citizen participation comparable to the state's requirements (those described in Section 104(a)(2)(3) of the Housing and Community Development Act of 1974, as amended); has complied with all public hearing requirements and provided citizens, especially low and moderate-income persons, with reasonable advance notice of, and the opportunity to present their views during the assessment of community development and housing needs, during the review of available funding and eligible activities, and on the proposed activities;

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Has provided technical assistance to citizens and groups representative of low-and moderate-income persons that request assistance in developing proposals;

Will provide opportunities for citizens to review and comment on proposed changes in the funded project and program performance;

Will not use assessments against properties owned and occupied by low- and moderate-income persons or charge user fees to recover the capital costs of CDBG-funded public improvements from low- and moderate-income owner-occupants;

Will establish a plan to minimize displacement as a result of activities assisted with CDBG funds; and assist persons actually displaced as a result of such activities, as provided in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended;

Will conduct and administer its program in conformance with Title VI of the Civil Rights Act of 1964 and the Fair Housing Act, will affirmatively further fair housing (Title VIII of the Civil Rights Act of 1968); has adopted (or will adopt) and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and has adopted (or will adopt) and implement a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstration within its jurisdiction, in accordance with Section 104(1) of the Title I of the Housing and Community Development Act or 1974, as amended;

Certifies to meeting the National Environmental Policy Act (NEPA) through a determination the CDBG-funded public services will not have a physical impact or result in any physical changes and are exempt under 24 CFR 58.34(a), and are not applicable to the other requirements under 24 CFR 58.6; and are categorically exempt under the State Environmental Policy Act (SEPA) per WAC 197-11-305 (2); and 2012 Public Services Grant Application Handbook 23 March 2012.

Whitman County designates Greg Partch, Chairman, as the authorized Chief Administrative Official and authorized representative to act in all official matters in connection with this application and Whitman County's participation in the Washington State CDBG Program.

Dated this 16th day of April 2012.

BOARD OF COUNTY COMMISSIONERS
OF WHITMAN COUNTY, WASHINGTON

Greg Partch, Chairman

ATTEST:

Patrick J. O'Neill, Commiss.

Maribeth Becker, CMC
Clerk of the Board

Michael Largent, Commissioner

10:45 a.m. - Recess.

11:00 a.m. - Mark Storey, Public Works Director.

Present: Alan Thomson, Iris Mayes, Keith Becker, Joan Willson, Karen Johnson Joe Smillie.

ACTION ITEMS

Engineering Division:

072962 20. Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to initiate a county road bridge project for the Zarbach Bridge.

**RESOLUTION NO. 072962
BEFORE THE BOARD OF WHITMAN COUNTY COMMISSIONERS**

In the matter of initiating a county road bridge project designated as C.R.B.P. No. 3605-00.19(2), Project No. XFB1200.

IT IS HEREBY RESOLVED that the Zarbach Bridge, County Bridge No. 3605-00.19 be improved as follows:

This project provides for the replacement of the Zarbach Bridge with a 24 foot wide, 24 foot long prestressed concrete superstructure on a steel substructure.

This project is hereby declared to be a public necessity and the County Engineer is hereby ordered and authorized to report and proceed thereon as by law provided (RCW 36.75.050, 36.80.030, 36.80.070)

IT IS FURTHER RESOLVED that an appropriation from the official adopted county road fund budget and based on the County Engineer's estimate is hereby made in the amounts and for the purposes shown:

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PURPOSE	AMOUNT OF APPROPRIATION
Engineering (PE & CE)	\$ 4,000.00
Construction	<u>\$110,000.00</u>
TOTAL	\$114,000.00

This project was included in the official adopted annual road program as Item No. 1.

IT IS FURTHER RESOLVED that the construction is to be accomplished by county forces in accordance with RCW 36.77.065 and WAC 136-18.

ESTIMATED date of commencing work: June 15, 2012

ESTIMATED date of completing work: October 15, 2012

ADOPTED this 16th day of April, 2012.

BOARD OF COUNTY COMMISSIONERS
OF WHITMAN COUNTY, WASHINGTON

Greg Partch, Chairman

ATTEST:

Patrick J. O'Neill, Commiss.

Maribeth Becker, CMC
Clerk of the Board

Michael Largent, Commissioner

072963 21. Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to initiate a county road bridge project for the Paul Mader Bridge.

RESOLUTION NO. 072963
BEFORE THE BOARD OF WHITMAN COUNTY COMMISSIONERS

In the matter of initiating a county road bridge project designated as C.R.B.P. No. 5320-01.63(2), Project No. XFB1201.

IT IS HEREBY RESOLVED that the Paul Mader Bridge, County Bridge No. 5320-01.63 be improved as follows:

This project provides for the replacement of the Paul Mader Bridge with two 80 foot long, 84 inch round culverts.

This project is hereby declared to be a public necessity and the County Engineer is hereby ordered and authorized to report and proceed thereon as by law provided (RCW 36.75.050, 36.80.030, 36.80.070)

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IT IS FURTHER RESOLVED that an appropriation from the official adopted county road fund budget and based on the County Engineer's estimate is hereby made in the amounts and for the purposes shown:

PURPOSE	AMOUNT OF APPROPRIATION
Engineering (PE & CE)	\$ 4,000.00
Construction	<u>\$95,000.00</u>
TOTAL	\$99,000.00

This project was included in the official adopted annual road program as Item No. 1.

IT IS FURTHER RESOLVED that the construction is to be accomplished by county forces in accordance with RCW 36.77.065 and WAC 136-18.

ESTIMATED date of commencing work: June 15, 2012

ESTIMATED date of completing work: October 15, 2012

ADOPTED this 16th day of April, 2012.

BOARD OF COUNTY COMMISSIONERS
OF WHITMAN COUNTY, WASHINGTON

Greg Partch, Chairman

ATTEST:

Patrick J. O'Neill, Commiss.

Maribeth Becker, CMC
Clerk of the Board

Michael Largent, Commissioner

072964 **22.** Commissioner Largent **moved** Commissioner O'Neill **seconded** the motion and it **carried** to publish the notice of 2012 county forces construction projects.

11:05 a.m. - Phil Meyer.

072965 **23.** Commissioner Largent **moved** Commissioner O'Neill **seconded** the motion and it **carried** to establish reduced truck speed limits on portions of the Oakesdale, Pine City-Malden and Rosalia Roads during the wind turbine project.

BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF WHITMAN COUNTY, WASHINGTON

In the Matter of establishing) RSOLUTION NO. 072965
Speed Limits for Portions of 3)
Improved County Roads, Pine)
City-Malden Road #3000, Rosalia) ORDER ESTABLISHING SPEED LIMITS
Road #0025 and Oakesdale Road)
#2150, Whitman County, Washington)

BEFORE THE BOARD OF COUNTY COMMISSIONERS of Whitman County, Washington in the matter of changing the speed limit on three county roads pursuant to R.C.W. 46.61.415 and R.C.W. 46.61.450;

WHEREAS, the BOARD has received a request from the County Engineer to consider changing the posted speed limit for truck traffic on portions of the Pine City-Malden Road from milepost 0.00 to 5.28, the Rosalia Road from milepost 2.23 to 3.68, and the Oakesdale Road from milepost 0.00 to 4.44, and,

WHEREAS, the BOARD has considered and approved a haul route agreement with First Wind that limits their project related truck traffic to no greater than 35 mph, consistent with good engineering principles and transportation management, and

WHEREAS, the Board recognizes that it will be safer to limit all truck traffic on the same road segments to the same maximum speed,

IT IS HEREBY RESOLVED that the maximum speed limit for trucks going over the three road segments shall be set at 35 mph. It shall be further resolved that the maximum speed limit for non-truck traffic, and for the remainder of the roads shall remain unchanged. The change shall be implemented on April 17, 2012. It is further resolved that the road shall be posted with fixed signs indicating the maximum speed, including appropriate transition zones.

ADOPTED this 16th day of April, 2012.

BOARD OF COUNTY COMMISSIONERS
OF WHITMAN COUNTY, WASHINGTON

Greg Partch, Chairman

Patrick J. O'Neill, Commiss.

ATTEST:

Maribeth Becker, CMC
Clerk of the Board

Michael Largent, Commissioner

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072965A 24. The small works roster quote for crane services was awarded for the Zarbach Bridge to Strate Line, Inc. of Coeur d'Alene for \$1,515.

Planning Division:

072966 25. The official transmittal for the Pacific Northwest Farmers Cooperative Fallon zone change was received from Iris Mayes.

072967 26. Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to set the decision on amending the Whitman County zoning map for the proposed Pacific Northwest Farmers Cooperative zone change at the Fallon site, changing five acres from the Agricultural District to a Limited Heavy Industrial District, to be held in this room at 10:30 a.m. on April 30, 2012.

072968 27. The official transmittal for the Pacific Northwest Farmers Cooperative Ewartsville zone change was received from Iris Mayes.

072969 28. Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to set the decision on amending the Whitman County zoning map for the proposed Pacific Northwest Farmers Cooperative zone change at the Ewartsville site, changing five acres from the Agricultural District to a Limited Heavy Industrial District, to be held in this room at 10:30 a.m. on April 30, 2012.

D072969A 29. Alan Thomson talked about a proposed code change that would allow for the creation and sale of a parcel around grain bins. The proposal is currently before the Planning Commission and will come to the county commissioners in June.

11:25 a.m. - Recess.

11:30 a.m. - Monthly Financial Review.

Present: Bob Lothspeich, Bob Reynolds, David Ledbetter, Eunice Coker, Fran Martin, Gary Petrovich, Janet Schmidt, Kelli Campbell, Mark Storey, Sonya Goldsby, Joan Willson, Karen Johnson and Joe Smillie.

Excused: Tim Myers.

072970 30. The monthly financial report for Current Expense was provided by Mr. Petrovich and Mr. Ledbetter.

March 2012 Revenue - \$ 3,187,611 - 22.67% of which \$700,000 came from the First Wind project but 75% of these monies may be subject to rebate back to First Wind.

March 2012 Expenditures \$2,831,073 - 20%

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11:46 a.m. - Recess.

1:00 p.m. - Reconvene/Board Business Continued/BOCC Workshop.

Present: Mark Storey, Gary Petrovich, David Ledbetter, Joan Willson, Karen Johnson, Don Nelson, Norm Willson, Joe Smillie and Bill Spence.

072971 31. The Hawkins Development proposed agreement amendment discussed. No action taken.

1:20 p.m. - Recess.

2:00 p.m. - Reconvene/Board Business Continued/BOCC Workshop.

Present: Eunice Coker, Debbie Hooper, Karen Bafus, Courtney Thompson, Tom Kammerzell, Dan Boone, Carolyn Cress, Harmon Smith, Jane Joyce, Michele Beckmann, David Ledbetter, Joe Smillie and Bill Spence.

072972 32. The issue of precinct and commissioner redistricting discussed. No action taken.

2:35 p.m. - Recess.

6:30 p.m. - Reconvene/Hawkins Development Agreement 2nd Amendment (Public Service Building).

Present: Approximately 76 people were in attendance including staff.

Transcription of this meeting is verbatim.

072973 33. Greg Partch - The way we are set up here tonight, we are scheduled to go until 9:00 tonight so we will have a presentation. Our lead on this is our Administrative Director, Gary Petrovich, and I'm going to turn this over to him very shortly and we will walk through this. Our first presentation will be from the Hawkins Group, Jeff DeVoe. With that, I will turn it over to Gary.

Gary Petrovich - Thank you everyone for coming tonight. As you well know, this is the proposal by the Hawkins Companies for a second amendment to the development agreement. We were provided this agreement late last week and Maribeth posted it on the email and if anyone didn't get a copy of that there should be copies available outside.

This evening we have with us, the legal counsel for the County representing us in this law suit and it is Milt Rowland from Foster Pepper out of the Spokane office. At this time I'd like Milt to give us a brief introduction and a description of some of his background and why it is pertinent for the County.

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Milt Rowland - Thanks everybody. I grew up in a small community in the mid-west called Detroit, you may have heard of it. I moved to Spokane in 1979 and went to Gonzaga, graduated in 1985 because they keep the slow ones back. Since then, I've been a public sector attorney with the City of Spokane; I was in litigation counsel for fourteen years. I've taught local government law at Denver, Idaho, and Gonzaga law schools since 1987 and I'm getting to a point where my students were born after I started teaching; that will make a guy feel a little bit old. I've probably handled somewhere between 50-100 public interest law suits, including law suits having to do with allegations of violations of the public meetings laws, and allegations that agreements that the City of Spokane and other government agencies entered into that were unconstitutional.

When I was called about this case this is the kind of thing I have been doing for a long time and I hope, of course, to find a resolution that is equitable for everyone and inexpensive for you the taxpayers of Whitman County. I'd like you to know that most of my time spent on this case is essentially pro bono and most of my time tonight is pro bono, too. I consider it to be a part of what I do for you to be in a position where if you need an explanation of what I am doing that I can give it to you, as a legal representative of the County with the Prosecuting Attorney, your fine Prosecutor, Denis Tracy. I feel that I owe that to you.

I was asked to come tonight and probably tomorrow night also, in case there were questions that pertained to either the second proposed amendment to the development agreement or the law suit. But I have to say that a law suit is a very odd thing and because the County is the defendant and because some of the witnesses in the case are people who are up on the dais tonight that if there are questions related to the law suit itself, like, "Where were you on the night of October 7, 2006?" Those kinds of questions I may have to step in and suggest that the person asked the question not answer because it is too closely related to the law suit. It is not because anybody wants to hide anything, it is just because the way that information comes out in a court case should come out in a specific sort of way and not come out in the context of questions and answers or things in a setting where people aren't sworn and there aren't rules of evidence involved and that sort of thing.

But my principle reason for being here tonight is to be able to answer questions and I will certainly do my best if there are any questions not to duck them and if I do duck them I will apologize while doing so. I'm hoping that tonight gives everybody a chance to have their questions answered and the things that they are interested in shown to them. Is there something else I should be talking about as well? Okay, thank you.

Greg Partch - Again, we do have a couple of handouts in back that has the entire from the original agreement through the proposed amendment for

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tonight. The thing that will be presented tonight is the request by the Hawkins Companies to come before us and present an amendment to the first amendment for clarification. The other thing that they wish and we wish too, is have the open public dialog that we didn't have before. That is the primary purpose and one of Hawkins' reasons for being here tonight. If you don't have that information, please go out and get that or take one when you leave tonight. Okay, I will turn it over to Jeff.

Jeff DeVoe - Thanks for the opportunity to be here tonight. I am with the Hawkins Companies. We are a commercial retail developer based in Boise, Idaho. Gary Hawkins is the founder of the company and he has been in business going on 35-40 years. Our specialty, if we have a specialty, is doing retail shopping centers and tertiary markets. In other words, we don't typically find ourselves in Los Angeles, New York, places like that. We find ourselves in places like Pocatello, Idaho, Boise, Whitman County, Helena, Montana, Bozeman, Montana, I have right now, working on and ready in California.

Anyway, that is kind of what we do or where we have been. We are a family-owned company. All of Gary's kids are involved in what we do. His oldest son, Jason, is the brains behind the Stateline project. We like to think of ourselves as a small regional company and unfortunately, or fortunately depending on which way you look at it, we are now in nineteen states, our project load ranges from 20-40 projects at any given time. We used to think of ourselves as a Northwest company and we found ourselves developing some land up in Anchorage, Alaska, and then all the way over in Spartansburg, South Carolina, so I guess that makes us national now.

If Commissioner Partch will indulge me, I would like to tell you a quick story about a horse. I love to ride my horses up in the mountains and I was in the Frank Church wilderness area about two years ago and I had fourteen boy scouts with me and seven horses with me, three riders and four packers. We came into this beautiful lake up in high mountain lake, way back in there about eight miles or so. We used saddle panniers which are basically bags you hang off the sides of your saddle. When you load them up you have to be really careful. You have to plan it out and you have to work hard to balance it. It is like putting together a puzzle. By the time you are in the fourth day of the trip, you get pretty good at it. We were hiking into the side of this mountain lake and there was a great camp and we were riding up into the camp and I was in the lead on my horse and he stepped into a bog that none of us could see and he went straight up to his chest. We almost had a rodeo right there and then. So, we all jumped off the horses and it was pretty tight confines and walked them around the edge of it and got over to camp.

The next morning we were on our way out and we had a little huddle and we decided not to ride our horses through that bog again. So, very carefully we planned and packed our horses and we walked them around the edge of the

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bog. If you can imagine, there is a mountainside like this, a bog here, and a lake here. And sticking up out of that mountainside is a tree, sticking out like this at a 45-degree angle. It was quite a ways up there on the side of hill, so all the horses are walking under the tree and I'm making trips back and forth, and I'm going over the tree, because I know we have a stupid horse with us and I'm afraid he is going to blast over that bog and run me over so I jump over the top of the tree. Well, that knuckle-headed horse decided to go over the top of the tree with me. So, he reared up and he got his feet up about here and he got them hooked on the edge of that tree. Most horses, most of my horses would drop back down and go, "That was dumb." But not this one, he decided to blast and so he pushes off as hard as he can with his back legs and I happened to hear a crunch and I turned back just I time to see his butt coming over the log, completely somersaulting. Next thing I know, he is laying flat on his back, under the log all four feet in the air.

Now, why am I telling you this story? Because I think that's what this project feels like to me. We've really tried to plan hard. We have really tried to put the puzzle together in a way that makes some sense. There are a lot of good reasons to do this project, in my opinion, and I've been urging anybody who will listen to me to understand that. In some ways, I feel like the horse's butt is coming over the top of the tree at me, tonight. So, with that, we will do our best to answer the questions that many people have. We are here with a second amendment to the development agreement. The development agreement was signed on May 27, 2008, I think it was.

About the time it was signed, we were ready to get off and running. As many of you might remember, late 2008 was when the roller coaster went into a serious dive in the economy. We own the land; we have owned the land for a while now, and at that time we were ready to sign contracts to start pushing dirt. There was a development agreement that Mr. Tracy and I negotiated and was ultimately signed by Gary Hawkins and the County Commissioners that had some county owned public infrastructure reimbursement allowed within it. There was a whole bunch more money at that time that Hawkins Companies was going to put into the County-owned public infrastructure at that time. And because the economy was chugging along just grand, the rents and the money we were going to be able to make out of the project was more than enough to cover that County-owned public infrastructure.

Well, when the down-turn hit we pulled the plug, we said, "Whoa, development companies shouldn't be developing right now. We should be hunkering down and waiting for the storm to blow by." So, that is we did, and we are waiting for the economy to turn to a point where this project makes sense. So, with that as a foundation I will open up my power point presentation. I think this is really cool, because I can control it with my iphone.

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What I want to show you, this slide is not without purpose and I know I have left some loose ends hanging there. Hopefully, I can pull them together for us and tie them together. This is actually an engineer's 3-D model as to what the center might look like. You are probably 50-75 feet up off the Wilbur-Ellis and McGregor property across the street. If you ever drove by, there is a green shed that sits somewhere about there and that is approximately where that gravel path is going back up the wells.

We'll keep the ends over here in the church and the pea and lentil folks are right there. So, anyway, you'll see on every one of my slides here this rendering will be down in this corner here. That is also purposeful because this project is about perseverance. I'll tell you what, we've hoed a long row and if we hadn't kept our eye on the shopping center we wouldn't be as far as we are today.

This is an aerial photo. This is the City of Moscow, the City of Pullman is over here that is the state line there and that is Staples and this is the shopping center that we are proposing. We own 204 acres there. We bought it from the Whitworth Foundation and we are proposing to develop about 73 acres of that into a shopping center. We won't go into too much detail tonight on the water rights issues that we faced and the sewer situation out there because there is no sewer. We didn't have water so we had to get water rights. There is a ten-inch water main that sits right there. We had a big battle with the City of Moscow, some of you may recall, appealing our water rights transfers. We settled the law suit with them and allowed our transfers to go through and then the City of Moscow applied for a new allocation of water right at the state line just by our property.

I recognize this project generates some feelings. One more thing, Palouse Empire Mall is right here and then just as you go out to Troy, there is a little shopping center out there. That is a more close up aerial version of the site plan. I apologize to waste time with you on these things but I talk to a lot of people and I don't know one person that doesn't know something about our proposed center. But very few people know this; very few people have looked at the site plan, very few people know how it will configure out, etc.

Let me just point out a few things here. This will connect to A Street, coming out of Moscow. We will have a water reservoir that we will put in which will be owned by the County. These roads right here will be publically dedicated right away. Back here will be a sewer treatment facility. By the way, because it is the right thing to do, we think, this project will use reclaimed water for its irrigation use. Sorry, a little editorial there.

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So, this whole thing starts with, "what is the goal?" The goal is a shopping center; that is our goal. What is the goal for the County? I believe, we will let them speak for themselves, but I believe the County is interested in developing the corridor for economic purposes. In this particular case our goals sort of line up. "Why would they want to do the development to the corridor?" Well, I heard this phrase, I heard it a bunch, now, both here and also in California and other places that I have worked, called a "receivership county," or a "receivership city."

What does that mean? It sounds like the boogie monster. It kind of is, I guess, but what happens in states, is that mandates come down from their state capitol that says, "You shall do these programs." And you fill in the blank as to what those programs are. There really is no choice given to the local municipal government or county government. They have to implement the program and many times there is seed money that comes with those programs and that seed money sunsets. So, what happens, the county is left with a program to administer that becomes an unfunded program.

I won't pick on the State of Washington; I will pick on the State of California. They are about 40 billion dollars upside down in California right now and so now all of a sudden the cities that have been told it is a great idea to fill in the blank, "paint everybody's car red because it is more environmentally friendly," the counties are left with the obligation to do that without money to do that. That is a big problem. So, when you get to a place like here, which is suffering from that same thing, I don't believe the Commissioners have much choice but to seek out some form of tax increase or to seek out a way to increase the tax base. That's why you develop the corridor; is because you can increase the tax base. I'll show you in a minute some ideas of what that might look like.

The benefits to schools; I've got a pie chart that will show you how much money of every real property tax dollars splits out to the Pullman public schools and of the state schools. It is surprising how much it is. So, obviously changing open space land that currently doesn't pay a ton of tax to a fully taxable commercial designation with an appraised value, it depends on how this whole thing comes out but it will be somewhere in the 90-120 million dollar range appraised value at the time it is fully developed.

There will be benefits to encourage future development in the corridor. One thing that we encountered was that without water in the corridor, you can't do anything. In the eastern region of the Department of Ecology, when you come in and start asking questions they start looking at you with a jaundiced eye. So, I guess what I mean, if I were to come in now and try to drill ten exempt wells to do ten different commercial buildings, we would have all kinds of problems. But that being said, other people can come in and do a commercial development, perhaps, using an exempt well, but their problem is they don't have fire flow and fire flow is a big

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deal. I don't remember what the code is here but it is usually something like 3500 gallons a minute over two to four hours or something like that; four hours, I see Mark Storey raising his hand.

So, where does that water come from? Some of us here run pumps. Not me, but you guys do and that is a whole lot of water to be running. So, with the big tank up on the hill, you can extend those pipes down the corridor a little bit and at a much cheaper rate and provide fire flow for future development. Similarly, the sewer system can also be extended down the corridor, coming from east to west, which will also for future development. You know, you can only take so many commercial septic systems on one place before you start to have a little bit more of a problem, too.

This is an old slide, I have presented it in public a number of times, but a new element to it is approximately 1,000 new jobs. We commissioned a study. I saw it, I don't remember where I saw it, it might have been in the newspaper but I saw it but somebody was discouraging the study on jobs because it was paid for by Hawkins Companies. Yes, we paid for a study to study how many jobs might be created by our shopping center and we don't shy away from the fact that we commissioned the study for that. We encourage anybody else that wants to commission a study to do likewise and let's compare the numbers. The Berkley Group did so and they have a model that they built and they compare like-size communities who have similar size shopping centers and similar type of isolation, etc. They estimated on the low side, I think it was 969 and on the high side, it was 1,049 in terms of jobs. That doesn't sound too bad to me.

Some people will say, those are all retail jobs and those aren't good jobs. Perhaps that is the case. But the benefit to the county is somewhere around thirty-nine million dollars in cash benefits for all those jobs. That is thirty-nine million dollars that gets spent somewhere, most likely, near-by. That's a huge benefit. I heard a guy down in Redding; by the way, Redding, California has a 26% unemployment rate in the trades and about 20% unemployment rate over all. I heard a guy down there say, "Retail jobs aren't the ones you dream about, but if you don't have a job, they are sure important to you."

From our perspective, we have a number that says, ten million dollars investment, our numbers really are somewhere around 9.3 or 9.4 million, depends on what day it is that we pay. We spend \$100,000 a month or so. But anyway, we've got a significant investment in this property and we'd like to protect that obviously. There is some of the visceral "finish what we started," here and we have been working on this thing a long time and it is time for us to get it moving. Then finally, profit, we don't make any bones about it, we are here to make a profit and we hope that as the markets turn and this thing comes out of the ground, that we can do so.

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So, sorry, I had my numbers close, 938 on the low side, and 1,069 in the high side, 39.9 million dollars between salaries and benefits. Okay, here is the pie chart that I was referring to earlier, this is the break-down of every dollar that is paid for real property tax and in this particular case I worked with the County Assessor's office a little bit and figured out, we did it based on a 50 million dollar assessment and a 91 million dollar assessment. These are the 91 million dollar numbers. If you look here, we've got 213 almost 214 for the benefit of the ones in the back, going to the state school fund. But check this out, this is Pullman school, that is Pullman school and this is Pullman school. That one is nearly \$12,000, this one is \$138,000 and this is \$247,000. That full development, that shopping center is going to contribute, I recognize we are in Colfax right now but it will contribute about \$400,000 for the Pullman School District. Now, this is M & O and this is District 267 bond and this is District 267 cap project, I don't know what those things are but somebody has to pay for them.

So, coming around here, Mark Storey would be happy to see that the County Road Department will get about \$165,000 a year, the Port of Whitman that is the \$34,000 number. The Whitman County Library will get \$44,000 and then these other two allocations are to the Fire District #12 which is \$89,000 and \$39,000 respectively. The total of all real property tax to be received by the County is like \$1,121,000. I guess the one key thing the commissioners would be upset at me for missing is the fact that the county current expense gets \$137,000 out that total allocated tax collection. These by the way, are simply property taxes. These do not take into consideration the sales tax revenues that will be generated.

You guys will have to indulge with me for just a second because I'm just getting use to this keynote gig and it doesn't support spread sheets and keynote so I have to switch. What I've shown here and I know that those numbers are small; I don't think I can get them blown up any more, but how about that, huh? I'm a rookie, what can I say? Back in January 2008, that was when the original development agreement was signed, I brought this spreadsheet into the Commissioners in public meeting and we looked at it and if you look across the top there is 5 1/2 for 15 and 6 for 15, what those represent is those are dividend rates on a bond and the second number is the duration.

So, I brought this in and we need to look at the tax estimates. I can tell you anything and it may be true and it may not, right? So, what we endeavored to do was to say this is the type of line up we would see. We are developers, we deal with retailers all the time so we kind of know what kind of square footage that they would do, what size store they would do, etc. Then we started looking for industry resources that would tell us how to estimate the revenue from these stores. In doing so, we found out, we belong to a trade organization called the International Council of

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Shopping Centers which publishes a book every two years called, *The Dollars and Cents of Shopping Centers*. It is about yea thick and as a matter of fact I have brought it up here and left it in the County a couple times now so they can look at it anytime they want to as well. I'd be happy to leave it here for you guys.

In that book, they have decided and whether it is the right methodology or not it seems to be accurate. They use a sales per square foot so if you have a 60,000 square foot department store, roughly you are going to sell about \$173 per square foot annually and that leaves me with a total gross revenue of 27 million dollars a year. Your sales tax in the State of Washington would be 2.2 million dollars, Whitman County's share. That is not exactly correct; it's underestimated because I think your share is really 1.2% of the 7.8%. Now, it's a tricky thing to follow in my limited mind but we are not talking about 1.2% of 7.8%. We are talking about 7.8% minus 1.2% and that leaves you 6.6% that goes to the State.

Anyway, this is how the revenue is estimated to come back. We are .2 shy and that department store is estimated to run about \$277,000 annually in sales tax revenue that would come back to Whitman County. A couple of conservative items that we have put into this, you'll note that the total square footage is 618,500. Our Conditional Use Permit allows us to build 714,000 square feet. Why did we use 618,500? Well, it was sort of a random thing but the reason we dropped it down that low was in an effort to be conservative with the revenue generation numbers. We don't want to bring numbers in that we would much rather have you guys be pleasantly surprised at the numbers than to say, "That son of a gun sold us a bill of goods." I think that number is about 85-86% of the total developable square feet of the shopping center. So, when you kick it out, it is kind of hard to read when it is the red. I'm sorry, but when you kick out the total sales tax number it is about \$1,238,000 projected sales tax revenue once the center is about 85% complete. I have no idea what that \$87,000 number is there for, so let's just ignore it. Or this 18 million dollar number there. It might be a cap rate number so that looks like the total estimated county revenue with a ten cap would be about 20 million bucks.

So, this is the property tax estimates and I think \$1,464 is what that property pays in property tax right now. This number right here is \$624,000 that is if, at the time I did this tax projection many counties that I go only will appraise about half the actual value of a piece of real property. That's how they evaluate what they are going to tax. I am assured in Whitman County you get taxed on the full appraised value of the real property so I was just estimating about half of the hundred million dollars. The 91 million dollars is much higher. So, figure this total number of 1.8 million dollars annually is a little bit higher than that.

We also said there is no way on earth that you come out of the gate with 700,000 square feet of shopping center. So, what's our phase in? Well,

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phase in is always a tricky thing. You know who you are dealing with and you know that what they say to you but just because you have a line up at the ICSE Convention doesn't mean that you got to line up once the ink comes dry on the paper. So, we knew it would be about a 20, 40, 60, 80%; I knew I could meet that. I knew we could get there and in reality we have actually adjusted this number, based on the new proposed amendment of two big boxes, or 250,000 square feet. We've adjusted the first year number to a little bit higher percentage because we can't do the shopping center without the two boxes.

Anyway, that is kind of the development schedule and then we get down here. We're not going to spend any time on them because they are simply the numbers of left over land that we have that we didn't consider in the discussion. So, let's go back to the spread sheet. What we did was, this is simple sources and uses of funds worksheet. On the top we figure where we can come up with money to spend in furtherance of the development and in this case we are talking about county-owned public infrastructure and down here there are the uses of the money.

So, here you've got a source of bond proceeds; we've got sales tax, real property tax, and you have some interest on the surplus because the real property tax comes in and in May or June, but they come in all at once and you don't use them all at once so you can invest that money and make some money. Then Public Works fees, these two were kind of hard to figure out so we have down here, I think, if I remember right, these numbers down here we took a factor of what the interest was and simply lumped it in down here. My updated spread sheet was a little bit better at that, so anyway, you come down and let me run you through what the idea was.

The idea was that at the time we needed 9.7 million dollars, we thought. In order to give us 9.7 million dollars we really needed a bond of 10.5 million dollars. The reason why you do that is because you have no sales tax and no real property tax in year one and then you don't have a whole lot of that until after year two and into year three. So, you borrow more money than you actually need for principle and that's called capitalizing your interest or your dividend in this case. You come down here, and the uses of the funds are, we have to pay interest on the bond, I call it interest on the bond, it is actually called a dividend in the industry. So, this is what we thought the bond would cost after it was issued. About \$577,000 a year and that is based on a 5.5% dividend.

So, come down here and you have to save some money for the end because the way a bond works, at the end of twenty years you have to pay all the principle back and you have to pay a dividend along the way. These rows down here are all about saving the money necessary so that when you get down to here you have enough money to pay for the bond. So, in this analysis when you repay the principle on the bond you still come out with about \$110,000 in your pocket.

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That was enough to make me fall asleep but here is the take-home point. That bond was going to cost about \$577,000 and after you paid it all off at full development and remember in this case is about 85% of full development because we are only counting 618,000 square feet. The County was going to put into the current expense fund, \$681,000 annually. The beauty of the current expense fund in the County is that is money that can go to the public safety. I don't want to put words in the Commissioner's mouths, but as they balance the budget every year, the more money that they have in the current expense allows them to do more things for the County. Six hundred eighty-one thousand dollars plus all that real property tax benefit is a significant investment. It is a significant return on an investment.

As I tell the story, September came along and I'm going to duplicate myself just a little, you'll see in a couple slides later, September came along this year and I was after the slow-down hit, I would stop through Whitman County about every six months to eight months and visit with folks here and let them know we haven't gone anywhere we are still planning on doing this deal but we are trying to be smart and conservative about it and wait until the market turns.

It was about September 2011 that I was ready to come here and I will say this for the record too, and that is that I really love fishing your waters in North Idaho so it doesn't bother me one bit to come up here in early September and catch some cutthroat up by the St. Joe River. So, I'm on my way to do that and Jason Hawkins, the son of Gary Hawkins who is in charge of this project, catches me in the hallway and says, "Hey, I'm hearing that there's a big box kicking up in Moscow." I said that was news to me and that was news to pretty much everybody over here in Whitman County as well.

There were a couple of things that happened about that time and I will go into them in a second, but it was true. And it was one of our guys that we've been talking to for awhile, was saying, "We don't think we can wait." Jason asked me what I thought we should do. I said I didn't know and that we should think about it. So, we went to work on looking at this spread sheet that I just showed you and the question that I was trying to answer was could the County's participation, which didn't wind up being 9.7 million dollars in the first instance, it wound up being 9.1 million dollars, the question I wanted to answer for myself was could the County's participation be increased and still allow this number, the \$681,000 number to not decline to a point where it was unpalatable? That was the question. So I spent most of my September and October gathering numbers and figuring things out and working on stuff and trying to figure out if it could happen.

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There were a couple of thresholds to that. Actually I'm getting way ahead of my slide show, but that's okay. There were a couple of thresholds to that and one is, did I have actually 15 million dollars or whatever was the number in publicly owned infrastructure? What was the number? The number may or may not be 13 million; it may or not be 15 million. But whatever it is, it is, and until we bid it we won't know. Our estimators are doing their best, figured that it is somewhere around 19 million and so I started messing with the numbers to see whether or not this number down here could come out as a net positive number for the County. And I'll show you what I found.

This is a little bit better spread sheet. We put a 15 million dollar bond in here and in order to do a 15 million dollar bond you need to do 15.625 million to make it capitalize the interest for the first year. But since we knew we would have two big boxes in store for year two, we upped the percentage here and were able to cash flow in year two for the county. So, as we looked at it, by the way, these spread sheets are available for the public and so, it dawns on me even as I speak right now that if you are sitting in the back row you probably can't see those numbers very well and I am explaining them the best I can. I would suggest that you come and take a look at them and figure them out for yourself. But at the end of the day under the new numbers there was a \$540,000 annual bump to the current expense fund. So, you lost \$140,000 a year in sales tax revenue that you didn't have by increasing the bond 15 million dollars.

I'm not a great mathematician but in my brain that doesn't compute. How can you raise the bond by 6 million dollars, two thirds of what it was and only lose \$140,000 worth of income? Sorry, counties, don't have income, they have revenue. One thing that happened was this; grant monies. Commissioner Partch absolutely drove me crazy for about two years calling me on the phone and saying, "J.D., I need this information because I am applying for a grant." I said, "Okay, I'll provide you whatever I have and you can have it." So, I don't know exactly how the process worked; maybe he can answer that question later on, but ultimately wound up receiving what is called a "Local Revitalization Financing Tool Grant."

The way it works the State of Washington doesn't have what is called "tax increment financing," so they call tax increment financing a Lift Grant. What you do is you create additional sales tax revenues in a project area and if your additional revenues raise to a certain level then the State will refund back to the county a portion of the sales tax that normally goes to the State. In this case, there is zero sales tax today on the property so it is a pretty low threshold. You have to get to \$200,000 and we saw already that is one big box user that would generate that kind of income. That, in large part is how that bond increase is funded. I guess in retrospect, even though I'm picking on Commissioner Partch, in retrospect I was really glad he bugged me.

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So, the only comparisons that I went to in September and October were the comparisons of 5.5 and 20. Once again, these were thumbnails; these were how do we gut check these numbers so that when we come in and talk to the County, we've got something that we think works? I guess I don't want to sit here and say that I'm absolutely certain that \$540,000 a year is going to come into the County's pocket. That number may be \$400,000 a year; it may be \$700,000 a year but I feel comfortable and confident to look each of these three gentlemen in the eye and say that I know it is going to be positive. I know it is going to be positive and it is with that I came in late November last year and showed each of the Commissioners individually these numbers.

The response I received was, "Well, I don't know about that but if we can cover certain thresholds of due diligence, maybe we can put it on the agenda." That is what we did. This is my "what" slide. We've already gone over the fact that we are trying to build a tax revenue base and stabilize the revenue for the County. One of the things that is something that we need to understand, is good to understand, is most of the sites that we come to have a certain amount of infrastructure associated with them, public infrastructure, whether it is water, sewer or roadways, stoplights, whatever it is. It comes with a certain amount of public infrastructure available to it.

In this particular case, we've got public infrastructure available to us; it is just in the State of Idaho and the State of Idaho doesn't feel like they want the State of Washington to use it. That brings us to what do we do? We are thinking, okay if this was a 1.2 million dollar gross value project it doesn't make sense to put in a sewer system and a water system and roads. But this isn't a small site; this is a big site; sixty to eighty million dollars worth of construction on this site, so maybe it makes some sense to put it in.

The previous agreement with the County, I have already alluded to was 9.1 million dollars. The estimate, the county owned public infrastructure cost is in excess of 15 million dollar, somewhere in that 17.5 to 19 million dollars depending on what types of soft cost items can be reimbursed.

So, prior to the financial world catastrophe the project could absorb those extra costs; afterwards, not so much. So, Hawkins came in and we asked the County in a more formal way to consider a limited economic incentive, an increase in the reimbursement capacity as we billed the county-owned public infrastructure. The reason why it is limited is because it sunsets at the end of 2013, so basically part of my proposal, was we have a tenant that is ready to jump ship to go to Moscow, and we need to do something and something fast. Fast in the big box tenant world is six to eight months for approval. I didn't want to be disingenuous

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about it and say that we have to act fast but give me forever. So, we put a sunset on this that it goes away in two years if we can't get it done.

Here is a list of how it came down. Our total cost today is about 9.3 million dollars. By the way, the infrastructure number public and private together, I want to say is about 30 million dollars. Well, yes, that's true, 17.5 and 12 is 29.5 million dollars. Anyway, we have to pick up the extra 2.5 million dollars on the public infrastructure estimate. If it is less, it is less and what I mean by that is if this number right here is totally wrong and the total public infrastructure is no longer an estimate and it is only 13 million dollars, then, we are only allowed to ask for 13 million dollars worth of reimbursement.

We don't have, as many of you know we don't have many tenants who are announcing they are coming yet but we figure that they represent about an 11 million dollar price tag to us. Then this is the old county infrastructure number. So, that meant that today if we wanted to start that project, we have like 18.7 million dollars to recoup. So, we backed up and we said that we're not going to try and recoup the 9.3 million that we have in, we will just call it flushed out the door and start at zero again, so that allows us to not have to demand of our tenants 9.3 million dollars. Then, we asked the County to increase their reimbursement 6 million dollars, 5.9 million dollars which still leaves us with another 3.5 million dollars just to get the project out of the ground and going again.

What is infrastructure? Infrastructure is county-owned sewer systems; county-owned water systems, county-owned roads, county-owned sidewalks, county-owned street lights. There may be some other things in there but I can't think of them. So, infrastructure is not payment to the Hawkins Companies for development. I'd like to repeat that. Payment to the Hawkins Companies for development is not public infrastructure. It is not payment to any private individual or company. It is not money used to build any non-county owned public infrastructure facilities. That is one of the Guiding Principles.

So, if I wanted to build 25,000 square feet of say, Ross, but that is a bad example because Ross is already in Moscow. So, say I wanted to build a 25,000 square foot building, a retailer and wanted to put him on the corner of my property. So, guess what, the number for infrastructure doesn't change; it's the same. It's not possible in this case, in some cases it is but at least in this case, because of the topography of the land, because of the millions of cubic yards of dirt that we have to move, it's not possible to move part of it, install your sewer system and then wait for the tenants to come and repay for it. So, whether it is 25,000 square feet or 400,000 square feet out of the gate, you are paying the same for your infrastructure.

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Okay, we covered this already. We have spent close to 9.3 million dollars; we spent close to 2 million dollars just on water. Without the water the corridor can't be developed; we talked about that already.

We are willing to start at zero today. We have two large box tenants interested right now. I'm not at liberty right now to tell you about their identities although many of the people I talk to have great suggestions of who they should be. We are approximately 2/3 of the way, many of the retailers will have an approval process where a local guy or gal will come out and look at it and run some numbers and if the numbers look right then they will go to the next level and then they will have a real estate committee after that. In this case, there are three levels and we are 2/3 of the way through that. We would love nothing more than to stand here and say, "Today we'd like to announce these are the tenants." We hope that will be forthcoming soon.

The relationship between how much we have to receive from a tenant in terms of rent or cost has a direct relationship to how much we have to pay, how much we may have to pay for public infrastructure. If the tenants are willing to pay the additional cost, we are stuck. The project doesn't make sense to do. In this particular case, that's where we've asked the County to step in and patch that gap. Once again, interest in the tenants remains high but we have to complete all that infrastructure in order to get it all done.

The Guiding Principles of the project. When I came in to present this the first time in December it was very, very simple. First and foremost, it has to pencil. When the County goes out and seeks financing in the form of a bond or however they choose to do it, the revenues generated by the project has to cover the costs of that bond. They have to. We've never discussed any other thing, any other way, it has to do that. Okay?

The second thing was there had to be legitimate county-owned public infrastructure costs to be reimbursed. In other words, I couldn't come in with ten million dollars of county-owned infrastructure costs and receive a fifteen million dollar reimbursement; period. And then that last point, "The County could stand to gain eleven million dollars over twenty years which is over five hundred thousand dollars annually." That number right there was not my number. That number right there was a number that was a number put out by a bond promoter who the County formally thought they would employ.

Obligations. On the left side, you see the original development agreement bullet points. On the right side, you see the first amendment development points and I can tell you this right now I didn't notice this until just now but somebody doesn't know how to spell development. I work for a developer. This slide has been presented in public form of one sort or

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another at least a half dozen times and no one has ever said anything about it. The people of Whitman County really are nice to me.

Here are the bullet points of the development agreement in the first place. I had to prove up the water rights. I had to get that water rights battle behind us and we did. The water rights are sufficient to build a shopping center and those water rights will be dedicated to the Whitman County Public Works and then redistributed out accordingly. The agreement provides for how that works.

Okay. In the original agreement we had to provide a Lowes or a suitable replacement user for Lowes. In the new agreement the first amendment which is now projecting into the second amendment, we needed to provide two big box users; not one. I want to take a minute and talk about the GRH personal guarantee on the bond. GRH is Gary R. Hawkins, he is an individual of high net worth and he has guaranteed the 9.1 million dollar bond in the original development agreement, for years 3, 4, 5, 6, and 7. There was good reason for those years, we agreed upon a 5-year guarantee schedule but it didn't make any sense to guarantee the bonds during the capitalized interest phase of it, for example. It's pretty easy to guarantee when you are borrowing enough money to pay for the dividend in the first year. That was a little disingenuous so we pushed it out until we thought that it would actually need to be guaranteed. Why did we figure year seven was going to be the date to stop it? We feel very strongly that year seven this shopping center will be stabilized. Will it be stabilized at 600,000 square feet? Or, 700,000 square feet? That's to be determined but we feel very comfortable that it will be stabilized in a way that will cover whatever bond that service there is to be covered.

Something that I didn't realize until last week, I guess and it comes from having worked every day of my life for the last six years on this project, I don't think some things here are just intuitive to me that aren't intuitive to other people. That is, whether or not Gary's personal guarantee would cover the increase bond that service during those same time periods. The answer to that is, "Yes, it does." By the way, I didn't do this in a financial planner's method of doing it. In other words, they discount numbers present value and all that stuff, based on prevailing interest rates and so forth. I just added up the total amount that could be paid by Gary Hawkins under the 9.1 under the 15 million dollar number.

So, Gary is personally guaranteeing. That is not Hawkins Companies LLC, that's not Hawkins Companies Corporation; there is no enmity between the company and the coffers here. This is Gary Hawkins personally, so if Gary is guaranteeing the debt and there is no money in the bank account then the guy gets to come and get his car or his boat or whatever. So, I think that is an important thing to note. That right there greatly diminishes

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the risk to the County because after seven years, this thing is going to be pretty well stabilized.

Hawkins Companies was always going to dedicate public infrastructure to the County; we still are. The second amendment that is being presented today adds more clarification to that point. Mark Storey brought it to my attention a couple of months ago, that it was impossible for a county to pay for or reimburse a company for monies expended towards infrastructure if the county didn't own the infrastructure at the time of the reimbursement. It has always been intended that the infrastructure would be dedicated to the County; the question was "when." So the second amendment clarifies the "when."

Once again, we are clarifying that Hawkins Companies is a development company; we are not a contractor. We are not going to turn a blade of dirt out there. Well, we will, that's a lie because we will have a ground breaking ceremony with golden shovels and all that good stuff and that is the one blade that we will turn. We will go out and hire a contractor or contractors and in doing so in order to receive reimbursement, this is where it gets really complicated for our side. We have to hire a contractor in compliance with the State Public Bidding statues. When you have a site that has a public component and a private component that's going to be a tricky thing but it's going to cost us a few bucks extra for us to do that, but we are going to do that. The major change the one that has everybody's attention, of course, is the additional 5.9 million dollars. Then provide 45-acre feed, and then prove the water rights are just there, is one of the same ideas.

Okay, a couple of things to think about. Number one is the 2011 and the 2012 County Revenues are greatly being impacted this year by a decision 7, 6, 8, years ago. I don't understand it a great deal but I understand the point and that is your wind generation plant up by Oakesdale couldn't have been built if the infrastructure hadn't been local to the project. Now, I recognize that project was not without its own controversy but I believe that at least in part, your budget for this year was balanced by funds that were generated by that wind power project. If in 2003-2004 or whenever it was, the decision had been made to run the power back bone down a different direction those monies wouldn't have been available to you. Why do I mention that? I think this BOCC and the previous one or two had made a decision a while back that perhaps the corridor was a good place to start generating tax base in the County. As such, I guess, well today it may look difficult, in eight years it may look like the most genius decision ever made.

Once again, the local revitalization financing tool, I've already talked about that. This will secure the County tax base for many future years. And then, finally, if this project doesn't happen here and sometime in the not too distant future, there is a darn good chance to that it is going to

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happen across the state line. It's going to happen somewhere in this area. There is probably for a new project like this, there is probably only room for one. As you look, I don't remember if it is this slide or not; let's just jump right in "why" now. First of all, I'll finish that thought in a few seconds.

Anyway, we feel like we have hit the trough and we are on the way back. I'll tell you what, by the number of days I get to sleep in my own bed, we are definitely in economic recovery. I am all over the world right now, all over the world if the world is California and Washington, doing new deals and working on stuff. So, we feel like we are on the upswing back up.

Once again, one of our larger box tenants has expressed to wait any further. Our choice is right now is to wait until March is recovered until the rents are high enough to cover the additional county-owned infrastructure. The City of Moscow in the last eight months has removed lots of their significant barriers to the retail development of the world. In September of 2011, they rolled their big box ordinance. That ordinance prohibited, basically, without an environmental impact report essentially any tenant of over 40,000 square feet in the City of Moscow.

Well, we all know about how Pullman got the Wal-Mart over here and the Moscow Wal-Mart closed and the City of Moscow was very instrumental in reaching out and getting Wal-Mart to come back. And what did they do? They said, "Come back and we will do whatever we have to do to get you here." What did Wal-Mart do? Okay and they came back. That same time is about the time that my guys started saying, "Maybe we better go and look at Moscow." Is it a coincidence? I don't think so.

Moscow has made several references that they would like, they still have a chance, when I say, "Moscow" I mean the City of Moscow, the City council, has made a few references that it's a good thing that we haven't broken ground, Hawkins hasn't broken ground because that gives the City of Moscow a chance still to get those tenants. So, if we lose another key tenant to this project, we got farm dirt. Who knows, by raise of hands in Whitman County, where 200 acres would sell for 9.3 million dollars? You do, alright! Great! No, I'm looking for someone to buy my 9.3 million dollar piece of dirt.

So, anyway, this reverts immediately to farm ground prices, not that farm ground prices are bad, they are just not the same as retail prices. This is a copy of the Moscow-Pullman Daily News, I'm a little disappointed that it is not Kelly that is writing here, but this is an excerpt that says, "Moscow is getting zoning in order with plans for city council members to approve in January, (passed) a motor business zone over 66 acres." This is right behind the Winco at the Palouse Empire Mall. Further, that is land owned by the University of Idaho, they say they don't have any

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specific plans but they have designed something they think they can build retail on. Then, they go, I don't know if you guys know where the Warbonnet is but that is the road that goes up by Wal-Mart off of, let's see when it gets into Idaho it is Highway 8, I think. Is that right? So, Warbonnet, you turn up off of Highway 8 behind the Wal-Mart, you're behind the Wal-Mart and the land they bought, as I understand it, is to connect that land, that 66 acres behind Winco to Warbonnet, making obviously a better retail development parcel.

So, last time I ran this, this is a video clip from Mr. Krouse at the September the first part of September 2011, city council meeting for the City of Moscow. I'm not going to run the video because it clunked out on me last time. I'll tell you essentially what he says is, "Hawkins hasn't broke ground yet and thank goodness," implying that we can still do something on the Moscow side. So, while I am making Moscow out to be the boogie monster coming to get retail development from Whitman County, I am not making it up and it is real. I think it is kind of a race.

As I have travelled around I have been asked, "Holy cow, what happens if you build it and they set up shop and there is no sales tax revenue, then what do we do?" Well, one thing that you have to understand, I think you have to understand, this is a really isolated market. The people who are coming here are not going for second stores they are going for net new revenue stores. The chances of them opening up in a captured market, if you will, and then closing, are very slim. I'm sorry, Mr. Partch, I've been talking for quite a while and I see some fidgeting. So we want to take a break and come back?

Greg Partch - keep going.

Jeff DeVoe - I'll keep going as long as you want me to but somebody has got to kick Commissioner Largent to keep him awake. Okay, it is an isolated market and it's a captured market so, that risk is much, much smaller. Secondly, really in the thirty-five plus years of Hawkins Companies we haven't had that experience, with the caveat of this; banks seem to print their own money and a bank will buy an outparcel from you and sit on it for two or three years sometimes. Obviously, banks aren't 250,000 square feet and they don't pay a lot sales tax in the first place, so that is probably not a good comparison here.

Finally, typically in the State of Washington, we don't like to use this phraseology but typically when we enter into private public partnerships we are a public entity, partners with a private entity in order to put together infrastructure or whatever, there is some broadening of the risk basis. In other words, Hawkins Companies is not simply walking in the door and saying "Give us our 15 million dollars; oops, we couldn't get it done. Sorry." That's not what is happening here. We have a significant additional investment to put into this property and trust me, when I tell

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you we are not in the business of putting buildings up that are not occupied. Especially not, I can't remember what the number was, but 12 million dollars extra for the infrastructure on our side; we are not going to do that unless we are darn certain that it is going to be a successful venture.

Finally, sometimes tenants do come and go, and while we have never had a tenant that has entered into a lease or a use agreement with us and then never opened, we have had tenants who have gone out. We had a Borders Books, it is not a vitamin warehouse, and I think it is what it is called. It is one of the new whole foods type users. The biggest one that we had was at our Flagship Shopping Center in Boise. It was a Costco and Costco went out and when Costco goes out in your shopping center that is a pretty big hole, isn't it? Well, that is now a Cabelas and nobody would be grousing about have a Cabelas replacing our Costco. They have generated a tremendous amount of traffic, a tremendous amount of business.

More recently, and that was seven-ten years ago, in Redding, California, you've heard me allude to my big project, in Redding it is not out of the ground yet, but it is in the process and the tenant that actually said, "Hey, go find us a spot in Redding," decided they were tired of waiting for the county to get done with their stuff. There was an old Gottschalks building in an old shopping center down there and we saw an opportunity and we opened up that tenant. It's Sportsman's Warehouse in the old Gottschalks building. So, one thing that is different about us, I don't know what other developers are, I know what we are. What we are is a portfolio developer; we don't build a lot of things and then turn around and sell them. We try to develop a portfolio that stays in our back pocket for years and years at a time and so, as a result of that, the whole shopping center is simply an opportunity to service the newer tenants that we are working with. We generally work somewhere in the neighborhood, it is kind of a rolling list, but it usually runs somewhere in the 150-300 range of tenants who have been active in the last five years that we continue to work with on a regular basis. Some big, some small, some are doing lots stuff some are doing not so much stuff.

I feel like I cannot say in good conscience to any of you that this becomes a zero risk project to you. I can say that it is a much lower risk project based on some of the mitigating factors surrounding it than some would lead you to believe.

One thing I would say for you, it is rare for a tenant like Lowes to push at us like they are and then back out after we built it. By the way, they build their own buildings, so they are not going to build their own buildings and then back out. We are going to contractually bind the tenants to the space. The other thing is that once the two big boxes come, it is more than likely not just two big boxes; it is going to be two big boxes and maybe three or four 20,000 square foot users at the same

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time. When I say the same time, they could be starting construction 4-6 months after the big boxes start construction.

Okay, Commissioner Partch, these are the wind up slides. I just want to reiterate once again what we have already talked about; one thousand new jobs, 39.9 million dollars in the local economy. There is our pie chart again. Remember the Pullman School District about \$400,000, Fire District about \$130,000, this is just off of the real property taxes, Whitman County Library, \$44,000, Port of Whitman, \$34,000, County Road \$165,000.

Inaudible question by a member of the audience.

Jeff DeVoe - That is the junior taxing district, I frankly don't know who in my mind when it goes to state schools, it goes to Olympia and disappears until they send it back to somebody else. I actually was down in the Town of Colton last week talking about this very slide presentation and that was the only hope they have. They don't have a junior taxing district for their schools and they are like, "Maybe some of that state school money can come to us." But I don't think there is any way of knowing that.

Then finally, this is where we get to the questions slide. This is the fun part of our night. We haven't reiterated the sales tax number. The benefits that we just talked about, new jobs a whole bunch of junior taxing district money to go out there and then you combine that with the current expense increase to the County that is going to be in the hundreds of thousands of dollars. Those are the benefits to doing what we are proposing to do. So, with that, I guess I will quit jabbering my head off and ask respectively that the BOCC approve this second amendment.

Greg Partch - I apologize, I was remiss, since we started this, we wanted to start exactly at 6:30, knowing that the meeting was going to run long; but what I didn't do was to tell you that we were at our meeting, we recessed about 2:30 after our last meeting. This is our official day of business, so we are recessed, so when the clock came on, then we called our meeting back to order and then at that time we went into our public hearing. Now, we had a lot of decision about whether this should be a public meeting or public hearing. A public meeting is where we would just get together and we would talk back and forth. You would ask questions back and forth.

A public hearing has a lot more structure to it and it has a purpose. The purpose is to allow Hawkins to come before us and ask for an amendment a second amendment, that's what he just asked for. That was basically the presentation that we got on December 27, 2011, except it is updated. So, we have done that. Excuse me, December 19th when they came here. So basically, that is what they presented then; it wasn't presented to you. It wasn't an open public meeting but we didn't publicize it at that time.

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Looking back, I probably wish that we would have now, but that is what we are trying to do today.

But to let you know, excuse me, excuse me, I'm talking; one of the things I wanted you to know about the public hearing is that a public hearing has a different set of rules. We here to allow, we open it up for staff report, that is what Gary did and what Milt did basically, so we have a staff report and then we allow for the presentation and the presentation is here. The next step is that we would now open it up to hear from people speaking for or against or maybe somebody that just wants to speak, not maybe for or against, but want to speak about the project and their feelings.

Now, what I didn't talk about, too, is when you signed in here on the sign-in sheets, you saw the part that says, "I want to speak for or against." Is that the way it is set up, or did you say, "I want to speak? It says, "I want to speak, yes or no," which is fine. But we had a workshop at 1:00 to discuss this very thing and we decided to be more flexible with the rules. So, normally we would do this and then we would allow public input from the people out there.

The next one we call for people for or against, I think what we allowed to do is just to if you signed up we will do that. But it will be addressed to the Commissioners specifically to the Chair. What we are going to do is ask anybody that wants to speak to come up and sit right here. This microphone doesn't work well out there, it works well right here. But you get out by the side of these and you get a lot of feedback and it gets hard to hear.

We did ask for a little more flexibility for that and this is a two-day hearing. At the end of this we will recess until tomorrow evening at 6:30. If you want to speak and you know you can't be here tomorrow night we would ask that those people be the ones to be allowed to come up tonight. We want to keep this to the nine-o'clock thing; that's why we went to the two days. We are going to ask that if you decided to speak, we will allow you to come up here, you can use the hand held microphone or use the one here at the desk. As you can see, we are going to move back there now that the screen is up. So, we will take a short break, a five minute recess at this time.

When you come back, if you want to speak we will open it up again. We are going to allow everybody three minutes, we have a lot of people, I don't have a clue how many people want to speak, and we will keep it to three minutes. We've got a timer and when you hear it don't get mad at the person but that is the easier, if you don't get your full statement done, if you have a prepared statement, please give it to the clerk.

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If you didn't get done, please allow the next person to come up and then we will put you back at the end of the line and you can come back in and speak tomorrow night. I think that is the only way to be fair. We will judge that according to the amount of the names signed up there. If it is twenty people or if you are going to say something that the person ahead of you said the same thing, I would ask you to just say, "They spoke for me and said what I wanted to say." But we really want everyone to have a chance to speak so we will give you three minutes, want to make sure everybody is heard. So, with that we will take a break.

8:00 p.m. - Recess.

8:10 p.m. - Reconvene.

Greg Partch - Okay, we are little past what I said, please take your seats so we can get started again. What I want to do, again this is a public hearing so when you come up, and the first thing I want to do is ask everyone who wants to speak to raise your hand. We want to get a general feeling of how many want to speak. Okay, not as many as I thought. How many of you aren't going to be here tomorrow and want to speak tonight. Okay, Mr. Esser, Mr. Finch, okay, we will ask you to be first and then we will follow it up with the rest of the people. We may be able move through this faster than what I anticipated.

What I am going to ask you to do is to come up let us know your name and where you are from, it is on the sheet but we want it for the recorded record. Then go ahead, all your comments are addressed to the Chair and to the County Commissioners. If it has to be to do something with a question that we can't answer, we will go to staff, we may go to Gary or Milt and very possibly we would go to Jeff DeVoe. That is sort of our ground rules and there again, we will ask Mr. Rowland, if something gets into the field of sort of crosses over into the law suit, he will remind us.

Don Deen - I'm from Colfax. I'm chairman of OVIC and I think as you probably all know we are certainly opposed to the project. But not the project per say, but I have a request to make of the Commissioners. We have about 4-5 people here who would like to speak but Mr. Esser is going to need more than three minutes and we would like delegate our time, if we could, to Mr. Esser.

Greg Partch - Thanks, Don. When we met in our workshop today, we discussed exactly that. We don't have a problem at all; we want to be as personable as we can so, it looks like not many people want to testify and that will help with redundancy because probably we will have a lot of the same things come before us. I don't think we have any problem with that at all. So, we have two who need to speak tonight and why don't we open it up with Mr. Esser and will follow by Mr. Finch.

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Tim Esser, I'm from Pullman - The Mariners are off tonight so I appreciate being able to talk. As long as they are above 500, I need to watch them. I will be brief. I am here on behalf of the Organization to Void Illegal Conduct and my clients are Whitman County business men and women who have built and successfully owned and operated their own private businesses, successfully. They have never worked for the government, the boys work for themselves; they know what it takes to make a budget and to make things come real. They honestly in their experienced judgment do not think this project pencils out. They are philosophically opposed to the idea of spending 15 million dollars of taxpayer money compared to 12 million dollars of private money which are the figures I saw.

But over and above that their concern is if this project doesn't pencil out, where does it leave the Whitman County taxpayer and what happens to our money? So, I've got some questions about that and some comments. I will address all the questions to the Chair and then, Mr. Partch if you want to delegate to someone to answer or Mr. DeVoe, however you want to handle it, we do want some feedback. These aren't just rhetorical questions.

This presentation today on projected revenues was based on the Berkley Research study that was done in 2007. How valid today is your research and projections from two years before the recession?

Greg Partch - Mr. DeVoe, I think you are probably the one to answer that one.

Jeff DeVoe - I confess to have been in my happy spot so I didn't hear the question. But I am happy to answer it.

Tim Esser - Let me direct it to the Commissioners; you are the guys who are voting. How confident are you today in the validity of these projections that were done in 2007?

Greg Partch - But that was not your original question to the Chair. The original question was the Berkley Study was done in 2008 and,

Tim Esser - It was 2007, he said he presented,

Greg Partch - But I believe it was a different study. Your question was the Berkley Group Study and I think you said either 2007-2008 and how valid are those numbers today?

Jeff DeVoe - Okay, if I look confused it is because I am. The Berkley Research Study was commissioned about two months ago and was completed about two months ago.

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Tim Esser - The numbers you presented today that you said you presented to the Commissioners in January of 2008, those are still your projected numbers, are they not?

Jeff DeVoe - Let me short circuit some of this. I'm here with Hawkins Companies litigation counsel who advised me not to be cross examined by the counsel for the OVIC people, so I won't be. I can say a few things about the numbers, Mr. Partch, if you like, but I'm not going to stand here and be cross examined.

Tim Esser - Mr. Partch, let me ask you, then. In 2008 the projection was you needed nine million dollars of taxpayer money and today you need fifteen million. That is a fifty-five per cent increase from your original projections. What if the projected revenues are now fifty-five per cent different; what if the actual revenues turn out to be fifty-five per cent less than what it projected? Where does that leave the viability of this project?

Greg Partch - Okay, I think we will have to open that up and let each of us in turn speak to that. Mr. DeVoe's presentation spoke to that. I think it spoke to it very adequately. I think he addressed that matter. I am very comfortable with the numbers he gave. Obviously, there is risk to everything but I don't have a problem at all. I think they are very factual. I think they are based on good projections and that is basically the same numbers and when I made my decision I based it on them. So, let me turn it over to my fellow commissioners. I think it is a hearing you can address it to us but I need to allow the others to speak.

Michael Largent - I don't have the expertise to evaluate those numbers; so I didn't.

Pat O'Neill - As far as I am concerned, I listened to the original first amendment, the whole project on November 22, I think is where we had it all brought to us in the beginning. Because of changing it from one big super store to two big super stores and the amount of estimate what the infrastructure is going to cost which I think he said today was nineteen million dollars, is what the project cost is. But it all determines how much the contractor is going to charge to do that infrastructure. Their estimates right now are fifteen million dollars but there is a good possibility it could end up at thirteen million dollars.

But right now, they are going to pick up the difference from fifteen million to the nineteen million, if I remember correctly. As far as going from two super stores from one to two the added revenue and what this overall project can mean is more than sufficient in my mind that we will be able to pay the bond back. The bond payment for two super stores is paid by the two super stores only; no other stores or anything in that whole project. There are approximately twenty retail stores overall in

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the whole project that was cited in the paperwork that I read. So, just with the two super stores that will cover the bond. Does that answer your question?

Tim Esser - No, my question was what if your projected revenue is 55% less than what you are projecting. You haven't answered the question. Let me ask you this.

Greg Partch - Mr. Esser, let's not make this into a trial. This is a public hearing so please ask us a question that is answerable, not subjective to a lot of speculation, please.

Tim Esser - Here is an answerable question. As I read the development, Hawkins breaks ground; when they have a certain percentage of the work done, they present you with a bill; your County Engineer acknowledges that the work that they are billing you for is related to public infrastructure and not private infrastructure and you pay the bill. What if we arrive at that time and the County has not yet obtained a dedicated source of funding? What if nobody will bond the project, what if no bank will loan you the money?

My question is why do you not have in your agreement with Hawkins a contingency or a financing clause that our obligation to do this is contingent on us obtaining a source of financing? Because, as you saw in the projections, it was unambiguously stated that the financing would not be from the County's general revenue. So what happens if the time comes to pay and you have not found the source of financing?

Greg Partch - Because I think that was covered in the law suit, I'm going to ask Mr. Rowland to answer that. I think his expertise, he has studied quite a bit about this and that was part of the law suit.

Milt Rowland - It is a part of the law suit I have some opinions regarding what would happen. I think though, there are a number of things that protect the County from that happening that are built into the papers. What I don't want to have happen in this hearing, however, is for us to essentially try this as a case without adequate and appropriate preparation and the kinds of balancing you would get in a real law suit in which I would get to ask questions also, and make argument also.

What I would really like to do is to suggest this rather than have my clients and the Board be essentially cross-examined like this, for us to take the questions that Mr. Esser has and when we continue this hearing tomorrow night, I will be able to have advised them in the meantime. What I don't want to do is to say anything from the stand that would later if there grows to be a dispute between the parties is known essentially as an admission by my client.

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I believe that there is legal protection in this document and in the law but I also think there is practical protection in a sense that because Mr. Hawkins is guaranteeing those sales tax revenues for the first several years, there won't be a nickel asked for unless Hawkins is absolutely certain that he is going to have these stores in place and generating a revenue. But rather than have this conducted in essentially an atmosphere, I hope I am not being offensive to Mr. Esser, an excellent attorney, of whom I've heard for a long time, but rather than have it conducted in a form of essentially cross-examination.

Let's take those questions, give the Commissions a chance to consult with counsel about the answers so as not to say something from the dais that would later be admissible in court as proof of one thing or another that really wasn't intended. This was an opportunity for public comment and for the Commissioners to get feedback; not for the Commissioners to be asked questions which would later then be used on the witness stand. I hope I am being clear, but my recommendation to the Commissioners would be to not try to field questions off the cuff, which would require essentially digging through the misuse of the 2008 agreement and the proposed second amendment without counsel to advise them. So, that's my comments.

Tim Esser - As a follow up on that, I see that there is this tax guarantee agreement signed by Mr. Hawkins where he says, "I personally guarantee that if the tax revenue is insufficient I will make up the difference for a certain number of years." My question is very simple there, is Mr. Hawkins married and what state is his domicile?

Milt Rowland - There are a number of things left open in the proposed second amendment and the way that the second amendment in my opinion requires that the guarantee be drafted in a way that is both commonly accepted in the field and acceptable to this body. There isn't for example, as you sometimes see, attached a form of the guarantee that is already signed. We believe that so long as Mr. Hawkins representatives continue to be reasonable in their dealings with the County they would present a form of guarantee that would be common in the industry an acceptable to the County.

The point of the question is can Mr. Hawkins hide his assets from the County essentially if they broke ground and the stores didn't work? The answer is that shouldn't happen if Mr. Tracy and I do our job the County will be adequately protected so that that couldn't happen. And, Mr. Tracy, I apologize for saying to you without a warning, but that will be our job to make sure that guarantee meets ordinary reasonable standards so as not to be a false or illusory promise.

Tim Esser - It wouldn't be a bad idea with Washington being a community property state and Idaho being a community property state. If Mr. Hawkins

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is married I think the Whitman County taxpayers need to have Mrs. Hawkins sign the guarantee.

Milt Rowland - That is an excellent idea.

Tim Esser - I've got about one more question and I will yield the floor. Gentlemen, you told us that you've done your due diligence and yet I really am concerned that you are basing this on projections from 2007 so my question is real straight forward to be answered yes, or no. The Blue Mountain Mall in Walla Walla is a shopping center located five miles outside of Walla Walla; it is of comparable size and I spoke for an hour today with Walla Walla city attorney to get the details of what I had read; that it is in bankruptcy, that is abandoned that is not paying the taxes to reimburse Walla Walla for the infrastructure that Walla Walla paid; and more concerning to the taxpayers of Walla Walla is Walla Walla is now been required to provide security for this abandoned mall; demolish half build buildings so they do not injure people, do all the weed control, eroded control and suffer the loss of the \$400,000 traffic light they put in; a traffic light that now controls no traffic because the mall is abandoned and bankrupt. So, my question to you, is, Mr. O'Neill, is to you, Mr. Partch, did the two of you in the last two years, study the Walla Walla Blue Mountain Mall situation as part of your due diligence?

Greg Partch - I'd like to go back, I think Mr. Rowland said it out, I don't have a problem answering but if you would submit that question, let us answer, let us prepare a little bit. I have been in the Walla Walla mall. I know exactly what you are talking about, I don't think it is apples and apples, it is an old mall built on the old concept but my preference is to allow us all three to, you submit that to us and we will answer that question with due diligence.

Tim Esser - The point is that mall was a viable mall in 2007 and it is bankrupt and vacant today in today's economic climate. You are wanting fifteen million dollars. When you wanted nine, because of today's economic climate, and you are basing it on revenue projections from 2007. One final question.

Greg Partch - Okay, please submit that and we will give you an answer tomorrow.

Tim Esser - One final question. Mr. DeVoe projected revenue for this project. Is that projected revenue as I understand it, correct me if I am wrong, but that is projected to be 100% of that revenue is above what we have today? None is replacement revenue. In other words, he projects that there will be a pet store in order to produce this amount of revenue. Now, what if that pet store, there is not enough business for two pet stores so and existing pet store goes out of business. All we have done is to replace revenue but as I understand the projection, none of that is

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replacement. Your projection is based that all existing businesses will continue to produce tax revenue to the extent they are today and that 100% of the revenue from this mall will be new revenue. Am I correct that this is your projection?

Greg Partch - No, no, I don't think so, but there again, I think we could, submit that question again, I know what my answer will be right now, but I think it is best for us to sit down and thoroughly think about how we want to answer that question. So, I would ask you to submit that question.

Tim Esser - Just a couple of quick items. Am I correct that the square footage on this project is about double the Palouse Empire Mall? The Palouse Empire Mall is 400,000 square feet and this is 725,000. Am I correct about that?

Greg Partch - You are correct about the Hawkins figures. I don't know about the Palouse Empire Mall.

Tim Esser - I know corrected the projected revenue is based on an 85% occupancy; that's what I heard today. Are you aware of what the present day occupancy of Palouse Empire Mall is, which they have been working for 30 years to build out and complete? Are you aware of what that occupancy is today?

Greg Partch - No, do you want to share it with us?

Tim Esser - I have no further questions.

Greg Partch - Okay, thanks. Would you please submit those to us and we will get back to you. Okay, Mr. Finch.

Jerry Finch - I live at 533 SR 27, Pullman. The reason I am speaking is when this project was first brought forth many years ago, I was kind of the lead and it kind of fell apart because of, quite frankly because of Moscow tying up the water rights and then of course, the economy crashed. I'd like to speak in favor of it and strictly from a commissioner's point of view, having been a commissioner for eight years and crafting eight years of budgets and watching the revenues every year decline; state mandates coming down every year that you have to fund and I haven't paid real close attention to your budget, but I know you are going in a 1.2 million dollars out when you started this year and the only thing that saved your bacon is the wind mill project.

Next year the wind mill project will be gone and I'm thinking probably your budget next year will be about 1.2 million dollars out or more because your costs keep going up. So, my concern as a citizen of Whitman County, I've lived here all my life, is you are mandated to do certain things and certain things are discretionary and I'm afraid people have no

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clue what the discretionary loss items are going to affect the quality of life in Whitman County.

I don't know this for a fact, I've never talked to a Commissioner about it, but I know when I was a commissioner with Mr. Partch and Mr. Wigen, we talked about these things. Some of the things we talked about, didn't all happen; Fair, gone; all Parks, gone; Health Department, Pullman, moved back to Colfax and that would put a tremendous burden on the Pullman Hospital. The rule of thumb, I can see the Sheriff's Department losing from 4-6 road deputies and you say it can't be done.

If you do the math, a road deputy with a car and all the benefits cost probably \$85-95,000 a year and closer to a \$100,000. But if you start dividing \$100,000 into a million, these are going to come, and these are places that the commissioners will cut, the prosecutor will lose one full-time prosecutor, that's a given and when the farmers will see rural burglaries, house break-ins and all that stuff pick up, are going to say, "what happened?" Our sheriff does a great job of protecting this County, but I'll tell you what his resources will be stretched to the point where he is going to have to make some unbelievable tough decisions and the people living out in the hither lands I'm very fearful aren't going to get the protection they are entitled to.

These are strictly practical reasons. One of the things I've read, everybody is concerned about the public private financing. That's been going on forever. I don't know exactly when the Ag support program was started during the depression for the farmers, but that is a public private entity. Say what you like, it is public private. Mr. Schweitzer, who I have tremendous amount of respect for, what he has done for the area is incredible. When he first moved in to the Industrial Park he moved into a publicly owned building owned by the Port of Whitman to get started and after he got into speed the Port sold that building to him.

So, lots of businesses get started by involving public private partnerships. Where you have to guarantee two box store tenants for this to go forward there is risk in everything you do, but I think it is an acceptable risk and I think long term for the citizens of Whitman County, I think you commissioners are going to have to make some tough decisions but I think you have to be bold and I think you're going to have to take a shot at it. Thank you.

Greg Partch - Thank you, Jerry. Okay, I want to remind you again, this is a hearing, this means we are here to hear and to make statements, not necessarily questions. So, if you have a question, I think we will do exactly what we talked about with Mr. Esser. Give us the question, we will get back to you tomorrow, we will have it on recorded and we will get back to you. We are here to hear your statements and not to responds to your questions. We will take your questions and respond to them tomorrow

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night. Okay, is there anyone else who is not going to be here tomorrow night?

Denis Tracy - Thank you, I'm not sure if I will be able to be here tomorrow night or not. I have another commitment that I don't know if I will be able to get out of. My name is Denis Tracy; I'm here because I am curious, mainly. So far, the Board has not asked for any legal advice on this project from me or my office since December 27, 2011. I want to let the Board know, of course that I am available; I don't need to do that at a public meeting; we have phones and email and I see the Commissioners. But it seems appropriate for me to make that statement here because Mr. Rowland has mentioned the fact that I might be expected, for instance, in this review of this guarantee of a payment from Gary Hawkins as part of the deal. Mr. Rowland is absolutely right and I just want to emphasize the fact that that is my job and I am available to do it.

That's not the only reason that I'm speaking here tonight. I want to make a small correction to Mr. DeVoe's presentation. Mr. DeVoe noted that the County could make a total of eleven million dollars over and above its bond payments. That was a projection that was put out by the County's former bond promoter; that's not entirely accurate. Mr. McLaughlin does work for a large commercial banking outfit of DA Davidson and he has put together a number of bonding deals for the county in the past. He did put together a spread sheet that showed or projected that the County could make eleven million dollars over and above the repayment on the bond over the course of twenty years.

However, Mr. McLaughlin noted that he did not come up with any of those numbers; those numbers were produced by the County itself or Hawkins, I don't know which. But he did not produce those numbers and he did not endorse those numbers. Mr. McLaughlin felt that the deal at 9.1 million wasn't a bad deal but he felt the deal at 15 million dollar investment for the County was too risky. (Bell rings)

Greg Partch - That's allowed to go; we didn't have as many tonight to speak so go ahead and proceed.

Denis Tracy - So, I wanted to make that one correction and then I do have a question that I hope the BOCC will ask Mr. DeVoe not tonight, but perhaps in the future before any deal is signed. Mr. DeVoe noted that two million dollars has been spent by the Hawkins Company to acquire water rights at the site. He noted and I wrote this down because I thought the wording was curious. He noted that "this was money for which the Hawkins Company has not previously sought reimbursement." I hope that the Board will ask the Hawkins Company whether it is going to seek reimbursement from the County for that two million dollars. Because under the terms of the contract that is currently in place Hawkins Companies is not entitled to any reimbursement for the costs of the water rights. That's all.

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Greg Partch - Mr. Rowland.

Milt Rowland - Thank you, I can speak to that, Mr. Tracy. Under the proposed second amendment the only things that the County would be providing reimbursement for would be the actual physical infrastructure in which the County would have title and the land associated with it, the County would either have an easement or fee interest and so no, under the second amendment there would be no County purchase of rights something as inchoate as that. I did catch the expression too.

Greg Partch - One other thing. Gary has been our lead on this and first off, those numbers that Mr. McLaughlin gave us, I believe you worked with him and how they were created. I thought those numbers came from him. Mr. Tracy thinks not. The other thing is I believe that projection. I just went over this the last two days. That projection was between eleven and eighteen million dollars. It was eleven conservatively and eighteen at the other end. Let's make sure we put in the whole breadth of it.

Gary Petrovich - The way those numbers came about was that Jeff DeVoe with Hawkins Group provided Jack McLaughlin in his spread sheet the numbers that he used for coming out with the numbers that you saw on the spread sheet. Those were numbers that Hawkins Companies developed and Jack had in a template that would allow the computation for the interest that was occurring on the bond. That's why Jack had that model. So, in answer to your question, Jack's only input into that was the interest component on the ammonization of the repayment of the bond and the other numbers came from Jeff who developed it in consultation with his staff at Hawkins and maybe other people in the past with the County.

Greg Partch - Thank you. Hopefully that answers your question.

Denis Tracy - Yes, so you are in agreement that Mr. McLaughlin did not endorse those numbers other than that the particular calculation of interest was such and such.

Gary Petrovich - Right.

Greg Partch - Okay, we've still got fifteen more minutes. Why don't just go down the list of people who wanted to testify and who were going to be here tomorrow night also. But we will wrap it up at 9:00 because we will be back here tomorrow night.

Darl Roberts - I'm from Pullman. I want to start unfortunately with a question and then I will get to a statement. I am just curious if the Commissioners as part of their due diligence have ever seen and reviewed a feasibility study done on this project by a professional independent

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feasibility firm or individual who actually completed that independent of Hawkins' numbers?

Greg Partch - No. Not specific to what you are saying a professional independent, obviously there are numbers that have come from Dr. Peterson in 2008 for the Port and then there was the study that was provided from the Hawkins Association that would come out six months ago, the Berkley Group numbers. Mr. O'Neill, do you want to answer that?

Pat O'Neill - The only thing the Berkley Research Group on the jobs that's part of it, that was done two and a half months ago and then I have not seen anything other than what was presented to us on November 22, 2011.

Greg Partch - So to answer your specific question and getting back to a statement.

Darl Roberts - To my understanding and please correct me if I am wrong, is that the Berkley numbers were developed from the numbers that Hawkins provided to the Berkley Group. They calculated how many jobs would be available based on square footage.

Greg Partch - I believe the Berkley study was all independent. Am I correct Mr. DeVoe?

Jeff DeVoe - The Berkley Research Group has a model and so the numbers that are provided to them are the square footage numbers of the shopping center and the location. Their model kicks out the proposed jobs and that stuff. We didn't give them like wages and things like that.

Darl Roberts - But you gave them how many square feet you were going to have built?

Jeff DeVoe - Well, yes, our conditional use permit is for 714,000 square feet.

Greg Partch - Thank you.

Darl Roberts - Thank you for answering my question. Now the statement might be this. I really firmly believe from my experience that if the bank were loaning this project 15 million dollars for infrastructure, they would require an independent professional feasibility study be completed to assure them that this project and the numbers that are being projected can really happen. I've been in the Pullman area for a long time; I've had some direct involvement with some development. I was part of the Wheatland Shopping Center from the time it was constructed. (Bell rings) Do you want me to quit?

Greg Partch - No, please go ahead.

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Darl Roberts - In 1985 and I remember when that developer built that project, small to this project by comparison 125,000 square feet, they projected that it would be full in 24-36 months. Ten years after it was built with a group of other people, we bought that project and it was not full. And frankly, it took a good number of years beyond that to actually get it full.

I watched the Palouse Empire Mall since the late 1970's and over the last thirty plus years, they have been working to fill their project. According to their website, it is approximately 400,000 square feet of improvement. I know they have at least one and I think two empty pad sites up front that they are still seeking tenants for. And I have some serious questions at least I'd like to see a feasibility study expert answer how we can believe that this project will build 685,000 square feet in seven years including the construction period when the Palouse Empire Mall has been only able to fill 400,000 of approximate square feet in thirty plus years. I really think that is a question than an expert should address.

Michael Largent - Mr. Braun, would you like to speak?

Ron Braun - It's been twenty years since I've been in front of a group of people but you are a little bit older now. I hope you will be able to hear me. I will try to speak out. My name is Ronald Braun. I grew up in Caldwell, Boise Valley, went to college at the U of Idaho and I lived starting in 1950 at the U of I and for ten years; lived in Moscow and moved over here in 1961. So I have lived in this area for 51 years so I feel a little bit comfortable. I would like to

Greg Partch - Please address the Chair.

Ron Braun - May I stand? I just feel more comfortable.

Greg Partch - I don't' have a problem with that.

Ron Braun - I have three things that I think are generic. We are missing some things that I think are very fundamental. We talk about employees maybe having an expenditure shall we say, two employees of thirty-nine million. There's going to be gobs of other expenses; millions of dollars. I would not think it is unreasonable to say that this mall is going to have to draw in a hundred million dollars a year.

The base fee, the purchasing power in the Palouse Country, 45,000 people in Whitman County, I don't know how many in Latah County; it has been going up maybe several percent each year. But we are talking awfully big dollars just for Whitman County. If you divide fifteen million by forty-five thousand, we are talking what, three hundred fifty dollars per

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person, per person in this County. So, I do not believe that we have the purchasing power in this area to bring in the money that you project that this mall is going to have to require to be functional.

What I am saying next, is just sort of hearsay, but I've heard comments from Lewiston to Lewiston Orchards, that mall is becoming a little bit (inaudible). The Palouse Mall is doing fine but it is not overwhelmed and I don't see how (bell rings) we can have this much more, a million dollars being extracted from the same purchasing power in this area to support another mall. You talk about employing 1,000 more people. I think that is misleading because a number of businesses are going to have to go out of business so we are playing musical chairs. These 1,000 people, part of them are going to come from those who lost their jobs due to the cannibalizing that goes on between businesses.

Okay, number 3, I have talked with somebody who is a consultant for technological industries, not just in Washington, not just in the United States, but international and I talked with him today. He explained a lot of things that were explained this evening, you know, the pros and cons and so forth. In many ways, there are a lot of good things. But I said, "Okay, if this was your money would you do it?" He said, "No." This guy has some stature, but he said, "No," and this is the reason. If you have a producing industry coming into this area like Schweitzer, you're bringing money in. The problem with this mall is that it is a service development. You are simply selling stuff; you are not producing a darn thing.

Okay, so all you are doing is extracting money from the people who are already here but you are not bringing anything new except the people who you can grab by the coat sleeve as they are going from Pullman to Spokane, Moscow, whatever, Spokane to Lewiston, Lewiston to Spokane, you know maybe you are trying to capitalize on that type of movement. But that's, I don't know, to me a hundred million dollars maybe more, maybe less. I'm speaking off the cuff, I have not ground these numbers out but I think this community really has a right to understand; it should be as transparent as possible. I cannot see this fly with the current economy. That's all I have to say. (applause)

Greg Partch - Okay, thank you very much. Do you want to try one more? Okay, we will have one more comment tonight and then recess for tomorrow at 6:30 p.m.

Michael Largent - Ms. Lewis.

Tammy Lewis - Thank you very much for giving us this opportunity to talk. I am here on behalf of Dr. Ed Schweitzer. He unfortunately could not be here tonight but he asked me to ask a question for him. First of all, the County to my knowledge has still not located the money that they need to

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invest in this project and while it has been stated that the risk is small, there is still risk involved and this risk is being taken with taxpayer dollars. His question he would like to know from the Hawkins Companies, specifically, but also from County Commissioners, are you willing to sit down and start over on a contract or amend this contract into something that makes it subject to financing so that the County is not put at risk and the taxpayers are not put at risk?

Michael Largent - Yes.

Greg Partch -No.

Pat O'Neill - No.

Greg Partch - Maybe we can we get some further explanation on that? You know, I have a lot of respect for Dr. Schweitzer, I think he is a wonderful engineer and has done a lot for our County. But in this particular case, I think we start over, we lose everything. We have already heard the facts that more than likely this will get built in the Palouse somewhere. If we would start over on this, it would take us out of that window. I think we have one bite of the apple, we have a chance.

There is somebody waiting in the wings that wants that second bite for us right next door to us. We have seen the figures from Dr. (inaudible) from 2008 to the last speaker that amount of leakage that goes out, those same people you and I are going someplace else to buy all this stuff. That's the amount of leakage going over. We are spending millions of dollars and what I spend way more than \$350 out of this County, easy in a year, like all of us do because there is no place here to buy the things we want.

My answer is "no," I think we have an existing agreement for good reason and I think we need to continue on forward for that; we've had counsel here looking over to make sure that it was a legal document of which we are sure it is, legally defensible but it is beyond that; I think it is an agreement that we've had with Hawkins and I think we have an opportunity that I don't want to miss.

Tammy Lewis - So, you wouldn't be willing to ask Hawkins either.

Greg Partch - No, I don't think that I should even ask them. I think we are in an agreement with them, I think we need to move forward. We reset the clock; we might as well start over. I mean, we won't start over; it would be lost because those people are going out somewhere, my answer is, "No, I would not be willing." (Bell rings)

Tammy Lewis - Okay, and then if I could just get a quick clarification.

Greg Partch - No, that's fine, let's allow for another answer.

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Pat O'Neill - As far as I am concerned it was already stated tonight that this is going to happen either in Whitman County or across the state line. They have 9.3 million dollars already invested in this area. Now, as a Board, we did a little bit of searching for outside financing through some banks, local banks, and this sort of thing. But we have not gone full blown out to look for financing and I believe I have some information that I believe it is very possible that we can get adequate financing at a good percentage to finance this operation.

Michael Largent - Could you share what that opportunity is, I don't even know about that?

Pat O'Neill - No, you don't.

(Someone from the audience, no microphone) - I'd like to hear it. I can tell you what the public works...

Greg Partch - No, please, this needs to be directed to us and if you want to speak we can do that later. I can tell you one thing that Commissioner Largent does know about. We attended a public works trust fund webinar and we are in that cycle and we are going to put forth with that. It is 1% over twenty years; it is for fifteen million dollars, and we fit all the perimeters of that.

Tammy Lewis - But the State has no money.

Greg Partch - No, they actually do. There is \$400 million dollars in the Public Works Trust Fund, revolving fund. That thing about the State has no money it is not true. Yes, the State current budget does not but the Public Works Trust Fund has 700 million dollars in it and the basic intent is for public works infrastructure. I'll share that more with you.

That is the next step, we just went to that last week, our application has to be in by July and we will know by November. If we get that, it is 1% over twenty years. So that's one of the other things and if Commissioner O'Neill has some other thing down the road, that is good; we are looking at all avenues.

Michael Largent - Is that what you were referring to, the Public Works Trust Fund?

Pat O'Neill - No, I was not.

Michael Largent - Are you willing to share with the Commissioners what it is that you have?

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Pat O'Neill - I'm looking at outside monies from private firms as far as getting the \$15 million dollars.

Michael Largent - Meaning Mr. Petrovich?

Pat O'Neill - Gary and I would work on that.

Michael Largent - You have already talked to him about that?

Pat O'Neill - Yes, I have a little bit.

Greg Partch - Okay, let's get back to it.

Tammy Lewis - Could I have just one last comment before I leave just to address former Commissioner Finch's comment about Dr. Schweitzer and the Port facility. Back in that timeframe, most of you remember there was three-year wait before you could get a building permit on land in the County and as he likes to say, "The Port was the only one who had the magic dust that can make industrial land." So, that is why we ended up in the Pullman Industrial Park.

Greg Partch - Thank you. So, it is 9:00 so we are going to recess this meeting until tomorrow night. We will ask our clerk to bring those questions to each one of us and we will try to answer the questions as best we can tomorrow night.

9:00 p.m. - Recess.

D072973A THE BOARD OF WHITMAN COUNTY COMMISSIONERS met in their Chambers in the Whitman County Courthouse, Colfax, Washington for **Tuesday, April 17, 2012** at **2:00 p.m.** Chairman Greg Partch, Patrick J. O'Neill and Michael Largent, Commissioners and Maribeth Becker, CMC, Clerk of the Board attended.

2:00 p.m. - Convene/Board of Health.

Present: Fran Martin, Michael Baker, Phil Hagihara and Scott Paradis.

D072973B 1. The Director said Dr. Bowman is studying State Board of Health issues for state recognition. Since assuming his position on April 1st, Dr. Bowman dealt very well with two health situations requiring the Health Officer.

D072973C 2. Ms. Martin introduced Scott Paradis, newly hired Environmental Health Technician.

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D072973D 3. Michael Baker said Scott will be taking over the Food Protection Program and pool inspections.

D072973E 4. Phil Hagihara said he has completed the Greek housing inspections with many violations being noted. He is also working on septic site inspections and rural housing certifications.

D072973F 5. Two new restaurants are opening in Pullman and a 3rd is looking for a location. Mr. Hagihara asked the City of Pullman Building Department to notify the Health Department when they learn of any new restaurants opening.

D072973G 6. Dr. Bowman assisted Mr. Hagihara with a possible case of horse rabbits that that tested negative.

D072973H 7. Michael Baker stated the septic program is booming with 3 commercial applications being received in one week. In the past only one commercial septic application is received each year.

D072973I 8. A staffing update was provided by Ms. Martin.

D072973J 9. Public Health has entered into an agreement with Melissa Elkins for transitioning purposes with the new jail health nurse.

D072973K 10. Ms. Martin said the legislature has adjourned and Public Health won't be losing as much funding as anticipated.

D072973L 11. The Director said she is assisting Tekoa in obtaining health care providers by establishing a hospital district with the city owning the medical clinic. When a medical clinic closes it is next to impossible to reopen it. By the city owning the building, the providers are relieved of that expense. Therefore, a petition for establishing a hospital district will be coming to the Board for hearing on May 7th.

D072973M 12. In response to an inquiry by Commissioner O'Neill, Ms. Martin said there is a statewide outbreak of Pertussis, but there have been no confirmed cases in Whitman County.

D072973N 13. The Director received 20 reports for sexually transmitted communicable diseases in one week which are very time-consuming. Some of the worst cases were forwarded to Spokane for follow-up. All cases were referred by Student Health and Planned Parenthood.

D072973O 14. Upcoming Public Health events include:

- Simulated Emergency
- Women's Night Out
- Moscow Preparedness Fair

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- Local Emergency Planning Committee
- Whitman County Emergency Preparedness

D072973P 10. The next Board of Health meeting is May 15th.

2:30 p.m. - Recess.

6:30 p.m. - Reconvene/Hawkins Development Agreement Amendment Hearing (Public Service Building).

Present: Approximately 52 people were in attendance including staff.

Transcription of this meeting is verbatim.

072974 34. Greg Partch - Good evening everybody. We are going to get started. I believe a lot of you were here last night but let me go through a little bit of the logistics and then the public hearing rules. For those who may not know me, I am Whitman County Commissioner and Chair, my fellow Commissioners Michael Largent and Pat O'Neill. We are going to first start with, well let me talk about the logistics in case you weren't here last night. Right behind these two doors are the bathrooms if you need the facilities; if you have a cell phone, would you please put it on mute or off during tonight's hearing.

So, basically the first thing that I have to do is reconvene our regular meeting, which I am now doing. Then from that we reconvene the Hawkins Development Hearing, which is tonight. Now, again, let me just go over the standardized rules for procedures for Public Hearing.

We are here and I have opened the hearing for the Hawkins requested amendment. We are going to start off with a staff report. Our staff report is Gary Petrovich; he is our Administrative Director and he is our lead on the project. So, with that I'm going to turn that over to Mr. Petrovich and then it will come back to me and then we will be hearing from legal counsel, Mr. Rowland.

Gary Petrovich - Thank you, Greg. The purpose of this hearing and I am reiterating this from yesterday is that there is a proposal before us set forth by the Hawkins Companies for a second amendment to the development agreement. This agreement was presented to the Board and Mr. Jeff DeVoe representing Hawkins Companies, who presented a slide show fashion yesterday the specifics of the project and how it affected the County.

Yesterday, questions were gilded along with commentary from the public and today we have the opportunity to hear more comments and questions from the public which we would encourage everyone to do if they have something to say. If there are a lot of people who need to comment, then your comments

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may be limited to three minutes at a time although you may be able to go back into the queue.

We have with us, this evening as we did last night, the counsel for the County representing the County in the matter of the law suit filed by the County against OVIC, and this is Mr. Milt Rowland. He is with us from Foster-Pepper. Also, with us is the attorney representing the Hawkins Companies, Mr. Dale Johnson. At this point of time, I would like to turn it over back to Chairman Partch.

Greg Partch - I apologize, I did miss over something from yesterday. We have hand-outs that have the original agreement and the first amendment and the proposed second amendment that we are working on. Those are on the table in the back if you haven't already got them. Also, if you want to speak, we had everybody sign in; that is something that we need to do for our clerk. So, if you haven't signed in, there's a place on there that says, "Do you want to speak" so if you have checked that off then we will allow you to speak. As Mr. Petrovich said, I think we don't have as many tonight so I don't think we will have to worry about necessarily keeping it to three minutes but we will have a timer here; Iris Mayes will be up here in the front tonight. We will ask you to come up and be here and it is a public hearing.

A public hearing is to address the County Commissioners, specifically the Chair. So, if you come up and you are making your statement, please make your statement to the Chair. We have allowed a little bit of flexibility, we talked about this the other day. The flexibility is that normally in a hearing we are here to hear; we are not here to make comments; we are not here to answer questions. We allowed for a great deal of flexibility last night allowing questions to be asked.

We are going to go ahead with that same format so we ask you to direct the comments to the Chair and we will answer question the best we can. What we did last night we took the questions and we had them transcribed out and all the Commissioners received a copy of those questions last night and I have, I don't know if all of us are planning on doing, at least we will answer those questions and those questions will be made available next Monday. We are going to allow when we recess tonight we will open the comment period up until a week from Friday, at 5:00, April 27, 2012, at the Clerk's office.

You can send them in by email, you can send them in by just written comments, bring them in by hand, you can do it, however, and we will make sure that those become part of the permanent record on the 27th.

So, with that, I'm going to turn this over to Mr. Rowland. He wears a lot of hats and I think I can use this word, an expert in the field of law. He teaches law at Gonzaga; I will let him go over his credentials again

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and he has some quite relevant things, based on last night's comments to share with us and with you tonight. So, with that, Mr. Rowland.

Milt Rowland - Thank you, if my cell phone goes off, I own one, but I just got it last week, but I don't know how to use it yet. I tried to turn it off but if it rings I apologize in advance. That was supposed to be funny, the part about my not knowing how to use it although it is true. As I told you last night, I am from Detroit. The Detroit Red Wings are playing a hockey game right now and I am here instead. So, I think maybe that will speak to some of the things we have in common. Although I don't come from here, I do have a couple things in common with those folks who are here. One is, I love where I live and another is that I want to leave it a little bit better than it was when I found it. I believe that is exactly who you are with OVIC.

I represent the County, Judge Frazier approved the contract. I represent the County in its litigation with OVIC and when you are in litigation that changes the rules a little bit. I really can't let my clients sit around the table or a bar stool and just have a chat because it could get thrown back at them in court next week if they say something maybe out of context or maybe don't word it perfectly or something like that that. I think maybe a lot of you haven't been involved in law suits, but if you have you'll understand that kind of changes the rules a little bit.

There were a lot of questions last night after Mr. DeVoe's presentation I thought maybe it would help this process if I took off my advocate hat for a minute and put on my law professor hat. I was with the City of Spokane for 14 years. I was their lead litigation counsel for that period of time. I graduated first in my class at Gonzaga in 1985 and have been teaching there since 1987. People say that I'm a recognized expert in the municipal law; that will only be my reputation until I lose my next case in which case, I'll be less of an expert apparently. That was also supposed to be funny and it just wasn't. It was funny when I thought of it, it just wasn't when I said it. That happens a lot, now that I am almost 59.

This isn't thirty years ago. Thirty-three years ago, I moved from the Detroit area by way of Washington D.C. where I lived for a couple of years, to Spokane. Thirty-three years ago, even in Spokane County if you owned a patch of land, you could put together some money and you could build whatever you wanted on it. We were just starting the zoning rules; people didn't get stuck 4-5 years at a time trying to get water rights, trying to get approvals from a variety of different places. In the last fifteen years we have seen the rise and it is such a wide-spread rise around the country that I'd say it is universal now that people who have money and want to invest in a community ask that community to give something back.

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That's why we started seeing things like tax increment financing, which you don't have in Washington in name but you have it in other ways. So that when somebody builds something in formerly vacant land or formerly under-utilized land, we know that the tax base goes up and there is a benefit to the community. Every community around the country wants people to come in and develop in their communities; so as to increase property values and to help revenues in the county or city or wherever they are located go up; because we know one thing; it has been proved and it is proved all over the country and it is proved all the time. That is, to do nothing is entropy; it means the region goes down.

So, when for example, the City of Spokane needed some development in the 1980's and 1990's there was a lot of opposition to it because people were thinking in the older models in which people would just buy a patch of land and develop it and there you go. But that's not the way things are mostly anymore. This County has really an amazing person. I had to reaffirm his name tonight because there is a scheme that must be named after him. I think I'm going name my child after him. He is a brilliant guy and he's an amazing benefit to this County and a benefit to any community that he is a part of.

But not everyone is like him so what we are seeing all over the country is that communities that need development because without development things just wear out and go downhill and again entropy is what happens. They compete for these companies to come in and develop whether it is a shopping center or whether an industrial park or whatever it is. Under those circumstances, there is always risk.

In the City of Spokane, I was probably the only senior lawyer, because I was busy trying law suits, who wasn't involved in the agreements that led to Riverpark Square. Can I see a show of hands of you who have at least heard of Riverpark Square in Spokane? Almost everybody; okay fifteen years ago, sixteen, seventeen years ago, it was in the agreement stage much like this development is now. Only it doesn't make sense for a developer to build in a heart of the city because land is cheaper elsewhere; you don't have to renovate, you don't have to tear something down to begin with, you don't have to deal with road closures and all the permit processes and all that stuff. But if you want to save downtown it is going to take some input from the local government.

So, the city council agreed to place their parking meter fund, that is the revenue when you put a couple of quarters into the meter that all goes into a fund, to guarantee that only to the extent of the parking meter fund the repayment of some of the bonds that were issued to the developer; not even to the city. Well, people got upset about that and thought it was a real bad idea. They elected four new people, they only had to elect three of them but it turned into a new majority and the new majority against my advice reneged on the bonds. They said, "No, this is such a

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bad deal it must be a gift of public funds or it must be something else that is bad." It has to be something because this is bad for the community. The courts upheld the agreement and that cost the city thirty-one million dollars in damages to the developer and others.

In the meantime although it took a while for it to actually get rolling and get off the ground, Riverpark Square led to the renovation of the Davenport and the renovation led to a new convention center. All of a sudden, Spokane has a pretty cool downtown whereas before that it had the Crescent leave, JC Penney leave, all that was left downtown was a couple restaurants and a few office buildings that nobody wanted to go to anymore, including myself. But that was just because I hate work. That was supposed to be funny, too, and it just didn't work either. I'm just going to stick to the task at hand.

When I was asked to look at the agreement; that was the 2008 with the first amendment, what I was asked to do was to look at as a lawyer defending the County would look at it. That is a group of people whom I respect and admire, even though I don't know you by name and individually you are the kind of people who give up your Tuesday night and you're not watching the Mariners and you are not watching the Red Wings, although I wish you would be able to tell me the Red Wings scored for a hit. Was it funny, okay, never mind? But you are that kind of person a person who wants to leave Whitman County better than when you are done than when you found it. Okay? That's the kind of people you are and that is what I respect and admire.

I looked at those agreements and I've been around lots of developments even though I am not a bond lawyer. I teach the underlying principles; I've been teaching them at law schools for many years. I had a bond lawyer look at it and I said, "Look is there any merit that a court, or any reason that a court would find that this first amendment was a gift of public funds?" The answer was "No, that all the money that would be paid or will be paid out if everything goes the way Mr. DeVoe hopes and it is hoped that it will go, all of that money is coming back to the County in terms of county-owned public facility, like the streets, water system, sewer system, all those kinds of things." The County will own title to all of those things and therefore it is not a gift of anything.

I said to the bond lawyer, "Is there anything unusual then, about this agreement?" He said and he didn't use these exact words but you can imagine the words he used, he said, "Heavens to Betsy, yes, there is something unusual about it." I asked him what it was and he said, "In this case the developer, I've never seen it happen before, but the developer is actually personally guaranteeing five years of increase sales tax revenues." That is, if Whitman County has issued bonds and the sales taxes don't come in right away to start paying off the bonds, then for

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five years and to the tune of several million dollars, this person is individually scratched in behind it.

What we always see all over the country, this bond lawyer told me, by the way, my firm the firm that this lawyer is a bond lawyer from, is rated in the top two; I think it is number one but I don't want to brag in case I'm wrong about that, in the country as municipal bond attorneys. He said they see all over the country is a guarantee from the developer LLC which, of course, means nothing. It is like the corporation that has no assets; it promises something, great, \$2.11 will get you a medium coffee at Starbucks with cream. You're not going to laugh at anything I say, okay, well it's okay; life is like that. The Red Wings will probably lose too, and life will go on.

The reason I really wanted to put on the law professor hat tonight, is that I think that when people were listening to Jeff DeVoe last night, I don't think they necessarily entirely understood what it is that is the role that Jeff has. Because it is a new one; it did not exist twenty years ago. Jeff has to put together the permissions from all the relevant authorities which cost a ton of money and took a ton of time. He has to go to a bank for a construction financing; he has to persuade those people that this project pencils out or his company doesn't get a nickel to allow it to start turning over dirt. He has to go find tenants and actually his business model is the tenants approach him first and that's another thing that you got going for you is, that usually is not the case. Usually, the developer has a basic concept that "If you build it, they will come." In this case, Hawkins is telling us that nothing will be done until there is a firm commitment from actually the anchor tenants. They are telling us and I have no reason to disbelieve them, that they already have serious expressions of interest from people or else they wouldn't be spending their own money this way. But those aren't the only hats that Jeff DeVoe has to wear in the modern climate in the modern economy in the way that these things are done now days.

The other hat that he has to wear is that he has to come here. He doesn't want to do that; I'm not saying he doesn't love Whitman County or anything but he doesn't under the old model he wouldn't have had to bother with multiple meetings and people being angry and law suits and things like that, because they would have just done it. But now a days in order to get the financing that he needs from the bank to start construction to build this thing, he has to be able to show the bank that these stores won't be built in the middle of nowhere without sewer and water and other facilities.

In other words, the development around the country even though it is competitive the wrong way with us needing the money to come to us rather than the other way around, it doesn't pencil out unless there is some benefit that the local government can provide; like the benefit that

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Spokane provided in Riverpark Square and like the benefit that is available in almost every state, called Tax Increment Financing; which is sort of what you get here, although it is not called that and it is not exactly the same thing as Tax Increment Financing.

The idea is that because the tax revenues will go up with the sales tax revenues, that those sales tax revenues off-set the bond payments and so the County is a net gainer of additional property taxes; plus these things tend to attract other investors into a community. You see it happen all the time. That when a company, like the high tech company that everybody wants to come into their community has to decide where to go, now Spokane has something to offer that they didn't have to offer twenty years ago and that is a vital downtown.

Now, once this is built, Whitman County and this whole area has something to offer within an hour or an hour and fifteen minutes drive of a major airport that they didn't necessarily have to offer before. So, we don't know all the ways that this project could go right; we know some of the ways it could go wrong and that's what I hear these nice people, whom again, I respect and admire and what we heard in the questions that were discussed last night.

What is your protection against the fact that you can't get financing; or the possibility that you can't get financing? The answer to that is that there is almost zero chance that you can't get financing. The problem with financing isn't that you can't get it; the problem is what interest you have to pay in order to get it. Because my job is not just to defend Whitman County in this law suit but to make sure that Whitman County isn't a patsy if it comes to a law suit down the road, I can't go farther in this discussion on that point.

But I can say that again, with the guarantee that you have as long as Denis Tracy and I do our jobs that that guarantee which is actually increased in this second amendment, it is larger than it was in the first amendment. That is something the Commissioners got for you in the second amendment that is better than the first amendment. If that is the case, then what you have to worry about is the kind of worry that every community has under any circumstances. What if things don't go right? What if the economy regresses again; we hear people on late night television on the internet telling us that so and so predicted an earthquake or a flood, tornado, that's my quote from John Belushie in Blues Brothers. How many people here can remember the 1960's? Can we have a show of hands? According to a study that I've heard, if you remember the 60's that proves you weren't there. I just wanted you to know that. The other thing that I wanted to tell you was that because I haven't seen anything that, and I haven't seen anything to suggest that the first amendment was adopted in violation of the public meetings laws. If that is true, and I haven't seen anything that contradicts it, then the

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first amendment is fully enforceable right now. That is that Hawkins could say or Jeff could say, "I don't need to make one more trip up there; you know what, you guys do what you want and if you don't come through I'm going to sue you." Okay?

But he doesn't want to do that; he wants to make money off of rents and he wants to be a good neighbor and that's why he is here. So, when we talk about worries about what could happen. One of the things we need to remember is that we are talking about the family owned company that makes its money off of rents. We are talking about a company that has all kinds of incentive not to break ground if they don't have a firm tenant. In fact a firm tenant is required before any of the County's obligations would arise under this agreement.

There were a number of questions last night that I think that I can answer with the permission of the Chair, based on the documents that I've seen in my experience in this business. One, for example, a really nice gentleman, and a long term realtor got up and said, "Where is the current feasibility study?" There are, as I understand it, recent feasibility studies but let's not forget that because Mr. Hawkins is personally backing the project and because of that he is not going to want to break ground until he knows that he isn't going to have to pay anything out of the guarantee. What that means, is he is going to have to go to a bank and get financing. The bank will not give financing unless they are also assured that the project pencils out and it will work. So, that is another layer of protection that you have.

Another layer of protection that you have one of the things I heard, I think I heard it in the hallway, as opposed to up on the dais last night, but what to happen if let's say, an anchor tenant comes into a big box store and in ten years decided that it wants to move to Schenectady or it goes bankrupt itself or something like that. What happens then is that Hawkins has a big box store that is already built on infrastructure that is already there, located on the corridor between two universities that have a captive audience of, how many students between the two universities and their parents? Anyone here ever put their children through college? Oh, never mind. All of us did, I'm sure. Not you, you are too young. Not going to laugh at anything.

Okay, so, one of the questions had to do with feasibility studies. One of the questions was "What happens if one of the stores goes out of business?" What happens if one store goes out of business and Hawkins knows this in advance and Hawkins gets another tenant lined up because otherwise it doesn't get rents so that they can't pay their financing back? What you don't see a lot of times, according to my partner who has done literally hundreds of public financing projects, is that kind of incentive effort by the developer. Usually developers work only with other people's money and this is a developer that has not only put up his

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own money in advance, a lot of it, but is also guaranteeing a lot of it down the road.

One of the questions last night, is have you heard of the Walla Walla mall? The answer is that in order to come here today, Hawkins and before it is going to turn over the first shovel of dirt, Hawkins and the bank that finances are going to have to be darn sure that this isn't out of the Walla Walla mall that sits at 90% vacancy forever and becomes a drain because they have their own self-interest to think about. You know, when we count on each other, largely because you know we are all decent people but because we count on each other's enlightened self-interest. If it is in my best interest to get up and go to work in the morning, I'm going to get up and go to work in the morning. And so far, I've been able to.

Member of the Audience - Nashville 2-1.

Milt Rowland - What was that?

Member of the audience - Nashville, 2-1. Excuse me. I'm looking for a tenth floor window. Luckily, I am on the ground floor. I'll jump up.

The thing that I wanted to make sure, public dissent is what makes, I don't want to talk in platitudes, but that is what makes local government work. It is the active exchange of ideas that makes us great and so, I'm not here to say, "Don't dissent," that would be embarrassing, because I'm not going to do that. I don't assume that I know more than anybody else knows. What I was hoping was that when people come up with questions or if people come up with comments that they come up understanding that the deal that is represented by this proposed second amendment is like the original first amendment, fully enforceable.

It's also, if the board does not adopt the second amendment there will be, one of the provisions of the second amendment is, "We hereby agree to rescind the first amendment." By adopting the second amendment the first amendment is off but right now, it is still on. As far as I could tell, and as far as my partner could tell, it is binding and what we see is not a developer who is digging his heels in and saying that essentially with a legal gun with fine words to hold at our heads, but is here with these words and to say, "Let's work together," and let's make this work.

Now, my law professor hat can come off and I can be an advocate again. I'm very concerned that this isn't just a public meeting with democracy at work that it is also in sense a collision between two sides in a law suit. And as a collision between two sides in a law suit, I'm certainly not going to ask you folks, anyone here, I keep referring to you because I saw the OVIC papers on the back of your chairs as I came in.

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God Bless you, but I'm not going to ask anyone any questions that could be held against them in court. I have recommended, I don't know that they will accept it, I have recommended independently to Commissioners to answer the questions that I have not answered, assuming that I haven't answered some of them that were asked last night, in writing, so that it wouldn't have to be proved later that they said this or said that. I asked them to do it at the close of testimony because apparently, I didn't understand this last night, but the meeting remains open after it is, you call it adjourned?

Greg Partch - Recess.

Milt Rowland - Recessed, thank you, sorry, once we are done tonight it will be recessed to next Monday. Next Monday, I won't be here because of a prior commitment but then at the end of the meeting, the meeting will be closed and at that point the written answers may be spoken aloud too; but will be made available to everybody. I think at that point, although Commissioner Partch will talk to this, because it will make sense at that point; because I assume there are more questions coming from this group tonight, makes more sense for Mr. DeVoe to get up once to answer questions rather than to have him get up every fifteen minutes to answer questions. I hope I haven't bored you; I hope I haven't wasted your time. I'm sorry my Red Wings are losing but that's the breaks, and I love you and thanks for listening to me.

Greg Partch - Like I said earlier, we are really doing a public hearing and we have broadened the matter in which we do that. So, could I just see a show of hands of people who are planning on coming up and speaking to us tonight? Okay, that gives me an idea of how much time. Iris is going to do the timing but we have probably less than ten so we will allow it; we will put it on three minutes but we will just allow you to finish it out from there. There is no reason based on the amount of people who want to talk that we should cut it back. Certainly, we want everybody to be able to testify and be able to say what they need to say.

So, with that, we are going to have, we have the list over here with our clerk. Commissioner Largent, do you want to do that and we will have you come up over here, give us your name and where you live and then we will go ahead and start. Normally, like I say, we are here to hear. Normally, in a hearing we don't allow questions. We did in the hearing last night and we will again tonight, but some of those if they move over into the lawsuit area, Mr. Rowland, we will ask you if the questions get to someplace over there, you will intervene and say that is something that we need to stay away from. That didn't happen hardly at all last night and I don't expect it to tonight, either. So, with that, Commissioner Largent, please call the first one. I will put the microphone on and we will ask you to sit over here and I believe that microphone is on.

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Michael Largent - There are question marks by some of the names so I will just call your name and if you want to speak, have at it. I believe the first one is Cathy Sackman.

Cathy Sackman - Good Evening, my name is Cathy Sackman. Do you need spelling and address? I'm from Endicott. First I want to say that I am one of the lazy citizenry. I have been occasionally reading about the Hawkins project. I'm not one of those people who has been following every little tidbit. I'm not here because of the lawsuit. Most of the comments this evening already seem to be about the law suit. I just had a few comments and maybe one question for Mr. Rowland.

But, so last night I came in thinking there's, I came in with a fairly open mind actually, because I really didn't know much and heard Jeff speak and lots of comments and I came away last night just feeling, what a shame. It's such a shame. We are all here to speak to our Commissioners when we know that it is not going to matter that what we have to say really doesn't matter. It's, minds have been made up and it's nice that we get to voice our opinion but there will be no impact.

It is a shame that those who were elected to represent the citizens of the County, while I understand the need for revenue to fund the mandates that are imposed upon the County that the rather strong feelings, rather strong opinions of the citizens don't really matter. It almost feels as if there is sort of a contempt; the attitude that I heard last night from the Commissioners was more of a parent telling a child, "You know, just trust me; eat your broccoli; it's good for you." That was the way it felt last night; that made me sad. I come from a political family and I have a father who has held off, and (Bell rings) I have a brother, who wants to run for office and we have a real sense of what it means to serve the community and that wasn't it; that made me sad.

The other thing that really bothered me is that while I understand the need for revenue, I'm very concerned about the fact that our reputable financial institutions and financial analysts and all those kinds of people have said that this is not an advisable course of action. Then again, it really doesn't matter.

A couple of other comments, Hawkins, while it is very sad that they have invested quite a bit of money in this already, and that's a scary thing, they are a business and business is risk and there are a lot of other people in the community who have businesses who have risk and have no guarantee that they will be repaid either. They walk away; they continue.

There was a comment last night that there will be 1,000 jobs; that this project will create 1,000 new jobs. One gentleman said last night that's really just playing musical chairs because what you are doing is bleeding them from other businesses in the area as a result of this. But being so

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close to the Idaho border those are likely to be Idaho jobs; those are likely to be people from Idaho that get those jobs and not from Whitman County. So, it's really more of a loss.

The question I had for, a couple of questions I had for Mr. Rowland, you said you represent the County and this is just out of curiosity. You represent the County in the lawsuit and the Commissioners, too, in the lawsuit. Are you also representing the County with regard to contract negotiations; it sounded as if you were.

Milt Rowland - No, ma'am, only to the extent that the lawsuit alleged that the contract is invalid either because it was adopted in an improper meeting or because of its substantive terms. I needed to be sure to advise my client.

Cathy Sackman - That was actually what I thought it was but with the second amendment, so have you reviewed the second amendment in particular that is now before the Commissioners, to assure that it is in the best interest of the County? Because that really isn't your job, right?

Milt Rowland - That is correct, ma'am. I've reviewed it for legality and for enforceability and related issues.

Cathy Sackman - Okay, but not in terms of legal counsel with advisability or anything like that for the client?

Milt Rowland - In terms of legal advisability, yes; in terms the kinds of advisability that bond counsel, I've not.

Cathy Sackman - Okay, that's my understanding.

Michael Largent - That is my understanding.

Cathy Sackman - Okay, has the County received legal advice regarding this second amendment; have you sought your own counsel, because this is really about the lawsuit, so if you sought your own counsel about the second amendment, who wrote the second amendment, actually?

Greg Partch - It was proposed by, it was requested and that is what the whole hearing is about, the second amendment was requested by Hawkins Companies.

Cathy Sackman - So, I am guessing there was no, there was no?

Michael Largent - It is my understanding, no, our counsel in the matter of, other than the lawsuit would be the Prosecuting Attorney, Denis Tracy, who told me today he has not reviewed any of it nor has he been asked to.

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Cathy Sackman - Okay, it is a real shame. Thank you. (Applause)

Michael Largent - Mr. Deen, would you like to speak? Are you here, Don?

Don Deen - Oh, no, I have nothing to say.

Michael Largent - Darl? Do you want to have a shot?

Darl Roberts - Not right now, maybe at the end.

Michael Largent - Pardon me for butchering your name, Susan Heise? Heise, I had a 50-50 chance and I blew it; I'm sorry.

Susan Heise - I was writing notes on a little pad here that says "Stay smart," so hopefully I will do that. I am Susan Heise and I've lived in Whitman County for 40 years. First of all, I want to say, I am absolutely not opposed to any development especially along the corridor. I think it is a great idea. That being said, I am adamantly opposed to the County being involved in any way except for issuing a building permit. Anybody who knows me knows I can spot a bargain a mile away, but I've also learned over the years that it is not a bargain if you don't need it and you can't buy a bargain if you don't have the money. So, in this case, we don't have the money, it's not a bargain; we should have nothing to do with it. But as she said, it is a moot point; nobody is going to change their mind.

Another elephant in the room that we haven't talked about from what I understood yesterday, you were pointing out that the County's part of the income from the taxes was about \$650,000 and the bond dividends were \$550,000 so whoopee we've got \$100,000. But nobody is talking about the 15 million that we have to repay at some point? So, when is that going to happen? Rhetorical question, you don't have to answer that.

Just because it is legal doesn't mean it is a good idea. We can't afford it if there is any way we could get out of it, I'm so hoping Hawkins changes their mind and says good-bye and that's it. If the development is a good idea the developer will foot the bill and put it in. Toyota didn't need our help; Wal-Mart didn't need our help, tons of other people didn't need our help. If it is a good idea, they will do it. That's all I have to say. Thank you. (applause)

Michael Largent - Jeff Lanigan.

Jeff Lanigan - My name is Jeff Lanigan, I'm in the unique situation that I am an adjacent property owner. I live on the Airport Road and my kids are the fifth generation to live on the property. I think if anyone I have the most to win or lose depending on the success of this development. The scenario laid out in Walla Walla is my worst nightmare in that we will bulldoze a hundred plus acres site and it will be a blight to both my

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neighborhood and the County will end up having ownership in that, like it or not.

As brought up previously, I did want to mention the geographical concern that we are on the border of Idaho and as stated previously I don't believe due diligence has been performed on an economic analysis, especially concerning the 39 million dollars that was a proposed economic benefit and the thousand and plus jobs. I can't help, but I think, Mr. Partch, you used the word "bleeding" into other economies yesterday, and I can't help but think that there is a certain factor of that involved here; that people will be living in Moscow or thereabouts and Whitman County will not see the full effect of some of these economic benefits.

Mr. Rowland, with all due respect, we are not in downtown Spokane and as much as there may be some similarities, I don't think it is an appropriate comparison. Whitman County is a completely different economic base; completely different geographical situation, we are several miles from the nearest parking meter in this site. I don't think that is an appropriate comparison and I would encourage the County before we engage in any further agreements to at least do our due diligence; do what we can to minimize the risk to the taxpayers of Whitman County, and I suppose that this is the end of my comments. Thank you. (Applause)

Michael Largent - Dick Appel. Do you have Helen's permission?

Dick Appel - She said only if I don't make a fool of myself.

Michael Largent - Okay, then carry on.

072975 Dick Appel - I've been here 74 years in this County. I'm Dick Appel and I live out in the western part of Whitman County. In the western part of Whitman County, we call a spade a spade. We call a person who is selling snake oil a snake oil salesman. I'm going to read this because that's what you asked yesterday. You said you didn't want questions; you wanted testimony so that's what you are going to get.

The salesman, which is what Jeff has been trying to do for a long time to you Commissioners and he has found that you have bitten and willing to accept his prospect. Hawkins' sole purpose is to sell projects. Jeff said it right when he said, "He had a captive consumer." That's a fact. It is a captive consumer. But the problem with this is we only have a limited amount of spending power and if we use it at Hawkins mall it will not be available to our current stores. The figures used around the project are 69% spending leak to other counties, Moscow being one, Spokane, and Lewiston. Hawkins hopes to capture all of this 69%; not likely as most people other than those who live close by will continue to go their own ways.

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We all know that figures can be juggled to say whatever is needed. Our salesman has done a good job of juggling and so have two of our Commissioners who do not have any financial training, by the way. They are easily persuaded by these numbers. The Commissioners have refused to listen to the advice of those who do have expertise. They also have refused to listen to the County's legal counsel.

I have been in contact with Representative Hons Dunchee who is chairman of the State Budget Committee and he stated the state has no money for this project and would not give any money to a project that does not have full support of the community. I've also contacted Mr. Stan Finklestein, Board chairman of the Public Trust Fund and he says the fund (bell rings) does not have money available at this time because the state legislators have pulled it all into the general budget. He stated that there was no money available for this project and he would not give money to a community unless there was full support of the people in the County.

I have checked with people from Walla Walla and it is true that there is a mall down there that is abandoned. It has one intact building; all the rest of the buildings are either half constructed or are falling apart. The weeds are, growing; the county was left with bills, maintenance, security, and other costs. If you sit in the mall in Moscow, you will see few people walking with purchases. If Gary Hawkins were to transfer his assets of his wife to the County, the County would be left holding an empty bag in case of crises. This could occur in a few years and we would still owe millions.

If this project is such a big money maker why does Hawkins need our money? Why not use our assets and keep all the alleged profits themselves? I believe they are aware that the risk is great. I feel the Commissioners should adjust their thinking and not be known as group that got taken for a ride by a salesman. A dead horse isn't worth much. It would be better off if they got off their high-horse, showed us some common sense and get us out of this project. Thank you. (Applause)

Michael Largent - Lowell Brown, would you like to speak?

Lowell Brown - I'll try not to trip over the chair. I heard about this project over the phone because I was out of town. My friend told me about this and I just could not believe; I just said, "What in the Hell were those guys thinking?" I don't have anything against the mall, but just like has been said before; it shouldn't be my money going into this thing. Like Dick said, if there is so much money to be made here, then he should be paying for all that stuff himself. If we do want to back out, is there a lawsuit that he is going to sue us? Is that going to happen?

Milt Rowland - Usually I won't let them answer that question.

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Lowell Brown - Why can't he just walk away from it too? If we paid for what he's got in the place.

Milt Rowland - Well actually, if he is not in a position with the bank, financing in place to break ground by a year from December, both sides do walk away.

Lowell Brown - Well, then if he doesn't come through, can we sue him?

Milt Rowland - I don't think so.

Lowell Brown - If he reneges on his half, we can't sue him?

Milt Rowland - I don't think so.

Lowell Brown - He's got it pretty good, then, doesn't he? Well, anyway I don't think it should be my money going into this thing. (Applause)

Michael Largent - Jim Kackman.

Jim Kackman - Good evening, my name is Jim Kackman. I live in Colfax. Thanks for the opportunity to speak here tonight. I want to speak as an opponent to this project. I think it is ill conceived; I think it is ill advised. I, too, philosophically disagree that taxpayer money should be put at this kind of risk. I think most of my information comes from reading the newspaper and I can tell you over the last number of years it's been high comedy reading articles about this project. I think that it is unwise not to at least let the County Prosecuting Attorney review legal documents that have a 5 million dollar impact on the County.

I think the project would, if the County were in a position where it has saved, one, two, three, maybe four million dollars over the last five years to go towards this project, I think you might have a different reception here in terms of some of the opposition to the project. The County had to take a loan out as I understand it from the Public Works Department to get within \$350,000 of balancing it's budget; use \$50,000 out of reserves this past year, I just don't think the County is in a position to pay back the 15 million dollars.

We've heard all kinds of projections; I don't really care what a Berkley study says about this project. That's irrelevant to me; I think that if this project brings in 11 million dollars of extra revenue and we paid 15 million, that is one of the projections I've seen, there's a 4 million dollar deficit. Commissioner Finch was here last night talking about, this is going to go, this is going to go, this is going to go. Well, I'll tell you what, if we have a 4 million dollar short fall in projected revenues over twenty years, those programs are going to go anyway. I,

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myself would be more apt to pay an increase in property taxes to pay for those essential governmental services than to do something like this.

So, yes, I'm concerned about the project because I like this county. It was trouble, it sounds like financing based on what Mr. Rowland said, probably is going to happen. I hope it doesn't and my hope is we can't find financing for it. I sincerely hope that, and so that's the negative. If we could put together some kind of a phasing approach to this 15 million, why not do 5 million dollars, you know, if this is a foregone conclusion which nobody seemed to put a contingency clause in there that (bell rings) if we can't get financing or whatever, there is some outs here and that's kind of back painted ourselves into a corner a little bit.

Why not phase it? Do five million and we'll see how this thing goes? Let's see if we can get a retailer in there that can fill up and succeed and then do another five million and then do another five million if the thing starts to look like it is going to work. Mr. Tracy made an analogy in the paper about it was projects like taking your families college savings and going to Las Vegas to gamble with it and you know, there's some truth to that. I'd like to take that analogy a little further; I think this is like borrowing as much money as you can for your families college education and giving it to somebody else to go to Las Vegas to gamble with it.

So, I'm sorry that that I have to take this stance and be an opponent to the project, I really hope that things can work out. I like private development paying its own way; I think that is the right way for developments to happen and occur and I wish it could be that way for this project. Thanks. (Applause)

Michael Largent - Kirby Dailey.

Kirby Dailey - Good evening, I'm Kirby Dailey, I'm from Colfax. I've lived here my whole life; not as many years as Dick, but I'm working on it. I had a couple of thoughts last night, but before I go there, I want to share a thought or two. Ten years ago, I quit farming, a little health incident changed the course of my life and I learned a little secret. I landed accidentally in a company very nicely settled in the shadows of SEL but equally successful. I think I was employee number thirty and now we are a little over hundred employees. There's a difference between retail business and manufacturing.

If I could choose, I certainly would choose manufacturing after having been there now for ten years. The board of director sent me to China about three years ago when everybody was going to China with their manufacturing and he said, "You go find out if we need to be there." What a pleasure it was to come home and say, "No." For the low volume, high margins types of things that we are doing, that SEL is doing and Amplicon

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and others are doing over there we can do it better than China and we can bring it all back to Whitman County.

It is an exciting business model. There is so much intellectual property over there on that hill, over there in Pullman; tons of ideas. Not enough entrepreneurs to turn those ideas into those kinds of businesses but with the right emphasis, I believe that really is the way to bring the money in. Then we are not just moving the money around but we are bringing money from all over the world. Over 50% of our income comes from overseas; all over the United States and it stays here. I would suggest that we consider growth; it's a better model, it is slower, it is longer to implement, but it is more like the farming we grew up with and it protects the integrity of our communities in the long run.

I appreciated the first comments tonight. I apologize, I missed her name, but she mentioned going home sad last night and maybe my wife would be thrilled that I am getting in touch with my female side, here, (bell rings) but I also went home sad last night. I thought about it late into the evening. I look up here and I see friends with their backs against the wall. I'm relatively certain that at least in your minds you are doing the noble thing; you are fighting the fight. I look out here and I see the men and women that I grew up respecting and my parents taught me to look to for examples, and they have OVIC on the backs of their chairs. I don't think it has to be that way.

I was thinking about Tammy's comment representing Mr. Schweitzer and she asked the question, "Would you consider?" I was sad to go home and again, I really believe in the intent but the impression I went home with was the same as our first speaker tonight that this wasn't a listening session. Perhaps some desire to straighten the group out on information but I sensed maybe you were listening the way my wife sometimes accuses me of listening, and I wanted to, I know the bell has gone off, but if you could indulge me for one more minute.

Michael Largent - That's okay.

Kirby Dailey - I had an experience as a very young leader maybe it would be helpful, maybe it will just get it off my chest, but I was in a very difficult situation. I had to make a decision and in this case I actually had access to some information that was very confidential and because of the confidential information, I knew what the best answer was. I couldn't share it; it was inappropriate for me to share with the people I was serving and I knew that if I could share that they would immediately know that it was the best answer, too.

But, they fought me every step of the way and I finally got mad and thought, no, I'm going to do the high road and I'm going to do what is best for them. Fortunately, I had a mentor, one of the graybeards pulled

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me aside and he said, "Sometimes the best solution is not the right solution." I thought that was the dumbest thing I had ever heard in my life, but I couldn't get it out of my mind. I finally understood that sometimes leadership is more important than the best solution.

So, if I could return to Tammy's question, tonight, the one thing I would love to go home with and I'll give you all the latitude possible. If all the stars lined up and you can always say the stars didn't line up but if you knew that the majority of our citizens felt the way that the majority of the people here have spoken tonight; if you knew that Hawkins really thought that it would be better in their interest to come back to the table with the citizenry behind it; if you knew that OVIC would set down the lawsuit and send their brightest and most experienced people to the table and Mr. Schweitzer and others would send their brains and had time to try to come up with a solution; and I know timeliness is a concern and we could lose something to Moscow, but if all of those things lined up and we could put leadership ahead of the solution for a moment to bring the County together first and then solve it as Tammy asked, "Would you consider revisiting the decisions made at this point?" I don't know if you are taking questions, if you are, I will repose it, if not, I will,

Greg Partch - No, we said earlier that we would be glad to do that.

Kirby Dailey - I would ask you again, as Tammy did last night, Mr. O'Neill, would you come back to the table and have that discussion again?

Pat O'Neill - If there was new information that would be of a positive circumstance to where it could be a win-win for everybody, of course, I would look at it. But I've looked at a lot of information and, that's I'll say.

Kirby Dailey - Mr. Partch?

Greg Partch - Kirby, thank you. I think you have done a very good, you have thought it out. I spent a lot of time last night thinking about that same question. I think that was the most pointed question but it was two questions in all and I wrote this out today. I said yesterday that I would respond to the questions that were proposed by the people who asked questions. I sat down and have responses to all of those. I'd like to read and I thank you for asking the question, I'm glad it came back to us. I'd like to share that with you. Can everybody hear me? Okay.

072976 Tammy is back there and I told her just before the meeting and I had this response and I'd like to send it home with her and we had talked earlier that the responses I got to the other questions will be shared at next Monday's meeting. But I would like to share this one. There is a difference between how you remember that question and how it was actually

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posed. This is right off the tape. "Are you willing to sit down and start over on a new contract?" That was the first part.

And then there was a second part. "Or amend the contract into something that makes it subject to financing so that the County and taxpayers are not put at risk?" So, two questions, and Tammy came back several times and says "Yes or no." But it was two questions. So the answer to the first part that I said was, "My answer to the first part of the question when you repeatedly asked "yes or no," was no to the first part. "Are you willing to start over and on a new contract?"

We have a contract with the Hawkins Companies signed in 2008. A contract is a contract and I will honor my word and the County's word. What we were asked by Hawkins here is to modify that contract. If we as a County failed to honor that contract, we are not only liable to damages by Hawkins Companies but we are demeaning the citizens of our County in failing to keep our word and bond. This is something held highly in my personal values. I'm sure that Dr. Schweitzer values his words just as well and stands behind his signed contracts in the same manner; it is the basis of all business in the U.S.

I am willing to discuss with them changes in clarifications including subjects brought up last night but I will not breach the faith in a signed contract without mutual consent. I heard several suggestions last night that I think bear further exploration.

As to the second part concerning finance and risk, nothing in this life is risk free. But, yes, we are obligated to minimize the risk to the maximum extent possible. That was one of the primary reasons the amendment agreement needed to be signed in January. It was to allow us to explore existing possible financing options which might be available, might be available to the State during the legislative session. We had eighteen months then to explore every avenue available to secure funding.

We had already secured it in 2009, Senate Bill 5485, \$200,000 a year for 25 years totaling 5 million dollars in this manner. We are currently looking at a 20-year loan with 1% interest rate to the State Public Works Trust Fund. We believe this is very obtainable and have, I should say, I believe this is very obtainable and have started the process of application. Should we receive this, the answer to be known in November, your question of risk to the County and citizens is almost entirely mitigated? However, as stated above, nothing will ever be risk-free and the Commissioners must then make the decision as to the amount of acceptable risk. Kirby, I agree.

So, the second part of the question, the first part, is we have a contract and that is what I said, "No" to. I did not say, "No" to the other part of it. And that is just sort of what you asked. "Can we sit down and

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discuss those very ideas and I'm certainly open to that with the people from OVIC, the people from our counsel, the people from Hawkins Companies, and other people that can bring something to the table to make this a better document.

Kirby Dailey - Thank you.

Michael Largent - I guess it's my turn. I have, you folks know that I opposed the contract in January. I didn't feel it was a draft contract; it is, in fact a binding contract. Given the circumstances and some of the objections that have been brought by this group, I felt strongly I could not sign that contract and obligate the County to additional money. Yes, we will stay by our word but we put in a new word in January and that is we will obligate ourselves to more money.

But I need to say this, I agree with Kirby, a dear friend of mine I might add, that I think the motivations of my fellow Commissioners Partch and O'Neill are honorable and have the best intentions. Where we differ is whether or not the contract itself signed in January and basically just reworded a little bit here, is in fact the direction what we want to go and how we want to go. I've been concerned about the risk and when Tammy asked me that question, I heard it differently. I heard, "Are you willing to add something new to this contract?" Irrespective of how the tape said, that's how I took it.

I think there are certain things that are in the County's best interest that should be included in the contract. However, we signed the contract in January and Mr. Hawkins is under no obligation to accept substantial changes; we put ourselves in a very difficult negotiating position. It is, in fact, up to the good graces of the Hawkins Companies, I will also add this; I have enjoyed very much my interaction with Mr. DeVoe who I think is an honorable man and is not a snake oil salesman.

However, he doesn't represent the interests of Whitman County; that is our job as your representatives and your job as citizens. So, I don't know what opportunities we have. But, from my perspective I am certainly willing to, of course, honor our contract, which we have but if there is some new additions that could ease some of my concerns and the concerns of the people I represent, I very much would like to add that as an amendment to this contract. There is no reason to start over again.

Whether or not the Hawkins Companies could actually accept that financially, I don't know, but I would like to see our risk limited to the tax increments generated by that project itself and that a contingency clause for financing not be implicit in the contract but be explicit in the contract. Those are the two things that would be a meaningful change at this juncture if it were possible. If it is not possible, with as much good grace as I can muster and respect for the people I work with and the

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Hawkins Companies and our legal representation, I can't in good conscience support it. It goes against what I think is right. So with that, I would echo any sentiments that if we can get together as a community and act in the interest of the entire community I would certainly be for that.

Kirby Dailey - Let me just close then, by saying thank you.

Pat O'Neill - I want everybody to know in this room that I have not taken this thing lightly. As I indicated, November 22 was the first time that this was brought before me. I heard when I first came into office three and a half years ago about the Hawkins group and went through some of it. This new agreement and all this was done then. I researched things in my own way. I don't know if you people, some do and some don't, but I've worked for United Airlines as an aircraft mechanic. I worked with airplanes and I dealt with people's lives every day. When I made a decision and signed the paperwork, signed the logbook that this airplane is legal to fly, it was on my shoulders. If I had a problem and we had to get it fixed, I had to give direction. So, I had a certain way of going about, doing my research and when I made the decision I was very comfortable with it. I didn't have trouble going to sleep at night.

In this job here, and I'm not complaining, I have had more sleepless nights, and I'm not complaining, in three and a half years then I ever did working for United Airlines for thirty-five years and here's why. Every one of you people in this audience, I might not know you personally, but I respect everybody in the County and I looked at this and I researched, asked a million questions.

Mr. DeVoe has done an outstanding job. I asked the most off the wall questions to make sure that I was clear in my mind that this was the best thing for all the citizens. I realize there is risk; we have to accept some risk. I do not, one example, I was on the west side when this came down. How many of you people have been to Safeco Field and are Mariner fans? Raise your hands.

Okay, I will tell you, that started in, I think 1999-2000. King County wanted to build, the Mariners wanted a new stadium; they didn't have the money, tear down the Kingdome, all that kind of stuff and they wanted it to go to the taxpayers. They put it up for a vote, and it got turned down. So, I'm not sure exactly how it all came about, because I lived up in the north end edge of Skagit County. They went to a three county vote and it passed, but if you ask any of those citizens in King County, Seattle, any of those three county areas, the amount of money and effort and revenue and resources it's brought to that whole Puget Sound region is astronomical and to have a roof that is retractable at that time, I thought was unbelievable.

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So, what I am saying to you is I'm not looking at just right now for the citizens; I'm looking at another 10-15 years down the road. How are we going to leave it for our kids and grandkids? I've got a granddaughter who lives over in Moscow, Idaho. So, when she is a young adult and wants to go somewhere to shop or a nice place to go to eat or whatever, is it still going to be the same as what we have today? If our forefathers didn't think about building the Bonneville Dam, didn't think about building about other great things that was done back in the depression, the Empire State Building was built right in the center, right in the middle of the depression, 1931, 1933 I think it was, was done in a year and a half. It is still standing today.

This infrastructure we are talking about is not just going to affect Hawkins Development, it is going to affect on down the corridor for more businesses, more opportunity as we move forward in the twenty-first century. Thank you.

Kirby Dailey - Let me just say, thank you, if we all step back; we've got good people around here, let's work together. Hawkins is a business outfit; they understand good business. Mr. DeVoe told us last night he is a scout master, he knows what leadership is and he knows if we are going to make this profitable for everybody, it's always better to have everybody on board. So, thank you for your time. I apologize for slipping out; I've got children to chase down.

Greg Partch - Thank you, I think your thoughts are well taken. (Applause) Okay, our clerk says we need to take a ten minute break. So, we will reconvene at 8:10 p.m.

8:00 p.m. - Recess.

8:10 p.m. - Reconvene.

Greg Partch - Okay everyone, if you will take your seats; we are going to do our best to have everybody out of here by 9:00, but we are certainly going to stay here as long as it takes. That is not the driving factor. We will get you home. So, with that, let's resume. Mr. Largent.

Michael Largent - As odd as it may seem, I have Joe Smillie next on my list.

Joe Smillie - It was a dare.

Michael Largent - Did you get paid money, about \$7.00? Okay, we will cross you off with pleasure, Joe. Colleen McDonald.

Colleen McDonald - I'm a resident in Pullman; I've live there for 18 years. I'm also a realtor in Pullman. I deal primarily in commercial real

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estate. My company has several properties listed out on the corridor that we have had numerous calls on, from companies outside of our area, companies inside of our area looking for land to build on. They all walk away when they find out what needs to happen to develop the property out on the corridor, because there is no sewer, no water there's nothing to bring development into the corridor.

One of the concerns I heard yesterday was that can this project, can this area support this project? Yes, some of the jobs might be residents of Moscow. But we also need to keep in mind that while our unemployment rate is low, it is still hovering around six percent. Retail jobs aren't the best, but when you are looking for work, a job is a job. We have people in our area who want to work, who can't find work because either the jobs that are available are going to take them out of the area or they are skill jobs that they don't have the training for.

Another thing that I think we need to keep in mind, Commissioner Partch mentioned yesterday we have leakage, leakage for people who don't know what that is, money that we are spending on goods and services that we would spend here but because the goods and services aren't here, we go outside of our area. I know, I was in Spokane on Saturday, I went to Target, TJ Max, I went to Marshalls, REI, went to Nordstrom Rack; we have Old Navy, but I hit there, too, I went there because it was right next to it. That's leakage; that is money that I would love to spend in Whitman County that I can't because we don't have those services here.

Yes, we have a Wal-Mart. I do 20% of my grocery shopping at Wal-Mart and then I have to go Dissmores, Safeway, and Winco to finish all the grocery shopping that I need to do for my family. That's just the way it is. I think that, you know, yes, we have the base to support this project. (Bell rings) Probably not 700,000 square feet tomorrow, but they are not saying they are going to have 700,000 square feet tomorrow. It's going to be developed over time and I think that to look at it very short-sided is not a benefit to the community. It happened 30-40 years ago and the mall ended up in Moscow. Thanks. (Applause)

Michael Largent - Dave Gibney.

Dave Gibney - I hope someone will start the applause for me when I'm done, but because I'm in favor of doing this. Yesterday, I was described as hair, hat and a beard and you know, that is true but I also believe I have an amount of thought and am really careful in making decisions and supporting things. I serve on the Whitman County Planning Commission and I serve on the Pullman Planning Commission.

The bottom fact that I understand is that Whitman County needs some additional revenue. The only way that additional revenue is going to come to this County to the county government to build the roads and keep the

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roads going, keep the roads not going back to gravel, keep police on the streets, rather on the highways, because the towns keep the police on the streets, and to have public works, health and safety and all the things that we expect as (inaudible) society is some of that is going to have to be paid for and it is part of the government.

I heard a gentleman say he was willing to pay more property taxes and perhaps he is; I'm not sure that everybody in this room or everybody in the County is willing to pay the percentage of property tax it might cost to fully fund some of the things that we are looking at losing. A lot of this stuff has to be done by people; people continue to cost more and the health benefits that your employees have costs more. Besides that, Washington State Law doesn't permit the Commissioners to make such tax raises on our property if we were willing, on the assumption that people were willing to pay it.

Retail sales tax and increasing the property tax base is the only way this is going to happen and the only way the County is going to get retail sales tax is if the development happens in the unincorporated areas. Both for the preservation of the beauty of the rest of the County and for the obvious population, the obvious place to do that development is the Moscow-Pullman Corridor. The woman just before talked about the cost of putting the services out there in the County. I've heard it (bell rings) Mr. Kopf's land, I've got a lot more to say,

Greg Partch - That's fine.

Michael Largent - Keep going, Dave.

Dave Gibney - Mr. Kopf has had land in Pullman, but in the corridor to be developed for the entire 30 years that I've lived in this area. The last study to put water, sewer from Pullman to Sunshine was the same 15 million dollars that is being asked for here, except that that's if we build it they will come. Hawkins is we want to build it; we are ready to be there. The relation of that potential bond failure with Mr. Hawkins guarantee and I have to take Mr. DeVoe and Mr. Hawkins on their word that they are honorable people. The County is not at risk for re-paying this bond back until the five and seven year period; that is in the first amendment and the second amendment.

Maybe out there, things are going to go bad. I really doubt that. I have to accept the projections I've seen in the materials that Mr. DeVoe has for the banks that they are asking to lend us money. It does pencil out. I have to believe that Mr. Hawkins and his company are also taking a risk of approximate twice what we are being asked to take. I believe it is going to pencil out and they are not just throwing their money down some rat hole for a tax write-off. Maybe they are; maybe I'm wrong.

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The thing that is going to happen is that we need the development and we also know that there is a demand. I have a friend who drives taxi in Pullman. His company daily takes people shopping in Spokane. These are people who want to shop in Spokane and they have \$150 to spend just to get there and back. So, I think there is that revenue.

This project is going to put fire flow at the far end of that corridor so that the development can come both ways and we can develop this corridor. And, yes, we have pretty places in town; you want to have a nice drive between Pullman and Moscow? The old highway is still there; it is still beautiful. The other comment that I did want to make is that with respect to the public and the private money.

The fact is and I'm told I use "the fact is," too often, so you'll have to (inaudible) the reason that we have government entities like The Port which built the facility that Dr. Schweitzer moved into, is exactly to build facilities for this industrial purpose. It did exactly what it, it wasn't any magic dust, and it was the purpose that we had the government entity like The Port, was to facilitate the availability of the place for the industry to start.

Public private development happens all the time and with respect to the gentleman of the OVIC I know that Mr. Roberts is a realtor and I don't know what all their other businesses are but they have the ability to sell lots because there are roads. They have the ability to hook up to sewer plants because those sewer plants were built with public and private (inaudible) operation in many cases. This is not different than anything else that is done. I think that I have to take Mr. DeVoe on his word; sorry, Mr. Partch I'm supposed to be addressing you and I'm looking at the audience.

I have to take him on his word and I have looked at the numbers; the spread sheet that was very hard to read last night, I did see where it did include not only the capitalization of paying the interest, but at the end of it there was an accumulation of the 15 million dollars that may need to be paid; if in fact, that is the final amount that the County is asked to reimburse for the structures and infrastructure that they will be buying. It's true, we can cause this not to happen or it could fail or we delay long enough and Lowe's is already starting to break ground in Moscow. It is true, I wasn't here, but its true there was a lack of developmental interest in Pullman 30 odd years ago and that didn't change for a long time and the town suffered from that.

The one concern that I do have and I asked Mr. DeVoe about it is whether his studies have taken into account the greater transitory nature of some of our population and the fact that sometimes we roll our streets up when the students go home in Pullman. I have to hope and believe that that factor has also been taking into effect. But I honestly think that this

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is a proposition that is good for the County and is going to take us out of the black hole of diminishing funds for the services that we as County residents depend on. That's all I have to say. (Applause)

Greg Partch - Thanks, Dave.

Pat O'Neill - Thanks, Dave.

Michael Largent - Joe Henderson.

Joe Henderson - I'm from Colfax, Prune Orchard. I just have a question that has been bothering me a little bit. In all the visitations that I've had with you folks and the last few weeks and months, has anybody since you signed the first agreement in May of 2008, seen a personal financial statement or audited statement from Gary Hawkins or his wife? Anybody in the County government?

Greg Partch - To my knowledge, no.

Joe Henderson - Don't you think maybe that is something you should look at with the guarantees the personal guarantees, that he is putting up front?

Greg Partch - We can certainly take that into account. It is a privately held company so we would have to check with them about that.

Joe Henderson - Well, maybe some language can be inserted in some future paperwork to where it would be a requirement. You're talking about a lot of money and apparently the company is not willing or can't or won't put up the other 15 million to do the project themselves; they want to get the County involved. By the way, I am with the OVIC group, I forgot that; get the County involved, but if he is going to guarantee the bond payments and so forth, this could come up to a considerable amount of money, too. I would suggest that you take whatever steps are necessary to get a current audited financial statement from Mr. Hawkins and his wife.

Greg Partch - Thanks, Joe. (applause) I think Mr. Deen at one of our workshops asked for something very similar.

Michael Largent - Mr. Bordsen is next.

Greg Partch - Welcome back, Mark. We have an opening.

Mark Bordsen - Good Evening, Thank you. I'm probably going to go over the three minutes but I will try to get through this as quickly as I can. I am actually going to take a little more time because the current planner is having a bet that I'm going to start out talking about in 1990, when it was my first job, my first public hearing with Nora Mae Kiefer, Maggie

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McGreevy and John Henley. It was a commissioner's hearing on two years of work on what the corridor zoning should be.

Michael Largent - I guess Alan wins; I just wanted to say that.

Mark Bordsen - Yes, he does.

Greg Partch - Mark, explain, there might be someone out there that doesn't know your past position.

Mark Bordsen - My name is Mark Bordsen and I'm the previous County Planning Director from 1990 to what was it? I put in 19 years, 2009. Anyway, that really was my first job and that corridor hearing was not pleasant because they had about a dozen people there and they all got up and testified and all of them found fault with the proposal from the planning commission about the corridor zoning; they didn't like it. They thought it was too restrictive or not restrictive enough. So, the Commissioners took a look at me, my first day on the job and they said, "Mr. Bordsen, can you do better?" Well, what was I going to say? "No?" I said, "Yes," and that took a big piece of my life over the next ten years or so; it was incredible.

The Planning Commission and I subsequently worked on that for years and finally something was passed. Let me remind you of the changes in the corridor to date. The zoning has been passed and it has been revised a couple of times to make it more suitable and better. Some of this was County Commissioner oriented. Jerry Finch had a big hand in making it more user friendly for business. The old unsafe two-lane highway where students were killed up by where the Toyota place is located now is now a safe 5-lane highway, and this means much better access for any business that wants to locate out there. So that is a huge improvement. (Bell rings)

Then in the best location in the corridor we now have an applicant for a project, Hawkins. We are discussing how county funding assistance to build infrastructure so the project can succeed. What will happen if the project is not built? Moscow and Latah County will get new stores and we all will continue to spend our shopping dollars there. Moscow does not care if a new pet store comes to Moscow even if the existing pet stores there now, do not survive.

Whitman County will have lost the opportunity to have something like this shopping center for the next 30-50 years. When our zoning for this corridor was discussed there was actually some joking comments made from some people in Pullman who did not want to see the highway improved and they didn't want to see the zoning. In fact, they talked about what the County should do is put a gate across SR 270 at the state line so that people would have to shop in Pullman.

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Local governments try to entice business; they are in competition with each other all the time. They build infrastructure, they offer tax breaks just to get the jobs, the sales tax and the growth. It would be a shame for this project to be killed for the wrong reasons. There is in every development the risk of failure. We all take personal risks; County taxpayers should judge if the public risk is worth all the future development and this opportunity.

As a Colfax resident my wife and I prefer to shop locally and we spend a good amount in Colfax. When we cannot find a product in Colfax, or when we can get a better deal a much better deal elsewhere, we shop out of town. First in Pullman, if not there, Moscow, if not there, Lewiston-Clarkston and if not there, Spokane. My wife and I would prefer a round trip of 44 miles to have this shopping access rather than face a round trip of 100 plus or 120 plus miles and we would prefer to see our sales tax money stay in Whitman County and in Washington State.

When I worked as a Planner, there was a proposal for an amphitheater west of Colfax, one to rival the gorge at George. Pros and Cons on this proposal split Colfax in half. There were businesses against it and businesses for it. There were petitions. In the end the amphitheater was withdrawn because the developer did not want to pay what was necessary to make the development effective and safe.

Hawkins, on the other hand, has already invested a lot of money and effort into the project. Anyone who has tried to get water rights knows how hard this is. And they have obtained enough water rights for this project. I believe that Hawkins is committed and I have to say that we need to think seriously about what we are doing; I wouldn't be quick to reject it. I would be careful and I'm glad the Commissioners are holding public comment period. I hope you listen to all the comments and then I hope you make a decision that will be the best for Whitman County. Thank you. (Applause)

Michael Largent - Okay, I'm getting lost in my list. Who would like to speak who hasn't spoken? What is your name? Bobbie, you are next. You are actually on the list but I lost you.

Bobbie Ryder - I get lost all the time. Thank you for having this opportunity for the public to speak. I think it's, I too, believe in the democracy of our country and we have a pretty great country that we live in and this is what small communities are on. I think it is pretty amazing and pretty refreshing actually to see that we have a bit of a by-partisanship happening on our commission here, where we have a Democrat and a Republican, actually standing together on the same issue. That is very unusual in our government these days and I commend you on that.

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I think that there are some really great points. I would also like to add, I didn't tell you who I am. I am Bobbie Ryder and I am speaking as a citizen that lives in Pullman, Washington. However, I have been on the Whitman County Planning Commission when Mark was here and we went our rounds and I believe that there were very important and good decisions that were made during that time. I was on the commission when that rezoning of the corridor was taking place.

One of the things that came out of that re-zoning is where the Hawkins Development can occur was the best site for this type of development. We always spoke about it as though it would be a shopping mall of some sort, or a shopping center. It could be industrial but whenever we discussed it, it was, 'How can we get some of that tax dollar that goes over to the Idaho side? How can we keep that in Whitman County.?' If anybody has visited Wal-Mart in Pullman, it is packed; it is, I am astounded at how busy that is and I believe that if we have that opportunity in Whitman County those dollars will be spent in Whitman County. It was not without a fight that Wal-Mart got established in Pullman.

So, I'm not too surprised by the arguments that I've heard; I think they are a little short-sighted. It is a bit of a deja vu all over again from what we went through, the County went through before but at some point we need to become part of the future. (Bell rings)

WSU has just completed a master plan where they are anticipating an additional 5500 graduate students and an additional 2500 undergraduate students. So that is 8,000 more students. It's not going to happen overnight but it is based on graduate students; I mean, the undergraduates are fairly predictable because of their high school graduation rates and we pretty much know what we can attract based on what is coming through the high schools.

The graduate students is going to involve us attracting those generally older students to our community and they are going to want to have places where they can shop; where they can get a 2 X 4 on a Sunday, which you cannot do in Pullman if it is in the wintertime. You have to drive all the way to the other side of Moscow, practically, to buy lumber; to buy lumber and we are a bigger community than Moscow. Why can't I buy lumber on a Sunday in Pullman? Because Moscow Building Supply who owns Pullman Building Supply is located in Moscow. Again, that is the leakage that we have heard about.

I don't understand this idea that local government doesn't build streets and doesn't build utilities. Don't they always build streets and utilities? I don't understand that argument that local governments don't build utilities; that's what they do. There is no way that that five-lane highway, Highway 270 was built by some private developer. That was built by tax dollars.

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The other thing I like about the Hawkins Development is its location. It will create more synergy in what is already a shopping center and it is right on the line. Yes, some of the benefit will go to Moscow but we are keeping, we are clustering our retail development in an area where there's already retail development rather than sprawling it out across the County. It is putting in place similar type of shopping except it is also expanding the options; and that is with a newer model of what we know with Lowe's is the type of things that are big items that they will be selling as opposed to clothing and jewelry.

By the way, as far as the Blue Mountain Mall goes, which we know there are all kinds of flaws on that Blue Mountain Mall, but the Home Depot down there is doing exceptionally well, and that is not far away and it is right on the main highway.

So, I do like it that you will be maintaining the beauty in Whitman County and at the same time being able to improve our tax base. I guess I just have to ask, I don't even know if this is a question, but I am a little bit stunned by why anyone in Whitman County would call their representative and complain to stop dollars from coming into this County when we need them desperately. We have people that are unemployed. Why would you stop that just to prove that you can be right about some issue? We need to do everything we can to look good to people, to the government on the other side of the state. We need our representatives to realize that they can do something to help us here. So, to paint us in a bad light is terrible. So, I am in support of Hawkins and I say keep the money here in Whitman County. Thank you very much for your hard work. (Applause)

Michael Largent - Art Swannack.

Art Swannack - I'm from Lamont, Washington. I'm going to address my comments to the amendment to the original agreement and focus on a few areas there that I wish you would consider. The original agreement required a big box store and the second agreement has been stated to require two big box stores. But if you read in the fine print in here, you actually don't have a requirement for a big box store. The requirement for stores in order to get reimbursed can be satisfied by a group of small stores equaling 250,000 square feet. That seems to me that it puts this agreement more in the favor of Hawkins than it does in the County because it has been stated that big box store or two big box stores is the real draw and anchor to making this shopping mall successful.

So, that would be one thing I'd wish you would look at and reconsider in this. Also, the firm commitment definition has been changed so a firm commitment is actually defined now as "Submission of building plans." It does not necessarily require a signed lease or a purchase agreement and

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that seems to be a loosening in terms of Hawkins favor. In earlier discussions we talked about the evaluation of the numbers for this. I have to ask why the Commissioners haven't had an outside expert such as WSU Economic Department or another consultant evaluate the numbers put forth by Hawkins for this project? The Commissioners have stated they don't have the expertise to actually calculate whether those numbers are real and how they work.

Michael Largent - I said that.

Art Swannack - You said that but one Commissioner is an accountant and none of the others have claimed they have that expertise. Having served on State and National boards myself and knowing what fiduciary responsibility means if you don't know how to do that yourself, you need to have somebody else verify the numbers in order to meet your obligation. I believe that is something you should consider doing before you finalize this.

Financing at this point seems to be venture capital. Venture capital according to the Wall Street Journal costs 10-13%. Ten to thirteen percent interest rates would make this project non-viable because it would double your interest costs and basically get rid of any profit you had and they are (Bell rings) assuming the 85% occupancy rate.

One question I had last night, Mr. DeVoe stated that the revenues from the project from property values were based on 92 million dollars but he also stated there was a revenue projection based on 50 million dollar evaluation but he never explained why there was a 50 million dollar evaluation or what it was based on. I believe that should be something brought forth to the Commissioners as to why we have this projection but we never told you what the impact would be for the project.

Finally, I believe this project leverages way too much risk under the amendment. It puts all of our risk capital in Whitman County in one place on one project. I've always been taught to diversify your risks to try and make sure if things go bad you don't get hit really hard. I believe the previous project had some value and diversification to it and I believe this one puts you way too far out on a limb. Thank you.

Greg Partch - Thank you, Art. (Applause)

Michael Largent - Don Cox.

Don Cox - Mr. Chair, Commissioners, please forgive my farmer appearance today.

Michael Largent - Can you go home and change, Don? I had to.

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Greg Partch - Welcome home.

Don Cox - Just wanted to make a couple of general comments. Mine aren't specific and I wasn't here last night and didn't get a chance to examine the documents until just briefly today. But the corridor does need to be developed. It needs to be developed in the right way. I'm really worried about the division that exists between the people in the County and the Commissioners. Mr. Rowland talked about it being tax increment financing and yet when you think about how the projects in Spokane came about this isn't the same thing.

What happened in Spokane is there was a critical mass of people. First, it started out to be the Spokane Chamber and then it became Greater Spokane, Incorporated. They wanted an economic development zone, wanted tax increment financing and they came to the State and together they made a proposal. The State Legislature approved it; levied a specific tax, or allowed them to levy a specific tax that would pay for it and didn't put the general fund of Spokane County or the City of Spokane in jeopardy for the project.

So, I guess I'm kind of suggesting to you that we need that kind of critical mass, that kind of support. Commissioner O'Neill and I (Bell rings) did what we could, after the fact, to get the State to participate. But the State won't participate until they know it's a county-wide project with the people in this area; have the critical mass to come over and request it and support it and sacrifice for it. And to go about it the other way simply results in the kind of division you are trying to deal with now.

I agree with Commissioner Largent (inaudible), it's got to be developed in some way or we miss an opportunity that we won't have otherwise; but it has to be developed on the basis that the people of this County wanted and are willing to go to bat in some form of organization, other than the County Commissioners to go get the support from the State of Washington to do it. That's what happened in Spokane, that's what happened in Tri-Cities. That's the way tax increment financing happens and if we, I believe we need it there, I just don't know if we can get there this quickly. I don't believe that we can go after the fact after we've already committed and ask the State to help us and get the kind of voting support we need to get what we are after.

So, I just kind of want to leave that with you, and I don't have a lot of advice on how to handle it other than Pullman has to be very involved and they weren't. We've got to be good neighbors to Moscow, even though they're competitors; we still have to be good neighbors. They've got to at least be neutral and when we look at the western and northern parts of the County they have to see some value to them for the project or else

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they will continue to go to Spokane and there will still be that kind of bleeding you are talking about.

I guess I'd just leave it with you that with the group filing the lawsuit with the kind of testimony that you got last night and today, we need to go about it in the right way; and that is to get the support first, not afterwards. Thank you. (applause)

Michael Largent - Have we missed anybody who wanted to speak who hasn't?

Tom Barlass - I'm from Colfax, and I have to agree with the negative side of this thing. But there's something that took my attention the minute I walked in this room. It's up here in the front and I wonder if any of you Commissioners can tell me what I am talking about. It is very obvious. Look around a little bit. Haven't seen you move your heads; look around a little bit. You see anything obvious? Have any of you ever been in the service? Where is the stars and stripes hanging here on this side of the wall? This is a public meeting and there should be an American Flag hanging in this room right there. Does anybody disagree with me?

Greg Partch - No, I don't think anybody disagrees with you.

Michael Largent - No, nobody disagrees with you. It was certainly an oversight.

Tom Barlass - And I think that is something this Commission should do. I was not going to speak when I came in here but when I came through that door, I spotted it right away. To me, there should be an American flag sitting right there. I think this is a shameful meeting without that flag sitting here and I think you three should have seen this flag wasn't here or whoever set this room up should hear about. That's all I've got to say. (applause)

Greg Partch - Thank you, Tom, I'm sure we all agree. Okay, my time is up. Let me just stand up here for a second. We planned this just right. Maribeth, you did a good job of herding us right along. Okay, that is going to be the end of the public comment. We will keep public comment open, like I said at the beginning of the meeting, up through Friday, April 27th and you can get that information to us any way you like. You can call, you can write, you can email, you can bring it in personally. We are available and if you want to bring that in, you can give it to Maribeth or hand it to us personally.

So, with that, we are going to recess this hearing to Monday, April 23rd at 10:15 in the Commissioner's Chambers. So, with that, I thank you all so very much.

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Just one quick comment, I think probably everybody knows here, that Don Cox our last speaker was our Representative in Olympia for five terms, or something like that. We thank you. He has always been great at giving out sound sage advice, thank you very much, Representative Cox.

So, with that, I wish you all a good evening. I thank you for coming on behalf of the Commissioners and our staff and we are individually available in our offices by phone or dropping in. Again, thank you very much. Have a good evening.

9:00 p.m. - Recess.

D072976A THE BOARD OF WHITMAN COUNTY COMMISSIONERS met in their Chambers in the Whitman County Courthouse, Colfax, Washington for **Monday, April 23, 2011** at **9:00 a.m.** Chairman Greg Partch, Patrick J. O'Neill and Michael Largent Commissioners and Maribeth Becker, CMC, Clerk of the Board attended.

9:00 a.m. - Meeting Reconvened/Board Business Continued/Workshop.

Present: Gary Petrovich, Joe Smillie and Kelli Hadley.

072977 35. Items discussed included a recap of the WSCPA meeting, Hawkins presentation today, Community Action Center audit, Whitman County poorest county in the state, redistricting, Sunnyside 4th graders tour, Port/County meeting, Public Works Trust Fund application and American Pickers. No action taken.

9:30 a.m. - Recess.

10:00 a.m. - Reconvene/Board Business Continued.

Present: Joan Willson, Karen Johnson, Wanda Alderman, David Ledbetter, Fran Martin, Gary Petrovich, Ronald Braun, Joe Smillie and Kelli Hadley.

072978 36. Claims/Payroll warrants numbered **262628-262718** for **\$243,464.16** approved.

072979-072988 37. Personnel change orders approved.

10:10 a.m. - Bill Spence and Mark Storey.

072989 38. Fran Martin explained the Tekoa residents are trying to establish a hospital district to protect the clinic in order to retain it in perpetuity. The boundaries of the hospital district would coincide with the Tekoa School District boundaries. The southern portion of the proposed hospital district and Garfield Hospital do overlap somewhat, but

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voters living within the overlap area will have the option of opting out of the new hospital district. If this were to pass, the city would own the clinic and negotiate with providers.

10:15 a.m. - Colleen MacDonald, Cathie Carrell, Alan Thomson, Tammy Lewis McKenzie Brumet and Iris Mayes.

The Auditor dropped off a draft Certificate of Sufficiency and copies of the petition filed for the proposed hospital district. She was still in the process of verifying petitioners who participated in the 2007 general election and voter signatures. However, the total number of valid signatures thus far exceeds the statutory 10% requirement of registered voters who voted in the last municipal general election. The official Certificate of Sufficiency was received from the Auditor later in the day.

Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to sign a resolution setting the date of hearing for Hospital District #4.

BEFORE THE BOARD OF WHITMAN COUNTY COMMISSIONERS

IN THE MATTER OF A PETITION FOR)	RESOLUTION NO. <u>072989</u>
FORMATION OF A HOSPITAL DISTRICT)	FIXING DATE OF HEARING ON PETITION
IN WHITMAN COUNTY, WASHINGTON)	FOR FORMATION OF A HOSPITAL
)	DISTRICT IN WHITMAN COUNTY,
)	WASHINGTON

WHEREAS, on the 23rd day of April, 2012, a petition was filed with the Board of Whitman County Commissioners, for the formation of a Hospital District in Whitman County within the same boundaries as Tekoa School District 265, lying within Voting Precinct #101 as follows:

Tekoa Voting Precinct No. 101

Coextensive with Tekoa School District No. 265 and Spokane County School District No. 80.

Township 19 N., Range 45 E.W.M.: Sections 1, 2, 3, 10 through 15 inclusive, 22, 25, and 24; NW quarter and E half of Section 4; E half of Sections 9, 16, and 21.

Township 20 N., Range 45 E.W.M.: all.

Township 19 N., Range 46 E.W.M.: Sections 5 through 8 inclusive and 17 through 20 inclusive.

Township 20 N., Range 46 E.W.M.: all.

WHEREAS, a copy of said petition is attached and by reference made a part hereof; and,

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WHEREAS, the petition was filed with the County Auditor who has examined the signatures and has attached to said petition her "Certificate of Sufficiency" which was transmitted to the Board of Whitman County Commissioners; and,

WHEREAS, by statute, this Board is required to hold a public hearing on said petition and establish and define the boundaries of the proposed Hospital District.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of County Commissioners of Whitman County, Washington, that a public hearing on the aforementioned petition be held on Monday, the 7th day of May, 2012, at 10:30 a.m., in the Commissioners' Chambers in the Whitman County Courthouse, Colfax, Washington; and,

BE IT FURTHER RESOLVED, that the Clerk of the Board is instructed to publish notice of said hearing in the manner provided by law.

DATED this 23rd day of April, 2012.

BOARD OF COUNTY COMMISSIONERS
OF WHITMAN COUNTY, WASHINGTON

Greg Partch, Chairman

Patrick J. O'Neill, Commiss.

ATTEST:

Maribeth Becker, CMC
Clerk of the Board

Michael Largent, Commissioner

072989A Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to publish a notice of hearing for proposed establishment of Hospital District #4.

072990 **39.** Commissioner O'Neill **moved** Commissioner Largent **seconded** the motion and it **carried** to enter into 2012-2013 legal printing agreement between Whitman County and the Whitman County Gazette/Moscow-Pullman Daily News. The required bid bond was received and the cashier's check returned to the Whitman County Gazette on April 16th.

10:20 a.m. - Reconvene/Hawkins Development Agreement 2nd Amendment Hearing Continued.

Present: Kelli Hadley, Karen Johnson, Joan Willson, David Ledbetter, Wander Alderman, Ron Braun, Gary Petrovich, Joe Smillie, Bill Spence, Mark

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Storey, Alan Thomson, Colleen MacDonald, Cathie Carrell, Tammy Lewis, McKenzie Brumet, Iris Mayes and Kirby Dailey and Jeff DeVoe (10:30 a.m.).

Transcription of this meeting is verbatim.

072991 40. Greg Partch - We are now going to reconvene the hearing for the Hawkins amendment proposed revisions. Since we are also expecting a presentation again as a conclusion from Hawkins Companies and they are not here yet; they are in transit. So, with that, what are your thoughts, Maribeth? Do we need to recess this thing or do we go ahead? I'm not sure what we do.

Michael Largent - My question is - is JD (Jeff DeVoe) presenting new information?

Greg Partch - I can't answer that. No, I think he is doing answers to the questions that were presented; responses. Okay, let's do exactly that. We have asked everyone in the room to sign in and make sure it is part of the hearing so we have an official record. Is there anybody that would like to speak and this would be similar to what we did?

Let's go back on this. We have opened it up to comments via from the public, coming to us either by mail or by phone. At this point, we have received nothing up to this point. We are, this still does go until this Friday at 5:00 which is April 27th so we are still taking public comment up to that point. So, is there anybody who would like to come forward, even if you spoke at the hearings last Monday and Tuesday, if you would like to speak?

Ron Braun - My name is Ronald Braun from Colfax.

Ron Braun - I have a couple of moments; I had to hyperventilate the last time because I wanted to spiel out a lot of things and I just realized that I was scripted in time. Could I have more than three minutes?

Greg Partch - I don't think we are behind any time constraints are actually we are waiting anyway, so, let's go ahead.

Ron Braun - Now the Hawkins people, would they be, if I say something that maybe they would be interested in, would they be able to respond to it today or would they only be listening. Maybe what I say, they might want to respond to it.

Greg Partch - They very well could, but they are not here at the moment so I don't know if you want to,

Ron Braun - But this is being recorded.

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Greg Partch -Yes, but probably a little bit easier for (inaudible)

Ron Braun - Okay, first of all, I'd like to certainly say, I respect what you are doing. Being a public official is not easy and no matter what you do there will be some of us will have a different viewpoint and I respect that. I'm not here wanting to froth at the mouth to be just a downer. So, with that I will say this.

Perhaps Hawkins viewpoint, see in south Idaho, a third of their population is in the Boise Valley which is called Treasure Valley which is more encompassing. So, that sometimes I think, they get a different viewpoint of working with that mass of people compared to what we are dealing with here. You know, trade affects how they think. I think in 2008 when they wanted to back up a little bit and reconsider or at least take a second look at their venture, would show in itself that they might be wondering the probability of the risk involved in this. And the fact that they would ask us to because of the three-year lapse to, if I can use this word, have us sort of socialize to some degree to financial aspects of it, again, would show that I think in their mind, they are not totally oblivious to a certain degree of risk. Now everything comes with risk, we all know that but they are not immune to that concept themselves.

Okay, one thing that hit home the other night, the lady had said, well, you got to go to REI, it's the only place you've got certain things. Well, I've lived in this area for 62 years but I grew up in Boise Valley. We've got a (inaudible) store in Moscow that is very well equipped so if you want clothes or (inaudible) etc., we've got (inaudible) we've got various stores. What it made me think though, is this, I don't think there is hardly a thing that the development would bring in that we don't already have; very little.

We've got these huge grocery stores, we've got car dealerships, we've got a lumber yard that is very big, we've got Tri-State, I'm sure they are not going to roll over and play dead and they've got people who are very committed to see them stay in business. We talk about restaurants; we've got restaurants, some of which are going in and out of business because things don't maybe materialize in terms of customers showing up.

Of all the things, I was thinking this morning, you know guys that live in Colfax, must run around without underwear because I can't find a pair of socks or underwear in the town of Colfax and I moved here in 1961. We had two men's stores; they've gone. Moscow has a Craigton's store which was a very good store. The attendants, I think that you know the dynamics are changing definitely, but when I look at trying to draw people in, the feeling I get that is if we put in a big enough malls it will create its own gravitational feeling. Any mass has a very subtle state of gravitation and if we made it big enough it is going to suck things in. I question that.

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If you live in St. John, Thornton, I doubt that they are going to Moscow where for the same distance they can go to Spokane. When you come in from the west side because there aren't many people there, maybe they would come here from a different direction. To the south Lewiston where you have how many people, I'm guessing 70,000 people or something like that, putting Lewiston-Clarkston together, they've got a pretty good shopping center, you know, in terms of buying things. I don't think we are going to draw many people from the Lewiston-Clarkston Valley. We do attract people from the east, from Deary, (inaudible) and so forth, but if you are down in Kendrick, you will go to Lewiston. So, I just, I can't comprehend us bringing in the volume it is going to take to create a viable mall.

The other night I used the number 100 million and I found out which I figured I had, I understated. The quote that was given to me it would take about a 120 million dollars coming into the mall per year. From this purchasing base, you know, we are not going to change the purchasing base hardly at all, unless we have this gravitational field that will suck them in, but I don't think it is going to happen. I just don't comprehend it.

The end result is if we put in a mall we are simply going to redistribute which stores are still in business and which are the new ones. The money base will be pretty much the same; it is just redistribution. To me, that is essentially what we are wanting, to cannibalize Latah County so to speak, and draw this money over here. Our mall, the Hawkins Mall is definitely going to affect Moscow, which is fine. But that magnitude I just can't see and then I talked to a developer person as I mentioned Monday and I asked about feasibility studies independent unbiased, he said, "There is one good reason why it is not done that often; it is expensive; they don't come through." But from our standpoint we are not talking 15 million dollars; we are talking 33 by the time it is paid back. Sure all that is supposed to come from money that is thrown in but if this is considered a risky venture, the interest rate will be higher, maybe we will be paying back 36%. Who knows? That is, I just can't fathom that happening.

If you were to sit down and make a list of what the mall will provide that is not now provided, I think you would be hard put, you'd probably put down a few things. I know you feel committed that you signed your name but I hope that doesn't close your eyes to the fact that maybe it is always worth looking at it again to see really if it was closed. I had more things to say, let me take a quick look. I've got this because this (inaudible)

Greg Partch - For your information, Mr. DeVoe is here now. You were talking earlier that you had some part that you would like him to hear.

Ron Braun - When did you, whoever,

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Greg Partch - He is in the back.

Ron Braun - There he is.

Greg Partch - Please say your statements come to us.

Ron Braun - Should I restate what I said?

Greg Partch - He can hear that on the record.

Ron Braun - Okay, I need to see what I've got here. I think, okay, I wrote down here, these are the things I got up at 3:00 this morning and at 4:00, I would write them down and then go back to sleep. But I wrote down here one of the strongest arguments presented at these meetings was that Whitman County is going to shall we say take enough business away from Latah County that it would provide more tax revenue to Whitman County. I don't know that (inaudible) it may help you, but I wrote down here, let me just say this part again, I just cannot see us pulling people in from much further than Thornton. Lewiston, Clarkston they have their own development and would have no reason to come up here, because they have everything that we could even present to them in a mall.

A mall isn't going to have anything that I can see or very little. I just cannot see us coming up with the revue that is going to make this go. I just don't think it is going to work. I hope you really think about this. Where is the massive amount of money coming from? I sometimes think I don't understand what is motivating you so strongly to be persistent in pursuing this. Maybe at some point we'll understand what is more apparent your focus or your confidence or whatever it might be. I just don't think it is going to work and I probably had more to say, but let me end with this, because (inaudible).

We had a teacher who taught primary and she was working in first grade, (inaudible) and he raised his hand and wanted her to help. She bent over and looked at him so she was helping him and this (inaudible) came into the faculty room and just hilarious and laughing so it is not something she didn't want to have repeated and as she was explaining to this little boy, he kept looking at her and sort of there was a break in what she was saying and he said, "What is that blue stuff you have on your eyes?" She said, "Johnny, stuff that ladies put on to make themselves more beautiful." He said, "It's not working." With all that, you guys know her if you are from St. John and neat lady, (inaudible) anyway, I'll just end with that. I do respect what you are doing; it's not an easy job, I understand that. Thank you.

Greg Partch - Thank you. I'll remind everybody; thank you for addressing your comments and your testimonies to the Commissioners. I think it is a

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little bit easier to hear than in the more formal setting in the auditorium. Remember, that this is a hearing to address the request of Hawkins for the second amendment or the amendment to the amendment. That's the topic before us, although we are giving a lot of leeway of taking comment. I think it was really, I know for a fact, it was Hawkins intention to allow this to come about and that is why we are giving a broader perspective and time to do this because it was really at their request.

Okay, is there anybody else who would like to come forward and do a recap of a statement they did the other night or state anything new? That is what we are here for today.

Okay, with that, we have Mr. DeVoe here and he was requested the other night, there were a number of questions brought forth and like I say, we gave a wider deference from the normal public hearing to take questions. Normally, we are here to listen but we opened it up and we intend to do that, so some of those questions were directed to Mr. DeVoe and Hawkins Companies and he said he would come back to us and do that. So, Mr. DeVoe, would you like to come forward and I believe what is on your agenda to speak to us about is answers to those questions. Am I correct?

Jeff DeVoe - In part, yes.

Greg Partch - In part, like I say, we are actually giving a wider scope to allow people to come forward, including you.

Jeff DeVoe - I'm wondering if I can borrow your screen. Is that okay?

Gary Petrovich - I might need to reconfigure the room a little bit for Jeff to be able to set up.

Greg Partch - Okay, so David we may need you to move, Karen maybe (inaudible) I guess we will see it from the backside. Okay, this is Jeff DeVoe from Hawkins Companies and this is in response to questions and there and some other information they want to share.

Jeff DeVoe - Thank you, Commissioner Partch. You know this morning I got out of bed and I put on my new Hawkins Companies short sleeved shirt because it was 91 in Boise yesterday, and I thought life is going to be just great, and then I got to the airport and we waited and waited until I was obviously I was going to be late. So I apologize for not being here for the beginning of this and the disruption I have caused.

Wow, we have been through it, haven't we; the last few days and a lot of great discussion and that is okay. I wrote down, my son's first Boy Scout camp out was Friday night. The kids all went to bed and I sat in my truck

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and reviewed my notes of all the testimony and I have about nineteen things to at least give some answer for.

Before I do that, I think if I present you about 4-5 slides, Commissioners, there may be some answers within those slides to the questions that were presented earlier. So, let's go ahead and start with this. Those spread sheets; it is always so hard to present a spread sheet on a screen. So, what you have here is some of this (inaudible) size numbers that appeared in the spread sheet, (inaudible) with the numbers that Jack McLaughlin provided for us. Mr. Tracy corrected the record on Monday night, I believe it was, and indicated that Mr. McLaughlin hadn't provided numbers.

In fact, he is partially right. Mr. McLaughlin did not do a comprehensive review of the revenue projections from the shopping center per square foot. Hold on, he did not do a per square foot revenue generation based on the shopping center, he took the assumptions that we had made. He did not do the analysis of the County's, what parts of their different programs they could allocate, such as .09 money, or the \$1.02 million of the \$7.8 million, etc. He took those numbers, but what he did provide, and this is perhaps what I meant, was I don't know how to do a bond amortization.

As a matter of fact, in my mind a bond ammonization is oxy moronic because bonds don't amortize. Bonds, you pay a dividend on over a course of time and then you pay all the principle back at the end. What Mr. McLaughlin did was provide us with how that works and what the payments might be on the bond of 15 million dollars and so, anyway, as we look through all of the and I think these are aggressive numbers, the numbers we looked at on the spread sheet we looked at last time were very conservative numbers. If you look at all of the revenue that might be available that included the incremental .09 dollars that might come as a result of this project; that includes the \$200,000 lift grant per year money; that includes, not just 1.0 % of the 7.8% sales tax, but it includes all of it. It includes the 1.2 on the sales tax.

So, at full development, that means not a vacant space in the house, this thing generates about 2.875 million dollars. At its highest, now, Jack talked about. I don't know if I will get the terminology right but talked about doing a series of bonds. If you were to look at the numbers that he projected they start at, I want to say, \$500,000 for annual bond service; they go as high as 1.8 for a while and then they drop back down to \$700,000, that's what he provided for us. I just took the highest amount and assumed it was going to last for twenty years.

And then, this is the net number, so, and the net number if you took all of the possible income at full and all of the possible yearly debt service at its highest, then the new cash to the County is about a million bucks. We can talk all day as to whether or not I think that is a number that you

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should rely on or not; I don't think it is a million dollars. But it is somewhere between five hundred and a million; that is what my guess would be.

I looked on my ipad and it says there is a presentation I was supposed to do this morning. Okay, so after you get done taking that million dollars, then we look at the real property tax revenue that is on top of that and is in addition to that. We've already talked about the real property tax revenue being about 1.1 million dollars. Within that 1.1 million dollars is about \$137,000 worth of current expense dedicated money.

Now, I know before I started coming to Whitman County I didn't know what current expense was; I'm not going to tell you Commissioners what current expense is because I know you very well know what that is. However, for the information for everybody else, it might be nice to know that the current expense pot if you will, is a pocket full of money in the county coffers that can be used for, let's call it discretionary county purposes; public safety is primarily what counties are involved in. So that is money that as they balance the budget next year, probably in a few years with this project, they can use those extra monies in the current expense to promulgate the programs of the county. Promulgate, that's a good word right there.

All right, so that answers a few questions on my list. Before I sit down, I will run through all of them. I want to show what I call the flow chart of risk. Because as I said on Monday night, I will not look anybody in the eye and say that, "Once we get off and running, we are completely risk free." Because that is a lie; it is not true. There is risk; there is risk every time we do anything like this. But the flow chart kind of says, here's how the thought process goes. And within the thought process there are protections.

So the first thought process for us for you is, is there a tenant? In this case, there are two tenants or 250,000 square feet. Somebody brought up the point last week that the, I think he called it the fine print says that two big boxes may be replaced by any configuration of 250,000 square feet. We should be so lucky to put ten, twenty-five thousand boxes in the property coming out of the dig because if you were able to look at it closely it will actually generate more sales tax revenue than the two boxes by themselves. So, in my opinion, that is not that big of a deal.

So, we did the tenant. If the answer is "No, there is no tenant," what are we going to do? Dead deal; not going to do anything. Does that mean the deal is dead forever? Maybe not, but it does mean that for the near foreseeable future until tenants present themselves, no project happens.

So, if the tenants show up, then what do we do;, well, we pop over to our lender and we say, "Lender, we need to borrow some money so we can build a

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project that could go anywhere from 60-90 million dollars." That lender is going to say, "Wow. That is a lot of money. Let's talk about it." And they will underwrite us. So, if the underwriter says yes to Hawkins Companies based on our financial backing, our experience and our development plan, then we move forward.

If the lender says no, then we will probably talk to another lender, too, but essentially, it is a dead deal. So, once the lender has approved us, actually these two right here are kind of the same ball of wax, because once the lender approves us and our development plan, then we come down here and I think this is something that many people aren't fully appreciating and that's that our lender will underwrite Whitman County. So, the two, the notion of there's a risk of you guys not receiving financing sufficient to cover the publicly owned infrastructure, and us building it and then saying pay us money and you not having the money probably is not going to happen. Because we are never going to get there because our lender is going to say, "We underwrote the County and they don't have the financing in place; they don't have the mechanism to get a financing tool in place, therefore, you don't get your money." And Hawkins Companies doesn't develop.

So, our lender says no to Whitman County and we are back in the black diamond side of life here. But that is not what is going to happen; what is going to happen is Whitman County gets the bond money, Hawkins Companies gets our construction loans and we move forward. So, I categorized the risks into three categories. There's the risk of failed financing on the front end, there's the risk of the "dry hole" within the first years of the project, and then there's the risk of the "dry hole" at the end of the project, or after stabilization.

So, anyway, the risk of failed financing is key. Our lender is not going to fund the required construction without the county financing; secondly, it doesn't cost me anything to not have a loan or have somebody turn me down on a loan; I guess that is not exactly true because it does cost about \$100,000 to get a loan; but or just to have somebody consider it, I guess I should say. But we are not going to put our money in unless we know the County is ready to go. It's another 12 million dollars plus, we throw 12 million dollars around, it is probably a little more than that. We are not putting our money in until we know the County is ready to go.

Then Whitman County, this is probably the biggest point to you, Commissioners, is that Whitman County's obligation to reimburse doesn't exist until we do the work. So, if there is no construction loan money and we are not willing to put our money into it without your being ready, we are not going to do the work and there is not going to be a reimbursement required.

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All right, so going back on down the line with our flow chart, sorry, those lighter ones are really easy to see but so Hawkins Companies received a construction loan and funds from our lender and construction begins. I don't know why we have a question mark on that; I guess that is the question is when will construction begin? Let me just stop and say, that I think under today's circumstances that it is likely one of the tenants present themselves with any dry ink on the paper that construction will likely start in May of 2013. You've got a pretty wet spring and I just don't see us... there is just no way we could start until May of 2013.

Okay, so we build it if construction doesn't begin, no reimbursements required, maybe that is why the question mark is there. If we don't build it you don't pay for it. I say we, the contractor, let me stop for a second, Commissioners, because this little area right here, I suggest to you will be our biggest challenge because that is the point in which we have to go to public bidding with contractors who are approved by, you don't approve them, do you, Mark?

It's just an open notice, public bidding and that open notice public bidding is going to be tricky because there are going to be components of county-owned public infrastructure in the construction process and components of private infrastructure in the construction process and getting those two pieces to correlate okay, that's going to be a really, really difficult process for us. Not necessarily your concern, it's more on the Hawkins side, but that's going to be one of our biggest challenges.

All right, so, after it is over, oh, by the way, just a little highlight there, Whitman County doesn't reimburse Hawkins Companies for county-owned public infrastructure until 10% of that construction is complete or ninety days. Help me out, Gary, is it?

Gary Petrovich - the latter.

Jeff DeVoe - Later of, so if 10% happens prior to 90 days then we have to wait for the 90 days to expire. After it is done, actually we have changed the document in the second amendment so that the infrastructure has to be dedicated to the County prior to reimbursement. But at the end of the day, Whitman County will only own infrastructure, Hawkins Companies will own the user buildings. This is the year one through seven risk of not being the dry hole.

I can't remember who said it; it might have been Milt Rowland actually who threw that one out there that the concern is that there is a dry hole. During that year one through seven the dry hole year zero through two is covered by, at least conceptually covered by capitalized interest on bonds. Years three through seven a five year period; that risk is covered by Gary Hawkins personal guarantee. Let's talk about the guarantee for a second; I've got a couple of points, I want to remind you Commissioners

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about; point number one is that there was never an intent on Gary Hawkins part before today or tomorrow to sequester his assets in his wife's name in a non-community property estate. I know that was brought up; that's not and has never been the idea and so to the extent that we need to make a correction there, we are happy to do so.

The second point, it might have been suggested that at least by implication that the County has not received legal advice regarding the guarantee document; the guarantee document was executed, I believe was May 27, 2008, and was fully negotiated between myself and Mr. Tracy. So, I don't think that is a correct fact, either. That document has been vetted through the County's counsel process.

Let's see, then finally, regarding Gary Hawkins personal financial package, his financial reports; Gary does not receive CPA public audits like a publicly trading company would; indeed most private companies don't have CPA audits the way that publicly trading companies would. It does have financials, those financials when we sat down individually at separate meetings with the Commissioners on November 22nd we presented those financials and showed them to you. I don't know that we ever pulled them off the screen and crunched them out but you've seen the financials and we are happy to sit down with you again. We have to be sensitive about Gary's personal financials and the propriety of those being publicly disclosed for (inaudible) and so forth to be able to see.

Okay, I think that was the end of my diatribe. So, at the end this is nirvana, right here. Whitman County owns the infrastructure, it's complete, it's in, its operating wonderfully, Hawkins Companies completes all the tenant user buildings; the tenants operate and everything goes smoothly and wonderfully.

In the center that is hopefully going to be the size that this one is, what you will see often is you will see sometimes tenants come and go. When Bed, Bath and Beyond decided that they were no longer a viable company they filed for bankruptcy and they went away. That's an opportunity for us to fill the space with a new tenant. Sometimes, for us as a company that is actually a better thing because the rents many times go up with time faster than they go up with the contract that you signed with the tenants. So, sometimes that allows you to resize your rents, which is good for us.

Greg Partch - Did you mean Linens and Things rather than Bed, Bath and Beyond?

Jeff DeVoe - Yes.

Greg Partch - Sorry, I just wanted to correct that.

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Jeff DeVoe - Well, it's kind of funny because you start thinking about tenants and you think of PetCo and Pet Smart together and Bed, Bath and Linens together and Whole Foods and Harry's together, so, I lumped those in. So, I think this is the last one I wanted to show. So, the flow chart at risk gets us to the risk of failed financing, short term risk of dry hole and here is the risk of dry hole, which is about 13 years. The mitigating factors to that are that at that point you have a stabilized center; we have re-re-tenant opportunities, I mentioned before that we had a Costco that jumped out on us down in Boise a few years back and we were able to put a Cabelas in their place and they have done a fabulously well and it has been great addition to the City of Boise. The City of Redding, California, once again, I mentioned the Gottschalks have gone out and when they went out we brought in Sportsman Warehouse and put them in the Gottschalk's building.

The one wonderful thing about real estate is that there is really no new real estate being made except in Hawaii where that volcano keeps going into the ocean and pretty soon the island is going to grow, but anyway, there is no new real estate. So good real estate is good real estate and will be so in the years to come. So, those re-tenant opportunities are great.

I just wanted to mention for a second, full build-out we get caught on this, and it's good that we planned to build this thing out in its entirety; that's not required to cover the bond cost. Full build-out is not required to get to the bonds; to get to zero on the bonds, so once again, we are talking about risk and that's all right now. We are not talking about the cash benefits to the programs that you may be able to do and design as a result of the cash to the County. We are only talking about will the County have to count of current expense for coverage of the bond? The answer to that is that full build-out is not required and that mitigates that risk. Then of, course, the Public Works Trust Fund and other state programs. You guys have had a decent run in order to be able to receive some of those funds that your state allows you to have.

Those were the things, I think that was my last one, those were the things that I wanted to run through on my slide presentation and then I just want if it is okay, Commissioner Partch, if I just run through my list of nineteen things, some of which we have already answered.

First question was, "Will the center cannibalize the shopping venues in the area?" What we have discovered in the past is that poorly run businesses go out of business. Businesses that are struggling and are in bad shape will continue to be in bad shape. I always point to a store called Power Townsend, which is a local lumber supply store in Helena, Montana. A family owned business; been in Helena for a bazillion and a half years and we didn't build the Lowe's but Lowe's came in immediately across the street from Power Townsend flagship store.

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I know the owner a little bit now because we have dealt with them on some things, Power Townsend, and he said, "Yep, and Lowe's opened up we dipped, but now we are back and above where we had ever been before." I don't understand the phenomena, I really don't pretend to be any condense on that type of thing but what we discovered is there is an impact initially and then that impact stabilizes its way out and well run, well financed businesses continue forward.

I would add, also that this area really doesn't have the types of retail that will come into this shopping center locally. I had to kind of giggle a little bit, I was talking to my wife over the week-end and I can't remember who made the comments in the meeting last week that said I would love to only have a 44 mile round trip instead of a 120 round trip. Of course, within five minutes of my house there's a Target, a Wal-Mart, I mean I don't experience that reality on a personal basis and so to be able to, 44 miles still is a lot better than 120, even though it is amazing to me.

Okay, Mr. Tracy negotiated part of the deal structure, okay, independent feasibility studies. I guess, I believe it was you who were talking about those. A couple of other people said, "Let's go out and do a complete market study." I guess, you hear me kind of hemming and hawing and the reason for that is, is we aren't here because we necessarily studied the market and found a great speculative location. We are here because our tenants have said, "We want to be here."

So, from our perspective in terms of who would want, the risk here is that nobody comes after we build it and that risk is mitigated by the fact that our tenants want to be here. Yes, we are going through the process of approvals and so forth and the market after the recession is a different market than before so they have to look at it internally. The feasibility studies are quite expensive; I think that is something you mentioned. I'm not sure how much value they had in this particular instance. If the County were interested, of course, in doing some third party feasibility studies, we are more than happy to work with you in doing so, and talking to your consultant and so forth. My next one was, "How can the project be full in seven years?"

Alan Thomson - Have your perspective clients done their market analysis?

Jeff DeVoe - Yes.

Alan Thomson - Lowe's for instance? Any other retailer they've already done their market analysis and if they say they want to come here,

Jeff DeVoe - That's true. They call it dashboard a lot of times; I don't know what dashboard means but the operations folks come out and they use

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their internal models and they estimate how much sales can be generated by some of the stores, and so forth. It will be really nice, is if we can get them, that's proprietary information for our tenants, but it would be really nice if we could get them to share that information with us so we could know what their expectations of their store performance is. Because nobody knows their stores the way they do.

I would just mention, that I think I don't have numbers, I just think that the Wal-Mart store in Pullman opened fantastically and has created revenue beyond expectations easily. So, we could probably do some research and dig those numbers up.

Secondly, how can it be full in seven years? Well, we're coming with tenants to start with. So, we are not coming and building an enclosed mall space that is going to have vacant ends of it until somebody comes; our land the vacancies will be bare dirt while that is still a vacancy it is, we are not doing this to create bare dirt spots. We won't start construction until we are adequately tenant and user and whether or not we are absolutely full in seven years or whether we are three-quarters of the way full in seven years, we will be adequately covering the bonds (Inaudible) that service.

Somebody says, as a matter of fact it might have been him, said, "The mall only extracts money from people who live here and doesn't create anything." One of the things that I think I understand about your area and I think it was a 2005 study by Dr. Peterson at WSU indicated, I've been told that there's an amazing amount of leakage going out of your county. Leakage is a term the used we refer to retail dollars that are spent somewhere else. I think Colleen in her testimony last week talked about the leakage and as a matter of fact, shared her personal experience about going to Spokane and now she is eating Top Ramen at home now, anyway, she went to Spokane and spent her money.

Back in the early days of the presentations that I have made on this project, I used to wear a shirt that was a shirt I wound up staying here a day too long; didn't have any clean clothes and I went and bought a new shirt so I would have some clean clothes to wear, except I didn't buy it in Whitman County because there was no place to buy it in Whitman County; I had to go somewhere else.

There is a lot of money leaking in your County every single day. So, is that 100% enough money to cover the revenue generating projections that we need to have to cover your bond? It's going to be close; I would suggest to you the other monies are going to be, I rode on the airplane today with two people; one is a WSU graduate and one has two kids who are graduating; one has just graduated and one is graduating in the spring from the U of Idaho. Granted, how do you outfit your kids and yourself when you came up here? Well, "We started in Boise and we went to the Costco and we loaded

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up the car and we drove up here". I said, "Really you took toilet paper from Boise because they don't sell toilet paper up here?"

The commentary was just that. There aren't enough stores around to be able to outfit the dorms and the apartments like that. I would suggest to you that some of the monies that would be spent at this shopping center will come from Los Angeles, from New Mexico, wherever your students are coming from. They are bringing their money into your community and they are going to be spending it at this shopping center which is going to allow public services in your county to at least stay stable if not increase over time.

Okay, Tammy, "Are we willing to sit down and redo the contract?" Everybody wants... I think that was one of Kirby's points as well. I can tell you without guile, without hesitation we are willing to do anything that is necessary to further ourselves along with the premises that we are going to build a shopping center. That, in and of itself may be a bit disappointing caveat; because there are restrictions, there are constraints on what we are able to do based on how shopping centers come together, how the financing of those shopping centers work. We've always been willing to sit down with the community and work through things it makes sense to work through.

Now, I think that is a little bit of a double sided question because it seems to imply that there has not been much discussion about the due diligence that may have happened on this project. There hasn't been much consideration for, I think someone was talking about financing contingencies and so forth, I would suggest to you there has been a lot of discussion about that; a lot of discussion. More than happy to share some of that discussion that happened between the County's lead negotiator, Gary Petrovich and myself this week negotiating some of the difficult issues this week.

So, the short answer is yes; re-do the contract? No, the contract has been in place since 2008; do some things that make sense? Yah, yah, we are going to own this shopping center; we will be here in 35 years. I want to be able to wear my brand new short sleeved Hawkins shirt around town without people being upset about it.

Another one was jobs will be mostly people from Idaho. Well, I don't really know how to answer that; maybe so. If they are, guess where they are going to come back and spend their money? At the shopping center; at your car dealerships and they will be spending their money on tuition. One thing that is kind of, I was trying to think about it, I can't think, Commissioners, of another market that is like yours that has two prominent higher educational institutions so close to one another. There are some prohibitions if you are an in state on one side living on the other side

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of the state line. I know it must happen, but it would be interesting to see who works where.

Has council reviewed the documents? I think we have talked about that a little earlier. Somebody said if it was a good idea the developer will pay for it. I think that comment was made without an understanding that there is a difference between revenue generation and sales tax generation. So the idea that it is a good idea the developer should pay for it, okay, that's good, but I don't get the sales tax generation that comes back to cover that infrastructure the way that the County can; so I think that structure after looking at it a lot, this structure is probably as close to the best as it can be.

Why not phase it in 5 million dollars at a time? That's a great question; I've asked that one a lot. Why couldn't we just build the Lowe's out front and let it sit for awhile and then move on up the hill and so forth? The answer to that is, infrastructure, plain and simple. By the time we put in a sewer system for that one store out on the corner, we've spent a lot more than 15 million dollars and you only have the one store out on the front to pay for it. It just can't work in the 5 million dollar increment methodology that was suggested. The grading that has to be done to run the trunk lines for the sewer system and water are too big to do that with.

When my kids get bored at talking to me they turn the TV up really loud. Somebody said this is like giving your money to someone else to gamble in Vegas. I think the reason I wrote that down is because the County I believe anyway, the Commissioners you know better than I, I believe you invest your tax dollars routinely until most counties, most cities as they receive lump sum tax amounts you get them twice a year, invest that money and save investments that will generate income for the County. I think this county, I don't know about this County, but many of the counties I know of when the downturn hit, that was one of the biggest sources of their unbalanced budgets; because what happened was, they used to be able to make 4-5% on a significant amount of tax revenue that came in the door and now all of a sudden they can make half a percent the same money. That causes a deficit in the budget. So, it's a (inaudible) way to get to that point, it's not an uncommon event for municipal governments and counties to invest money and frequently it is also not uncommon to build infrastructure. In this case, the investment is the infrastructure in a way to stabilize tax base.

Put leadership before the right answer. Kirby, I love that quote, by the way. I believe in that. I also think it is an unfortunate comment certainly not trying to attack you at all, but it is an unfortunate comment because it doesn't share the understanding of what your County Commissioners are doing. I don't know everything that they do but I do know that this group of county commissioners, leadership is waking up in

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the middle of the night and losing a little bit of sleep over what you are doing on behalf of your constituents.

Leadership is making a difficult decision that you have conviction about with regard to the matters before you and so forth. Regardless of the outcome today, or over the course of time, this group of commissioners is taking that on in a strong fashion. It has not been an easy process for me as a developer, although I have a great deal of respect for all of your commissioners as a result of how they approach their leadership with regard to this issue in particular.

I know I'm taking you a little bit out of context, Kirby, but it was a good opportunity, you know, I had somebody say to me, and I'll pick on Mr. O'Neill for a second, I had somebody say to me, "Commissioner O'Neill didn't show up for the farm breakfast or whatever he was supposed to speak at." Trying to tell me it was an indication of his inabilities and his flaws. The fact of the matter was, as I understood it, he was on another assignment over on the western part of the state working on some things. So, I guess my point is, it is easy to say that this was bad; it's much harder to dig through the layers and say "Oh, he isn't here but he was working on something I didn't even think about." I think that is what happened here. Where we ever wind up, I think leadership is happening in Whitman County.

Next one, has anyone seen a personal guarantee from Gary, or personal financial from Gary Hawkins? We talked about that earlier, 250,000 square feet of smaller shops than boxes is bad, we've already talked about that.

Oh, submission of building plans as a firm commitment being inappropriate. I can pull that out of there, that doesn't bother me one bit because I'll tell you what, places like Lowe's and other large scale retailers they don't design their buildings until they come. The building permit is the last thing to come through the door so the reason that is there, once the building permit with the plans is submitted you are in pretty good shape that tenant will be filled.

WSU Economics Department should analyze the project. I think that is a fine idea. We talked about third parties doing that later or earlier, I mean. Venture capital money at 13%, this isn't venture capital money and that was kind of an odd way to, I don't know if you recall it but somebody said this was really venture capital money that the County is putting in and we should expect that the County has to pay 13-14% hard money rates for that money. The fact is the County is not in a venture capital situation; the County is building infrastructure and municipal bonding is a viable way of doing that; it's been done that way across the country, across the State of Washington. There's no way you are going to pay 13%. I'll tell you what; if there is I'm not going to get a loan on the project on my side of (inaudible).

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Then finally, somebody asked about the 50 million dollar evaluation. Because if you recall I showed you the pie chart and I told you that we only estimated 50 million dollars of assessed value, but the County Assessor looked at it as a 91 million dollar assessed value. If you looked at the spread sheet the revenue assumptions were based on the County assessing our project at 50 million dollars, which would be about half of that 1.1 million real property tax number but kind of in our gut check numbers coming in the door, we had much lower real property evaluation.

What I learned subsequent, the reason I did it that way, that was my assumption, but the reason I did it that way, was because many places I go, the counties have a number that's if you call it a dollar, and they assess you at 75 cents on that dollar or 50 cents on that dollar, something less than what that whole value is. I understand in your County you assess it at the full dollar, not a percentage of the dollar. So that's where that came in.

That was my list of nineteen. Milt talked about a bunch of stuff on Tuesday night. I'll just quickly look and make sure I didn't miss any of those. I think that my comments have pretty well covered these other ones. With that, once again, we are guiding ourselves based on principle in this matter and the principles are that we have to pencil this thing out right and it can't be a reversal in private monies to private individual. It has to be public monies for public infrastructure.

I will just close with this one final thought. That is a reminder that after the sewer system goes in on the land that we donate to the County, after the water tower goes up on the hill on land that once again goes in from us to the County, granted the tower (inaudible) paid for by the county, there will be fire flow and sewer starting from the east end of the corridor heading westward for future corridor development.

That vision that Mr. Bordsen talked about last week was to develop the corridor and have that be the focus of industrial and commercial development throughout the County; that's where it is supposed to happen; this is the next step in that happening. I would encourage you, the Commissioners to take a good hard look at this thing and vote in favor of the second amendment to our development agreement.

That, Mr. Partch, is my twenty minutes is actually forty-one minutes and forty-nine seconds so I'm quitting.

Greg Partch - Thank you, Jeff. Okay, it is now getting close to 11:30 but the next step after this is we will adjourn our public hearing. We want to open it up one more time to anybody who would like to speak; especially

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in light after Jeff DeVoe's presentation. Is there anybody who would like to speak? Mr. Braun?

Ron Braun - Just one question. I really appreciate all the information you've given us. It gives us a better perspective. But through the course of all of this, and I know a lot of people feel this way, too, I think it is the biggest fundamental question people have is you've come from the Boise Valley. A third of the State's population or more is in the Boise Valley so you have a different take on things and I understand that you have businesses going in other states. But our situation is so different here.

I truly cannot, the fundamental thing, where is the purchasing power going to come into make this thing work? We talked about going to the north, people are going to go to Spokane, that is a given. There's not much west of us; we can draw from Clarkia or not. So, it really boils down between us and Lewiston and Clarkston. I wish this part could be answered with confidence how do you feel you can generate that much purchasing power with the pace that we have in the area at the present time? Forty-five thousand people in Whitman County, how many in Latah County, Lewiston-Clarkston, what 60,000 people? I just,

Greg Partch - That is a question directed to us perhaps, you and Mr. DeVoe can just get together afterwards. Part of that was in his power point but I think maybe the best thing, it is a big subject and maybe you can get together afterwards. Is there anybody else who would like to speak? I must remind everyone one more time, the public comment period for this hearing is going to go through this Friday, April 27th at 5:00 and it should come to our Clerk; it can come to us individually by phone or how you ever want to do it.

Not hearing any more people who wish to testify. Thank you very much. Thank you for your presentation. Again, I want to say this subject was concerning the amendment to the amendment and really more than anything, obviously there wasn't any real big thing, there was an answer to the lawsuit as to how we can clean up the language in it better. That was basically what came to us for the second revision amendment but I think, more importantly is that there was our desire and I know for a fact, it was Hawkins desire to hold open public hearings and get as much input as we could. So, I think we have done that at this point and we will still have that open public period.

With that, I will adjourn this public hearing. We have some options. We can make a decision right now, and a lot of times we do on things that are sort of Performa and do that; we do that on occasion; we've got the 30th a week from today, which we could do that. That's the way we schedule it; that doesn't necessarily mean that we have to. So, we will look forward

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to seeing everybody here on the 30th at which time we will make a decision whether or not we will make a decision at that time or at some other date.

So, with that, we will go on to the next order of business.

072992 **41.** Commissioner Largent **moved** Commissioner O'Neill **seconded** the motion and it **carried** to request legal review of the Hawkins Companies, LLC second amendment to the Development agreement by the County Prosecutor/Deputy Prosecutor.

11:35 a.m. - Adjournment.

D072992A Commissioner O'Neill **moved** to adjourn the **April 16, 17 and 23, 2012** meeting. Motion **seconded** by Commissioner Largent and **carried**. The Board will meet in regular session, in their Chambers', in the Whitman County Courthouse, Colfax, Washington, on **April 30, 2012**. The foregoing action made this **23rd** day of **April 2012**.

ss/ PATRICK J. O'NEILL, COMMISSIONER
ss/ MICHAEL LARGENT, COMMISSIONER

MARIBETH BECKER, CMC
Clerk of the Board

GREG PARTCH, CHAIRMAN
Board of County Commissioners